



THE STATE UNIVERSITY of NEW YORK

MEMORANDUM

September 15, 2010

Office of the
Chancellor

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To: Members of the Board of Trustees

From: Nancy L. Zimpher, Chancellor

Subject: Selection of Fust Charles Chambers LLP to Provide Audit and Accounting Services with Respect to the Health Sciences Centers

I recommend that the Board of Trustees adopt the following resolution:

Resolved that the firm of Fust Charles Chambers LLP be, and hereby is, approved to be retained to provide auditing and accounting services with respect to the State University's health sciences centers at Brooklyn, Stony Brook and Syracuse for a three fiscal year period, commencing the year ending December 31, 2010, with an extension for an additional two fiscal years permitted at the option of the State University; and be it further

Resolved that the Chancellor, or designee, be, and hereby is, authorized to take appropriate action to retain the services of Fust Charles Chambers LLP upon such terms and conditions as the Chancellor, or designee, shall deem appropriate.

Background

The State University's health sciences centers at Brooklyn, Stony Brook and Syracuse annually require the services of an independent firm to provide auditing and accounting services, including assistance in the preparation of financial statements and the provision of opinions on the institutional cost report and bad debt and charity care.

This year System Administration issued a Request for Proposal in March 2010 to solicit the services of a single firm for all three health science centers. Seven vendors responded to the Request for Proposals. An evaluation committee was established to review the proposals. The proposals including the firm's qualifications and cost proposals were reviewed and evaluated by the members of the evaluation committee. The results of the evaluations were presented to the Audit Committee. As a result of this

process, the Audit Committee recommends Fust Charles Chambers LLP be retained to provide auditing and accounting services with respect to the State University's health sciences centers at Brooklyn, Stony Brook and Syracuse for a three fiscal year period, commencing the year ending December 31, 2010, with an extension for an additional two fiscal years permitted at the option of the State University.

In addition to the services described above, it is anticipated Fust Charles Chambers LLP will undertake comprehensive analysis of third-party reimbursement accounts, compliance assessment to identify risk of fraud and abuse, and accounting assistance and analysis.