Campus Financial Sub-Certification - Explanation

1. Within the areas for which I am responsible, all transactions, agreements and amounts have been properly reflected in the University's accounting records.	• Have transactions been recorded "properly" or "improperly"? • Have transactions been recorded for appropriate amounts? • Have transactions been recorded in proper accounting periods? • Were correct Chartfield strings used for all transactions?
2. I acknowledge my role in the University's responsibility for implementation of university financial policies, the establishment and maintenance of an internal control structure and procedures that assist in preventing and detecting fraud.	• Were the financial policies of the university reviewed and implemented? • Are appropriate monitoring methods in place to validate that policies are being followed? • Is staff competent, honest, and well trained and aware of their responsibilities? • Does appropriate segregation of duties exist so that someone cannot steal or conceal? • Does staff have the ability to order a product, receive the product, authorize payment, and review the monthly operating statement? • Is documentation for all transactions obtained and properly maintained according to record retention requirements? • Are physical assets inventoried and discrepancies researched and reported in a timely manner?
3. Within the areas for which I am responsible, there have been no undisclosed: a. Instances of fraudulent financial reporting or misappropriations of assets involving management or employees who have significant roles in internal control. b. Instances of fraudulent financial reporting or misappropriations of assets involving other employees that could adversely affect the University's financial statements.	• Are all facts and circumstances disclosed in the financial reports? • Have any subsequent events occurred after the period reported in the financial statements that should be disclosed?

4. Pledges receivable have been recorded when the pledges are verifiable, measurable, probable of collection, and all eligibility requirements, if any, have been met.	• Has staff completed training and become knowledgeable of the Governmental Accounting Standards Board (GASB) Statement No. 33 which provides guidance on recognition of revenue from non-exchange transaction and recording pledges receivable? • Has the GASB 33 questionnaire been completed for each pledge? • Does a final signed pledge or agreement exist between the donor and the University so that the transaction can be verified? • Is the pledge measurable in a manner that the amount to be received is clearly stated and not dependent on other factors? • Has reasonable judgment been used in evaluating if the pledge is collectible? • Have eligibility requirements of GASB 33 (i.e. required characteristics of recipients; time requirements; reimbursement or expenditure-driven basis; contingency) been met?
5. I acknowledge responsibility for determining and maintaining the adequacy of the allowance for doubtful notes, loans, pledges receivable, grants receivable and accounts receivable in accordance with university policies and procedures, as well as estimates used to determine such amounts. I believe the allowances are adequate to absorb currently estimated bad debts in the account balances.	• Was a detail listing prepared for each type of accounts receivable balance (i.e. student loans, grants receivable, etc) and did the listing agree with the ending general ledger account balance as of year end? • Were the uncollectible receivable balances written off in accordance with university policy? • Was an aging of the accounts receivable balance prepared and this information used in preparing the allowance for doubtful account requirements? • Were allowances substantiated for reasonableness and based on historical write offs or specific balances considered uncollectible?
6. Provisions have been made to reduce excess or obsolete inventories to their estimated net realizable value.	• Are records related to items carried in an inventory maintained on a perpetual basis? • Was a year-end physical count of all inventories completed? • Was the general ledger inventory balance adjusted to the actual year-end physical inventory count? • Were all inventory items that are obsolete or have a reduced value written down to its net realizable value at year end?

7. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated in accordance with the University's capitalization policy.	• Was a physical inventory performed for all capital equipment items twice during the fiscal year (in accordance with university policy)? • Were the proper adjustments completed for any differences in the physical equipment inventory and the general ledger (or subsidiary ledger) amounts? • Was a reconciliation performed between the fiscal year capital expenses and the items recorded as capital assets with an explanation for all differences? • Was an evaluation performed to determine compliance with GASB Statement 42 – Accounting and Financial Reporting for Impairment of Capital Assets and Insurance Recoveries?
8. All property asset transactions, including retirements, disposals and transfers, have been properly recorded in accordance with university policies.	• Was a physical inventory performed for all capital equipment items twice during the fiscal year (in accordance with university policy)? • Were the proper adjustments completed for any differences in the physical equipment inventory and the general ledger (or subsidiary ledger) amounts?
9. Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves are properly classified.	• Do the net assets invested in capital asset classification on the balance sheet agree with the capitalized assets net of debt and accumulated depreciation? • Are all restrictions placed on assets the University holds classified appropriately in the financial statements as Restricted Expendable or Restricted Nonexpendable? • Are all funds or assets not classified as capital assets or restricted in some way properly recorded as Unrestricted?
10. Within the areas for which I am responsible, all plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund balances of which I am aware have been communicated to the UM Office of the Controller.	• Are any accounts receivable balances owed by an organization deemed to be uncollectible? If so, have these balances been written off or adjusted through an allowance for doubtful accounts? • Are you aware of any unrecorded liabilities or events that took place during the fiscal year or subsequent to the fiscal year end that created a potential obligation?

