



The University of California

**BUSINESS OFFICER INSTITUTE**

CELEBRATING OUR **10**<sup>TH</sup> YEAR

# UC Financial Management

**University of California  
Business Officer Institute**

October 21, 2008

The University of California

**BUSINESS OFFICER INSTITUTE**

## Topics

- Purpose
- Role
- Responsibilities
- Support

## Let's Play

**Who wants to be a Business Officer!**



### **SLIDE OF FAME**

- 2008 (SF) – ?
- 2007 (SF) – **Riverside**
- 2006 (SF) – **Santa Cruz**
- 2005 (SF) – **Santa Cruz**
- 2004 (SF) – **Irvine/Riverside**
- 2004 (NB) – **Riverside**
- 2003 (SF) – **San Francisco**
- 2001 (Brk) – **Merced/Santa Cruz/UCOP**
- 2000 (Oak) – **San Francisco**

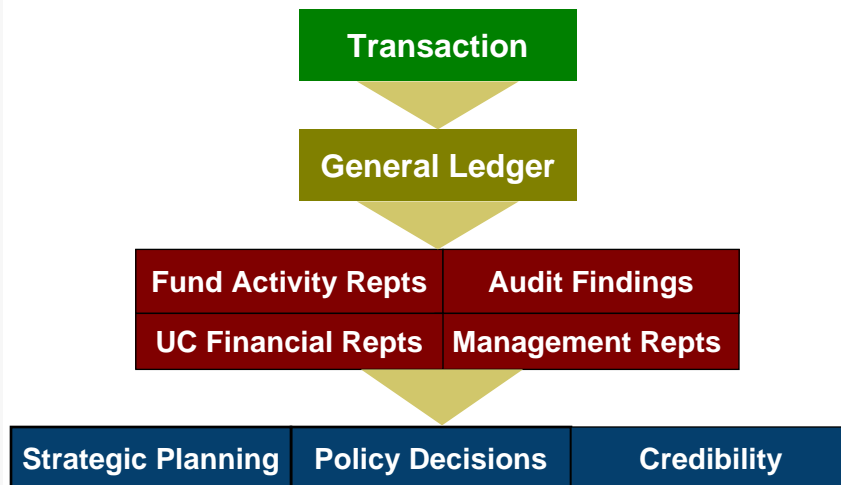


## Importance of the University

- 493,660 students (including UNEX)
- \$18.7 billion in 2007 expenditures
- 127,368 faculty and staff
- > 600 research centers, institutes, programs
- > 1.75 million degrees conferred
- > 3 million patient visits annually
- > 35.9 million library volumes



## The Influence of a Transaction



## Planning and Budgeting

- Strategic planning
- Budgeting
- Policies and procedures



## A Success-Oriented Work Environment

- Competent, knowledgeable staff
- Resources to succeed
- Clear performance expectations
- Training and support
- Objective performance appraisals
- Open communications
- Improvement-orientation



## Delegating Authority

- Officially recorded, approved, reviewed
- Cannot delegate more than you have
- Delegatee must be qualified and capable
- Clear accountability trail
- Monitor for continued relevance



## Transaction Processing - Preparer Responsibilities

- Understand process
- Know basic policies and regulations
- Code transactions properly
- Respond to edit messages



## Transaction Processing - Reviewer Responsibilities



- No conflicting duties
- Check for accuracy, appropriateness
- Check for policy compliance
- Investigate and resolve issues
- Designate qualified back-up

## Maintaining Internal Controls



- **Separation of duties**
  - **A**sset control
  - **B**ooking of entries
  - **C**omparison / transaction review
- **Periodic risk assessment**
  - Reorganization
  - Regulatory changes
- **Cost-benefit**

## Proper Accounting

- **Account codes**
  - Assets, liabilities, revenue, expense
- **Fund codes**
  - Allowable usage
- **Subaccount - object codes**
  - Expense classification



## Accurate Financial Reporting



## Monitoring and Evaluating Financial Data

- Ensure locally-generated data is accurate
- Compare budget to actual figures
- Review revenue and expenses
- Investigate significant deviations
- Correct errors before next ledger cycle
- Document corrective actions



## Managing Information Systems

- **Physical Security**
  - Access to data controls
  - Logon ID's and Passwords
- **Applications / Data Security**
  - Separation of duties
  - Programming change controls
  - Programmer background checks
  - Backups and disaster recovery



## Safeguarding Valuables

- Records / Information assets
- Cash receipts, petty cash, change funds
- Inventories
- Inventorial assets



## Reacting & Responding to Audits

- **External audits**
  - Fairness of financial results
  - Regulatory compliance - A-133 Audit
  - Evolving environment
- **Internal audits**
  - Compliance with policies
  - Adequate controls
  - Efficiencies



## Managing Cash

- Separation of duties
- Accountability
- Physical security
- Prompt deposit
- Credit card information security
- Secure payment gateways
- Monitoring and reconciliation



## Managing Receivables

- Prompt billing
- Monitoring
- Follow-up
- (Dis)incentives - activity holds
- Collection efforts and write-offs



## Monitoring Conflict of Interest

- Business must only benefit UC
- UC employee or close relative may not personally gain from any transaction
- Formal reporting and evaluation process



## Tracking Support Group Activities

- Same stewardship responsibilities
- Require ongoing recognition of the Chancellor
- Use of the University name restricted



## Where to Get Help

- Controller's Office
- Accounting Office
- Planning and Budget Office
- Internal Audit Office
- Sponsored Projects Office
- Campus Ethics and Compliance Officer
- Conflict of Interest Coordinator
- Cash Handling Coordinator



## Selected Resources

- BOI Supplemental Presentation Notes  
[http://financial.ucsc.edu/SiteCollectionDocuments/BOI\\_Financial\\_Management\\_Notes\\_08Nov.doc](http://financial.ucsc.edu/SiteCollectionDocuments/BOI_Financial_Management_Notes_08Nov.doc)
- UC Business and Finance Bulletins  
<http://www.ucop.edu/ucophome/policies/bfb/>
- UC Accounting Manual  
<http://www.ucop.edu/ucophome/policies/acctman/>
- UCSC Financial Management Guides  
[http://financial.ucsc.edu/Pages/Management\\_Main.aspx](http://financial.ucsc.edu/Pages/Management_Main.aspx)