

University of Missouri System

Accounting Policies and Procedures



Policy Number: APM-2.25.15.2

Policy Name: College, School, Division, Sub Certification - Explanation

<p>1. Within the areas for which I am responsible, all transactions, agreements and amounts have been properly reflected in the University's accounting records.</p>	<ul style="list-style-type: none"> • Have 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?
<p>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.</p>	<ul style="list-style-type: none"> • 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? • Have there been any occurrences of or are you knowledgeable of any staff sharing their personal financial system access security with another staff member? • Has timely notification of transfers of duties or termination of staff having access to the financial system been provided to the campus Accounting Office?
<p>3. Within the areas for which I am responsible, there have been no undisclosed:</p> <p>a) Instances of fraudulent financial reporting or misappropriations of assets involving management or employees who have significant roles in internal control.</p> <p>b) Instances of fraudulent financial reporting or misappropriations of assets involving other employees that could adversely affect the University's financial statements.</p>	<ul style="list-style-type: none"> • 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?

<p>4. 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 campus Accounting Office.</p>	<ul style="list-style-type: none"> • 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?
<p>5. Expenses have been appropriately classified in or allocated to functions (PCS) in the statement of revenues, expenses and changes in net assets, and allocations have been made on a reasonable basis.</p>	<ul style="list-style-type: none"> • Have the functional classifications by PCS code (e.g. Instruction, Research, Public Service, Academic Support, Student Services, Institutional Support, Operation and Maintenance of Plant, and Auxiliaries) 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?
<p>6. 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.</p>	<ul style="list-style-type: none"> • 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?
<p>7. 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.</p>	<ul style="list-style-type: none"> • 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?
<p>8. 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 campus Accounting Office for evaluation and resolution.</p>	<ul style="list-style-type: none"> • 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 the campus Accounting Office?

<p>9. 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.</p>	<ul style="list-style-type: none"> • Within the areas for which you are responsible, has the institution fulfilled obligations according to all contractual agreements? As an example, gift expenditures must be reviewed to ensure compliance with donor 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?
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Effective Date: July 1, 2006

Revised Date: July 11, 2011

Questions and Comments?

Questions regarding interpretation and implementation of the Accounting Policy should be directed to the Campus Accounting Office. Suggested edits or revisions to the policy should be directed to the Office of the Controller.