



AUDIT AND ADVISORY SERVICES

Support and Affiliated Organizations Audit Project No. 13-610

June 24, 2014

Prepared by:

Tanaiia Hall
Auditor-in-Charge

Reviewed by:

Approved by:

Jaime Jue
Associate Director

Wanda Lynn Riley
Chief Audit Executive



AUDIT AND ADVISORY SERVICES
Tel: (510) 642-8292

611 UNIVERSITY HALL #1170
BERKELEY, CALIFORNIA 94720-1170

June 24, 2014

Nicholas Dirks
Chancellor

Scott Biddy
Vice Chancellor
University Relations

Chancellor Dirks and Vice Chancellor Biddy:

We have completed our audit of Support and Affiliated Organizations as per our annual audit plan in accordance with the Institute of Internal Auditors' *Standards for the Professional Practice of Internal Auditing* and the University of California Internal Audit Charter.

Attached is our audit report including observations and management action plans. Please destroy all copies of draft reports and related documents. Thank you to Institutional Advancement at the Office of the President, Advancement Operations in University Relations, the Chancellor's Office, Office of Legal Affairs, Office of Business Contracts and Brand Protection, and the Office of Ethics, Risk and Compliance Services for their cooperative efforts throughout the audit process. Please do not hesitate to call on Audit and Advisory Services if we can be of further assistance in this or other matters.

Respectfully reported,

Wanda Lynn Riley
Chief Audit Executive

cc: Assistant Vice Chancellor Irene Kim
Senior Vice President and Chief Compliance and Audit Officer Sheryl Vacca
Associate Chancellor Linda Morris Williams
Assistant Vice Chancellor and Controller Delphine Regalia
Executive Director Kevin Crilly

**University of California, Berkeley
Audit and Advisory Services
Support and Affiliated Organizations**

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OVERVIEW

Executive Summary

Per our fiscal year 2013 audit plan, we conducted an audit of processes and key controls related to support and affiliated organizations. During our review we assessed compliance with *Regents Policy 5203: Support Groups, Campus Foundations, and Alumni Associations* and the *Administrative Guidelines for Support Groups*. Gift Management is the current campus office of record for gift and fund administration and responsible for oversight of support groups. Effective July 1, 2014, due to reorganization in University Relations, Gift Planning will be responsible for oversight of support groups.

Affiliated organizations are defined in Regents Policy 5203 as a group other than a support group, campus foundation or alumni association. The policy delegates to the Chancellor authority to enter into an agreement for a defined time frame on behalf of the campus. We have seen the emergence of more support and affiliated organizations, many recently incorporated, which appear to vary in scope from donor-developer construction projects to fundraising for programs that were previously administered through the campus and that have robust and unique fundraising components to their mission. These characteristics suggest a shift in types of support and affiliated organizations and their relationship with the campus.

Based upon our audit procedures we observed the following related to support and affiliated organizations:

- The campus has not developed a formal process, policy or standard for negotiating with potential affiliates, providing official approval and acknowledgment (other than the Chancellor signing an affiliation agreement), ongoing management and monitoring of the relationship, and periodic reassessment. There was also not a formal delegation of authority from the Chancellor to a designated official and/or office to execute agreements on behalf of the campus and to serve as the office of record, if either of those functions is being done outside of the Chancellor's Office.
- We were unable to obtain the agreements between four affiliated organizations and the campus. In the absence of agreements and additional documents, it is unclear whether affiliated organizations and the campus are in compliance with the agreements and campus policies.
- A donor pledged to an affiliated organization one-fourth of the estimated value of a building project over seven and a half years for a school on campus. As a result, the building will be named after the donor. Although we received documentation of an acknowledgment of the naming by the Chancellor, we did not receive documentation of approval by the President. The campus may have committed to naming a building for the donor to an affiliated organization for a pledge that will not be fully met for several years and that may not have been properly approved, exposing the University to risks if commitments are not fulfilled.
- The same donor mentioned above requested "soft" credit from the campus for the pledge, which may raise the question of whether the pledge to the affiliated organization was intended for the University, and thus be subject to policies in place for gifts used to fund

capital projects given directly to the campus or a support group. The pledge agreement, drafted on school letterhead, was acknowledged and signed by the dean in both his capacities as a board member of the affiliated organization and a campus dean. The campus should make a clearer distinction between giving options and inform donors of the established methods which afford them formal acceptance and acknowledgment from the University to avoid potential confusion between the affiliated organizations and the University.

