



**California State University, San Bernardino
Santos Manuel Student Union Board of Directors
Audit Committee
Zoom: <https://csusb.zoom.us/j/88153481904>
February 12, 2026 – 9:00am**

AGENDA

1. Call to Order
2. Roll Call
3. Approval of Minutes
 - a. November 25, 2025
4. Open Forum
5. Adoption of Agenda

NEW BUSINESS

AC 03/26 Financial Audit Request for Proposal Review (Discussion, Del Rossi)

Announcements

Adjournment



**California State University, San Bernardino
Santos Manuel Student Union Board of Directors
Audit Committee
November 25, 2025**

Minutes

Members Present: Anjali, Sukhpreet Kaur, Jocelyn Paz

Staff Present : Vilayat Del Rossi, Elizabeth Junker, Maria Elena Najera-Neri

Guests: Michelle Bulaon, Carly Walton

Call to Order: The meeting was called to order at 8:10pm

Roll Call: A verbal roll call of attendees was conducted. Quorum was met.

Approval of Minutes: M/S Anjali/Kaur; motion to approve January 29, 2025 and September 17, 2025 minutes.
Motion passed.

Open Forum: There were no members of the community present.

Adoption of Agenda

M/S Anjali/Kaur; motion to adopt the agenda for November 25, 2025.
Motion passed.

NEW BUSINESS:

AC 02/26 Review and Approval of Santos Manuel Student Union Audited Financial Statement for 24-25FY | CLA Guests: Carly Walton and Liezl Malabanan (Action, Del Rossi)

M/S Kaur/Anjali; motion to open AC 02/26 Review and Approval of Santos Manuel Student Union Audited Financial Statement for 24-25FY | CLA Guests: Carly Walton and Liezl Malabanan.

The Audit Committee met to receive the annual audit report from CliftonLarsonAllen LLP (CLA) for the fiscal year ending June 30, 2025. CLA issued an unmodified audit opinion—the highest level of assurance—indicating that the financial statements of Santos Manuel Student Union (SMSU) are fairly presented in all material respects. There were no audit adjustments, no material weaknesses or findings, and no difficulties encountered during the audit. The audit scope also included preparation of SMSU's Form 990, which is scheduled for filing by May 2026.

SMSU reported a positive change in net assets of \$1.6 million, up from \$131,000 the prior year, largely driven by a \$2.2 million increase in student union fees. Other notable revenue sources included commission reimbursements from food services vendors. Expenses rose in parallel, with student union operations increasing 16% and recreation center costs increasing 3%, aligning with a 22% rise in total operating revenue. The committee also discussed long-term financial planning, including anticipated expenses related to the Palm Desert campus expansion and how these will be reflected in future budgets and audits.

The committee confirmed that the audit report will be forwarded to the full Board of Directors for final acceptance. Appreciation was expressed to CLA, SMSU management, and campus auxiliary staff for their work and coordination in completing the audit on time and with no deficiencies.

Roll Call Vote: 3 - In-Favor 0 - Opposed 0 - Abstentions.
Motion passed.

Announcements

There were no announcements.

Adjournment

M/S Kaur/Paz; motion to adjourn the meeting at 8:51am.

Reviewed and respectfully submitted by:

Jocelyn Paz, Chair, Audit Committee

Date



**UNIVERSITY ENTERPRISES CORPORATION
CSUSB PHILANTHROPIC FOUNDATION
SANTOS MANUEL STUDENT UNION
ASSOCIATED STUDENTS, INC.
THE CHILDREN'S CENTER OF THE UNIVERSITY
ENTERPRISES CORPORATION**

REQUEST FOR PROPOSAL FOR AUDIT & TAX SERVICES

INTRODUCTION AND PURPOSE

University Enterprises Corporation at CSUSB (UEC), the CSUSB Philanthropic Foundation (FOUNDATION), the Santos Manuel Student Union of California State University, San Bernardino (SMSU), Associated Students of California State University, San Bernardino (ASI) and The Children's Center (The Center) of the University Enterprises Corporation jointly invite qualified audit firms to submit a proposal in response to this Request for Proposal (RFP), for auxiliary audit and tax preparation services, for the four aforementioned 501(c)(3) California State University, San Bernardino (the University) auxiliaries as described in this RFP.

