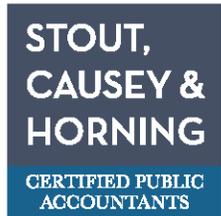


TOWSON UNIVERSITY FOUNDATION, INC.

**Independent Accountants' Report on
Applying Agreed-Upon Procedures
For the Year Ended June 30, 2017**



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Audit Committee
Towson University Foundation, Inc.
Towson, Maryland:

We have performed the procedures enumerated below, which were agreed to by the Audit Committee of Towson University Foundation, Inc. (the Foundation), solely to assist you in evaluating the accuracy of the Foundation's processing of cash disbursements, cash receipts, and scholarships for the year ended June 30, 2017. The Foundation's management is responsible for the processing of cash disbursements, cash receipts, and scholarships. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We obtained a listing from management of all cash disbursements during the year ended June 30, 2017. We examined supporting documentation for 50 cash disbursements that were greater than or equal to \$5,000 and 20 cash disbursements that were less than \$5,000 to determine if services were provided or products received, and that the proper approval was granted to authorize the disbursement. For expenses from endowed funds, we verified that the cash disbursement aligned with the stated donor purpose. We traced the cash disbursements to cancelled checks and examined endorsements and determined that the proper projects were charged.
 - i. According to the Foundation's cash disbursement policy, all disbursements greater than \$2,500 require a dual signature approval on the check by two of the three Foundation authorized check signers. We noted 11 disbursements over \$2,500 in our testing where the check was only signed by one of the three authorized signers. All 11 of these disbursements contained a disbursement form that had been properly signed and approved by the respective department yet only one of the three authorized signers signed the check. We also noted that 7 of the 11 disbursements were based on a contract that had been previously approved by the appropriate program director and either the Vice President for University Advancement or the Vice President/CFO. We also noted that 2 of the 11 disbursements were signed by one authorized signer during a time when the Vice President/CFO (one of the authorized internal signers) was out on administrative leave and was, therefore, unable to sign. The remaining 2 disbursements were only signed by one of the authorized signers and did not contain any additional forms of approval aside from the disbursement form noted above. Finally, it was noted that 4 of the checks with only one signature were signed at a time when there was only one internal signer, coinciding with the time immediately following the retirement of the former Vice President of University Advancement and the time his interim replacement was set up to be an authorized signer.

2. We obtained a listing from the general ledger of all journal entries made to record cash receipts for the year ended June 30, 2017. We haphazardly selected a sample of 30 cash receipts (10 of which were in excess of \$10,000 and 5 of which were credit card receipts). We traced the receipts to bank reports (deposit slips, statements, etc.) and also to the general ledger to verify that the proper project received credit for the deposit. If appropriate, we reviewed donor supporting documentation for gifts. For gift receipts, we traced the activity to the Development Office's donor database to assure consistency of coding.

i. No exceptions were found as a result of applying these procedures.

3. We obtained a listing from management of all scholarships awarded during the year ended June 30, 2017. We haphazardly selected 15 scholarships to ensure that each was properly approved and any donor restrictions were met prior to awarding the scholarship. We obtained donor restriction documentation and the Foundation's restriction letter related to the scholarship and traced the signers of the Foundation's restriction letters to the Towson University's faculty contact website to determine if the individual's were members of the University's staff.

i. No exceptions were found as a result of applying these procedures.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting for cash disbursements, cash receipts, and scholarships of the Foundation. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Audit Committee of Towson University Foundation, Inc. and is not intended to be and should not be used by anyone other than this specified party.

Stout, Causey & Herring P.A.

Sparks, MD
November 15, 2017