Fiscal Onboarding

FINANCIAL BASICS AT THE UNIVERSITY OF FLORIDA

Office of the Chief Financial Officer
UFHR Training & Organizational Development

Ruth E Harris
Senior Associate Controller
University Controller’s Office

Why Fiscal Onboarding?

• Assist employees in Fiscal Roles to come up to speed faster
• Provide a foundation for success by highlighting key fiscal concepts at the University of Florida
• Introduce resources and tools
• Create connections with other fiscal staff
• Understand how the Finance & Accounting core offices can assist you as you learn your new role
• Expand your technology skills and knowledge
Today we will cover . . .

**Essential information**

**Highlight Key Concepts**

You will want to complete these courses in full as soon as possible.

- Color of Money (PRO302)
- Understanding ChartFields: (PRO304)
- Internal Controls (PRO303)
- Reconciliation (PST130)
- Fiscal Responsibility (CFO400)

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**Financial and Accounting Contacts**

<table>
<thead>
<tr>
<th>Location</th>
<th>Contact</th>
<th>Phone Numbers</th>
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<tbody>
<tr>
<td>Tigert Hall</td>
<td>Controller's Office</td>
<td>352-392-1321</td>
</tr>
<tr>
<td></td>
<td>Internal Controls &amp; Quality Assurance</td>
<td>352-392-1321</td>
</tr>
<tr>
<td>Criser Hall</td>
<td>Bursar</td>
<td>352-392-0181</td>
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<td>Banking &amp; Merchant Services</td>
<td>352-392-9057</td>
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<td>East Campus</td>
<td>Payroll &amp; Tax Services</td>
<td>352-392-1231</td>
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<td>General Accounting &amp; Financial Reporting</td>
<td>352-392-1326</td>
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<td></td>
<td>Auxiliary Accounting</td>
<td>352-294-7236</td>
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<td>Elmore Hall</td>
<td>Asset Management</td>
<td>352-392-2556</td>
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<tr>
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<td>Travel &amp; Disbursements</td>
<td>352-392-1241</td>
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<td>Research Participant Payments</td>
<td>352-392-5778</td>
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<td>Construction Accounting &amp; Cost Analysis</td>
<td>352-392-5778</td>
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Learning Objectives

- Discuss the overview of University of Florida fiscal information
- Define the importance of Fund Accounting at UF
- Connect UF’s fund sources to “Fund Codes”
- Provide information about the “Basic Six” ChartFields
- Understand the importance of internal controls

Clarity + Compliance = Good Stewardship

Overview of UF

- UF is a “component unit” of the State of Florida
- Our financial information is compiled with that of other state entities into the State’s financial report
How is UF Different?

• How many of you are new to higher education?

• Did any of you work for a public company before?

• At UF, it is about **accountability** for public and private funds.

• Our focus is on service, not profitability!

Funding Sources

• Tuition and Fees
• State Appropriation
• Lottery
• Contracts and Grants
• Plant Operations and Maintenance (PO&M)

What are some of the stakeholders at the University of Florida?
What is Fund Accounting?

Moneys come to UF from a variety of sources
• These moneys are “deposited” into funds or buckets
• They are identified by different Fund Codes depending on the source of the fund and how the funds can be used

UF’s Total Funding
What do you already know about these funds?

State Appropriations 39%
Component Units 31%
Sponsored Projects 20%
 Fee-for-Service 4%
Other 6%
In Your Work Unit

Not all departments have all funding sources or have funding sources in the same amount as other departments.

For example, some departments have a lot of Sponsored Projects funding - while others have none.

What are some of the colors of money in your department?

SPENDING GUIDELINES
Fiscal Stewardship

Clarity + Compliance = Good Stewardship

Questions to ask:
1. Does the purchase support the purpose of the business unit?
2. Is the purchase:
   • Allowable?
   • Reasonable?
   • Justifiable?

