

CONTRACTS AND GRANTS
CALIFORNIA STATE UNIVERSITY,
FULLERTON

Report Number 01-37
November 16, 2001

Members, Committee on Audit

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ABBREVIATIONS

CSU	California State University
EO	Executive Order
Foundation	CSU Fullerton Foundation
FSR	Faculty and Staff Relations – Office of the Chancellor
OMB	Office of Management and Budget
SAM	State Administrative Manual

INTRODUCTION

PURPOSE

Our overall audit objective was to ascertain the effectiveness of existing policies and procedures related to the administration of contract and grant activity and to determine the adequacy of controls over the related processes to ensure compliance with relevant governmental regulations, Trustee policy, Office of the Chancellor directives, and campus procedures.

Within the overall audit objective and to ascertain that the campus contract and grant program provides for an effective internal control environment which includes both externally and internally developed policies and procedures, specific goals of our review included determining whether:

- ▶ Certain essential administrative and managerial internal controls are in place, including delegations of authority and responsibility, formation of independent oversight committees, and documented policies and procedures.
- ▶ Federal single audits are performed timely and noted audit findings are timely and sufficiently resolved.
- ▶ Financial interests in sponsors of research are disclosed timely and reviewed for conflicts of interest.
- ▶ Federal and other awards are appropriately expended and such expenditures comply with regulatory agency cost principles regarding allowability, allocability, and reasonableness.
- ▶ Financial, performance, and other project-related reports are appropriately prepared, completed timely, and correctly submitted to sponsoring agencies and organizations.
- ▶ Research activities involving human subjects and live vertebrate animals are properly approved by an independent review committee.
- ▶ Sponsored program proposals are reviewed and approved by authorized personnel prior to submission to awarding agencies and organizations.

SCOPE AND METHODOLOGY

This review emphasized, but was not limited to, compliance with state and federal laws, Board of Trustee policies, and Office of the Chancellor and campus policies, letters, and directives. Additionally, this review took into consideration fiscal procedures and management systems to ensure that they allow effective coordination of the auxiliary activities with the campus in accordance with sound business practices. The audit review period was July 1999 to date. At California State University (CSU) Fullerton, the office of grants and contracts has overall responsibility for sponsored programs' pre-award activities. The CSU Fullerton Foundation (Foundation) performs post-award activities and is the fiscal manager of campus-sponsored programs.

Our primary focus involved internal administrative, compliance, and operational controls over the management of the sponsored programs. Specifically, we reviewed and tested policies, procedures, and processes for:

- ▶ Documenting policies, rules, regulations, and delegations of authority.
- ▶ Resolving prior single audit issues.
- ▶ Disclosing and managing financial conflicts of interest in sponsors of research.
- ▶ Reviewing and approving human subject testing and animal research.
- ▶ Reviewing and approving sponsored program proposals and indirect cost rates.
- ▶ Controlling, authorizing, and processing expenditures of award funds.
- ▶ Documenting and tracking cost sharing and matching commitments.

BACKGROUND

As a result of a systemwide risk assessment conducted by the Office of the University Auditor during the last quarter of 1999, the Board of Trustees, at its January 2001 meeting, directed that *Contracts and Grants* be reviewed.

The proposed scope of the audit as presented in Attachment B, Agenda Item 2 of the January 23-24, 2001, meeting of the Committee on Audit, stated that *Contracts and Grants* includes all sponsored programs, special projects, and activities involving external funding sources (outside of continuing/extended education).

As research funding at colleges and universities grew from approximately \$15 million in 1940 to \$1.3 billion in 1966, it became apparent that federal funding would provide a significant portion of the research budgets of colleges and universities. Beginning with the Department of Defense and the Atomic Energy Commission and expanding to the National Institutes of Health, National Science Foundation, and the National Aeronautics and Space Administration, funding levels increased; and along with those increases, requirements for management and administration of federal research funds also developed and prospered.

In the mid-1970s to late 1980s, the Office of Management and Budget (OMB) promulgated the following government-wide policies to ensure proper stewardship of federal research funds:

- ▶ OMB Circular A-21, *Cost Principles for Educational Institutions*, establishes principles for determining costs applicable to grants, contracts, and other agreements with educational institutions. These principles are designed to provide that the federal government bears its fair share of total costs, determined in accordance with generally accepted accounting principles, except where restricted or prohibited by law.

