Ramapo College Foundation

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

June 30, 2013

O'CONNOR DAVIES

PKF

Audit Committee and Board of Governors
Ramapo College Foundation

In planning and performing our audit of the financial statement of Ramapo College Foundation (the Foundation) as of and for the year ended June 30, 2013, 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 auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified certain internal control recommendations as presented in the attached exhibit to this letter.

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, LLP

October 14, 2013

O'CONNOR DAVIES, LLP
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Ramapo College Foundation

Exhibit A

Fiscal 2012

Listed below are the prior year internal control recommendations:

- We recommend that management work with Information Technology Service to develop reporting systems which can summarize transactions and summary totals in accordance with financial statement categories.
- We recommend that the receipt of cash be allocated between pledge payments and donations at the time received. If this is not feasible a monthly adjustment should be made to update the receivable and revenue amounts. This will create more accurate financial reporting.
- We recommend that management develop a process to estimate and track the collectability of the future capital campaign pledge receivables.

Management addressed the above items during fiscal 2013.

Fiscal 2013

Promises to Give

Observation

During the audit we noted instances where documentation was not consistent on some pledges. We believe it is a "best practice" to have all promises to give signed by the donor and include the payment schedule.

Recommendation

We recommend that all promises contain the same standard written information that includes:

- Pledge amount - the pledge amount the donor personally plans to contribute;
- Payment schedule – the frequency (monthly, quarterly, or annual) and number of payment installments and specified end date by which the donor plans to satisfy his or her pledge; and
- Pledge designation – the specific purpose the donor expects the funds to be used for by the Foundation (i.e. capital project or endowment).

With all of this information documented, the Foundation will be more effectively able to record the pledge. In addition, the estimates used by the Foundation will be better supported.

Management's Response

Management agrees that it is always best practice to obtain this information regarding all new pledges. The Foundation's standard pledge agreement has been adjusted to include expected pledge payment schedules so that these will be more appropriately documented. In addition, the Foundation has always verified that the donor intent for each gift is clearly understood and documented so that it can carry out its fiduciary responsibility to the donor, regardless of the formal documentation process.