Business Rules
Regardless of funding source, all transactions must comply with University Rules & Regulations

• Procurement processes
• Business rules for contracts and requisitions
• Limits on unencumbered expenses
• Travel directives
Employee Items

Ask: Is it necessary to carry out UF business purposes or is this item based on a personal employee preference?

Moneys cannot be used to satisfy personal preference. Moneys cannot be used for anything other than UF business purposes.

Exception: Items that typically fall in that category can be purchased if justification is obtained when the items are for the organization’s convenience.

NEVER Allowed

Regardless of the funding source, Moneys may NOT be used for:

• Private club memberships
• Lavish or extravagant entertainment (as defined in the NEW Business Meals & Entertainment directive)
• Use the litmus test. Can you defend this transaction as a good steward of UF funds?
<table>
<thead>
<tr>
<th>Exceptions by fund</th>
<th>State Appropriations</th>
<th>Sponsored Projects</th>
<th>Component Units</th>
<th>Fee-for-Service</th>
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</thead>
<tbody>
<tr>
<td>Alcoholic Beverages</td>
<td>NONE</td>
<td>Only if part of the research project</td>
<td>Allowable</td>
<td>Fee collection events only</td>
</tr>
<tr>
<td>Food Items</td>
<td>Recruitment</td>
<td>Only if included in the scope of the grant or Fund 211 if related to the research project</td>
<td>Allowable</td>
<td>If supports the mission of unit</td>
</tr>
<tr>
<td>Gifts or Gift Cards</td>
<td>Retirement or Merit up to $100</td>
<td>Only if gifts are used to support the research</td>
<td>Retirement/Merit CU up to $75</td>
<td>Retirement or Merit up to $100</td>
</tr>
<tr>
<td>Party Items</td>
<td>NONE</td>
<td>NONE</td>
<td>Allowable</td>
<td>If supports the mission of unit</td>
</tr>
<tr>
<td>Fines and Penalties</td>
<td>NONE</td>
<td>NONE</td>
<td>NONE</td>
<td>NONE</td>
</tr>
<tr>
<td>Member Dues</td>
<td>Allowable - if separate from PAC</td>
<td>Generally NOT allowed. Others - Allowable if separate from PAC</td>
<td>Allowable - if separate from PAC</td>
<td>Allowable - if separate from PAC</td>
</tr>
<tr>
<td>Political Action Committees (PAC)</td>
<td>NONE</td>
<td>NONE</td>
<td>NONE</td>
<td>NONE</td>
</tr>
</tbody>
</table>
Budget-based Funds

• Budget allocations are made in lump-sum amounts by the University Budget Office
• Allocations can be further broken down to departments and divisions by Vice Presidents and Deans
• Once the budget allocation has been made, budget-based funds can be spent

Sponsored Projects are also considered to be budget-based funds

Cash-based Funds

“Cash-based” funds include:
• Component Units
• Auxiliaries
• Returned Overhead and Residuals (C&G)

• Available operating budget amounts are based on beginning cash balances, plus revenue, less expenditures
• With cash-based funding sources, the funds can be spent only when the “cash” has been obtained

Think of budget-based as a credit card limit that has been extended and guaranteed to your department

Think of it as the cash you have in your wallet — you must have the cash in your wallet in order to be able to spend it
What type of funds are these?

Are these funds budget- or cash-based? Tell me why.

- **State of Florida**
  - Fund Codes 101, 102, 103

- **Component Units**
  - Fund Codes examples 171, 213

- **Sponsored Projects**
  - Fund Codes 201, 209

- **Auxiliaries**
  - Fund Codes examples 149, 151

Current or Carry Forward

- **Current Funds (CRRNT)** are State Appropriation funds budgeted for the current fiscal year. July 1- June 30. Sponsored Program funds are budgeted according to the period defined by the award.

- **Carry Forward (CYFWD)** are any unexpended State Appropriations balance at the end of the fiscal year (June 30th) and carried forward and budgeted into the next fiscal year. Same restrictions apply as Current Funds.

