

CU AH University Structure ^[1]

I.CHAPTER 2 – PURPOSE

This chapter introduces you to the financial structure, authority, and environment of the University of Colorado.

II.FINANCIAL AUTHORITY OF THE OUC

The University Controller, by delegation from the president, has authority over and responsibility for assuring that the fiscal practices of the University comply with regent policies, other external and internal rules and regulations, including University Fiscal Procedures, and generally accepted accounting principles. The Office of University Controller supports the University's mission by providing timely, accurate and relevant financial information to the University's fiscal employees; supporting and developing financial accounting information systems; and promulgating clear, practical guidelines to assist the University community in dispensing fiscal responsibilities through these systems.

While the reporting line and organizational charts of the individual campuses are through the campus executive officers (the chancellors), it should be noted that there is a special relationship and direct interaction between the separate Campus Controllers and the University (System) Controller in the OUC.

III.STEWARDSHIP OBLIGATIONS

Each of the University's individual campuses has a stewardship obligation to:

Properly and accurately process all receipts and disbursement of funds;

Account for all financial resources received and used;

Ensure that all financial transactions conform to legal requirements and University policies, and are recorded in accordance with generally accepted accounting principles for colleges and universities; and,

Provide financial reports that present to all university clients, constituents, and the public a complete picture of the university's funds and their uses.

In order to fulfill these obligations, University employees who have been designated with fiscal

roles and responsibilities can find guidance in this Handbook for the accurate processing, recording, and reporting of University financial transactions.

IV.THE FINANCIAL SYSTEM OF THE UNIVERSITY

The University of Colorado maintains and operates a comprehensive financial management system in order to meet its stewardship obligations to the entities that provide its funding. The system of record for the University's financial transactions is the PeopleSoft Finance System, which is composed of two modules, General Ledger (GL), and Purchasing/Payables (AP/PO). The General Ledger is the official system of record for all financial transactions, reports, and audits; other systems (including the PeopleSoft Human Resources Management System, or HRMS) feed transactions into the General Ledger. Purchasing and Payables is the application used for purchasing, accounts payable, and travel accounting transactions; other procurement systems (e.g., the CU Marketplace) feed transactions into Purchasing/Payables. Note: Procurement – including purchasing, accounts payable, and travel accounting – functions for the University campuses are centralized in the System office of the Procurement Service Center (PSC).

The Human Resource Management System is used to manage positions, recruit and administer the workforce, do time collection, and process payroll. payroll and benefits functions are centralized in the System office of Payroll & Benefit Services (PBS) office.

All University business transactions and operations must be conducted using these and associated systems. Together, the PeopleSoft Finance System and PeopleSoft HRMS provide financial information to all levels of administration for use in planning, budgeting, management, analysis, decision support and other administrative purposes.

A.University Business vs. Private Business

The University's PeopleSoft Finance System must be used to account for all University of Colorado business and only University of Colorado business.

University business must be kept separate from private business because:

Using the Finance System to account for private business activity erroneously reports the private business revenue and expenses as those of the University.

Spending private funds from a SpeedType-Account combination enables a private enterprise to receive advantages that they might not otherwise enjoy, such as discounts allowed to the university or the tax-exempt status afforded to the university.

Depositing university funds into an off-campus account could be interpreted as an act of

embezzlement.

All revenues and receipts from university business must be deposited into a SpeedType-Account combination. Funds must never be:

Deposited into an outside bank account

Held for petty cash

Spent directly for goods and services.

Note: There are two exceptions to the policy that requires depositing all revenues and receipts to a university SpeedType-Account combination:

Agency Funds (other than those generated by student groups) may be deposited in an off-campus account

Gifts that need to be deposited with the CU Foundation.

With the exception of certain Agency Fund transactions, private business activity must never be accounted for in SpeedType-Account combinations. Receipts from private activities must be deposited in an off-campus account.

In most situations it is very clear whether an individual is engaged in university business or private business. However, students, faculty, and staff may be involved with some activities in which the distinction is not so clear-cut. The two situations that cause confusion most frequently are:

When private contributions are solicited for a gift (e.g., retirement, maternity, etc.) Such solicitations should direct individuals to make checks payable to the person in charge of the event and not to the University of Colorado. Any checks made out to the university may not be deposited into a SpeedType-Account combination, but rather, must be returned to the maker. When an employee is serving as the treasurer for an organization and collects dues or other payments on behalf of the organization, these checks should be deposited into an off-campus account in the name of the respective organization.

Note: When a similar situation involves a student group, the group can accept checks made out to the University of Colorado provided the group has opened an agency account through the Student Organizations Finance Office.

Note: It is also illegal to use the university's Procurement Service Center authority to make private purchases.

B. University System

The policies and procedures documented in this Handbook provide University-wide guidance for financial operations. In addition, the Administrative Policy Statement (APS) authorized by the CU President's Office, establishes the roles and responsibilities for key levels of management involved in university operations so that the fiscal impact of university operations is planned, controlled, and accurately accounted for in the university's financial records. This policy applies to all funds received by the university from any source, or spent by the university for any purpose. The Fiscal Roles and Responsibilities policy and all System Administrative Policy Statements is online <https://www.cu.edu/policies/aps-az.html> [2].

C. Federal Government and Other Sponsors

The university conducts sponsored projects supported by funds from federal government grants and contracts, and other sponsoring agencies. Therefore, financial policies and practices must reflect pertinent government regulations such as those contained in or issued by:

Office of Management and Budget Circular A-21, Cost Principles for Educational Institutions.
Office of Management and Budget Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations.

Cost Accounting Standards Board (CASB).

Cost Accounting Standard 501 addresses consistency in estimating, accumulating and reporting costs.

Cost Accounting Standard 502 states that there must be consistency in allocating costs incurred for the same purpose.

Note: The above is not an all-inclusive list.

D. Professional Standards

At the highest level, financial management practices at the University of Colorado at Boulder adhere to Generally Accepted Accounting Principles (GAAP). In addition, finance operations are guided by the interpretation and application of rules and regulations issued by the:

Government Accounting Standards Board (GASB)

American Institute of Certified Public Accountants (AICPA) <http://www.aicpa.org/index.htm> [3]

National Association of College and University Business Officers (NACUBO)

<http://www.nacubo.org/> [4].

In conclusion, the responsibility for implementing fiscal controls resides at the departmental level. The financial transactions associated with each department's programs and activities are accumulated by the university's Finance System, and the resulting fiscal impact is summarized in the campus' financial reports. Furthermore, the University of Colorado publishes its Annual Financial Report in January/February each year (it is available on the OUC website, www.cu.edu/controller [5]). Your good work and attention to correct procedures is reflected in the quality and value of this critical document, which is shared with State governmental entities and is a reference for numerous other higher education and other institutions.

Groups audience:

Controller

Source URL:<https://www.cu.edu/controller/cu-ah-university-structure>

Links

[1] <https://www.cu.edu/controller/cu-ah-university-structure> [2] <https://www.cu.edu/policies/aps-az.html>
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