



RUTGERS POLICY

Section: 40.2.3

Section Title: Fiscal Management

Policy Name: Fiscal Responsibilities Associated with the Administration of University Accounts

Formerly Book: 6.1.2

Approval Authority: Senior Vice President for Finance and Treasurer

Responsible Executive: Senior Vice President for Finance and Treasurer

Responsible Office: Office of Finance and Treasurer

Originally Issued: 12/1980

Revisions: 9/29/2000, 7/29/2011 (Incorporated policy 40.2.2); 10/10/2013 (Updated titles)

Errors or changes? hkerr@uco.rutgers.edu

1. **Policy Statement**

All university employees delegated with the authority to approve transactions against university funds must maintain fiscal responsibility over those funds. Fiscal responsibility includes ensuring that all transactions comply with federal and state regulations, comply with any other legal restrictions placed on the funds used, are appropriate university expenditures, and are properly recorded in the university's general ledger.

2. **Reason for Policy**

To ensure that all university expenditures are properly recorded and comply with all regulations.

3. **Who Should Read This Policy**

All university employees that are responsible for the expenditure of university funds and administrative staff responsible for the preparation, approval and recording of university transactions.

4. **Related Documents**

N/A

5. **Contacts**

- a. University Controller
- b. Associate Controller - Division of University Accounting
- c. Assistant Controller - Division of Grant and Contract Accounting

6. **The Policy**

40.2.3 FISCAL RESPONSIBILITIES ASSOCIATED WITH THE ADMINISTRATION OF UNIVERSITY ACCOUNTS

- A. Introduction: The University receives financial resources from a variety of public and private sources in order to perform its tripartite mission of instruction, research and public

service. The University maintains its accounts in accordance with the principles of fund accounting in order to observe the limitations and restrictions placed on the use of these resources. Under fund accounting principles, separate accounts are maintained for each unique funding source or program. Accounts with similar characteristics or restrictions are recorded in separate ledgers within the University's accounting system. Separate ledgers have been established for unrestricted current funds, restricted current funds, student loan funds, endowment funds and plant funds. University departments typically conduct their business using one or more funds recorded in the following series of accounts:

<u>Account Number Sequence</u>	<u>Description</u>
2-00001 - 2-79000	Unrestricted Budget
2-80000 - 2-89999	Unrestricted Designated
3-70000 - 3-79999	Unrestricted Auxiliary
3-80000 - 3-89999	Unrestricted Misc. Auxiliary
4-20000 - 4-39999	Restricted Sponsored Programs
5-35900 - 5-39999	Restricted Gifts
6-40000 - 6-49999	Restricted Endowment Income
7-71500 - 7-79999	Unexpended Plant Funds

Budget responsibility for each account is assigned to the chancellor or vice president responsible for the underlying purpose of the account.

B. Policy: Chancellors and vice presidents have expenditure authority for accounts under their respective budget responsibilities. Expenditure authority and budget responsibility may be delegated downward through their respective organizations to individual employees for particular accounts. Employees authorized to approve expenditures have the following responsibilities:

1. Complete a "RIAS Access Request Form," and sign the Basic Expectations for Approvers and Preparers document. Both documents must be returned to University Human Resources (UHR).

Departments are required to notify UHR immediately when an authorized employee leaves the department or otherwise loses his/her authorization. Departments are instructed to respond promptly and accurately to update requests.
2. All transactions must be completed by an authorized preparer and approved by an authorized approver in RIAS. The preparer and approver cannot be the same individual.
3. When approving transactions, verify that the underlying account has sufficient funds to cover the amount of the expenditure or transaction and remains within budget or balance for the fiscal year or, in the case of sponsored programs, the project period.
4. When approving transactions, verify that the expenditure or transaction is necessary, reasonable and allowable in order to meet the objectives of the particular University program involved. In this regard, authorized individuals must be thoroughly familiar and act in accordance with University policies and procedures, as well as state and federal regulations governing the funds contained in the underlying account.

Federal regulations that apply to grants and contracts include OMB Circulars A-21, "Cost Principles for Educational Institutions," and A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations". Please refer to

section 40.2.11 for additional information in this regard.

5. Review and reconcile all accounts as reported in RIAS regularly, with department records to insure that the account remains within budget and that only authorized and appropriate charges are included.
6. Initiate corrective action when problems or errors are discovered within the account.
7. Follow appropriate procedures, as instructed by University Accounting, in the close-out of accounts at the end of the fiscal year.