- A recently formed support group incorporated, obtained 501(c)(3) status, and conducted fundraising activities outside of the office of record charged with facilitating the process. This deviation from an established process prevented Gift Management from providing the necessary oversight and guidance to the group as they were active on behalf of the University.
- Lastly, a long-standing support group that fundraises and provides scholarships to students on campus appears out of compliance with policy or guidelines regarding formal acknowledgment documentation and annual reporting.

Management acknowledges the observations and plans to facilitate a working group to develop policy and clarify roles related to reviewing, approving and managing relations with affiliated organizations and support groups, including naming and donor recognition protocols.

Audit Objective

Per our fiscal year 2013 audit plan, we conducted an audit of processes and key controls related to support and affiliated organizations. We coordinated with the Gift Management unit within the Advancement Operations unit in University Relations during the risk assessment process as part of planning for this audit. We evaluated compliance with Regents Policy 5203 and the *Administrative Guidelines for Support Groups*. The overall audit program and approach included evaluating the following risks and internal controls related to support groups: (1) official creation and recognition; (2) the maintenance of privileges and compliance; and (3) fundraising activities and financial management. In addition, we evaluated the existence and quality of oversight and internal controls regarding recently formed affiliated organizations.

Scope of the Audit

The scope of the audit consisted of sampling from the entire population of groups currently tracked by Gift Management on its most recent annual report of support and affiliated groups. For detailed testing, we primarily reviewed groups that had formed, dissolved or had other transitions since our last audit of this area in 2007. Audit techniques included in-depth discussions with departmental personnel and detailed review of selected transactions and related documentation.

Based upon our risk assessment process, the following types of groups were excluded from the scope for various reasons including but not limited to lower levels of perceived risks, or otherwise outside of the scope of Regents Policy 5203.

- Established/known affiliated or other organizations, such as International House, Women's Faculty Club, Men's Faculty Club, Associated Students of the University of California (ASUC), etc.
- Campus Foundation (UC Berkeley Foundation)
- Campus Alumni Association (California Alumni Association)
- Other groups not mentioned in Regent Policy 5203 or *Administrative Guidelines for Support Groups*, such as, student organizations, foreign affiliates, etc.

Background Information

Support Groups

Volunteer groups and non-profit organizations have been providing assistance in fundraising, public outreach, and other aspects of support to the University and have been invaluable resources since early in the University's history. According to the policy and guidelines, a support group is defined as any group, organization, foundation, or association other than a campus alumni association or campus foundation (1) whose primary purpose is to provide assistance through fundraising, public outreach, and other support for the University's mission; or (2) whose representatives or activities make the entity indistinguishable from the University itself; or (3) that acts as an agent of or intermediary for the University. Support groups typically operate with some affiliation or collaboration with the University to raise gift funds and/or provide public support for the teaching, research, patient care, and public service programs of the University. Each support group shall be organized and operated so that contributions to or through it to the University or a campus foundation shall be deemed tax deductible contributions under relevant provisions of state

and federal tax law, and all operations shall be in accordance with applicable University policies, guidelines and procedures. The University of California issued Regents Policy 5203 in September 1995 and amended it in September 2005. Of the current list of active support groups, there are approximately fourteen groups, one of which formed since the prior audit in 2007 and two have since dissolved. Although Gift Management was not always able to attribute gifts to a particular support group versus the University directly, the known estimated cumulative giving from these groups was approximately \$57,000 for fiscal year 2012 with one group responsible for approximately \$37,000.

University Relations has been the delegated unit of oversight over support groups on the Berkeley campus since 1997. Gift Management is the current campus office of record for gift and fund administration. The department accepts private donations to the campus, establishes and manages funds and endowments, reports to donors and organizations, and ensures the long-term use of charitable gifts. In 2004, the University issued the most recent version of *the Administrative Guidelines for Support Groups* to provide more procedural guidance to campus regarding the volunteer fundraising groups. Effective July 1, 2014, due to reorganization in University Relations, Gift Planning will be responsible for oversight of support groups.