11. Expenses have been appropriately classified in or allocated to functions (PCS) in the statements of revenues, expenses and changes in net assets, and allocations have been made on a reasonable basis.	• Have functional classifications by PCS code (e.g. Instruction, Research, Public Service, Academic Support, Student Services, Institutional Support, Operation and Maintenance of Plant, and Auxiliary Enterprises) been reviewed to determine if the PCS codes associated with department codes are accurate? • Has the functional characteristic of activity under the department changed in the fiscal year to the extent that the PCS code is no longer accurate?
12. Accruals for goods received and services performed for which payment had not been made by year end have been recorded in the accounting records as of year end.	• Were any goods received or services performed prior to year end in which an invoice or payment request has not been generated? • Have all invoices and related requests for payment been recorded as of year end for any goods received or services performed for which payment has not been made by year end? • Have all construction retainages been recorded as of year end?
13. There are no journal entries made in one fiscal year that have been inappropriately reversed in the subsequent fiscal year which affect the accurate reporting of revenues, expenses, assets or liabilities during the period under audit.	• Were all journal entries made in the prior fiscal year properly recorded? • Were any journal entries made in one fiscal year and improperly reversed in the subsequent fiscal year? • Was activity in all clearing accounts properly recognized as revenues or expenses in the current fiscal year?
14. Within the areas for which I am responsible, all general ledger asset and liability accounts have been reconciled as of year end and all reconciling items and unreconciled differences have been properly disclosed to the UM Office of the Controller for evaluation and resolution.	• Have all amounts in balance sheet accounts been reconciled with all differences clearly explained? • Was an analysis completed of fluctuations between current year and prior year balances and a written explanation prepared of all significant variances? • Are you able to produce detail transactions that compose totals shown on the year end balance sheet? • Were any material reconciling items not adjusted prior to year end? • Were all material variances reported to campus Accounting Office?

15. Within the areas for which I am responsible, all general ledger revenue and expense accounts fairly represent the results of operations and fluctuation analyses have been performed. Material variances have been properly disclosed to the UM Office of the Controller for evaluation and resolution.	• Have all amounts in revenue and expense accounts been reconciled with all differences clearly explained? • Was an analysis completed of fluctuations between current year and prior year balances and a written explanation prepared of all significant variances? • Are you able to produce detail transactions that compose amounts shown in revenue and expense accounts? • Were any material reconciling items not adjusted prior to year end? • Were all material variances reported to campus Accounting Office?
16. Within the areas for which I am responsible, all violations of contractual agreements and laws and regulations of which I am aware have been communicated to those responsible for investigating and managing such matters.	• Within the areas for which you are responsible, has the institution fulfilled obligations according to all contractual agreements? • Is there risk that a future obligation/liability has not been recorded (such as a breach of contract)? • Has cash been received in situations where the obligation has not been fulfilled? If so, has recognition of the related revenue been properly deferred?
17. Within the areas for which I am responsible and of which I am aware, the following have been disclosed to the UM Office of the Controller: c. Related-party transactions and related amounts receivable or payable, including revenues, expenditures, loans, transfers, and leasing arrangements. d. Guarantees, whether written or oral, under which the University is contingently liable.	• Are all contracts with external parties disclosed in the financial statements? • Are there any guarantees, written or oral, in which the university may be involved in a transaction or arrangement that might create a future liability? • Have you conducted, or are you aware of any business transactions being conducted with organizations or entities where the university staff member has a direct or indirect ownership interest (potential conflict of interest)?