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frequently asked questions (FAQs) and answers to assist in determining the steps necessary to move to full compliance.

If a campus CFO determines that his/her university is not in compliance and will not be able to be in full compliance within ninety calendar days (or if the university requires additional time to enable certification), a plan detailing the steps that will be taken to comply fully with EO 1052 must be submitted to this office within sixty (60) calendar days for review and approval. The plans shall describe in detail impediments to compliance or why additional time is needed to certify compliance. The plan must include specific timelines for complete compliance.

The following is presented to support the development of plans. All attributes must be considered; however, the structure and form may vary.

### **Suggested Plan Attributes**

- 1) Establish phases/timeline for implementation.
- 2) Document resources committed to bringing the campus into compliance.
- 3) Describe special circumstances requiring a delay in implementation, such as:
  - a) Funds have been legally committed or pledged; and
  - b) Funds are needed to provide cash flow for contract and grant activities.
- 4) Identify university funds.
  - a) Describe your methodology for assessing funds, activities and programs within campus auxiliary organizations (i.e. surveys, reviews of receipts, analysis of major contracts);
  - b) Establish materiality levels and documentation requirements; and
  - c) Explain process to resolve questions and issues raised during the assessment of funds.
- 5) Control of university funds in the custody of an auxiliary organization.
  - 1) Outline new and existing campus policies and procedures supporting the objectives of the policy; and
  - 2) Topics addressed in campus policies and procedures might include:

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- i. Review of activity and program receipts;
  - ii. Approval processes;
  - iii. Delegations;
  - iv. Monitoring processes; and
  - v. Accountability and transparency.
- 6) As appropriate, describe mitigating controls established where special circumstances significantly delay implementation of the policy.

Any questions regarding this memorandum or the related Executive Order may be directed to this office or to the Senior Director, Fiscal Control and Special Initiatives, Mike Redmond at [mredmond@calstate.edu](mailto:mredmond@calstate.edu) or 562-951-4345.

BFQ:lje

c: Chancellor Charles B. Reed  
Vice Presidents/Provosts, Academic Affairs  
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University Auditor Larry Mandel