

Finance

Fiscal Responsibility

Training Objectives

Provide University employees with an understanding of fiscal responsibilities

Provide a basic understanding of financial management

Help employees understand their fiscal role within the University

Define basic internal controls necessary to safeguard the University's assets and reputation

Help employees identify, mitigate, and communicate issues related to common financial risks

What is Fiscal Responsibility?

Financial Management

Every employee is responsible for protecting and conserving University resources and using them in a prudent manner for their designated purpose

By practicing good financial management, the University and its employees become accountable to each other, our constituents, and our regulatory bodies

Good financial management involves:

- Planning, controlling, and accurately accounting for the fiscal impact of University operations

- Complying with applicable policies, procedures, and laws

- Creating and implementing internal controls

Financial Transactions

For each transaction you initiate, authorize or process, you should ask yourself the following questions:

Have you worked with at least one other person to process the transaction?

Is this transaction properly authorized?

Do I have documentation (e.g. invoice, contract) to support this transaction?

Are adequate funds available?

Does the transaction comply with University policy and external regulations?

Could this negatively impact the financial health or reputation of the University?

Fiscal Role

If your job requires you to participate, in any way, in a financial transaction you have a fiscal role. It is important for all employees to understand their fiscal role.

Do you know what your fiscal role is and understand your fiscal responsibilities?

Have you received appropriate training to support your fiscal role and responsibilities?

To the best of your knowledge are you properly carrying out your fiscal responsibilities?

All of the above questions can be applied to employees who report to you as well

Internal Controls

Internal Controls include expectations of people and their actions, as well as policies and procedures

Internal Controls are designed to provide reasonable assurance that University objectives are achieved

Internal Controls focus on the following:

- Effectiveness and efficiency of operations

- Reliability of financial reporting

- Compliance with applicable laws, regulations, policies, and procedures

Key Internal Controls

Segregation of Duties

Financial Transaction Approval

Accounting for Financial Transactions

Asset Protection

Financial Transaction Processing

Finance System Updates

Continuous Monitoring and Updating

Internal Controls

Segregation of duties, transaction authorization, and financial procedures are necessary to safeguard assets and provide effective accounting control over assets, liabilities, revenues, and expenditures

Restricting access to assets and financial systems to authorized persons within the performance of their duties

Hiring quality employees with integrity commensurate with their assigned responsibilities

An effective process of internal review that considers changes in conditions

Internal Controls - Expectations

Do your words and actions demonstrate your commitment to do the right thing?

Do you emphasize the importance of integrity and ethical behavior in your

Financial Reporting and Review

Provides reasonable assurance that all University transactions are properly processed, authorized, and funded

Provides reasonable assurance that all University operations are accounted for timely and accurately

Components of Financial Review:

- Detailed review and reconciliation of financial transactions to source documents

- Analysis of the budget to fiscal activity

- Comparison of prior year activity to current year activity

- Should be done on a regular periodic basis (e.g. weekly, monthly, quarterly)

Policies & Procedures

You are responsible for following all University policies and procedures, as well as, all external rules and regulations

Policies are University developed principles and rules

Set expectations for employee behavior

Procedures are business processes that implement policy

Compliance with policies and procedures is part of internal controls

Some areas of responsibility may be subject to external rules and regulations

Policies & Procedures - Risks

Policies and procedures are internal controls purposed with:

- Protecting University assets
- Protecting the University's reputation
- Avoiding sanctions from external entities

Policies & Procedures - Documents

5.24 Purchasing

5.7 Conflicts of Interest

5.18 Nepotism

10.13 University Travel

10.15 Cash Receipting

Fiscal Communication

We all share responsibility for complete, transparent, and ethical communication

The following items are some areas that should be communicated to the appropriate level of authority

