



**New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor**

EXECUTIVE SUMMARY

**RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY
ALLOCATION AND TRANSFER OF RESOURCES ACROSS CAMPUSES
July 1, 2016 to June 30, 2017**

Our audit determined the university's methodology for the allocation of resources across campuses as contained in their certified report for fiscal year 2017 was reasonable. Under RCM, campus vice chancellors/chief financial officers (CFOs) are active participants in the budget process and agree that RCM provides greater transparency. The CFOs are able to view all of the accounts and cost information for all the campuses, not just their own campus, thereby allowing them an opportunity to test the calculations, make adjustments, and vet the amounts before reaching a collaborative agreement among themselves and the central budget office that the revenues and expenditures have been equitably distributed among the campuses. We also determined the university resolved the significant conditions noted in our prior report.

In addition, we made an observation concerning campus fund balance disclosure.

AUDIT HIGHLIGHTS

- The financial report on the allocation and transfer of resources across campuses identifies whether a campus had a surplus or deficit at the end of the current period. Also identified in this report is the budgeting of funds available from the prior year for use by each campus in the current period. There is no indication of the effect the surplus or deficit has on the total funds each campus has available. To improve transparency in the allocation and transfer of resources across campuses, the report should contain the beginning and ending fund balance of each campus.

AUDITEE RESPONSE

The university is in agreement with the report and chose not to respond.

For the complete audit report or to print this Executive Summary, click [here](#).