What is an audit?
As public institutions, California State University campuses are routinely audited to ensure taxpayer money is being used wisely and properly. Sacramento State has complied with numerous audits in the past and is cooperating fully with the recent Department of Justice audit.

Why is the Department of Justice auditing University Enterprises, Inc.?
The California Attorney General, who runs the Department of Justice, has a duty to monitor and supervise public benefit corporations under state law. One of the ways the attorney general does this is by conducting audits of charitable nonprofit organizations.

What is being sought in the latest audit?
A copy of the audit request is available on this web site. Sacramento State, University Enterprises, Inc., and the CSU Chancellor’s Office are cooperating fully with the audit.

What is University Enterprises, Inc.?
University Enterprises, Inc. (UEI) is Sacramento State’s nonprofit business auxiliary. Until 2005, it was known as the California State University Sacramento Foundation. UEI creates and manages programs and services that enhance the University’s educational mission. UEI’s investment activity also strengthens the campus by providing benefits that cannot be achieved with state funds.

What does UEI do to help Sacramento State?
UEI has purchased or acquired real estate to provide 33,000 square feet of classroom space to the campus, and more is planned. UEI also administers federal research grants and vital resources such as the bookstore, dining services and campus-affiliated housing. In the last few years, UEI’s support of Sacramento State has led to millions of dollars for teaching and learning initiatives. More UEI benefits are listed here.

FAQs regarding previous audit

Was the Foundation audited a few years ago?
The California State Auditor released a report of its audit in 2007. The audit found no violations of policy or law.

Why did the Foundation (UEI’s predecessor) provide funds related to President Gonzalez’ relocation?
As the University’s not-for-profit business auxiliary, the Foundation (now UEI) supports the University and the University’s mission through investments, grants and business activities that are prohibited for a state-funded university. The Foundation used no state funds in President Gonzalez’ relocation. Additionally, no donor funds were used because the Foundation funded itself through its operations and investments.

Why did President Gonzalez receive a bridge loan for his home?
President Gonzalez moved from San Diego County to Sacramento when he assumed his post at Sacramento State. The loan covered costs associated with selling his home
in San Diego County and buying a home in Sacramento. President Gonzalez fully and promptly repaid the loan, including the interest, when his previous home was sold.

**Why was a new stove installed in President Gonzalez’ home?**
The “kitchen remodel” referenced in the State Auditor report and subsequent news stories was actually a commercial stove. The stove installed in the president’s home was necessary to comply with health standards related to the hosting of guests on behalf of the University, including campus visitors and potential donors. Using the existing, non-commercial stove would have created food safety issues.

**Why is President Gonzalez the chairman of the UEI Board?**
President Gonzalez assumed chairmanship of the UEI Board soon after his arrival based on the recommendation of the former chairman, who noted its appropriateness because UEI has become an integral part of his vision and plans for the future of the University. The president sought to enhance classroom space, and the UEI is the only vehicle by which Sacramento State can acquire buildings. Under the President’s leadership, UEI has provided the University and its students with tremendous benefits, which are detailed in the accompanying documents. The same UEI Board reorganization resulted in more community membership.