SUMMARY OF AUXILIARIES

University Enterprises Corporation (UEC), established in 1965, is a non-profit corporation and an auxiliary organization of the University. UEC's corporate purposes include, among other things, establishing and operating food service, the bookstore, and other facilities on the University campus. UEC also provides contract services, including administrative, personnel, and payroll functions for university research and sponsored programs, projects, and accounts. For the fiscal year ending June 30, 2025, UEC reported total revenue and expenses of \$55,576,454 and \$55,943,267, respectively, and net assets of \$13,460,331. UEC is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and similar California statutes and is not classified as a private foundation under (509)(a) of the Internal Revenue Code.

The **CSUSB Philanthropic Foundation** was created in 2011 as the charitable successor to The Foundation for California State University, San Bernardino. The prior foundation was established in 1965 and served as the primary auxiliary to the university, promoting charitable giving and supporting the enterprise operations. The CSUSB Philanthropic Foundation is a private, not-for-profit, tax-exempt auxiliary organization.

The Philanthropic board is comprised of volunteer directors, including community members and university leadership. The directors provide CSUSB with expertise, regional knowledge, fiduciary oversight, and advocacy focused on enhancing the role of private giving in achieving the university's mission.

The Philanthropic Foundation receives charitable contributions in support of and in advancing CSUSB's educational mission. For the fiscal year ending June 30, 2025, the Philanthropic Foundation had total revenue and expenses of \$17,547,253 and \$6,234,002, and net assets of \$89,944,949. The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and comparable state statutes and is not classified as a private foundation under (509)(a) of the Internal Revenue Code.

The **Santos Manuel Student Union of California State University, San Bernardino (SMSU)**, is a not-for-profit organization incorporated on November 18, 1977, under the laws of the State of California. SMSU operates the SMSU Buildings, as well as the Student Recreation & Wellness Center, and is an auxiliary organization of California State University and Colleges, as defined under Section 89901 of the California Education Code and California Administrative Code, Title 5, Section 42400. SMSU has elected to follow the accounting standards and pronouncements issued by the Governmental Accounting Standard Board (GASB). For the fiscal year ending June 30, 2025, the SMSU had total revenue of \$12,716,197, expenses of \$11,135,819, and a net position of \$11,066,865. The SMSU is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code and is classified as an organization that is not a private foundation. The State of California has granted a comparable exemption under Section 23701 (d) of the Revenue and Taxation Code.

The **Associated Students, Inc. of California State University, San Bernardino (ASI)** is a nonprofit, tax-exempt auxiliary organization of the University, organized to administer various student programs and activities. Student activity fees and other program revenues are collected to support student-related programs and activities. Programs include the student government of California State University, San Bernardino, and the ASI Business Office. For the fiscal year ending June 30, 2025, ASI had total revenue and expenses of \$1,947,798 and \$1,665,379, respectively, and net assets of \$2,496,416. ASI is a qualified nonprofit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code.

The **Children's Center (The Center)** of The University Enterprise Corporation at California State University, San Bernardino is a student-related program operated by the UEC and is a tax-exempt auxiliary organization of the University. The Center provides childcare and child nutritional services for children of university students, faculty, and community members. For the fiscal year ending June 30, 2024, The Center reported total revenue and expenses of \$698,300 and \$750,819, respectively, and net assets of \$449,957. The Center is a qualified nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code.

MINIMUM TECHNICAL REQUIREMENTS AND QUALIFICATIONS

A. Audit Scope and Deliverables

1. Perform an annual audit of the following auxiliaries of California State University, San Bernardino (CSUSB):

- University Enterprises Corporation (UEC).
- CSUSB Philanthropic Foundation.
- Santos Manuel Student Union (SMSU).
- Associated Students, Incorporated (ASI).
- Children's Center of University Enterprises Corporation (The Center).

