

CONTINUING EDUCATION
CALIFORNIA STATE UNIVERSITY,
FULLERTON

Report Number 05-15
December 1, 2005

Members, Committee on Audit

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ABBREVIATIONS

AB	Assembly Bill
ALP	American Language Program
CERF	Continuing Education Revenue Fund
CEU	Continuing Education Unit
CSU	California State University
CSUF	California State University, Fullerton
EO	Executive Order
Foundation	California State University, Fullerton, Foundation
FTES	Full-Time Equivalent Students
FY	Fiscal Year
MBA	Master's of Business Administration
MOU	Memoranda of Understanding
MS	Master's of Science
RFIN	Resolution of the Committee on Finance
UEE	University Extended Education, CSUF
VPAA	Vice President, Academic Affairs

EXECUTIVE SUMMARY

As a result of a systemwide risk assessment conducted by the Office of the University Auditor during the last quarter of 2002, the Board of Trustees, at its January 2005 meeting, directed that *Continuing Education* be reviewed. Continuing Education was last audited in 1998 and 1999.

We visited the California State University, Fullerton campus from June 6, 2005, through July 21, 2005, and audited the procedures in effect at that time.

In our opinion, controls within selected areas of the continuing education function were operating effectively and in compliance with existing California State University (CSU) policies, with the exception of those areas identified herein particularly pertaining to various financial arrangements such as those on revenue sharing and indirect cost allocation.

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

CONTINUING EDUCATION ADMINISTRATION [7]

The campus did not have adequate plans for accumulating continuing education revenue fund (CERF) reserves and allocating indirect costs. A documented plan for CERF reserves that specified the purposes for accumulated reserve amounts had not been prepared; and indirect cost allocation plans were untimely, lacked adequate support, and were not approved by the chief fiscal officer. Additionally, the campus and university extended education (UEE) had several unresolved business arrangements. Further, UEE distribution of CERF revenues did not ensure that the funds directly benefited the support and development of CSU self-supporting programs.

BUSINESS MODEL/CURRICULUM [11]

Promotional materials for the American Language Program at the California State University, Fullerton, Foundation (Foundation) inappropriately associated the program with the campus. The materials prominently displayed the logo, name, and pictures of the campus; linked successful completion of the program to conditional campus admission; and made reference to the Foundation only once in what might be characterized as fine print.

INTRODUCTION

BACKGROUND

The State University Administrative Manual §3103 describes continuing education, in part, as follows:

The California State University (CSU) has been involved in continuing education since 1932, when Fresno State College established the system's first extension program. Originally comprising only in-service instruction for school teachers, continuing education now provides an increasingly broad spectrum of services to a large number of persons who seek advanced training to help them increase their occupational competency or otherwise enrich their lives.

Continuing education encompasses such activities as extension, summer session, non-credit instructional activities, grants for community services and development, foreign study, concurrent enrollment, and external degree programs. The continuing education program includes credit and non-credit courses offered off campus as well as on campus. These courses may be part of a structured external degree program, may count toward a conventional degree, may be part of a certificate/credential program, may be oriented to specific occupations, or may be offered in response to other special interests.

Continuing education revenues accrue from student fees paid for regular courses, workshops, conferences, short courses, independent study, contract courses, and external degree programs. Additional income is available from interest on surplus funds.

All campus net operating revenues accrue to campus reserves and are continuously available, without regard to fiscal year (FY), for future campus program expenses.

Continuing education also encompasses special sessions, which are described in Executive Order (EO) 802, *Special Sessions*, dated January 31, 2002, as a means whereby CSU instructional programs can be provided to matriculated students on a self-support basis at times and locations not supported by General Fund appropriations. Examples of special sessions include interim sessions between college year terms; programs of a continuing nature offered at military bases, correctional facilities, and other distant or isolated locations; and instructional programs for a specific client group.

On a systemwide basis, continuing education is administered by a state university dean for extended education who reports through an associate vice chancellor for academic affairs to the CSU executive vice chancellor and chief academic officer. Each campus typically has a continuing education dean or other person with a similar title generally reporting through academic affairs. The terms "continuing education" and "extended education" are considered synonymous.

At the campuses, auxiliary organizations might also be involved with continuing education and offer self-supporting instructional programs subject to the limitations in EO 919, *Policy Governing Non-General Fund Receipts*, dated October 15, 2004, which states, in part, that the courses are non-credit and the

auxiliary cannot use the CSU name or representation in any manner other than where the CSU is part of the auxiliary's title.