Affiliated Organizations

Regents Policy 5203, though focused on support groups, campus foundations and alumni associations, included the following definition of affiliated organizations stating that under special circumstances, when an entity does not fit the definitions for the three categories, a campus may enter into an affiliation for a defined time period by written agreement. Such an agreement may permit the use of the University's name, facilities, personnel, and other resources in return for specified benefits received by the University. Affiliation by agreement shall not be used to circumvent the policy and shall be entered into only by the Chancellor or a single campus official so designated by the Chancellor, in accordance with applicable University policies, guidelines, and procedures. At the time of our review, there was not a separate system wide or local campus policy or guideline specifically for affiliated organizations.

What had traditionally been considered as the campus standard for affiliated organizations were those entities such as the International House, Men's and Women's Faculty Clubs, ASUC and other organizations that had a defined programmatic purpose and a long-term relationship with the campus, but remained independent of the University. However, we have seen the emergence of more organizations, many recently incorporated, with purposes that appear to be very specific, innovative and have robust fundraising activities. For example, the campus has entered into agreements with donor-developer organizations completing construction projects on campus for the benefit of the school, college or department that they support. In addition, the scope of affiliates also includes administration of programs previously administered by the campus but subsequently "spun off" into separate affiliated entities. The characteristics of affiliated organizations seem to be evolving which suggests a shift in how the campus has traditionally related to affiliated organizations.

There have also been recent key transitions in University Relations and on campus that occurred prior to fieldwork. The new Chancellor officially assumed office on June 1, 2013. His executive assistant transitioned into that role in March 2013. In University Relations, the former Associate Vice Chancellor separated from the University in February 2013 and, at the time of our audit fieldwork, that position was vacant but a successor is expected to be in place by July 1, 2014.

The former Director of Gift Management transitioned to a position at UCOP in November 2012 and, at the time of our audit fieldwork, her former position was vacant. Subsequently, we understand this position was subsumed into the new Executive Director – Donor and Gift Services position.

Summary Conclusion

Based upon our audit procedures we observed the following related to support and affiliated organizations:

- The campus has not developed a formal process, policies and standards for negotiating with potential affiliates, providing official acknowledgment (other than the Chancellor signing an agreement), ongoing management and monitoring of the relationship, and periodic reassessment. There also was not a formal delegation of authority from the Chancellor to a designated official or office to execute agreements on behalf of the campus and to serve as the office of record. Such a process would ensure that any agreements between the affiliates and the campus include terms and conditions, incorporating pertinent University and campus policies and guidelines as well as review by central entities responsible for overseeing certain aspect of the organization's affiliation (programmatic, use of trademarks and brands, fundraising campaigns, gift management, inclusion of financial information in campus statements, etc.) In the absence of a formal process to manage relations with these affiliated groups it is unclear whether the campus has considered and made provisions to mitigate the risks associated with the various affiliations.
- For four organizations that we learned of during this review and that are likely affiliated organizations that fundraise, we were unable to obtain the agreements between these organizations and the campus. The lack of documentation available at the Chancellor's Office or other central units we queried indicated that a formalized process and central office of record may not have been designated.
- In one case, a donor pledged \$15 million to an affiliated organization over seven and a half years, representing one-fourth of the estimated value of the building project for a school on campus. As a result, the building will be named after the donor. Although we received documentation of an acknowledgment of the naming by the Chancellor, we did not receive documentation of approval by the President. The campus may have committed to naming a building for the donor to an affiliated organization for a pledge that will not be fully met for several years and that may not have been properly approved, exposing the University to risks if commitments are not fulfilled.
- The same donor mentioned above requested "soft" credit from the campus for his pledge, which may raise the question of whether the pledge to the affiliated organization was intended for the University, and thus be subject to policies in place for gifts used to fund capital projects given directly to the campus or a support group. The pledge agreement, drafted on school letterhead, was acknowledged and signed by the dean in both his capacities as a board member of the affiliated organization and a campus dean. The campus should make a clearer distinction between giving options and inform donors of the established methods which afford them formal acceptance and acknowledgment from the University to avoid potential confusion between the affiliated organization and the University.

- A recently formed support group incorporated, obtained 501(c) (3) status, and conducted fundraising activities outside of the office of record charged with facilitating the process. This deviation from an established process prevented Gift Management from providing the necessary oversight and guidance to the group as they were active on behalf of the University.
- Lastly, a long-standing support group that fundraises and provides scholarships to students on campus appears to have been out of compliance with policy or guidelines regarding formal acknowledgment documentation and annual reporting. Though the scope of the organization has evolved since its founding in the early 1900's, it currently fundraises to provide scholarships for students matriculating at the campus. According to a record of scholarship funds received through University Relations in fiscal year 2012, the organization had provided \$37,000 that year.

