

*Example Supplemental Assurances/Procedures for
Annual Audit of Financial Statements*

1. The (name of affiliated organization) did not make loans to or allocate any net earnings or assets to the benefit of its directors, officers, or other private persons. Any payments made to these persons were for reasonable compensation for services rendered or reimbursement for reasonable travel expenses.
2. The (name of affiliated organization) made no political contributions nor reimbursed any employee for politically-related expenses that would violate IRS guidelines for 501(C)(3) organizations [for example, IRS Fact Sheet 2006-17]. Accordingly, the Affiliate did not provide funds to or on behalf of university employees to endorse political parties or candidates, attend political fund-raisers, participate in lobbying activities, etc.
3. The (name of affiliated organization) preserved, in accordance with donor intent, the principal of any endowments, and disbursements from the expendable portion of those funds were made in compliance with donor intent and to eligible recipients or for eligible purposes.
4. Donations were properly recorded in the accounting records in accordance with donor intent (i.e. unrestricted vs. restricted funds/endowments).
5. The (name of affiliated organization) did not deposit or hold public funds at any time during (the period under audit), except for 1) Endowed Chair and Endowed Professorships Program funds held in accordance with a Funds Management Agreement [if applicable] or 2) project funds held in accordance with a cooperative endeavor agreement.
6. All contracts between the (name of affiliated organization) and any member of its Board of Directors, any member of the UL System Board of Supervisors, any UL System employee, or any university employee have been individually disclosed in the notes to the financial statements, regardless of the significance of the contract payments to total Affiliate expenses. The applicable Related Parties note includes the names of the parties to the contract, the services provided, the amount paid as of the date of the financial statements, and the maximum amount of the contract.
7. Funds for supplemental compensation and/or benefits for a UL System or University employee were paid to the System Office or University for disbursement to the employee; no supplemental payments were made directly to an employee unless specifically approved by the Board Office or University.
8. On a quarterly basis, the (name of affiliated organization) reported to the University all single payments of \$1,000 or more made to or on behalf of any individual university employee.
9. A sample of disbursements less than \$1,000 made to or on behalf of university employees has been reviewed for compliance with the policies contained in the Affiliation Agreement, "Affiliate Funding and Administration," Section 4.
10. The accompanying financial statements include a supplementary schedule of all revenues, expenses and capitalized expenses made to or on behalf of the university's intercollegiate athletics program. This schedule is fairly stated in relation to the financial statements taken as a whole.