2. Prepare all required audited financial statements and supporting schedules for each auxiliary.
3. Prepare a management letter that includes findings, observations, opinions, comments, or recommendations concerning internal controls, accounting systems, compliance with laws, and other material matters.
4. Conduct inventory counts or physical observations as needed on or around June 30 of each year, if required to support audit procedures.

B. Regulatory and Policy Compliance

1. Meet the Auxiliary Organization External Auditor Firm Qualifications described in CSU Policy No. 13175.00, available at: <https://www.calstate.edu/icsuam/sections/13000/13175.00.shtml>.
2. Prior to engagement, complete the CSU 13175.00 compliance questionnaire to verify adherence to policy requirements.
3. Conform and comply with CSU financial-statement reporting and presentation policies, including Chapter 8 of the CSU GAAP Reporting Manual, available at:
[CAL STATE GAAP Manual Link](#)
4. Report on internal control and compliance in accordance with OMB Circulars A-21 and A-110, as applicable.
5. Ensure that all audits comply with OMB Circular A-133 / Uniform Guidance (2 CFR 200), as applicable.

C. Tax Reporting Requirements

1. Prepare and file the following tax returns, as applicable to each auxiliary:
 - Federal Form 990
 - Federal Form 990-T (if applicable)

- California Form 199
- California Form 109
- California Form RRF-1

D. Firm Qualifications and Professional Standards

1. Provide evidence of a successful external peer review conducted within the past three years, resulting in an unqualified opinion.
2. Maintain appropriate licensure and good standing as a certified public accounting firm authorized to practice in the State of California.
3. Demonstrate a minimum of five years of experience performing audits of CSU auxiliaries, higher-education institutions, or comparable nonprofit organizations.

E. Engagement Continuity and Communication

1. Commit to continuity of engagement with UEC, the Foundation, SMSU, ASI, and CC for the entire contract term, subject to satisfactory performance.
2. Notify the affected auxiliary immediately of any changes in key personnel, ownership, or organizational structure that may materially affect the engagement.

F. Performance and Deadline Requirements

1. Demonstrate the firm's ability to meet all CSU and Chancellor's Office deadlines for completion of draft and final audit reports, as specified in **Exhibit A – Period and Timing of Audit**.
2. Maintain the highest standards of independence, objectivity, and professional conduct, including responsiveness to audit inquiries and adherence to agreed-upon timelines and reporting formats.

PROPOSAL FORMAT

Note: The Proposal Format outlined below corresponds directly to the *Minimum Technical Requirements and Qualifications* described in the preceding section. Each proposal must clearly demonstrate how the firm satisfies those requirements. Incomplete or non-responsive submissions may be disqualified from consideration. **Review Exhibit B for RFP Submission and process timelines.**

Proposals must be submitted electronically and shall follow the format below. All sections are required and must be clearly labeled. While firms may present supporting materials in their preferred layout, each response must address, at a minimum, the following elements in the order presented:

1. Understanding of the Engagement and Audit Approach

Provide a detailed statement demonstrating understanding of the scope of work and the distinct operational structures of the four CSUSB auxiliaries.

Describe the proposed audit methodology, including:

- Risk-assessment process and planned audit approach by the auxiliary.
- Sampling and internal-control review techniques.
- Coordination plan to ensure each audit is conducted independently yet efficiently under one engagement; and
- Communication methods for interim updates, preliminary findings, and final deliverables.

Responses must demonstrate familiarity with CSU, AICPA, FASB/GASB, and OMB A-133 requirements, as well as an understanding of CSU auxiliary governance expectations.

2. Firm Description and Qualifications

Provide a comprehensive profile of your firm, specifying:

- History, ownership, structure, and office(s) responsible for the engagement.
- Number of partners, professional staff, and support personnel.
- Audit and tax-service philosophy, including quality-control systems.
- Client portfolio summary emphasizing higher-education and nonprofit experience; and

- Key differentiators (technology, staffing model, service innovation, etc.). Clearly describe the firm's capacity to manage concurrent multi-entity audits and meet CSU Chancellor's Office submission deadlines.