Analytic Studies in the chancellor's office publishes a statistical report relevant to continuing education entitled, "CSU College Year Enrollment for Matriculants in Self-Support Special Sessions." Per EO 802, a matriculated student is a student who has, through normal procedures, been formally admitted to and enrolled at a CSU campus to pursue an authorized degree, credential, or certificate. An excerpt from two tables in the statistical report indicates that FY 2003/04 special session enrollments of full-time equivalent students (FTES) were as follows:

Campus	FTES State-Support Matriculants	FTES Self-Support Matriculants
Bakersfield	127.2	144.0
Channel Islands		
Chico	101.1	
Dominguez Hills	398.4	
East Bay	86.1	249.4
Fresno	312.2	12.8
Fullerton	348.9	36.8
Humboldt	16.0	
Long Beach	392.5	247.7
Los Angeles	34.8	
Maritime Academy		
Monterey Bay	105.2	
Northridge	955.4	58.0
Pomona	17.0	3.7
Sacramento	296.7	181.8
San Bernardino		2.1
San Diego	60.0	242.3
San Francisco	91.6	33.1
San José	183.7	513.9
San Luis Obispo	27.6	
San Marcos	14.4	
Sonoma	332.4	115.4
Stanislaus	7.7	
Total	3,908.9	1,841.0

In late 1998, the 1998 Higher Education Omnibus Act (Assembly Bill - AB 2812) was enacted. AB 2812 permitted continuing education revenues to be deposited in trust accounts instead of the continuing education revenue fund (CERF) and amended Education Code §89704 and §89721. This action provided the CSU with additional flexibility and the advantage/capability to invest continuing education funds through trust in ways that would provide a higher rate of return. The CSU Investment Policy is described in the Resolution of the Committee on Finance (RFIN) 01-97-03. The basic difference is that funds in the CERF are part of the State Treasury, which only provides investment options in the Surplus Money Investment Fund and Local Agency Investment Fund. Trust funds have been invested mainly in the Met West program, which has three account options – short-term, medium-term, and long-term.

PURPOSE

Our overall audit objective was to ascertain the effectiveness of existing policies and procedures related to the administration of *Continuing Education* 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, specific goals included determining whether:

- ▶ Accountability for the continuing education function has been clearly defined and documented; and agreements/contracts, policies, and procedures are current, comprehensive, and aligned with relevant federal and state laws and regulations.
- ▶ Auxiliary organizations are involved in continuing education without offering academic course credits or identifying the CSU as the program provider.
- ▶ Continuing education fees are established in accordance with CSU directives, an appropriate strategy exists for development and management of CERF reserves, and controls over transfers to/from the CERF are adequate.
- ▶ Continuing education programs and courses are selected and delivered in accordance with CSU policies and state regulations, and degrees offered do not supplant state-supported degrees.
- ▶ Continuing education special sessions meet requisite CSU conditions, characteristics, and recordkeeping requirements; and out-of-state/country programs are managed in accordance with CSU policies.
- ▶ Continuing education program faculty selection processes ensure compliance with the CSU additional employment policy, and faculty compensation complies with CSU salary schedules, and collective bargaining provisions.
- ▶ Continuing education enrollment procedures, change of program, and maintenance of student records are adequate; and enrollment reporting is accurate and reliable for special sessions.

- ▶ Continuing education systems are secure, and use of social security numbers for student identification in continuing education is limited in accordance with systemwide policy.
- ▶ Non-matriculated, continuing education students have been allowed to enroll in state-supported courses only after meeting stipulated conditions.
- ▶ Programs/courses that award continuing education units (CEUs) comply with national standards and systemwide requirements.
- ▶ Internal control over continuing education cash receipts is adequate, accountability for program fees is established at the earliest possible time to prevent misappropriation of funds, and all collections are deposited intact or otherwise safeguarded in a timely manner.
- ▶ Continuing education revenues are reconciled to enrollments, and procedures exist to appropriately manage continuing education receivables and collect bad checks and other debts owed.
- ▶ Continuing education refund procedures ensure that all refunds are approved, accurately processed, and in compliance with campus policy.
- ▶ Established procedures ensure that continuing education expenditures are made only for the support and development of self-supporting instructional programs of the CSU.

