UC Financial Management

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November 2010
Topics

• Purpose
• Role
• Responsibilities
• Support
Let’s Play

Who wants to be a Business Officer!
2010 (SF) –  
2008 (SF) – Irvine/Riverside
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

- 533,821 students (including UNEX)
- 134,912 faculty and staff
- 57 Nobel laureates
- $21.2 billion in 2009 spending
- > 1.87 million degrees conferred
- > 3 million patient visits annually
- > 36.3 million library volumes
- > 600 research centers, institutes, programs
The Influence of a Transaction

Transaction

General Ledger

Fund Activity Repts  Audit Findings
UC Financial Repts  Management Repts

Strategic Planning  Policy Decisions  Credibility
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
The University of California

BUSINESS OFFICER INSTITUTE

Delegating Authority

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

Responsibilities
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
  - Asset control
  - Booking of entries
  - Comparison / transaction review

- Periodic risk assessment
  - Reorganization
  - Regulatory changes

- Cost-benefit

- Trust is not a control
Proper Accounting

- Account codes
  - Assets, liabilities, revenue, expense

- Fund codes
  - Allowable usage

- Subaccount - object codes
  - Expense classification
Accurate Financial Reporting

Public & Executives

Management & Operations

Fund Management & 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 and Advisory Services 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

- UC Business and Finance Bulletins
  http://www.ucop.edu/ucophome/policies/bfb/

- UC Accounting Manual
  http://www.ucop.edu/ucophome/policies/acctman/

- UC Santa Cruz Financial Management Guides
  http://financial.ucsc.edu/Pages/Management_Main.aspx