

# Fiscal Onboarding

## FINANCIAL BASICS AT THE UNIVERSITY OF FLORIDA

Office of the Chief Financial Officer  
UFHR Training & Organizational Development

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Senior Associate Controller  
University Controller's Office

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## 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

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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)

## Financial and Accounting Contacts

Tigert Hall	Controller's Office 352-392-1321	Internal Controls & Quality Assurance 352-392-1321	
Criser Hall	Bursar 352-392-0181	Banking & Merchant Services 352-392-9057	
East Campus	Payroll & Tax Services 352-392-1231	General Accounting & Financial Reporting 352-392-1326	Auxiliary Accounting 352-294-7236
Elmore Hall	Asset Management 352-392-2556	Travel & Disbursements 352-392-1241	Research Participant Payments 352-392-5778
			Construction Accounting & Cost Analysis 352-392-5778



## 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**

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## 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

2021 STATE OF FLORIDA ACFR					
	Florida Housing Finance Corporation	University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units	Totals 6/30/21
<b>ASSETS</b>					
Cash and cash equivalents	\$ 288,867	\$ 523,976	\$ 540,593	\$ 1,928,358	\$ 3,281,794
Pooled investments with State Treasury	1,269,405	946,072	—	1,912,909	4,128,386
Other investments	1,716,604	1,781,322	8,737,017	6,106,274	18,341,217
Receivables, net	131,445	886,815	229,932	1,177,236	2,425,428
Due from component units/primary	—	114,611	—	430,815	545,426
Inventories	—	81,770	—	34,737	116,507
Restricted cash and cash equivalents	—	38,059	—	812,353	850,412
Restricted pooled investments with State Treasury	—	256,563	—	228,346	484,909
Restricted investments	—	3,959,237	—	4,681,790	8,641,027
Other loans and notes receivable, net	2,293,388	20,361	—	109,355	2,423,104
Other assets	1,609	305,735	7,876	457,498	772,718
Capital assets, net	—	4,307,982	1,987	22,839,598	27,149,567

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## 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!

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## Funding Sources

- Tuition and Fees
  - State Appropriation
  - Lottery
  - Contracts and Grants
  - Plant Operations and Maintenance (PO&M)
- **Auxiliaries**
  - **Component Units (DSO's and Affiliates)**
  - **Returned Overhead (Indirect Costs) and Residuals**
  - **Incidental Revenues**
  - **Financial Aid**

*What are some of the stakeholders at the University of Florida?*

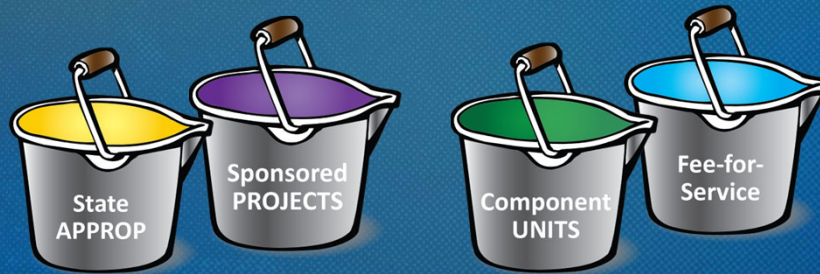
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# What is Fund Accounting?

## Moneys come to UF from a variety of sources

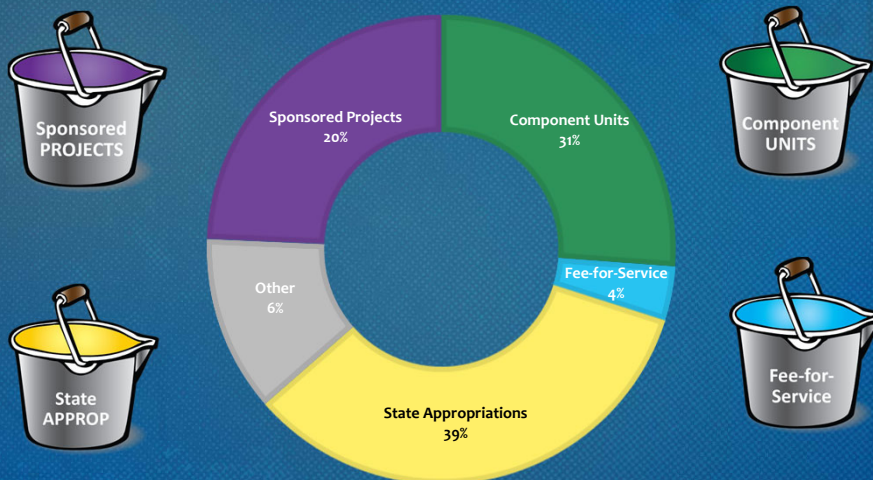
- These moneys are “deposited” into funds or buckets
- They are identified by different Fund Codes depending on the source of the fund and how the funds can be used



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# UF's Total Funding

What do you already know about these funds?



