



General Assembly

Substitute Bill No. 5545

February Session, 2004

* HB05545GAE 031704 *

**AN ACT CONCERNING THE GOVERNOR'S MANSION
CONSERVANCY AND OTHER FOUNDATIONS RELATED TO STATE
GOVERNMENT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4-37f of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 The executive authority of each state agency for which a foundation
4 is established shall, in accordance with a policy adopted by the board
5 of trustees of the constituent unit for each state agency which is a
6 constituent unit or which is a public institution of higher education
7 under the jurisdiction of the constituent unit, ensure that:

8 (1) The foundation shall have a governing board to oversee its
9 operation;

10 (2) If the state agency is a constituent unit, the following persons
11 shall serve as nonvoting members of the governing board of the
12 foundation unless the bylaws of the foundation provide that they be
13 voting members: The executive authority of the constituent unit, or his
14 designee, a student enrolled at an institution under the jurisdiction of
15 the constituent unit, who shall be elected by the students enrolled at
16 the institutions under the jurisdiction of the constituent unit, and a
17 member of the faculty of any such institution, who shall be elected by

18 the faculty of the institutions under the jurisdiction of the constituent
19 unit. Elections pursuant to this subdivision shall be conducted in
20 accordance with procedures for such elections established by the board
21 of trustees of the constituent unit;

22 (3) If the constituent unit is the Board of Trustees of the
23 Community-Technical Colleges or the Board of Trustees of the
24 Connecticut State University System, the purposes of the foundation
25 shall be limited to providing funding for (A) scholarships or other
26 direct student financial aid, and (B) programs, services or activities at
27 one or more of the institutions within its jurisdiction;

28 (4) If the state agency is a public institution of higher education, the
29 following persons shall serve as nonvoting members of the governing
30 board of the foundation unless the bylaws of the foundation provide
31 that they be voting members: The executive authority of the
32 institution, or his designee, a student enrolled at the institution, who
33 shall be elected by the students enrolled in the institution and a
34 member of the faculty of the institution, who shall be elected by the
35 faculty of the institution. Elections pursuant to this subdivision shall be
36 conducted in accordance with procedures for such elections
37 established by the board of trustees of the constituent unit which has
38 jurisdiction over the institution;

39 (5) The governing board of the foundation shall annually file with
40 the state agency an updated list of the members and officers of such
41 board;

42 (6) The salaries, benefits and expenses of officers and employees of
43 the foundation shall be paid solely by the foundation;

44 (7) The foundation shall use generally accepted accounting
45 principles in its financial record-keeping and reporting;

46 (8) A foundation which has in any of its fiscal years receipts and
47 earnings from investments totaling one hundred thousand dollars per
48 year or more shall have completed on its behalf for such fiscal year a

49 full audit of the books and accounts of the foundation. A foundation
50 which has receipts and earnings from investments totaling less than
51 one hundred thousand dollars in each fiscal year during any three of
52 its consecutive fiscal years beginning October 1, 1986, shall have
53 completed on its behalf for the third fiscal year in any such three-year
54 period a full audit of the books and accounts of the foundation. For
55 each fiscal year in which an audit is not required pursuant to this
56 subdivision financial statements shall be provided by the foundation
57 to the executive authority of the state agency. Each audit under this
58 subdivision shall be conducted (A) by an independent certified public
59 accountant or, if requested by the state agency with the consent of the
60 foundation, the Auditors of Public Accounts, and (B) in accordance
61 with generally accepted auditing standards. For the purposes of any
62 such audit performed by the Auditors of Public Accounts, the Auditors
63 of Public Accounts shall have access to the working papers compiled
64 by any certified public accountant in the preparation of any audit
65 conducted that are relevant to such use of state funds, personnel,
66 services or facilities in violation of the provisions of sections 4-37e to 4-
67 37i, inclusive, or any other provision of the general statutes.
68 Additionally, for any such audit performed by the Auditors of Public
69 Accounts, the Auditors of Public Accounts shall review such
70 foundation for conformity with the purpose of such foundation. The
71 audit report shall include financial statements, a management letter
72 and an audit opinion which address the conformance of the operating
73 procedures of the foundation with the provisions of sections 4-37e to 4-
74 37i, inclusive, and recommend any corrective actions needed to ensure
75 such conformance. Each audit report shall disclose the receipt or use
76 by the foundation of any public funds in violation of said sections or
77 any other provision of the general statutes. The foundation shall
78 provide a copy of each audit report completed pursuant to this
79 subdivision to the executive authority of the state agency. Each
80 financial statement required under this subdivision shall include, for
81 the fiscal year to which the statement applies, the total receipts and
82 earnings from investments of the foundation and the amount and
83 purpose of each receipt of funds by the state agency from the

84 foundation. Any such foundation established for the purpose of
85 assisting the Commissioner of Public Works in performing the duties
86 consistent with the provisions of section 4b-12 or under the
87 supervision or management of the Department of Public Works shall
88 annually submit a report to the Department of Public Works, the
89 Attorney General and the joint standing committee of the General
90 Assembly having cognizance of matters relating to government
91 administration and elections containing the following information: (A)
92 A statement of the foundation's income and individual expenditures
93 and contributions in excess of two hundred dollars for such year, (B) a
94 listing of the officers of any such foundation, and (C) the names of any
95 state employees acting on behalf of, or working for such foundation.
96 As used in this subdivision, "fiscal year" means any twelve-month
97 period adopted by a foundation as its accounting year; and

98 (9) There shall be a written agreement between the state agency and
99 the foundation which (A) addresses any use by the foundation of the
100 agency's facilities and resources including, but not limited to, office
101 space, storage space, office furniture and equipment, utilities,
102 photocopying services, computer systems and the maintenance by the
103 state agency of the books and records of the foundation, provided any
104 such books and records maintained by the state agency shall not be
105 deemed to be public records and shall not be subject to disclosure
106 pursuant to the provisions of section 1-210, as amended, (B) provides
107 that the state agency shall have no liability for the obligations, acts or
108 omissions of the foundation, (C) requires the foundation to reimburse
109 the state agency for expenses the agency incurs as a result of
110 foundation operations, if the agency would not have otherwise
111 incurred such expenses, (D) in the case of foundations established for a
112 constituent unit of the state system of higher education or for a public
113 institution of higher education, requires the foundation to establish
114 and adhere to an investment policy and a spending policy that are
115 consistent with sections 45a-526 to 45a-534, inclusive, and (E) provides
116 that if the foundation ceases to exist or ceases to be a foundation, as
117 defined in section 4-37e, (i) the foundation shall be prohibited from

118 using the name of the state agency, (ii) the records of the foundation,
119 or copies of such records, shall be made available to and may be
120 retained by the state agency, provided any such records or copies
121 which are retained by the state agency shall not be deemed to be public
122 records and shall not be subject to disclosure pursuant to the
123 provisions of section 1-210, as amended, and (iii) there are procedures
124 for the disposition of the financial and other assets of the foundation. If
125 the state agency is a constituent unit, the board of trustees of the
126 constituent unit shall approve such agreement. If the state agency is a
127 public institution of higher education, the board of trustees of the
128 constituent unit which has jurisdiction over the institution shall
129 approve such agreement.

This act shall take effect as follows:	
Section 1	<i>from passage</i>

GAE *Joint Favorable Subst.*