- ▶ OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*, sets forth the standards for obtaining consistency and uniformity among federal agencies in the administration of grants to, and agreements with, the institutions of higher education, hospitals, and other nonprofit organizations.
- ▶ OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, was issued pursuant to the Single Audit Act of 1984, Public Law 98-502, and the Single Audit Act Amendments of 1996, Public Law 104-156. This circular sets forth consistency and uniformity among federal agencies for the audit of states, local governments, and nonprofit organizations expending federal awards.

Executive Order (EO) No. 168, *CSU and Colleges Auxiliary Organizations – Administration of Grants and Contracts in Support of Research, Workshops, Institutes, and Other Special Instructional Projects*, dated January 19, 1973, promulgated systemwide policies in the sponsored programs area and, of greater importance, reinforced the need to ensure the fiscal integrity and viability of the auxiliary organizations who, at certain campuses, were responsible for both pre-award and post-award administration activities. The EO also set forth requirements that auxiliary administration activities be performed in a manner which enables the Board of Trustees to satisfy its responsibilities to the state of California, federal agencies, public and private sponsors, the campuses, and the auxiliaries.

O P I N I O N

We visited the CSU Fullerton campus from May 14, 2001, through June 25, 2001, and audited the procedures in effect at that time.

In our opinion, the administration and management of sponsored programs provided reasonable assurance that CSU Fullerton was in compliance with applicable regulations, CSU policies, and other directives. Areas in need of improvement are referenced in the executive summary.

EXECUTIVE SUMMARY

The purpose of this section is to provide management with an overview of conditions requiring their attention. Areas of review not mentioned in this section were found to be satisfactory. Numbers in brackets [] refer to page numbers in the report.

SPONSORED PROGRAM ADMINISTRATION [6]

WRITTEN POLICIES AND PROCEDURES [6]

Policies and procedures that impact the administration and control environment for sponsored programs were outdated, incomplete, and/or not sufficiently distributed. Properly developing, documenting, and communicating written policies and procedures improve internal controls.

CONFLICTS OF INTEREST [7]

The campus and the CSU Fullerton Foundation (Foundation) did not exercise sufficient control over the conflict-of-interest process for principal investigators. Identifying and resolving all potential conflicts of interest limit the exposure to fraud, abuse, and regulatory scrutiny.

PRE-AWARD CONTROLS [8]

INTERNAL CAMPUS APPROVALS [8]

Internal approvals for sponsored programs were not always timely or properly received by the office of grants and contracts prior to award submission. Project proposals receiving timely required approval decrease the risk of failure to meet the best interests of the university, both programmatically and fiscally.

POST-AWARD CONTROLS [10]

DELINQUENT RECEIVABLES [10]

All available options in resolving delinquent accounts receivable were not pursued. Pursuing all available options in the collection of delinquent receivable limits the potential loss of revenues.

EXPENDITURES [11]

Sponsored program check requests were not always approved by authorized individuals. Proper authorization of check requests decreases the risk of fraud and abuse.

CLOSE-OUT PROCEDURES [12]

Documentation to evidence that final technical reports and other technical deliverables were submitted to the sponsor was not contained in project files. Adequate documentation decreases the risk of penalties and disallowances for noncompliance with grant and contract terms.

OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

SPONSORED PROGRAM ADMINISTRATION

WRITTEN POLICIES AND PROCEDURES

Policies and procedures that impact the administration and control environment for sponsored programs were outdated, incomplete, and/or not sufficiently distributed.

We noted that:

- ▶ The CSU Fullerton Foundation's (Foundation) *Project Director's Reference Book* had not been updated in over ten years.
- ▶ Eligibility criteria for principal investigators and project directors working on sponsored programs was not addressed in either existing campus or Foundation policies or procedures.
- ▶ Orientation activities for principal investigators and project directors did not include distribution of written policies and procedures for the management and administration of sponsored programs.
- ▶ The Foundation records' retention policy did not provide guidelines for the location and maintenance of technical records pertaining to a sponsored project.
- ▶ The campus and the Foundation did not establish escalation reporting and disciplinary procedures for principal investigators or project directors who deviated from established policy and procedures. We noted during the audit that without the knowledge and approval of the campus or Foundation, a project director deviated from policy by entering into a contract to furnish services, preparing invoices for the contract on the stationary of the project director's department, and depositing a portion of sponsored funds into an account not designated for sponsored program activities. The campus and Foundation jointly addressed these infractions with the project director; however, further escalation to the responsible dean or other academic personnel for subsequent infractions by this same individual was not performed by either entity.

