

Ramapo College Foundation

Independent Auditors' Report on Communication of
Internal Control Related Matters Identified in the Audit

June 30, 2010



August 30, 2010

**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, 2010, 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 attached Addendum A 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
August 30, 2010

Ramapo College Foundation

Addendum A

Pledge Receivable

Observation

During our audit it came to our attention that the Foundation recorded as a pledge receivable the death benefit of an insurance policy where it was named the beneficiary. Since the Foundation was only the named beneficiary it does not meet the criteria to be recorded as a pledge receivable.

Recommendation

We recommend that management thoroughly review all insurance policies to determine if the Foundation is the owner and record those policies.

Management's Response

We agree with the recommendation. All insurance policies will be classified regarding ownership and recorded as appropriate in the accounting records.

Temporary and Permanent Restricted Net Assets

Observation

The temporary and permanent restricted funds are an integral part of the finances of the Foundation. During our current audit, it became more evident of the importance of the proper accounting for these funds. The accounting department has had to account for more funds and additional time and effort was needed to properly record endowment fund transactions.

Recommendation

It is important that the accounting department continue to take this responsibility seriously and devote the appropriate amount of resources to maintain the accounting records.

Management's Response

We agree with the recommendation. Documentation and reporting on restricted funds will be enhanced with the cooperation and assistance of Foundation staff and Ramapo College Information Technology Staff.

Ramapo College Foundation

Addendum A

Investment Income

Observation

During our audit it came to our attention that unrealized gains and losses are only allocated to each individual fund balance on an annual basis. This results in each individual fund balance being understated or overstated throughout the year.

Recommendation

We recommend that unrealized gains and losses be posted to each individual endowment fund on at least a semi-annual basis.

Management's Response

We agree with the recommendation. Unrealized gains or losses will be posted for each fund on a semi annual basis beginning with the period ending December 31, 2010.

Disposition of Prior Year Comments

In our management letter for the year ended June 30, 2009, 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.

Pledge Receivable Report

Observation

During our review of the pledge receivable report, which is used to track pledges receivable and collection on pledges, it was noted that the schedule is only updated at year-end.

Recommendation

We recommend that the pledge receivable schedule be updated and reviewed at least quarterly to help eliminate the potential for any errors at year-end. Also, implementation of an automated feed of new pledges and pledge payments to the accounting system will help properly update the accounting records.

Management's Response

We agree with the recommendation. The automation process for new pledges and pledge payments has been developed. The Pledge Receivable will be reviewed on a quarterly basis beginning with period ending 9/30/09.

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Addendum A

Due To/From Ramapo College

Observation

During our audit of the Due to/from Ramapo College account, it was noted that differences existed between the Due to Ramapo College account on the Foundation's general ledger and the Due from Ramapo College Foundation on the College's general ledger.

Recommendation

We recommend that a reconciliation between these accounts be performed on a monthly basis.

Management's Response

Foundation Management will work with College Financial personnel to monitor and update these accounts on an appropriate periodic basis.

In Summary

The comments pertaining to the prior year have been adequately addressed or are in the process of being implemented.

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.