

The University of Iowa Financial Sub-certification Discussion Document

Document Purpose: There are 16 official financial sub-certification questions. The purpose of *this* document is to provide some “conversation starters” by addressing topics which are relevant to each question. As Deans, VP’s, Budget Officers and Directors get together to discuss Financial Sub-certification, we encourage you to go through these discussion questions. They are intended as reference material for your own internal planning & consideration and are not a part of the Financial Sub-certification document required to be submitted to central administration. Finally, the discussion questions below are not intended to cover all relevant policies related to each specific FSC question. Please refer to FSC training materials for complete information on related policies.

FSC Question #1 – Ethics

Does the college/unit communicate with faculty and staff with fiscal responsibilities about the importance of understanding and observing the University of Iowa Ethics Policy?

- ✓ Is the Ethics policy communicated and discussed with staff in an effective manner to stress its importance?
- ✓ Is it clearly communicated that employees are expected to follow this and other ethics-related policies?
- ✓ Are conflicts of commitment & interest avoided or properly disclosed *and* managed?

FSC Question #2 – Personnel & Payroll

Does the college/unit follow personnel and payroll policies as set forth by Human Resources?

- ✓ Does the college/unit have clearly defined and documented roles and responsibilities related to personnel and payroll procedures, consistent with University policy and practice?
- ✓ Are your Human Resource and/or Administrative staff involved in personnel and payroll functions properly trained?
- ✓ Do they have sufficient resources to do their jobs accurately? Do they know where to find written resources? Examples of written resources are the Operations Manual, HR website, and other University Policies and Guidelines.
- ✓ Are workflow paths current and sufficient to provide appropriate controls and approvals for the various kinds of personnel and payroll transactions? Are these reviewed on a regular basis?
- ✓ Are recommended reports in HRIM run on a regular basis and used appropriately to assure ongoing compliance with University personnel and payroll policies and procedures?

FSC Question #3 – Financial Systems & Processes Training

Does the college/unit set expectations that employees with fiscal responsibilities should attend relevant financial systems and processes training offered by Finance & Operations?

- ✓ Does your unit set clear expectations about specific training relevant to employees with fiduciary responsibility?
- ✓ Do position descriptions include required specific training?

- ✓ Does management check “My Training” records to verify that employees have attended the appropriate training?

FSC Question #4 – Cash Handling

Does the college/unit have processes and monitoring activities in place to ensure compliance with the University's Cash Handling Policy?

- ✓ Does management know which individuals handle cash?
- ✓ Do departments which handle cash & cash equivalents have approved cash handling procedures?
- ✓ Have administrators and employees involved in the cash handling process obtained proper certification by taking ICON Cash Handling course?
- ✓ Does management ensure that proper segregation of duties is maintained in the cash handling process?
- ✓ Are cash & equivalents adequately safeguarded & deposited in a timely manner?
- ✓ Have credit card merchants received authorization from Controller/Treasury Operations to be a merchant?
- ✓ Do credit card merchants & employees comply with payment card industry standards?
- ✓ Do credit card merchants attend training and perform an annual security self-assessment?
- ✓ Is accounting information submitted to eDeposit in a timely manner and is there an adequate reconciliation of deposit documents to Statement of Accounts?

FSC Question #5 – Service Center Rates

Does the college/unit submit the required information to Financial Management to ensure compliance with the Service Center Policy? This may include the submittal of financial statements, amounts billed to federal grants & contracts, total volume of activity and the calculation of proposed billing rates for the upcoming year.

- ✓ Do newly established service centers provide a written request to Controllers Office?
- ✓ Are adequate rate calculations performed and are they consistent with rates list?
- ✓ Have only allowable costs been included?
- ✓ Are the lowest rates available to federal customers?

FSC Question #6 – Process for Reporting Financial Risk

Does the college/unit communicate guidelines for reporting material financial risks, issues, errors, etc. to senior administrators within the college and to the Controller?

- ✓ Do recurring meetings take place to discuss relevant issues within the college/unit?
- ✓ Are clear expectations of roles communicated to participants?
- ✓ What issues will rise to the level of communicating to Controller’s Office (future recurring meetings)?

FSC Question #7 – Addressing Audit Issues

Has the college/unit addressed and resolved outstanding internal and external audit issues?

- ✓ *Does management understand the nature of audit issues & findings?*
- ✓ *Have recommendations for addressing audit findings been discussed?*
- ✓ *Have corrective actions been implemented in a timely manner?*
- ✓ *Have process changes been communicated to affected employees?*

FSC Question #8 – Review of Financial Transactions

Does the college/unit perform review of transactions appearing in its general ledger reports to internal source documents on a monthly basis?

- ✓ Are the *Account Owner* and *Reviewer* identified?
- ✓ Has account purpose & restrictions been documented and communicated to *Reviewer*?
- ✓ Has each transaction been reviewed for accuracy and consistency with supporting documents?
- ✓ Is the department retaining adequate supporting documentation?
- ✓ Is there documentation that the review has taken place and that discrepancies have been corrected?

FSC Question #9 – Reconciliation of Assets & Liabilities

Does the college/unit perform reconciliations of non-cash assets and liabilities to supporting detail?