Title 5 §42401 and §42402 indicate that the campus president shall require that auxiliary organizations operate in conformity with the policy of the Board of Trustees and the campus. One of the objectives of the auxiliary organizations is to provide fiscal procedures and management systems that allow effective coordination of the auxiliary activities with the campus in accordance with sound business practices. This includes maintaining current written policy and procedural or operational manuals.

State Administrative Manual (SAM) §20050 states that one symptom of a deficient internal control system is policy and procedural or operational manuals that are either not currently maintained or are nonexistent.

The director of sponsored programs stated that the *Project Director's Reference Book* was in the process of being updated at the time of the audit.

Failure to develop, document, and communicate written policies and procedures increases the risk that misunderstandings will occur.

Recommendation 1

We recommend that the Foundation finalize the revisions to the *Project Director's Reference Book* and communicate these and other critical policies and procedures as noted above to all affected personnel.

Campus Response

We concur. The *Project Director's Reference Book* will be updated by January 31, 2002, and distributed to all current principal investigators, department chairs, and deans immediately thereafter, as well as during orientation activities for future grants. Said procedures will address eligibility criteria for principal investigators, will include guidelines for the location and maintenance of technical records and will address both escalation reporting and disciplinary procedures for principal investigators.

CONFLICTS OF INTEREST

The campus and the CSU Fullerton Foundation (Foundation) did not exercise sufficient control over the conflict-of-interest process for principal investigators.

We noted that:

- ▶ The principal investigators for a research project sponsored by a publicly traded corporation did not file a disclosure statement of financial interest.
- ▶ An independent substantive review was not conducted for a disclosure statement indicating a financial interest existed before a contract was accepted.
- ▶ Foundation personnel policies did not adequately address sponsored program activities between closely related individuals nor were there processes in place to detect these activities.

California State University (CSU) directive Faculty and Staff Relations – Office of the Chancellor (FSR) 86-05, Supplement #3, *Conflict of Interest – Principal Investigator*, dated July 25, 1986, states that financial disclosure by principal investigators must take place whenever the faculty member applies for a nongovernmental contract or grant; and when disclosure indicates that a financial interest exists, an independent substantive review of the disclosure statement and research project shall take place with appropriate documentation before a contract, grant, or gift is accepted.

Executive Order (EO) No. 340, *Systemwide Guidelines for Nondiscrimination and Affirmative Action Programs in Employment*, dated February 27, 1981, indicates that no one may serve in capacities that require decisions to be made on the personnel status of any close relative.

The director of the office of grants and contracts indicated that not completing the campus procedures for conflicts of interest was an oversight.

By not identifying and resolving all potential conflicts of interest, the exposure increases for fraud, abuse, and regulatory scrutiny.

Recommendation 2

We recommend that the campus and Foundation:

- a. Complete the process to identify and resolve possible conflicts of interest for contract and grant activities.
- b. Independently develop a policy on closely related individuals or consult with the Office of the Chancellor for such a policy.
- c. Strengthen procedures to ensure that no one may serve in capacities that require decisions on the personnel status of any closely related individuals.

Campus Response

We concur. The Foundation is developing a process to tighten controls by mid-January, which will incorporate said procedures into the *Project Director's Reference Book* by January 31st, and see that it is applied to all current and future grants and contracts. The Foundation has contacted the chancellor's office to seek assistance in developing appropriate procedures and has incorporated a similar policy on closely related individuals into the Project Director's Handbook that will be completed by January 31st.

PRE-AWARD CONTROLS

INTERNAL CAMPUS APPROVALS

Internal approvals for sponsored programs were not always timely or properly received by the office of grants and contracts prior to award submission.

During a review of recently submitted proposal files, we noted that internal approvals for sponsored programs were received up to three months after the proposal submission date. We also noted that current practice did not require the chief financial officer to review and approve project proposals.

The campus *Grantsmanship at CSUF*, Chapter 4, indicates that the proposal approval form should be completed before a grant application is forwarded to the sponsor with the signatures from the office of grants and contracts, department chair, college dean, academic vice president, administrative vice president, and the Foundation.

The Foundation's *Project Director's Reference Book* §II(A), dated October 1989, indicates that Foundation personnel will review and approve extramural grant and contract proposals prior to submission for budget accuracy, indirect cost calculations, contractual obligations, and liabilities.

EO No. 168, *California State University and Colleges Auxiliary Organizations – Administration of Grants and Contracts in Support of Research, Workshops, Institutes, and Other Special Instructional Projects*, dated January 19, 1973, states, in part, that the chief fiscal officer of the campus shall review and approve the fiscal aspects of each proposal for funding.