SUMMARY OF OBSERVATIONS & MANAGEMENT RESPONSE AND ACTION PLAN

Affiliated Organizations: Inadequate Central Guidance and Oversight

Observation

From our discussions with management, we understand that there is increased activity on the campus and external community for the campus to work with affiliated organizations, created to support specific campus programs or major capital projects and that are not considered official support groups that would be subject to the compliance requirements specified in Regents Policy 5203.

During our review of oversight for groups functioning as affiliated organizations, rather than as recognized support groups, we observed the following:

- The campus has not developed a formal process for negotiating with potential affiliates, providing official approval and acknowledgment (other than the Chancellor signing an affiliation agreement), ongoing management and monitoring of the relationship, and periodic reassessment. Such a process would ensure that any agreements between the affiliates and the campus include terms and conditions incorporating pertinent University and campus policies and guidelines, as well as review by central entities responsible for overseeing certain aspects of the organization's affiliation (programmatic, use of trademarks and brands, fundraising campaigns and gift management, potential campus financial statement impact, proper treatment of potential related-party transactions, etc.).
- Currently the Chancellor is the only campus official with the authority to enter into an affiliate agreement based on Regents Policy 5203. We did not identify formal re-delegation from the Chancellor to someone else. We were also unable to obtain copies of agreements, transactional documentation or insight from either the Chancellor's Office or other central units that would likely be offices of record regarding the handling of related party transactions for those organizations that we identified as potential affiliates, raising some concern as to whether an appropriate level of campus oversight of affiliates is taking place by the Chancellor's Office.

In the absence of a formal process to manage relations with affiliated groups, there is an increased risk of inappropriate use of University resources (financial, employees, facilities, and brand), unforeseen financial and legal liabilities, conflicts of interest for individuals serving both the campus and the affiliate, and the benefit gained by the affiliation may not be adequately evaluated.

Management Response and Action Plan

Although Regents Policy 5203 is not in the scope of our responsibility, we agree that there is a need for a formal process by the campus to approve and manage relations with affiliated groups and to determine the appropriate parties who will need to be involved in this process going forward to ensure compliance with campus and UCOP policies.

Currently, University Relations' role is to assist those affiliated groups who fundraise to become a formal support group and to help established support groups maintain their approved status.

However, University Relations will help initiate the conversations and create a working group to develop policy, identify relevant campus representatives, including a representative from the Chancellor's Office, and clarify roles. University Relations will inventory existing 501(c)(3)'s to share with the working group. Our plans are to convene a Working Group to address this before the end of September 2014.

Affiliated Organizations: Lack of Agreements and Support Documentation

Observation

According to Regents Policy 5203, a campus may enter into an affiliation, for a defined time period, by written agreement. Such an agreement may permit the use of the University's name, facilities, personnel, and other resources in return for specified benefits received by the University. Affiliation by agreement shall not be used to circumvent the policy and shall be entered into only by the Chancellor or a single campus official so designated by the Chancellor, in accordance with applicable University policies, guidelines, and procedures. We therefore infer that the Chancellor's Office or a delegated central unit should maintain all pertinent agreements and documents pertaining to affiliated organizations.

Of the four organizations we reviewed that are likely affiliated organizations that conduct significant fundraising, we were unable to obtain the agreements between these organizations and the campus at the Chancellor's Office or other central units we queried. In the absence of campus delegations or processes stating otherwise, we observe that the Chancellor's Office, as the office of record for the Chancellor's approval, does not appear to be operating effectively with respect to maintaining records of these agreements.

In the absence of executed agreements and additional documents, it is unclear whether, particularly in the absence of central oversight, affiliated organizations are in compliance with agreements or campus policies. It also could increase risks associated with ongoing management of the relationship, settlement of potential disputes, or eventual dissolution of the affiliation relationship.

Management Response and Action Plan

We agree there is a need to develop a formal process to develop and maintain affiliate agreements with potential affiliated organizations, non-501(c)(3) support groups and any new 501(c)(3)'s.

University Relations is responsible for facilitating the approval of new support groups and the oversight of approved support groups. University Relations is also responsible for the reporting on behalf of the campus to the Office of the President.

When the new working group is formed and roles and responsibilities clarified, we will work to develop affiliate agreements with the existing groups.