- ✓ Are the *Account Owner* and *Reconciler* identified?
- ✓ Has reconciliation been performed to verify that there is consistency between the department's records and the university's general ledger?
- ✓ Is there an evaluation to determine if valuation adjustments are necessary (receivables write-off, inventory adjustments, etc.)
- ✓ Did the department head approve all valuation adjustments?
- ✓ Does the department retain adequate supporting documentation detailing the balance sheet balances?

FSC Question #10 – Use of University Resources

Does the college/unit follow practices which help to ensure understanding and compliance with policies regarding use of University resources as set forth in the Operations Manual?

- ✓ Are departments following the Technology Allowance policy?
- ✓ Is all property owned by the state (automobiles, machinery, equipment, etc.) only used for appropriate business purpose and not for any private purpose?
- ✓ Are employees compliant with the Policy on Acceptable Use of IT Resources in order to protect the security of our computing resources, information, and our user accounts? This includes using following the data access policies, "safe computing" practices and adhering to software licensing regulations.

FSC Question #11 – Purchasing, Travel & P-Card Policies

Does the college/unit follow practices, including monitoring activities, which help to ensure compliance with University purchasing policies, travel policies and procurement card policies?

- ✓ Do employees obtain approval prior to travel based on proper business justification?
- ✓ Are travel expense reviewed for reasonableness?

- ✓ Are the expenses paid on procurement cards and also claimed on travel vouchers?
- ✓ Are vendor-paid trips adequately scrutinized & managed?
- ✓ Are competitive bids being used when required? Are Sole Source Purchases adequately justified?
- ✓ Do professional services engagements over \$5,000 have a Professional Services Agreement (PSA)?
- ✓ Are vendor contracts provided to Purchasing for proper review and signature?
- ✓ Do employees understand and comply with Gift Law?
- ✓ Are employee-vendor relations properly disclosed?
- ✓ Is proper segregation of duties maintained in the purchasing process?
- ✓ Does unit follow best practices for ProTrav P-Card Administrator & Travel Administrator roles & responsibilities?

FSC Question #12 – Gift Accounts Process

Does the college/unit encourage donors to direct their gift to the UI Foundation? For those gifts received directly by the University, are they deposited into appropriate gift accounts and applicable donor information forwarded to Grant Accounting? Does the college/unit have processes in place to ensure compliance with UI spending policies and restrictions imposed by donors?

- ✓ Do you have staff that is knowledgeable about specific donor restrictions so funds are spent consistently with the purposes of the donor-restricted account as well as University policies?
- ✓ Are gifts to your college/unit made through the UI Foundation?

FSC Question #13 – Sponsored Programs Compliance

Does the college/unit formally route all externally sponsored applications, proposals and awards through the Division of Sponsored Programs or Clinical Trials Office? Does the college/unit have effective processes in place to ensure accurate disclosure and compliance with UI Sponsor policies?

- ✓ Do you have staff whose responsibility it is to review and understand the proposal?
- ✓ Do you understand what you are committing the university to in the proposal?
- ✓ Are there compliance issues in the proposal that the University potentially cannot meet?
- ✓ Do you receive appropriate pre-approvals for research involving humans or animals?
- ✓ Do you properly disclose & manage conflicts of interest in research?
- ✓ Do you have sub-award agreements for services which are subcontracted to outside organizations?

FSC Question #14 – Restrictions Imposed by Sponsors

Does the college/unit have processes in place to help ensure timely compliance with UI policies and restrictions imposed by granting agencies and other sponsors, including, but not limited to, funding limits and allowability of costs?

- ✓ Do you have staff whose responsibility it is to review the Notification of Award and understand the award terms & conditions?
- ✓ Are you consistently following all post award rules?
- ✓ Do you understand sponsor cost principles (i.e., allowable costs, cost sharing agreements, F&A costs, cost transfers, etc.)?

- ✓ Is effort reporting completed in a timely manner?

FSC Question #15 – Management of Non-cash Assets (A/R, Supplies Inventory, Capital Assets)

Does the college/unit have processes in place to ensure effective custody over non-cash assets, including maintenance of accurate equipment inventory records, measures to prevent loss/theft of items, and compliance with University surplus/disposal policies?

- ✓ Do you have established procedures on inventory management and accounts receivable activities with appropriate segregation of duties?
- ✓ Do you conduct regular physical inventory counts and handle adjustments appropriately (obsolete, damaged items)
- ✓ Do you accurately value supplies inventory & receivables using a consistent methodology?
- ✓ Do you estimate doubtful or uncollectible accounts based on reasonable assumptions and document methodology
- ✓ Do you determine appropriate adjustments/write-off's and obtain approval of management/department head?
- ✓ Do you reconcile your subsystem to the General Ledger as required by the Balance Sheet Reconciliation Policy?
- ✓ Do you complete all capital asset information on voucher form?
- ✓ Do you manage and monitor capital assets in your care and complete biennial inventory in a timely manner?

FSC Question #16 – Records Management

Does the college/unit maintain supporting documentation for its financial transactions, in accordance with retention guidelines set forth by the Records Management Policy?

Deferred to FY2019