SAM §20050 indicates that a satisfactory system of internal administrative controls includes an effective system of internal review.

The director of the office of grants and contracts indicated that internal approvals for sponsored programs were not received due to submissions made without consulting the responsible campus department. He further indicated that deadlines for certain proposals were critical and internal approvals were completed after the fact.

The chief financial officer indicated that the campus vice president of administration provided approval on the proposal form. She further indicated that her position was created after the approval proposal form was in place.

Project proposals lacking or receiving untimely required approval increase the risk of failure to meet the best interests of the university, both programmatically and fiscally.

Recommendation 3

We recommend that controls be strengthened for the review and approval of project proposals by appropriate personnel prior to the submission date.

Campus Response

We concur. The pre-award office will augment its efforts to:

- a. Provide information and guidelines about approval scheduling needs to proposers by the end of the spring 2002 semester.
- b. Provide information about forthcoming proposal problems to reviewers in advance, continuously as needed.

c. Provide incentives for early preparation of paperwork by the end of the spring semester. In addition, the president will as required by Executive Order 168 issue a reminder to all faculty concerning the mandate of section 1(b) of Executive Order 168 by the end of March 2002.

Effective immediately, the chief financial officer will review and approve the fiscal aspects of each proposal, as required by Executive Order 168.

POST-AWARD CONTROLS

DELINQUENT RECEIVABLES

All available options in resolving delinquent accounts receivable were not pursued.

We noted that the Foundation's collection efforts consisted of resending invoices stamped "past due" and telephone calls to the sponsor. These efforts, however, did not include documenting the telephone calls or the use of formal collection letters.

Title 5 §42401 and §42402 indicate that the campus president shall require that auxiliary organizations operate in conformity with the policy of the Board of Trustees and the campus. One of the objectives of the auxiliary organizations is to provide fiscal procedures and management systems that allow effective coordination of the auxiliary activities with the campus in accordance with sound business practices. This includes a system to assure prompt follow-up on receivables. Collection procedures of amounts owed include sending collection letters, collection action review, court settlements, collection agencies, and sale of the receivable.

The Foundation's *Project Director's Reference Book* §I, dated October 1989, indicates that the Foundation maintains a fiduciary responsibility to the university and is accountable for the receipt, expenditure, and control of all nonstate money generated by grants, contracts, contributions, and other sources of extramural funding.

The director of sponsored programs indicated that responsibility for resolving delinquent accounts receivable was recently moved to a new staff member.

By not pursuing all available options in the collection of delinquent accounts receivable, current and/or future assets and possible cash flow are misstated.

Recommendation 4

We recommend that the Foundation implement effective procedures and document efforts made to obtain delinquent accounts receivable from sponsoring agencies.

Campus Response

We concur. In August 2001, the Foundation added an experienced accounts receivable person to the grants administration staff and incorporated several new procedures including documented phone calls to sponsors and the use of both a formal and accelerated “dun” letter. As of November 29, 2001, total accounts receivable in excess of 120 days was \$235,661 on annual activity of approximately \$10 million.

EXPENDITURES

Sponsored program check requests were not always approved by authorized individuals.

We noted that two of ten sponsored program expenditures were signed by persons who were not provided approval authority on the respective signature authorization cards.

The Foundation’s *Project Director’s Reference Book* §IV(E), dated October 1989, indicates that all purchase order payments must be signed by the project director.

The Foundation’s *Project Director’s Reference Book* §I, *Introduction*, dated October 1989, indicates that the Foundation maintains a fiduciary responsibility to the university and is accountable for the receipt, expenditure, and control of all nonstate money generated by grants, contracts, contributions, and other sources of extramural funding.

The director of sponsored programs indicated that certain nonmanagement campus administrative personnel serve as backup approvers of sponsored program expenditures without written authorization from the project directors.

Unauthorized approval of check requests increases the risk of fraud and abuse.

Recommendation 5

We recommend that controls be strengthened over the maintenance and utilization of signature cards for individuals who are authorized to approve check requests.

Campus Response

We concur. Since this observation, the Foundation immediately began collecting updated signature cards for those accounts that were incomplete and actually completed the project prior to the completion of the audit.

CLOSE-OUT PROCEDURES

Documentation to evidence that final technical reports and other technical deliverables were submitted to the sponsor was not contained in project files.

During our review of nine closed projects, we noted that none of the project files contained documentation to evidence that final reports and other technical deliverables were submitted to the sponsor.

