Background
University of Wisconsin (UW) institutions have relationships with a variety of affiliated organizations, including primary fundraising foundations that support the mission of individual UW institutions, real estate foundations, alumni associations, and other organizations.

Key Findings
We found:
 In fiscal year (FY) 2016-17, information provided by UW System Administration indicated that UW institutions had relationships with 90 affiliated organizations, two-thirds of which were not primary fundraising foundations.
 From FY 2007-08 through FY 2016-17, UW institutions paid an estimated $257.9 million to affiliated organizations, including an estimated $168.0 million to affiliated organizations that were not primary fundraising foundations or real estate foundations. The amount of payments to affiliated organizations cannot be accurately determined because UW System Administration had not assigned a unique vendor identification number in its accounting system to each affiliated organization.
 In December 2017, the Board of Regents established a specific written policy governing the relationships between UW institutions and primary fundraising and real estate foundations. Using this policy as a framework, we examined the relationships between UW institutions and 25 primary fundraising foundations, prior to the establishment of the policy, and found that the operations of many UW institutions and foundations were not fully separate and independent from FY 2007-08 through FY 2016-17.
 As of June 30, 2017, UW employees also worked as the executive directors of most foundations affiliated with four-year universities. UW institutions indicated that those employees were full-time for some or all of the salary and fringe benefits paid to them by the UW institutions, who also worked for the foundations at that time. Because UW employees did not track the amount of time they worked for foundations, it was not possible to determine whether foundations fully reimbursed UW institutions.
 In 2017, UW institutions and foundations executed operational agreements that did not consistently comply with the Board of Regents policy established in December 2017.
 Four affiliated organizations that were not primary fundraising foundations were not fully separate and independent from their UW institutions, in part, because UW employees served as voting members of the boards of directors of those organizations. There were concerns with the relationship between UW-Milwaukee and the Business Success Center, which was dissolved as an independent entity in April 2017.

Recommendations
To help ensure the UW System President maintains fiscal control over UW System, as is statutorily required, we make the following recommendations for UW System Administration to increase monitoring of the relationships between UW institutions and all affiliated organizations.

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