Affiliated Organizations: Unauthorized Commitment to Name a Campus Building after an Affiliated Group Donor

Observation

According to the *Policy on Naming University Properties, Academic and Non-Academic Programs, and Facilities*, although Chancellors have been delegated authority to name streets and roads, portions of buildings, small outdoor areas and other minor properties, and single-campus programs or facilities, the President retains authority for naming University land reserves, buildings, major centers of activities and other highly visible properties, and major or multicampus programs or facilities.

The policy also states that no commitment regarding naming shall be made to a donor or a non-donor honoree prior to approval of the related proposal for naming. Each proposal shall be made in writing in accordance with these guidelines. The proposal and record of the action taken shall be maintained in the permanent archives of the campus or laboratory. The gift shall constitute a significant portion of the total cost of the project to be named. The gift shall either: (1) fund the total cost of the project to be named; or (2) provide substantial funding for that portion of the total cost which would not have been available from another source (such as federal or state loans or appropriations, student fees, or bond issues).

During our review of the documentation, we observed what appears to be an unauthorized commitment to name a campus building after a major donor to an affiliated group. In this case, though we were not able to obtain a copy of the agreement with the campus (see our prior observation), we obtained limited information regarding a donor-developer 501(c) (3) organization that is raising funds to construct a new building as part of a school on campus (potentially amongst other projects the organization may be engaged in fundraising for).

Although we obtained and reviewed a letter from the Chancellor to the donor referencing the prospective naming, per policy it appears the commitment to name the building also required the approval of the President which did not appear to have been obtained.

Management Response and Action Plan

There is an existing campus policy for naming approval. Any naming agreement by campus affiliates should follow that policy.

Once the affiliated organization obtains the Chancellor's agreement as to its standing as a UCB affiliate, that organization will have the ability to solicit donations, conditioned upon formal naming and acceptance guidelines, to benefit UC Berkeley.

We recommend the Chancellor establish a process so that naming associated with gifts to the UCB affiliate organization does not move forward until after the gift passes to UC Berkeley. We will address this in the working group.

University Relations will articulate the naming and donor recognition policies to affiliated organizations and campus fundraisers working with these groups. When a gift with an associated

naming is given to UCB, University Relations will facilitate the naming approval. The above referenced working group will convene before the end of September 2014.

Affiliated Organizations: Distinction Between Campus and Affiliated Organizations Related to Donor Gifts and Recognition

In the prior example of a major donor to an affiliated group raising funds to construct a new building, the correspondence between the school's dean and the major donor to the affiliated group was provided to Gift Management to facilitate providing the donor with a requested "soft" credit for his pledge to the separate organization to be added to the record of his cumulative campus giving.

The donor's desire to receive full credit from the University despite having pledged one-fourth of the project budget through the separate organization raises the question of whether the identities of the affiliated organization and the campus are adequately separate and why a separate organization needed to form when the donor could have instead donated through a support organization or to the University directly to obtain an actual credit for the gift.

During our review of the pledge agreement between the dean and the donor, it was unclear whether the dean was acting solely in his role as a board member for the affiliated organization or also as the dean of the school and representative of the University. One of the correspondences was written on school letterhead and, in addition to mentioning gratitude from the affiliated organization and the campus, both of the dean's titles, as board member to the affiliated organization and dean, were listed under his signature, potentially creating the impression that the pledge agreement was between all three parties. This distinction is important because, though the donor approached the campus for credit for his gift, the campus did not accept the gift and officially acknowledge the terms that the affiliated organization did. Representing both the University and the affiliated organization in the pledge agreement may provide confusion to the donor about which entity he has entered into agreement with and which party is responsible for fulfilling the gift terms.

These transactions also raise questions about whether the campus should provide credit for the pledge to a donor of an affiliated organization when the donor could have given to the campus or support group directly, and whether the campus has accepted the risk of committing to naming a building that will likely be completed before all of the funds pledged have been received.

We understand that as a practice, the campus works to accommodate and maintain good relationships with major donors to and supporters of the University. However, as the role of affiliated organizations increase, the campus should determine whether using the affiliate model is appropriate in instances where donors want credit from the University for a gift to an affiliated organization or if that benefit should be restricted to those donating directly to the University or a support group.

Management Response and Action Plan

Our practice has been to recognize and credit donors when a gift or pledge is made directly to the campus or the Foundation. Now, we need to have more discussion on how and when is it

appropriate (to improve donor stewardship) to recognize gifts that benefit the campus when the gifts are made through the affiliate. We will discuss this in the working group and make recommendations as appropriate.