SCOPE AND METHODOLOGY

The proposed scope of the audit, as presented in Attachment B, Agenda Item 2 of the January 25-26, 2005, meeting of the Committee on Audit, stated that *Continuing Education* includes special sessions, extension programs, and other self-supporting instructional programs and operation of the CERF and related trust accounts. Potential impacts include loss of budgetary control, inappropriate subsidies, inaccurate reporting, and increased exposure to enforcement.

Our study and evaluation were conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors, and included the audit tests we considered necessary in determining that operational and administrative controls are in place and operative. 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. Industrywide standards such as those by the Western Association of Schools and Colleges (*Good Practices for Electronically Offered Degree and Certificate Programs*) and the International Association for Continuing Education and Training (*Criteria and Guidelines for Quality Continuing Education and Training Programs: The CEU and Other Measurement Units*) were also considered. The audit review period was FY 2003/04 to date.

At California State University, Fullerton (CSUF), the dean of university extended education reporting to the provost/vice president for academic affairs has overall responsibility for continuing education. The

CSUF Foundation at the campus is also involved in delivery of non-credit, continuing education program offerings.

We focused primarily upon the internal administrative, compliance, and operational controls over continuing education management. Specifically, we reviewed and tested:

- ▶ Continuing education policies and procedures.
- ▶ Continuing education staffing and organization plans.
- ▶ The processes for planning, approving, and supervising continuing education activities.
- ▶ Continuing education programming decisions and selection of program offerings.
- ▶ Continuing education faculty-related matters.
- ▶ Continuing education enrollment, awarding of credit, and student recordkeeping.
- ▶ Management of continuing education funds and reserves.

OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

CONTINUING EDUCATION ADMINISTRATION

RESERVE ACCUMULATION

The campus did not have a documented plan for accumulating continuing education revenue fund (CERF) reserves.

According to the campus, the amount of available CERF reserves had been built up in recent years as follows:

FY	BALANCE
2002/03	\$2,870,637
2003/04	\$2,957,860
2004/05*	\$3,539,877

* = through May 31, 2005

In fiscal year (FY) 2003/04, California State University, Fullerton (CSUF) reported CERF revenues of \$9.34 million. Two other California State University (CSU) campuses with comparable program revenues in FY 2003/04 reported reserves of \$2.24 million and \$5.54 million. CSUF did not have a documented plan for CERF reserves that specified the purposes for accumulated reserve amounts.

The most recent edition of the CSU *Extended Education Policies and Procedures Manual* eliminated the prior standard for reserve accumulation contained in Business Affairs coded memorandum 91-13 (a maximum contingency reserve of \$150,000 or 15% of the prior year program revenue subject to modification for major projects) and did not provide another alternative. Other CSU programs such as housing accumulated reserves were earmarked for specific purposes.

The university extended education (UEE) dean stated that the reserves were being accumulated for various reasons including replacement of computer equipment and involvement with the development of the former El Toro Marine Corps Air Station in Irvine.

Accumulation of non-targeted reserves may call into question whether continuing education is self-supporting, inappropriate revenues are being generated by excessive charges/fees, and chargebacks and reimbursements to the General Fund have been properly allocated/assessed.

Recommendation 1

We recommend that the campus:

- a. Document the purposes and basis for reserves.
- b. Support reserve accumulations with specific calculations and estimates.

Campus Response

As noted in the audit report, the most recent edition of the CSU *Extended Education Policies and Procedures Manual* eliminated the prior standard for reserve accumulation and there is no Executive Order (EO) or other regulatory pro policy requirement. We will, however, comply with the recommendation as outlined and expect this to be completed by February 2006.

INDIRECT COSTS

The campus did not have an adequate and timely indirect cost allocation plan reviewed annually by the chief fiscal officer.

At the time of our review, the campus provided two cost allocation studies – one for FY 2002/03 with documents dated June 30, 2004, and one for FY 2003/04 that had just recently been completed in draft form. Both studies indicated that the General Fund owed money to CERF because more costs had been incurred than had been reimbursed:

DESCRIPTION	FY 2002/03	FY 2003/04
General Fund Expenditures Incurred by CSUF on Behalf of CERF	\$1,642,061	\$1,601,982
Costs Incurred by CERF to Benefit CSUF and Students	\$2,391,941	\$2,439,171
Net Due to University	(\$749,880)	(\$837,189)

Support for the methodology utilized in these studies and for the validity of the results were incomplete. Additionally, the studies were untimely; done so far after-the-fact that they could not possibly represent a forward-looking, planning perspective; and not approved by the chief fiscal officer. Further, as of August 2005, the campus had not yet undertaken an indirect cost assessment for FY 2004/05.

