

MINUTES, UNIVERSITY BUDGET COMMITTEE
CALIFORNIA STATE UNIVERSITY, FRESNO
5240 North Jackson, M/S UC43
Fresno, California 93740-8023
Office of the Academic Senate
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January 31, 2007

Members Present: J. Kus (Chair), J. Constable, J. Crossfield,
J. Parks, K. Shipley, P. Trueblood, T. Wielicki.

Members Absent: P. Amaral.

Visitors: W. Read, P. Smits, C. Teniente-Matson,
J. Waayers.

The meeting was called to order by Chair Kus at 3:16 p.m. in the
University Center, Room #203.

1. Minutes. MSC to approve the Minutes of 1/24/2007 as amended to show that in item #4, course section data, the flow chart that J. Waayers provided to the committee displays how the old and new models work together during the three year phase-in period, and that the CD that J. Waayers provided to the committee also contained a 3-year course history as well as a working copy of the 2006-07 budget model.
2. Agenda. MSC to amend the Agenda to add a new item #4 "Questions Related to 1/25/07 Article in Fresno Bee" and to renumber the remaining items accordingly.
3. Communications and Announcements.

There were none.
4. Questions Related to 1/25/07 Article in Fresno Bee.

Prior to the meeting, several members of the committee indicated that they wanted to discuss this item at today's meeting. P. Smits and C. Teniente-Matson agreed to attend the meeting to provide an explanation of several issues raised in the Fresno Bee article. They

indicated that there were several significant errors in the Bee report and the Bee would be contacted with the corrections. The issue revolves around a possible misdirection of some funds raised by the Bulldog Foundation (BDF) a number of years ago; the problem had been noted in an investigation in 2002. In essence, some contributors to the Bulldog Foundation had their donations matched by corporate funds. Ninety one corporations were identified as having made matches during the period covered by the audit. Some of the corporations placed restrictions regarding the use of their matching funds and some of the donations probably should not have been allowed as matches to the athletic donations to the Bulldog Foundation. The total amount of the donations in question (including those made by the individuals and by the corporations) was approximately \$865,000 during the period 1998-2001. All of the ninety one corporations were contacted after-the-fact to explain the possible misdirection of their matching donations. The companies were asked if they wanted a full refund of their matching donations, and as of February 1st none have asked for a refund.

In an effort to resolve this issue, monies have been moved to accounts related to the Library, the Smittcamp Honors College, the Marching Band, and the University Improvement Fund in the amount of \$865,000. A portion of this amount had been previously paid to the Library by Athletics and \$336,000 was paid by Athletics in four annual payments of \$84,000. Other funds to cover this payment came from the President's Fund and the University Improvement Fund.

BDF members were notified shortly after the 2002 internal audit (that uncovered this problem) that future corporate matching donations would be carefully screened so that this problem would not occur again.

A very wide-ranging discussion of various issues related to the initial audit, the current on-going external audit of these donations, the allocation to Academics of funds that had been improperly credited to Athletics, and other topics took place. One issue that was raised (for which there was no immediate answer) was a question regarding the amount previously paid to the Library by Athletics. It was noted that for a period of time a ticket surcharge had been added to some tickets. Was this surcharge the source of the money previously donated to Athletics? And, if so, was this not simply a "pass-through," not a donation from Athletics? Thus, should it count as part of the repayment to Academics? A full discussion of all of the questions raised by the

Fresno Bee and by members of the University Budget Committee consumed the remainder of the meeting.

5. Course Section Data.

Postpone to next meeting.

6. Level A Review Committee Recommendations.

Postpone to next meeting.

7. Campus Financial Statements for the 2005/2006 Fiscal Year.

Postpone to next meeting.

MSC to adjourn at 4:45 p.m.

The next scheduled meeting of the University Budget Committee will be Wednesday, February 7, 2007 at 3:15 p.m. in the University Center, Room #203.

Agenda.

1. Approval of the Minutes 1/24/2007.
2. Approval of the Agenda.
3. Communications and Announcements.
4. New Business.
5. Level A Review Committee Recommendations.
6. Course Section Data.
7. Campus Financial Statements for the 2005/2006 Fiscal Year.
8. Level C Budget Allocations.
9. Food Service Policies Related to Catering.