Fiscal Responsibilities

University of Missouri – St. Louis
June 2013
Learning Objectives

- Review basic accounting concepts
- Throughout the year:
  - Discuss common fiscal responsibilities
  - Understand related policies and systems
- Discuss fiscal activities and responsibilities during year end closing
Transactions

- Result from everyday financial activities:
  - P-card purchases
  - Paying an employee
  - Receipt of a gift
- Impact the various financial statements
- Record accurately and timely
- Collected in PeopleSoft
- Externally reported each fiscal year
Fiscal Responsibilities - General

- Understand normal activity of your unit
  - Budget
  - Revenue source and restrictions
  - Expenses
- Organizational structure
- Roles of individuals in your unit
  - Internal controls, segregation of duties
- Appropriate access
- Aware of University policies
Types of Accounts

Five fundamental types of accounts:

- Assets
- Liabilities
- Net Assets
- Revenues
- Expenses

Balance Sheet
Income Statement
Assets – Balance Sheet

- University owns or has a future right to receive:
  - Cash and Investments (100000, 120000 series)
  - Land, Buildings, Equipment (170000 series)
  - Receivables (130000 series)
    - Student tuition and fees
    - Student loans
    - Grants
    - Miscellaneous services
Liabilities and Net Assets – Balance Sheet

- **Liabilities**: University *owes* to others or has a *future obligation* to provide:
  - Accounts Payable (210000)
  - Accrued Salaries and Benefits (220000)

- **Net Assets**: Difference between Assets and Liabilities
  - The University’s equity or net worth
Revenues and Expenses – Income Statement

- **Revenues**: How the University makes money
  - General Revenue Allocations (400000)
  - Grants and contracts (490000 - 493700)
  - Gifts (480001 series)
  - Auxiliary & Educational Activities (420000 series)
  - Miscellaneous Revenues (495000)

- **Expenses**: The costs to operate (700000 – 800000 series)
  - Salaries and benefits
  - Laboratory and office supplies
  - Maintenance of facilities
Common Fiscal Responsibilities

- Purchasing
- Receiving gifts
- Equipment purchases
- Payroll processing
- Invoicing of revenues
- Analyzing and review of financial activity
Fiscal Responsibilities - Purchasing

- Signature authority

- Method of purchasing:
  - Show-Me Shop, P-card, Purchase Order, Non-PO voucher
  - Recorded timely and properly
  - Proper ChartField – fund, account
  - Per University policy

- Fiscal approval
  - Purchasing - BPMs 301-308
  - APM 50.10 - AP/PO Quick Reference Guide
Example: Non-PO Voucher for Subscription

- Subscription order placed
- Invoice received from vendor
- Approval – reasonable, proper ChartField
- Voucher entered timely
  - Who enters – proper segregation of duties
  - Supporting documentation
- AP established
- Invoice paid and AP settled
Fiscal Responsibilities – Gift Received

- Unit or Development processes
- CRR entered
- Complete Advice of Gift
- Development acknowledgement
- Campus Fees – UMSL 5%
- New gift – work with Development
- Gifts – Processing - BPM 212
Example: Gift Received

- Gift from alumni - $500 check
- Recorded in CRR system as cash receipt
- Complete Advice of Gift
- Restrictions
  - Purpose and/or time period
- Gift revenue recorded
- Timely deposit funds
Fiscal Responsibilities - Equipment

- Capital vs. noncapital equipment
  - Over $5,000
  - Useful life greater than 1 year

- Proper Recording:
  - ChartField, account, funding
  - Supporting documentation

- Purchasing Methods – BPM 302
- Annual inventory capital equipment – BPM 407
- Sale, Resale, Disposal – BPM 308
Example – Equipment Purchase

- Musical equipment - $7,000 (2 at $3,500)
- Method of purchase
  - Requisition
  - P-card, Show-Me Shop may not be options
- Capital vs. noncapital
  - Noncapital classroom equipment – account 740400
- PO sent to vendor
- Invoice paid, AP settled
Fiscal Responsibilities – Daily/Weekly