Office of Management and Budget (OMB) Circular A-110, *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations Financial Reporting*, §. 51(a), states that recipients are responsible for managing and monitoring each project, program, award, function, or activity supported by the award.

OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations Financial Reporting*, §. 71(a), states that recipients shall submit, within 90 calendar days after the date of completion of the award, all financial, performance, and other reports as required by the terms and conditions of the award.

The Foundation's *Project Director's Reference Book* §IIR(1), dated October 1989, indicates that the submission of the final technical report by the project director is required at the close of each project.

The director of finance and administration for the Foundation indicated that closed projects are confirmed by payments received from the sponsors.

Lack of documentation to evidence submission of final technical reports and other technical deliverables increases the risk of penalties and disallowances for noncompliance with grant and contract terms.

Recommendation 6

We recommend that campus and Foundation controls be strengthened to include documentation of evidence that technical reports and other technical deliverables are submitted to sponsoring agencies.

Campus Response

We concur. Account close-out procedures have been revised to include submission of a final report (or summary with Table of Contents for lengthy reports) as a routine part of the close-out process. For those grants not requiring a final report, certification of satisfactory completion of the project is being requested of the sponsor as an integral part of the close-out process.

**APPENDIX A:
PERSONNEL CONTACTED**

<u>Name</u>	<u>Title</u>
Milton A. Gordon	President
Margaret Atwell	Associate Vice President, Academic Affairs
William Barrett	Acting Vice President, Administration
E. Sue Boeltl	Senior Director, Financial Operations
Keith Boyum	Acting Associate Vice President, Academic Programs
Pearl Cheng	Director of Finance and Administration, CSU Fullerton Foundation
William Dickerson	Executive Director, CSU Fullerton Foundation
Margaret Elliot	Director, California Physical Education Health Project
Marilou Encina	Operations Supervisor, Payroll Services
Flora Farzad	Director, Accounting
William Gayk	Director, Center for Demographic Research
Shannon Glaab	Scheduling Coordinator, Academic Programs
Enid Gruber	Assistant Professor, Human Development and Community Service
Michael Horn	Professor, Zoology
Lori Jennex	Regulatory Compliance Coordinator, Office of Grants and Contracts
Denise Johnson	Benefits Manager, Human Resources
Scott Martin	Research Associate, Center for Demographic Research
Linda May	Director of Sponsored Programs, CSU Fullerton Foundation
Norma Morris	Staff Assistant to the President
Sherri Newcomb	Chief Financial Officer
Roberta Rikli	Chair, Division of Kinesiology and Health Promotion
Stuart Ross	Director, Office of Grants and Contracts
Patricia Simms	Manager of Human Resources, CSU Fullerton Foundation
Ephraim Smith	Vice President, Academic Affairs
Christopher Smithson	Coordinator, Office of Grants and Contracts
Mary Watkins	Director, Faculty Affairs and Records



Office of the President
 (714) 278-3456 / Fax (714) 278-2649

RECEIVED
 University Auditor

FEB 1 2002

The California State
 University

MEMORANDUM

TO: Larry Mandel
 University Auditor

DATE: January 28, 2002

FROM: Milton A. Gordon
 President *may*

SUBJECT: **Campus Response to Recommendations of Audit Report No. 01-37,
 Contracts and Grants at California State University, Fullerton**

Please find listed below California State University, Fullerton's response to the recommendations made in **Audit Report No. 01-37, Contracts and Grants at California State University, Fullerton.**

Recommendation 1

We recommend that the Foundation finalize the revisions to the Project Director's Reference Book and communicate these and other critical policies and procedures as noted above to all affected personnel.

Campus Response

We concur. The Project Director's Reference Book will be updated by January 31, 2002 and distributed to all current PI's, Department Chairs and Deans immediately thereafter, as well as during orientation activities for future grants. Said procedures will address eligibility criteria for Principal Investigators, will include guidelines for the location and maintenance of technical records and will address both escalation reporting and disciplinary procedures for Principal Investigators.

Larry Mandel, University Auditor

RE: Campus Response to Recommendations of Audit Report No. 01-37, Contracts and Grants at California State University, Fullerton

January 28, 2002

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Recommendation 2

We recommend that the campus and Foundation:

- a. Complete the process to identify and resolve possible conflicts of interest for contract and grant activities.
- b. Independently develop a policy on closely related individuals or consult with the Office of the Chancellor for such a policy.
- c. Strengthen procedures to ensure that no one may serve in capacities that require decision on the personnel status of any closely related individuals.