3. Key Engagement Personnel

Provide resumes or biographies of engagement partner(s), audit manager(s), and key staff assigned to this engagement.

Each biography must include:

- Professional certifications, licenses, and years of experience.
- Specific CSU or higher-education auxiliary experience.
- Role and estimated percentage of time dedicated to the engagement; and
- Identification of tax personnel responsible for filings.

4. Estimated Hours and Staffing Plan

Present a detailed breakdown of estimated hours by staff level (Partner, Manager, Senior, Staff) for each auxiliary, including:

- Expected timing of fieldwork (interim and year-end);
- Allocation of on-site versus remote work; and
- Identification of shared staff resources across auxiliaries.

The proposal should demonstrate the firm's ability to complete all audits within CSU and the Chancellor's Office reporting timelines.

5. References

Provide a minimum of three references from clients for whom similar audit and tax services have been provided within the past five years, preferably 501(c)(3) organizations or CSU auxiliaries.

Each reference must include:

- Organization name, contact person, title, phone, and email.
- Description of engagement scope and duration; and
- Year(s) services were performed.

6. Fee Proposal

Provide a comprehensive, itemized schedule of fees that includes:

- Audit and tax-preparation costs for each auxiliary by fiscal year (FY 2025-26, FY 2026-27, FY 2027-28).
- Estimated hours and billing rates by staff classification.
- Hourly rates for out-of-scope services; and
- Any joint-pricing discounts if all four auxiliaries engage your firm under one agreement. State whether fees are fixed, capped, or subject to escalation during the contract term and identify any reimbursable expenses.

7. Audit Schedule and Fieldwork Timing

Include a detailed audit timeline and fieldwork plan demonstrating your ability to meet the deadlines identified in **Exhibit A – Period and Timing of Audit**.

Proposals must identify:

- Planned start and completion dates for interim and year-end fieldwork.
- Duration and sequencing of preliminary fieldwork, testing, and reporting phases.
- Staffing resources and coordination plan across the four auxiliaries; and
- Key milestones for draft and final deliverables.

The work plan should be realistic, fully resourced, and allow for adequate internal review and Board approval before submission to CSU.

8. Peer Review Report

Include a copy of the firm's most recent external peer-review report and accompanying letter of comments, showing:

- Reviewing organization and date.
- Opinion type (unqualified required for consideration);
- Summary of findings or recommendations; and
- Description of corrective actions and date remediation was verified.

9. Exceptions and Disclosures

Provide a comprehensive statement identifying any exceptions, limitations, or exclusions to this RFP, including:

- Pending or past litigation or disciplinary actions within five years.
- Relationships with CSU or CSUSB personnel that could create a conflict of interest; and
- Any minimum technical qualifications that the firm cannot meet, with proposed alternatives.

Do not submit hard copies of the proposal. Email a complete electronic submission no later than **5:00 p.m. on February 6, 2026**, to:

Jason A. Espinoza

Executive Director

University Enterprises Corporation

5500 University Parkway

San Bernardino, CA 92407

Phone: 909-537-3549

Email: *jason.espinoza@csusb.edu*

See **Exhibit B** for the RFP timeline.

POST-AWARD TERMS AND EXPECTATIONS

The following provisions outline the responsibilities, deliverables, and expectations that will be in effect upon contract award and throughout the duration of the engagement period.

Continued Engagement

Continuation of services beyond the initial three-year term will be subject to annual performance evaluation and approval by the governing board(s) of each auxiliary organization.

- **Performance Review:** Each auxiliary will assess the firm's performance annually, considering audit quality, responsiveness, adherence to deadlines, accuracy of reporting, communication, and value-added service delivery.
- **Independent Board Action:** Renewal or continuation of services does not require joint consideration. Each auxiliary may independently elect to extend or terminate the engagement based on its own assessment and organizational needs.

- **Modification of Terms:** The requirements of this RFP, as may be amended or updated by the auxiliaries, shall remain in effect and govern the terms of any continued engagement.
- **Notification of Renewal:** Renewal decisions will typically be made prior to the start of each subsequent fiscal year to ensure continuity of audit services.