- Check for BCM errors
- Journals appropriately recorded
  - ChartField/MoCode
  - Account
  - Meaningful Comments
- Review and approve transactions
- Process travel
- Timely record all transactions
Fiscal Responsibilities - Payroll

- PAFs processed timely
  - Hire, terminate, transfer
- Timely recorded
  - Timekeeper, employee
- Approval – Time and Labor
  - Bi-weekly activity, leave
- Payroll reconciliation
  - PCE corrections – 60 days – BPM213
Example: Bi-weekly Payroll

- Employee enters time
  - May have a delegate
- Approver – reviews and approves
  - Adjusts as needed
- Payroll and related liabilities recorded
- Payroll processed and paid
- Payroll reconciliation
Example: ARBI – Services Provided

- Chemistry bills outside organization for services
- ARBI system used
  - Invoice generated and mailed
- Payment received – AR settled
- Segregate duties – invoice and collection
- Consider Unrelated Business Income Tax (UBIT) impact
  - Not the normal course of activity
Fiscal Responsibilities - Monthly

- Transaction checklist
- P-card reconciliations
- PeopleSoft reports – analyze
  - Fiscal person – detail reviews
  - Dean/Chair/Department Head – high level review
- Unusual and/or significant transactions
- Journal adjustments needed – Correcting Entry
  - Proper fiscal year
Fiscal Responsibilities - Web Reports

- Income Statements:
  - 1 – Dept ID and Fund 0000
  - 2 – Gift program, DeptID and program
  - 8,9 – Grants, construction projects
  - 13 – Summary of all funds and ChartField strings

- Balance Sheet 1 – used for:
  - Outstanding AR
  - Outstanding AP
  - Invested funds - endowment
Fiscal Year End Closing Process - Departments

- Deadlines and cutoff for transactions
- Considerations:
  - Pay outstanding invoices – accruals needed?
  - Ensure all expenses are reported
  - Collect and record all cash
  - Clear deficit balances
- [http://www.umsystem.edu/ums/fa/controller](http://www.umsystem.edu/ums/fa/controller)
- FY13, **July 15** last day for Journal transactions
Fiscal Year End Closing Process

- **Campus Accounting** Responsibility
  - Unrecorded liabilities
  - Uncollected receivables
  - Asset Management reconciliation
  - Prepayment of expenses

- **UM System** Responsibility
  - Expense accruals - Salaries, accounts payable, etc.
  - Depreciation on capital assets
  - Unrecorded liabilities – higher level
  - Other activities to properly report financial statements
After Fiscal Year End

- Sub-Certification Process - signers for campus:
  - Director of Finance
  - Vice Provosts
  - Vice Chancellors
  - Provost
  - Provost
  - Chancellor
After Fiscal Year End

- Annual Audits and other compliance
  - Financial Statement
  - A-133 Audit – Federal funds
  - Other State and Budgetary reporting
  - NCAA agreed upon procedures – every 3 years
- Reversal of accruals
Concluding Points

- Understand the normal activity for your area
- Be knowledgeable of policies and systems for the activities you perform
- Various fiscal responsibilities:
  - Daily and weekly
  - Monthly
  - During fiscal year end
Contact Information

- Randy Vogan
  - Assistant Director of Finance
  - 314.516.5478

- Faith Lucas
  - Manager of Accounting Services
  - 314.516.5090
Other References

- BPM 217 - Incidental Expenses
- Purchasing Card Policy Manual
  - [http://www.umsystem.edu/ums/fa/procurement/card/policy/](http://www.umsystem.edu/ums/fa/procurement/card/policy/)
- UM BCM Correction Page Quick Reference Guide
  - [https://doit.missouri.edu/training/peoplesoft/financials/bdcc.html](https://doit.missouri.edu/training/peoplesoft/financials/bdcc.html)
- Finance Support Center (formerly Procurement Hotline)
  - 314.516.5366