EO 753, *Allocation of Costs to Auxiliary Enterprises*, dated July 28, 2000, states that auxiliary enterprises (such as continuing education) shall be charged the allowable direct costs plus an allocable portion of indirect costs associated with facilities, goods, and services provided by the university funded from the General Fund. Further, cost allocations shall be determined in accordance with a written cost allocation plan approved annually by the campus chief fiscal officer. The plan is supposed to be reasonable and provide consistent estimation, accumulation, and reporting of related costs.

Education Code §89704(a) creates the CERF and §89704(b) appropriates all CERF revenues, without regard to fiscal years, to the Trustees for the support and development of self-supporting instructional programs of the CSU.

The associate vice president of finance stated that the EO 753 plans had not been revamped due to changes in personnel.

Absence of a reasonable allocation of indirect costs and approved cost allocation plan does not provide assurance that the General Fund is fully compensated for support provided to auxiliary enterprises and UEE is self-supporting.

Recommendation 2

We recommend that the campus:

- a. Develop a prospective cost allocation plan in advance of each FY and monitor performance against the plan during the course of the year to measure the accuracy and acceptability of the plan, and fine tune and modify the plan as needed.
- b. Document annual approval of the campus cost allocation plan by the chief fiscal officer.
- c. Identify a reasonable settlement of FY 2002/03 and FY 2003/04 indirect costs and transfer funds accordingly as soon as possible.

Campus Response

We concur and are in the process of researching and developing an appropriate methodology for a prospective cost allocation plan that will be approved by the chief fiscal officer on an annual basis. In addition, we will apply key service indicators in this methodology to prior year studies to assist in identifying a reasonable settlement of those years and subsequently transfer funds as appropriate. We expect this to be completed by May 2006.

BUSINESS ARRANGEMENTS

The campus and UEE had several unresolved business arrangements.

At the time of our review, the campus and UEE were in various stages of negotiation on some dated business arrangements that should have been resolved on a contemporaneous basis, which included:

- ▶ Costs for administering state-supported summer sessions – particularly summer 2003.
- ▶ Rent for UEE occupancy in the College Park Building and valuation of trade outs for leasehold improvements.
- ▶ UEE usage of campus space and computer labs.

Education Code §89704(a) creates the CERF and §89704(b) appropriates all CERF revenues, without regard to fiscal years, to the Trustees for the support and development of self-supporting instructional programs of the CSU.

Government Code §13403 states that the elements of a satisfactory system of internal accounting and administrative control include, but are not limited to, a system of authorization and recordkeeping

procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures.

The UEE dean stated that unresolved arrangements were due, in part, to personnel changes.

Unresolved business arrangements detract from the ability to manage CERF as a self-supporting operation and could result in unrecorded General Fund liabilities.

Recommendation 3

We recommend that the campus:

- a. Identify and settle all past-due business arrangements with UEE as soon as possible.
- b. Establish a system for resolution of business transactions on a contemporaneous basis in the future.

Campus Response

We concur and have initiated actions to identify and settle all past business arrangements and establish a system for resolution of business transactions on a contemporaneous basis in the future. We expect this to be completed by February 2006.

REVENUE SHARING

UEE distribution of CERF revenue did not ensure that the funds directly benefited the support and development of CSU self-supporting instructional programs.

UEE distributed CERF revenue by formulas of uncertain origin. Factors used in UEE memoranda of understanding (MOU) to distribute CERF revenues included:

- ▶ Open University (also known as adjunct enrollments) in fall and spring – two-thirds of net revenue to academic departments.
- ▶ College of Education – \$10 per 900-level course enrollments and other enrollments scaled such as a 50/50 split on 300-500-level courses.
- ▶ MS and MBA based revenue sharing – various terms.
- ▶ Summer – 7% of gross revenue to academic departments and 1% of gross revenue to the vice president, academic affairs (VPAA).
- ▶ Special Session – 4% of gross revenue to academic departments and 3% of gross revenue to the VPAA.

None of these factors was supported with calculations that justified the rates. Once CERF revenues were distributed, there was no tracking mechanism to determine how the funds were spent.