FY 2022

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## 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?

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**SPENDING GUIDELINES**

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## 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?

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## 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



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## 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 UFs 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.

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## 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?



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	State Appropriations	Sponsored Projects	Component Units	Fee-for-Service
<b>Exceptions by fund</b>	Funds: <b>101, 102, 103</b>	Funds: <b>201, 209, 211, 212</b>	Funds: <b>171, 213</b>	Funds: <b>14x, 15x, 16x</b>
<b>Alcoholic Beverages</b>	NONE	Only if part of the research project	Allowable	Fee collection events only
<b>Food Items</b>	Recruitment	Only if included in the scope of the grant or Fund 211 if related to the research project	Allowable	If supports the mission of unit
<b>Gifts or Gift Cards</b>	Retirement or Merit up to \$100	Only if gifts are used to support the research	Retirement/Merit CU up to \$75 FPP up to \$75	Retirement or Merit up to \$100
<b>Party Items</b>	NONE	NONE	Allowable	If supports the mission of unit
<b>Fines and Penalties</b>	NONE	NONE	NONE	NONE
<b>Member Dues</b>	Allowable - if separate from PAC	Generally NOT allowed. Others - Allowable if separate from PAC	Allowable - if separate from PAC	Allowable - if separate from PAC
<b>Political Action Committees (PAC)</b>	NONE	NONE	NONE	NONE

**BUDGET VS. CASH-BASED**



## 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

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

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## 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 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

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## 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

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## 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)

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## CHARTFIELDS

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### 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

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## Six basics for ChartFields

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



GL Unit	Account	Fund	Dept	Program	Bud Ref
UFLOR	793100	101	16120100	1100	CRRNT

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## TIERS OF FISCAL RESPONSIBILITY

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## 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.

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# Which Tier are You?

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## INTERNAL CONTROLS

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## 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



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<b>Control Environment</b>	<b>Risk Assessment</b>	<b>Control Activities</b>	<b>Information &amp; Communication</b>	<b>Monitoring Activities</b>
<ul style="list-style-type: none"> <li>1 Demonstrates commitment to integrity and ethical values.</li> <li>2 Exercises oversight responsibility.</li> <li>3 Establishes structure, authority, and responsibility.</li> <li>4 Demonstrates commitment to competence.</li> <li>5 Enforces accountability.</li> </ul>	<ul style="list-style-type: none"> <li>6 Specifies suitable objectives.</li> <li>7 Identifies and analyzes risk.</li> <li>8 Assesses fraud risk.</li> <li>9 Identifies and analyzes significant change.</li> </ul>	<ul style="list-style-type: none"> <li>10 Selects and develops control activities.</li> <li>11 Selects and develops general controls over technology.</li> <li>12 Deploys thorough policies and procedures.</li> </ul>	<ul style="list-style-type: none"> <li>13 Uses relevant information.</li> <li>14 Communicates internally.</li> <li>15 Communicates externally.</li> </ul>	<ul style="list-style-type: none"> <li>16 Conducts ongoing and/or separate evaluations.</li> <li>17 Evaluates and communicates deficiencies.</li> </ul>

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## 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

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## 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?*

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## 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!**

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## RECONCILIATION

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### 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.

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What are the expectations?

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

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Remember . . .

**Trust but Verify!**

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# Questions?

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## 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**

<https://app.mycompliancereport.com/report.aspx?cid=uofl>

**University of Florida Compliance Hotline:**

<https://compliance.ufl.edu/uf-compliance-hotline-2/>

**UF Controller's Office: 352-392-1321**

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# Thank you for attending!

Controller's Office

General Contact Information

[controller-office@ad.ufl.edu](mailto:controller-office@ad.ufl.edu)

352-392-1321

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## 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/>

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