Reports Required

The selected firm shall prepare and deliver the following audit and tax reports for each auxiliary organization in accordance with CSU, AICPA, and all applicable federal and state requirements.

Audit Reports

- Independent Auditors' Reports
- OMB Circular A-133 Report, including Schedule of Expenditures of Federal Awards (UEC only)
- Management Letter summarizing findings and recommendations
- Report to the Board of Directors and Audit Committee

Tax Filings

- Federal Form 990
- Federal Form 990-T (if applicable)
- California Form 199
- California Form 109
- California Form RRF-1
- Annual Registration Renewal Fee Report

The audit firm shall provide both electronic (PDF) copies and, upon request, up to three bound hard copies of all required audit and tax reports for each auxiliary.

Copies of the most recent audits for UEC, the Foundation, SMSU, and ASI (FY 2024-25) are attached for reference.

Additional Services and Expectations

The selected firm will be expected to provide professional communication, advisory support, and technical updates throughout the duration of the engagement period.

- **Presentations:** The engagement partner and/or audit manager shall present draft and final audit reports to each auxiliary Audit Committee and Board of Directors, as requested.
- **Meeting Participation:** The audit partner and/or manager is expected to attend a predetermined number of annual Audit Committee and Board meetings, in coordination with auxiliary management.
- **Technical Updates:** The audit firm shall keep each auxiliary informed of all relevant FASB, GASB, or OMB pronouncements and other audit rules, regulations, or emerging standards that materially impact reporting or compliance.
- **Tax Advisory:** The tax partner or manager shall provide periodic updates on federal and state tax law changes that may affect filing obligations or organizational status.
- **Responsiveness:** The firm shall maintain year-round communication and availability for consultation on accounting or audit-related matters at no additional cost, unless otherwise pre-approved.

Award of Contract

Each auxiliary organization reserves the right to accept or reject any or all proposals and to contract with the firm that is deemed most advantageous in meeting its individual audit and tax service requirements.

- **Independent Selection:** Each auxiliary will make its own award decision and may enter a separate contract independent of the other auxiliary.
- **Best-Value Determination:** Selection will be based on a combination of qualifications, technical capability, experience, proposed methodology, fee structure, and demonstrated understanding of CSU auxiliary operations.
- **Right to Negotiate:** The auxiliaries reserve the right to negotiate final terms, conditions, and fees prior to execution of any agreement.
- **No Obligation:** Issuance of this RFP does not obligate any auxiliary to award a contract or to reimburse any costs incurred in preparing a proposal.

EXHIBIT A

PERIOD AND TIMING OF AUDIT

The initial audit will cover the fiscal year from July 1, 2025, to June 30, 2026. The initial engagement term will be for three years, subject to satisfactory performance, and will conclude with the audit for the 2027-28 fiscal year.

The Chancellor's Office requires CSU auxiliaries to submit final external audit reports to the CSU, generally no later than September 19 for the independent annual audit and November 28 for the A-133 Single Audit. To allow adequate review and approval by each auxiliary's management, Audit Committee, and Board, the audit firm is expected to schedule fieldwork and complete all reports in time to meet the following annual deadlines:

Report	Annual Due Date
Draft Independent Audit Report	September 9
Final Independent Audit Report	September 19
Draft A-133 Single Audit (UEC only)	October 6
Final A-133 Single Audit (UEC only)	October 23

Exhibit B

RFP TIMELINE

Dates of Importance	Notes
January 12, 2026	Submit RFP Requests to candidate firms.
February 6, 2026	Deadline for candidate firms to respond to RFP.
February 9 – 20, 2026	Evaluate RFPs and identify up to five finalists.
February 16 – 19, 2026	Schedule presentations with finalists.
February 26 – March 12, 2026	Presentations by finalists.
March 13 – 19, 2026	Internal evaluation and identification of a recommended audit firm.
March 20 - 26, 2026	Approval of selection by respective Audit Committee Chairs.
March 27, 2026 (tentative)	Notify the selected firm.