Education Code §89704(a) creates the CERF and §89704(b) appropriates all CERF revenues, without regard to fiscal years, to the Trustees for the support and development of self-supporting instructional programs of the CSU.

The UEE dean stated that many of the formula factors were already in place prior to the time he started at the campus in 1991 and he was uncertain who would know how they were calculated.

Failure to track how CERF revenue distributions are spent increases the risk of expenditures for purposes that do not directly benefit the self-supporting instructional program.

Recommendation 4

We recommend that the campus review revenue sharing formulas and justify each rate through supporting calculations and documentation to ensure that CERF revenue distribution directly benefits the support and development of CSU self-supporting instructional programs.

Campus Response

We concur. Since revenue sharing formulas are a key consideration of a prospective cost allocation plan, these will be integrated into the prospective cost allocation plan the campus develops in response to recommendation two and we expect this to be completed by May 2006.

BUSINESS MODEL/CURRICULUM

Promotional materials for the American Language Program (ALP) offered by the California State University, Fullerton, Foundation (Foundation) inappropriately associated the program with the campus.

The Foundation owned the ALP that was advertised through different means including brochures, mailers, and websites. These promotional materials presented the program in a way that suggested ownership by the campus because the materials:

- ▶ Prominently displayed the logo, name, and pictures of the campus.
- ▶ Linked successful completion of the program to conditional campus admission.
- ▶ Made reference to the Foundation only once on the last page in what might be characterized as fine print.

EO 919, *Policy Governing Non-General Fund Receipts*, dated October 15, 2004, states, in part, that auxiliary organizations also offer self-supporting instructional programs. The courses are non-credit

and cannot use the CSU name or representation in any manner other than where CSU is part of the auxiliary's title.

The UEE dean stated that the ALP was operated by state employees who were reimbursed by the Foundation.

Misleading presentation of campus and foundation programs causes confusion and potentially increases campus liability for continuing education programs.

Recommendation 5

We recommend that UEE clarify reference to the campus in self-support materials promoting the ALP owned by the Foundation.

Campus Response

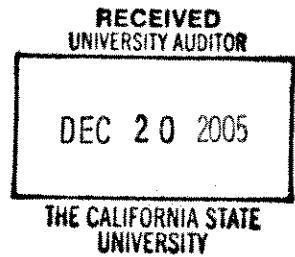
We concur and have already modified ALP promotional materials to ensure the full name of the auxiliary (California State University, Fullerton Auxiliary Services Corporation) is prominently displayed on the front cover of promotional materials.

APPENDIX A: PERSONNEL CONTACTED

<u>Name</u>	<u>Title</u>
Milton A. Gordon	President
Antonieta (Toni) Bartter	Student Support Services Manager, University Extended Education (UEE)
John Beisner	Director, University Risk Management
Shou-Yinn (Pearl) Cheng	Director, Finance and Administration (California State University, Fullerton, Foundation)
Carol Creighton	Director of External Programs and Central Program Support, UEE
Linda Godding	Director of Budget and Finance, UEE
Naomi Goodwin	Assistant Vice President, Administration and Finance
Diana Guthrie	Accounting Assistant – Accounts Payable, UEE
Willie Hagan	Vice President, Administration and Finance/Chief Financial Officer
Elias Hajjar	Associate Director of Information Technology, UEE
Jannel Hope	Financial Analyst, UEE
Brian Jenkins	Associate Vice President, Finance
Melody Johnston	Associate Dean, UEE
Annette Jones	Accounting Assistant for Payroll, UEE
Susan Kachner	Director of Administrative Computing
Lisa Kopecky	Director, Academic Affairs Budget
Mark Lopez	Executive Assistant, Financial Management
Maria Mezhinsky	Data Coordinator, Admissions and Records
Sherri Newcomb	Chief of Budget Planning and Strategy
Harry Norman	Dean, UEE
Cecilia Patz	Director of Accounting Services and Financial Reporting
Lisa Penunuri	Operating Systems Analyst, Administration and Finance
Glen Shiery	Lead Network Analyst, Administration and Finance
Albert Sim	Supervisor, Student Accounts Receivable
Ephraim Smith	Vice President, Academic Affairs
Alex Tzoumas	Director of Internal Audit (At time of review)
Dolores Vura	Assistant Vice President, Institutional Research and Analytical Studies
Karen Wall	Interim Assistant Vice President, Budget Operations
May Wong	Director, Payroll and Payables



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



MEMORANDUM

DATE: December 14, 2005

TO: Larry Mandel
University Auditor

FROM: Milton A. Gordon
President *maf*

SUBJECT: Campus Response to Recommendations of Audit Report Number 05-15,
Continuing Education at California State University, Fullerton

Thank you for the audit report on Continuing Education at California State University, Fullerton.