Campus Response

We concur. The Foundation is developing a process to tighten controls by mid-January, which will incorporate said procedures into the Project Director's Reference Book by January 31st, and see that it is applied to all current and future grants and contracts. The Foundation has contacted the Chancellor's Office to seek assistance in developing appropriate procedures and has incorporated a similar policy on closely-related individuals into the Project Director's Handbook that will be completed by January 31st.

Recommendation 3

We recommend that controls be strengthened for the review and approval of project proposals by appropriate personnel prior to the submission date.

Campus Response

We concur. The pre-award office will augment its efforts to:

- a. **provide information and guidelines about approval scheduling needs to proposers by the end of the spring 2002 semester;**
- b. **provide information about forthcoming proposal problems to reviewers in advance, continuously as needed; and**
- c. **provide incentives for early preparation of paperwork by the end of the spring semester.**

Larry Mandel, University Auditor

RE: Campus Response to Recommendations of Audit Report No. 01-37, Contracts and Grants at California State University, Fullerton

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Campus Response (continued):

In addition, the President will as required by Executive Order 168 issue a reminder to all faculty concerning the mandate of section 1(b) of Executive Order 168 by the end of March 2002.

Effective immediately, the Chief Financial Officer will review and approve the fiscal aspects of each proposal, as required by Executive Order 168.

Recommendation 4

We recommend that the Foundation implement effective procedures and document efforts made to obtain delinquent accounts receivable from sponsoring agencies.

Campus Response

We concur. In August 2001, the Foundation added an experienced A/R person to the grants administration staff and incorporated several new procedures including documented phone calls to sponsors and the use of both a formal and accelerated "dun" letter. As of November 29, 2001, total A/R in excess of 120 days was \$235,661 on annual activity of approximately \$10 million dollars.

Recommendation 5

We recommend that controls be strengthened over the maintenance and utilization of signature cards for individuals who are authorized to approve check requests.

Campus Response

We concur. Since this observation, the Foundation immediately began collecting updated signature cards for those accounts that were incomplete and actually completed the project prior to the completion of the audit.

Larry Mandel, University Auditor

RE: Campus Response to Recommendations of Audit Report No. 01-37, Contracts and

Grants at California State University, Fullerton

January 28, 2002

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Recommendation 6

We recommend that campus and Foundation controls be strengthened to include documentation of evidence that technical and other technical deliverables are submitted to sponsoring agencies.

Campus Response

We concur. Account closeout procedures have been revised to include submission of a final report (or summary with Table of Contents for lengthy reports) as a routine part of the closeout process. For those grants not requiring a final report, certification of satisfactory completion of the project is being requested of the sponsor as an integral part of the closeout process.

Should you have any questions regarding our campus response to this audit, please contact Bill Dickerson, Executive Director, CSUF Foundation at (714) 278-4100.

MAG:nm

c: Ms. Sherri Newcomb, Chief Financial Officer
Dr. Willie Hagen, Vice President for Administration
Dr. Ephraim Smith, Vice President for Academic Affairs
Mr. Bill Dickerson, Executive Director, CSUF Foundation

THE CALIFORNIA STATE UNIVERSITY
OFFICE OF THE CHANCELLOR

BAKERSFIELD

February 25, 2002

CHANNEL ISLANDS

CHICO

MEMORANDUM

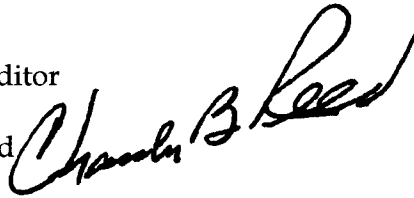
DOMINGUEZ HILLS

TO: Larry Mandel
University Auditor

FRESNO

FULLERTON

FROM: Charles B. Reed
Chancellor



HAYWARD

SUBJECT: Draft Final Report Number 01-37 on *Contracts and Grants* at
California State University, Fullerton

HUMBOLDT

LONG BEACH

LOS ANGELES

In response to your memorandum of February 25, 2002, I accept the
response as submitted with the draft final report on *Contracts and Grants*
at California State University, Fullerton.

MARITIME ACADEMY

MONTEREY BAY

NORTHRIDGE

CBR:amd

POMONA

Enclosure

SACRAMENTO

cc: Dr. Milton A. Gordon, President

SAN BERNARDINO

SAN DIEGO

SAN FRANCISCO

SAN JOSE

SAN LUIS OBISPO

SAN MARCOS

SONOMA

STANISLAUS