- Listed as Bud Ref: CRRNT or CYFWD

**Examples for Spending CYFWD Funds:** Summer salaries, OPS, Faculty start-up, one-time events, one-time lump sums, one-time consultants and on recurring expenses (effective July 1, 2023)
What are “ChartFields?”

- Standardized numbers that make up backbone of UF’s accounting system
- Used for all financial transactions at UF
- Must be used in *proper combination* (ChartField string) for revenue and expense transactions
- The required and proper combination generally is based on the Fund Code
Six basics for ChartFields

- Business Unit (GL Unit)
- Fund Code
- Department ID (Dept)
- Account Code
- Program Code
- Budget Reference (Bud Ref)

<table>
<thead>
<tr>
<th>GL Unit</th>
<th>Account</th>
<th>Fund</th>
<th>Dept</th>
<th>Program</th>
<th>Bud Ref</th>
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</thead>
<tbody>
<tr>
<td>UFLOR</td>
<td>793100</td>
<td>101</td>
<td>16120100</td>
<td>1100</td>
<td>CRRNT</td>
</tr>
</tbody>
</table>
Tiers for Good Stewardship

**TIER 1** – This person enters the transactions and uses the reconciliation guide to reconcile at the end of each month. In a larger unit, we would have separation of duties with two people in this Tier, one for transaction entry and the second for reconciliation.

**TIER 2** – This person is responsible for the finances of the department and checks the reconciliation for the Tier 1 role. They do a deep sampling, check the month-to-month, year-to-year, and critically look for errors. Separation of duties is critical in this Tier as well.

**TIER 3** – This person has authority in the department. Their role is to perform spot-checking monthly and verify that their units’ accountability structures are in place and functioning well.

Which Tier are You?
What are Internal Controls?

Organizations create internal control systems to help achieve objectives. Internal Controls are:

• An *ongoing process* with multiple procedures based on UF policies

• **Effected by people** from the board of directors to management, and all employees. This protects EVERYONE!

• Designed to provide *reasonable assurance* that UF’s objectives are considered in daily operations, regular reporting, and compliance
What are some Internal Controls?

1. Reconciliations
2. Organizational Charts
3. Hiring Practices
4. Performance Evaluations
5. Approvals of Expenditures
6. Physical Inventory Counts
7. Employee Training
8. Expense Report Approval
9. Gatorlink Authentication
10. myUFL Roles
Internal controls are basically 
*good common sense.*

However, it is important to 
*step outside your daily work*
and think about *what* you are 
doing and *why* you are doing it 
on a regular basis.

What risks are there?  
How does your work process minimize risks? 
Are there areas for improvement?

Controls don’t prevent fraud…

It’s the people that effectively execute those controls on a daily basis who prevent fraud and errors.

Trust is not a Control!
What is reconciliation?

• The basic idea of reconciliation is to match the transaction data in myUFL to source documents.
• We do this to ensure your records are accurate, complete, and in compliance with University policies and regulatory requirements.
What are the expectations?

All cost centers are reconciled every month and review by all Tiers.

Remember . . .

Trust but Verify!
Questions?

Reporting Fraud

If you are not sure if fraud is happening, talk to someone in Finance & Accounting, a trusted advisor, a supervisor, or someone you trust.

To report potential legal, policy, or ethical conduct violations or concerns.

Anonymous Compliance Hotline: 1-877-556-5356

University of Florida Compliance Hotline:
https://compliance.ufl.edu/uf-compliance-hotline-2/

UF Controller’s Office: 352-392-1321
Thank you for attending!

Controller’s Office
General Contact Information
controller-office@ad.ufl.edu
352-392-1321

Upcoming Topic Sessions: Spring 2024

February
Data Literacy 2/14
Payroll 2/21
Disbursements 2/28

March
Asset Management 3/6
Banking and Merchant Services 3/20
Procurement 3/27

April
General Accounting and Financial Reporting 4/9
Cost Analysis 4/10
UF Research Pre and Post Award 4/17

Registration details at https://www.fa.ufl.edu/directives/fiscal-onboarding/