Appropriate University administrative officers have reviewed the subject report. Our specific comments and planned corrective actions concerning the audit recommendations are attached.

Please contact Vice President Willie Hagan if you have questions or concerns.

Attachment

cc: Willie Hagan, Vice President, Administration & Finance/CFO
Ephraim Smith, Vice President, Academic Affairs
Harry Norman, Dean, Extended Education
Brian Jenkins, Associate Vice President, Finance
Bill Dickerson, Executive Director, Auxiliary Services Corporation
Naomi Goodwin, Assistant Vice President, Administration & Finance

CONTINUING EDUCATION
CALIFORNIA STATE UNIVERSITY,
FULLERTON

Report Number 05-15
December 1, 2005

CONTINUING EDUCATION ADMINISTRATION

RESERVE ACCUMULATION

Recommendation 1

We recommend that the campus:

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- b. Support reserve accumulations with specific calculations and estimates.

Campus Response

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INDIRECT COSTS

Recommendation 2

We recommend that the campus:

- a. Develop a prospective cost allocation plan in advance of each FY and monitor performance against the plan during the course of the year to measure the accuracy and acceptability of the plan, and fine tune and modify the plan as needed.
- b. Document annual approval of the campus cost allocation plan by the chief fiscal officer.
- c. Identify a reasonable settlement of FY 2002/03 and FY 2003/04 indirect costs and transfer funds accordingly as soon as possible.

Campus Response

We concur and are in the process of researching and developing an appropriate methodology for a prospective cost allocation plan that will be approved by the chief fiscal officer on an annual basis. In addition, we will apply key service indicators in this methodology to prior year studies to assist in

identifying a reasonable settlement of those years and subsequently transfer funds as appropriate. We expect this to be completed by May 2006.

BUSINESS ARRANGEMENTS

Recommendation 3

We recommend that the campus:

- a. Identify and settle all past due business arrangements with UEE as soon as possible.
- b. Establish a system for resolution of business transactions on a contemporaneous basis in the future.

Campus Response

We concur and have initiated actions to identify and settle all past business arrangements and establish a system for resolution of business transactions on a contemporaneous basis in the future. We expect this to be completed by February 2006.

REVENUE SHARING

Recommendation 4

We recommend that the campus review revenue sharing formulas and justify each rate through supporting calculations and documentation to ensure that CERF revenue distribution directly benefits the support and development of CSU self-supporting instructional programs.

Campus Response

We concur. Since revenue sharing formulas are a key consideration of a prospective cost allocation plan, these will be integrated into the prospective cost allocation plan the campus develops in response to recommendation two and we expect this to be completed by May 2006.

BUSINESS MODEL/CURRICULUM

Recommendation 5

We recommend that UEE clarify reference to the campus in self-support materials promoting the ALP owned by the Foundation.

Campus Response

We concur and have already modified ALP promotional materials to ensure the full name of the auxiliary (California State University, Fullerton Auxiliary Services Corporation) is prominently displayed on the front cover of promotional materials.

THE CALIFORNIA STATE UNIVERSITY
OFFICE OF THE CHANCELLOR



- BAKERSFIELD
- CHANNEL ISLANDS
- CHICO
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- SAN BERNARDINO
- SAN DIEGO
- SAN FRANCISCO
- SAN JOSÉ
- SAN LUIS OBISPO
- SAN MARCOS
- SONOMA
- STANISLAUS

January 20, 2006

MEMORANDUM

TO: Mr. Larry Mandel
University Auditor

FROM: Charles B. Reed
Chancellor

SUBJECT: Draft Final Report Number 05-15 on *Continuing Education*,
California State University, Fullerton

In response to your memorandum of January 20, 2006, I accept the response as submitted with the draft final report on *Continuing Education*, California State University, Fullerton.

CBR/jt

Enclosure

cc: Dr. Milton A. Gordon, President
Dr. Willie J. Hagan, Vice President for Administration and Finance/CFO