

FINANCIAL STATEMENT COMPLIANCE REVIEW GUIDELINES

Revised December 1, 2022

WHERE

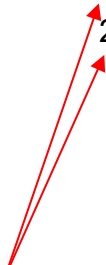
- Statements **must be saved in the O:Drive** divisional financial statements folder
 - O:Drive → Funds → Division Name (i.e. *Card*) → Financial Statements → FY2223 (for fiscal year 2022-2023) → 1. July 2022 → *Bruin, Joseph*
 - Within the PI folders, there should be a statement for each fund, as well as a Summary of Funds report
 - **Save each statement** in the following file name format:
 - **fund number-cost center-account number*_MonthYear**
 - i.e. 23480_Aug2022 or 23480-*J2-78*_Aug2022, as needed
 - * *“-cost center” is only when a financial statement for the same fund, but a different cost centers are necessary, i.e. supplement funds*
 - * *1st 2 digits of “-account” is only when financial statement for the same fund, but different account numbers are necessary, i.e. training grants 40- & 78-*
 - Use only the 1st 3 letters of the month to avoid long titles (i.e. Dec for December)
 - There is flexibility with naming the statements, as long as the base is the same (i.e. **23480_Aug2022_Heart R01** is acceptable)
 - SOF = Summary of Funds – single summary of funds report to reflect all of a PI's active full accounting units (FAUs, aka “funds”) in a single worksheet

Example:

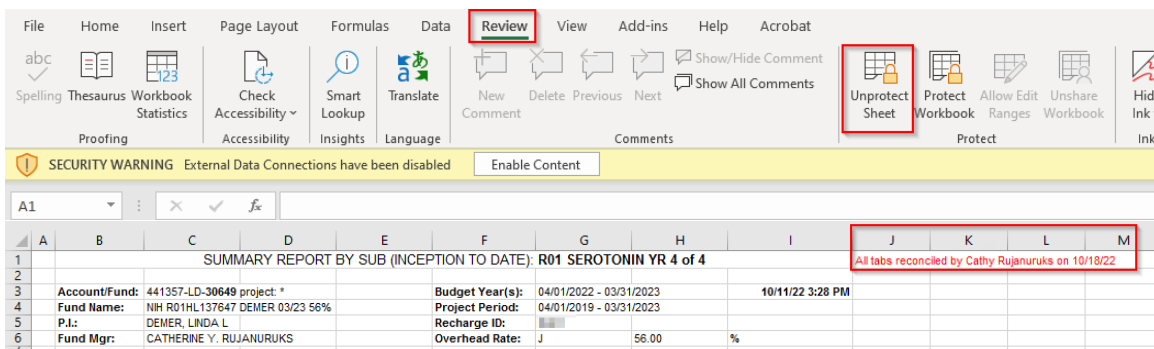
Cardiology

Financial Statements
FY2223

1. July 2022 – skipped
2. August 2022
 - Bruin, Joseph
 - 23480-JB_Aug2022
 - 23480-J2_Aug2022
 - 33388_Aug2022
 - SOF_Aug2022



- **Use numbering system before Month/Year** so the months are listed in chronological order, beginning with July.
- Reports saved to incorrect location or do not appear to be reconciled are considered incomplete
 - In order to be considered reconciled, Summary by Sub report must contain text **“All tabs reconciled by name on MM/DD/YY” in cell J1**, preferably in red font
 - In order to add comment, you must “unprotect sheet” via Review tab



WHAT

- A financial statement must be saved in the O:Drive for **every** FAU in FPM.
- The following constitutes a complete financial statement:
 - Summary of Funds* (only **if** more than one account or cost center for the fund, **and** your PI is the owner of the fund)
 - Summary by Sub (**always required**)
 - Non-Salary Expense Projection by Month* (if manual projections were added)
 - Expense by Month* (**always required for contract & grants (C&G) FAUs**)
 - Summary – By Sub Object*
 - Detail – Closed*
 - Detail – Open*
 - UCPATH – Salary & Percentage by Month* (if payroll is charged to the fund)
 - UCPATH – Employee Sum* (if payroll is charged to the fund)

*** Reports with no activity can be deleted**

- Expense by Month, Detail – Closed, and Detail – Open reports must be reviewed monthly. However, if the reports are blank due to no activity, then you can delete these sheets from your statements. **The Summary by Sub report must always be included in the financial statements for each fund, and the Expense by Month report is required for all C&G FAUs, even if the balance is \$0.**
- Examples of incomplete statements:
 - Summary by Sub missing
 - Expense by Month missing for C&G FAUs
 - Applicable reports for FAUs listed in FPM missing

ITEMS TO REVIEW/TAKE NOTE

- **Summary of Funds:** Confirm expenses on linked account/cost centers are appropriate, allowable based on Sponsor policy, and overall spending is on track. Request detailed financial statements from linked FM as needed.
- **Summary by Sub**
 - Overdrafts
 - Funds are allocated into the appropriate Subs
 - Over/underspending Sub categories
 - Large balances
 - near the end of the budget period and
 - especially near the end of the project period
- **Non-Salary Expense Projection by Month:** Confirm accuracy
- **Expense by Month:** Confirm spending is within expected trends
- **Summary – By Sub Object:** Confirm expense categories charged are allowable
- **Detail – Closed:**
 - Pay special attention to recharge expenses
 - TIF & GAEL are charged (or not charged) as appropriate
 - Check for Warning & Unallowable object code flags
 - Confirm object codes are accurate
- **Detail – Open:** Encumbrance older than 3 months that remain open. If so, ask divisional purchasing coordinator to follow-up on payment and/or release encumbrance.
 - Same review criteria for Detail – Closed are recommended
- **UCPATH – Salary & Percentage by Month:** Confirm spending is within expected trends
- **UCPATH – Employee Sum:** Full payroll reconciliation must be performed
 - Employees working on the project are being paid in accordance with effort committed

- If sponsor has a salary cap, confirm employees are paid at or below capped rates
- Benefits are calculated accurately
 - CBR rates
 - Vacation leave accrual rates
 - RPNI, if applicable

WHEN

- **Deadline:** All statements must be saved on the shared O drive **prior to the release of the next month's ledgers**. Check [ledger availability schedule](#).
 - Example: October 2022 financial reports are due by 12/06/22

LEDGER AVAILABILITY:
10/8/2022: September Ledger data available
11/8/2022: October Ledger data available
12/7/2022: November Ledger data available

- Because statements will be reviewed at random, please make sure Fund Manager [assignments in FPM](#) are correct. Statements will be reviewed based on the assignments in FPM at the time of audit.
- Once compliance review is complete, a report will be emailed to the MSO and the Division fund managers.
- If a Division's compliance score is below 80%, that Division will be reviewed on a monthly basis until they reach 80% minimum compliance. If compliance is below 80% for 3 consecutive months, a justification will be required.

TRAINING

If you are unsure how to correctly and thoroughly review financial statements, please reach out to Kayla Brown, Raellen Man or Cathy Rujanuruks for training.

RESOURCES

- [How to create/run monthly financial statements](#)
- [Financial statement batch templates](#)
- [How to create/update manual payroll projections using FPM](#)
- [Financial adjustment cheatsheet](#)
- [Financial report cheatsheet – Summary by Sub \(for PIs\)](#)