We recommend the Chancellor create a policy for a consistent process to approve the establishment of new affiliates, support groups and 501(c)(3)'s and will address this with the working group. When an organization is approved as an affiliate, and based on policy recommendations from the working group, University Relations will recognize donors to affiliated organizations that benefit our campus.

We will send an updated response to the audit recommendations by March 31, 2015.

Support Groups: Official Creation and Recognition

Observation

Regents Policy 5203 outlines the documentation and official approval requirements for support groups to be recognized by campus. The policy states that official recognition establishes the privileges and responsibilities of the relationship between these entities and the University, including use of the University's name, facilities and resources. Without such recognition, no group may (a) represent itself as raising funds or otherwise providing support on behalf of or for the benefit of the University, a campus, or any institutional unit thereof; (b) use the name of the University or any of its campuses, facilities, or programs either expressly or by implication in connection with such activities; or (c) use University facilities, equipment, or personnel in connection with such activities.

According to the *Administrative Guidelines for Support Groups*, incorporated support groups seeking official recognition must be approved by the President.

There is an established process in place requiring groups to declare themselves and work through Gift Management and the school, college or department being supported to provide sufficient documentation to be formally acknowledged and tracked. In addition, Gift Management has conducted searches of web sites, such as the California State Attorney, amongst others, to proactively identify groups that may be support or other affiliated organizations to the campus that they may not be aware of. Despite the formal process, we observed one case where an incorporated group with 501(c) (3) status formed and conducted fundraising activities outside of the office of record charged with facilitating the process.

The example cited has subsequently been corrected but demonstrates the opportunity for groups that should be classified as support groups to be operating without being managed by Gift Management and therefore an opportunity exists for University Relations to reinforce the policies and processes in place to the campus.

In addition, given that support groups and donor management fall within the purview of University Relations, the lack of the opportunity to perform those functions increases the risk of support groups engaging in activities that could cause potential damage to the University's reputation and that are not compliant with applicable campus policies, such as, but not limited to, use of campus facilities, brand and financial management.

Management Response and Action Plan

See management response for the first observation. It is University Relations's role to facilitate the creation of new support groups, particularly when, as in this example, an organization's primary function is to fundraise. When the Chancellor establishes the new process for approval of affiliates, support groups and 501(c)(3)'s, University Relations will actively participate in having a strategic role in the process.

We should consider the creation of a Committee for Review that involves appropriate staff to vet and coordinate the process of establishing new support or affiliate groups and 501(c)(3)'s. The committee should communicate to University Relations when any such group is approved. This would enable University Relations to facilitate the establishment of support groups and to monitor compliance and reporting on all of these organizations. This will be discussed in the proposed working group.

Support Groups: Compliance and Good Standing with Support Group Policy

Observation

According to the *Administrative Guidelines for Support Groups*, any support group that does not comply with the guidelines shall receive written notice from the Chancellor that recognition will be withdrawn.

We observed that a long-standing support group that fundraises and provides scholarships to students on campus appears to have not been compliant with policy or guidelines regarding formal acknowledgment documentation and annual reporting. Though the scope of the organization has evolved since its founding in the early 1900's, it currently fundraises to provide scholarships for students matriculating at the campus. According to a record of scholarship funds received through University Relations in fiscal year 2012, the organization had provided approximately \$37,000 in scholarships that year.

This was an observation made in the prior audit in 2007. We reviewed an unsigned copy of a letter from the Vice Chancellor of University Relations that was written in 2009 requesting their compliance. The group did not appear to have responded to that request. We were not able to confirm that the letter was sent or subsequently received by the group.

Allowing groups to continue to operate out of compliance with the annual reporting requirements exposes the University to the risk of compromised donor relationships and reputational risk.

Management Response and Action Plan

We agree that continued efforts need to be made to bring this group into compliance because of the longstanding risk to the campus. The Office of the President previously agreed to pursue outreach with the group in question, to educate and obtain cooperation to become compliant. However, recently Office of the President has revisited this idea and redirected the issue back to the UCB Chancellor for further action.

We recommend that the working group consider if the Chancellor should review this support group's status with Campus Legal Counsel to determine whether to withdraw recognition for this group or pursue other means of seeking to bring them into compliance. University Relations will be available to provide context, background and advice to help the Chancellor to explore options.