

Ramapo College Foundation

Management Letter

June 30, 2007



O'Connor Davies Munns & Dobbins, llp
ACCOUNTANTS AND CONSULTANTS

September 10, 2007

**Audit Committee and Board of Governors
Ramapo College Foundation**

In planning and performing our audit of the financial statement of Ramapo College Foundation as of and for the year ended June 30, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statement that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal controls was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weakness. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

However, the memorandum that accompanies this letter summarizes other matters on which we made comments and recommendations intended to improve internal control or result in other operation efficiencies.

This communication is intended solely for the information and use of management, Audit Committee and Board of Governors and others within the Foundation, and is not intended to be and should not be used by anyone other than these specified parties.

O'Connor Davies Munns & Dobbins, LLP

Paramus, New Jersey
September 10, 2007

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Internal Financial Statements

Observation

The Banner software system has the capability to generate financial statements. The statement is a reflection of the activity in the general ledger for the year and is prepared in a similar format to the audited financial statements.

Recommendation

The Banner statement of financial position and statement of activities should be generated at the end of each month. The numbers should be reviewed for reasonableness. Any unusual balances should be adjusted if necessary.

Management's Response

Management agrees with the recommendation. The recommended reports will be generated and reviewed on a monthly basis.

Accounting Policy and Procedures Manual

Observation

We have previously mentioned that the Foundation maintain a formal accounting manual. Although the accounting office has made significant updates to this manual, additional improvements need to be made.

Recommendation

Due to the new personnel in the accounting office during the current fiscal year it would be a good opportunity to review the accounting manual for any improvements noted by the new comptroller.

Management's Response

Management agrees with the recommendation. The Comptroller, with assistance from other Foundation staff will continue to update the manual.

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Gift Revenue

Observation

The Foundation records gift income in two subsystems of banner (development and financial). However, the development system is recorded on the accrual basis and the financial side is recorded on the cash basis – with an adjustment made at year end to record the unconditional promise to give balance. Thus, during the year the gift revenue and pledge receivable will be over (under) stated.

Recommendation

Management should record pledges on the accrual method in both the development and financial subsystems of banner. This will allow for more accurate numbers on interim statements.

Management's Response

The Banner development subsystem is a donor reporting system. It was not designed to act as a subsidiary system to the Banner Financial module. Accordingly, management is in process of working with College information technology personnel and Banner consultants to develop an interface between the two subsystems to accommodate the uploading of pledge related information to the finance module.

Disposition of Prior Year Comments

In our management letter for the year ended June 30, 2006, we made several comments and recommendations intended to improve the internal controls of the Foundation. During our current year audit, we reviewed these comments to determine if the recommendations were implemented.

The comments pertaining to the permanently restricted (endowment funds), has been adequately addressed. The only other comment pertained to the accounting policy and procedures manual which is discussed above.

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us by the personnel of the Foundation during the course of our audit.