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[Home](#) > APS 4014 - Fiscal Roles and Responsibilities

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Policy Profile

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| Policy Title: | Fiscal Roles and Responsibilities |
| APS Number: | 4014 |
| APS Functional Area: | FINANCE |
| Effective: | January 1, 2011 |
| Approved by: | President Bruce D. Benson |
| Responsible University Officer: | Vice President & Chief Financial Officer |
| Responsible Office: | Office of University Controller |
| Policy Contact: | Office of University Controller |
| Supersedes: | Fiscal Roles and Responsibilities, June 30, 2005 |
| Last Reviewed/Updated: | January 1, 2011 |
| Applies to: | All university funds and to all employees. |

Policy Snapshot

Brief Description: Outlines fiscal roles and responsibilities of employees by providing clarification and guidance regarding the framework within which financial management occurs.

Reason for Policy: To outline fiscal roles and responsibilities of all employees for all university funds.

I. Introduction

This policy statement establishes the fiscal roles and responsibilities of *employees* by

providing clarification and guidance regarding the framework within which financial management occurs. This policy applies to all university funds and to all *employees*.

II. Policy Statement

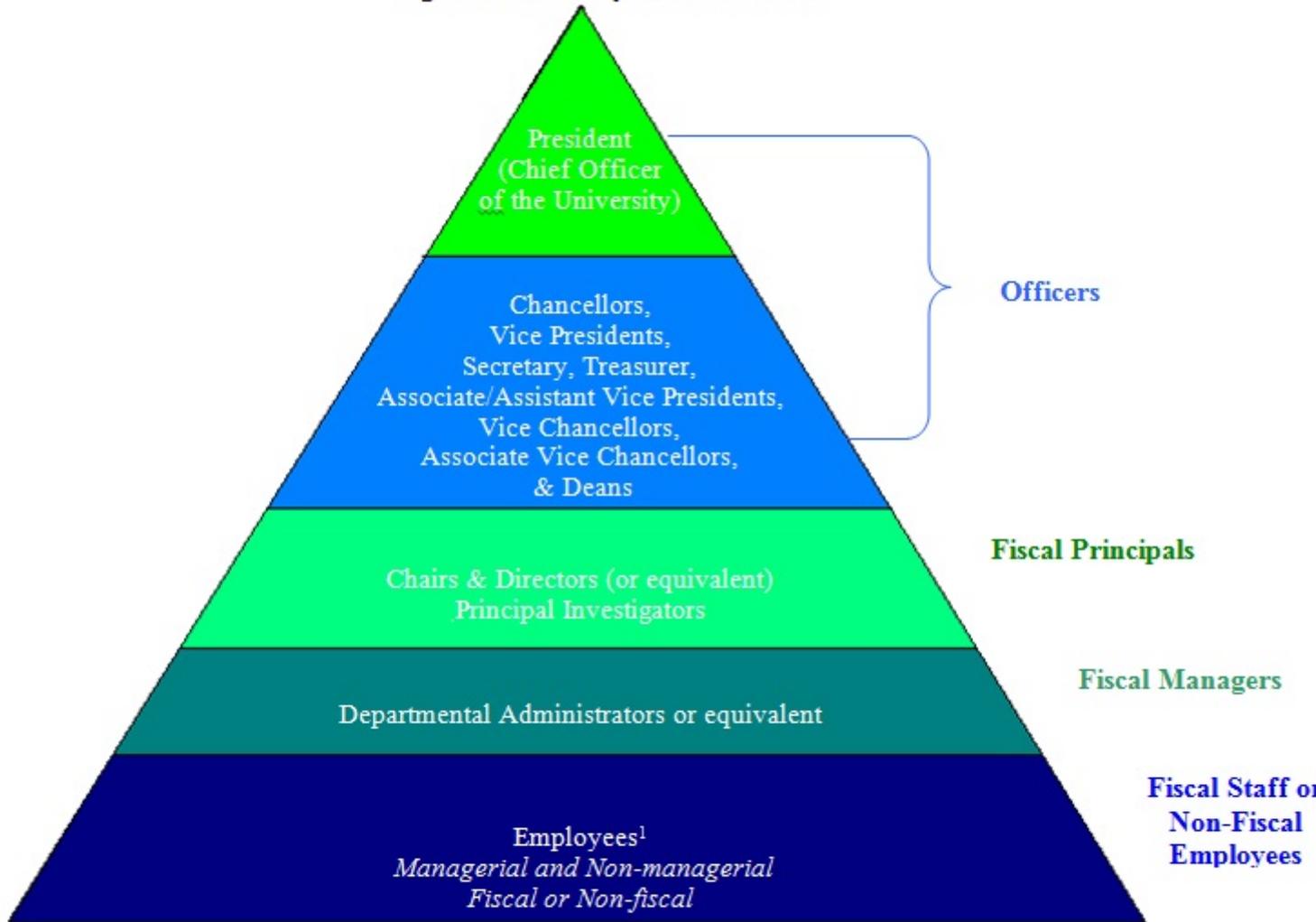
The University has a *fiduciary* responsibility to fulfill its overall mission ethically and in compliance with applicable policies, laws, regulations, and rules, and contracts, grants, and donor restrictions. Accordingly, the University is obligated take reasonable actions to ensure that: university funds are used only for official university business and that they are accounted for accurately in the University's financial records. Furthermore, the University must establish and maintain *Internal controls* which strive to achieve specific goals. (Among these goals: protection of university assets from unauthorized access or theft; authorization and recordkeeping procedures to achieve accurate, reliable financial management information; promotion of operational efficiency and effectiveness; reasonable compliance with all applicable policies, laws, regulations, and rules, as well as contracts, grants, or donor restrictions; proper segregation of duties so that no one controls all phases of a transaction unless a waiver has been granted in writing by the appropriate campus Controller due to the implementation of adequate compensating controls; and, an effective process of continuous assessment and adjustment for any changes in conditions that affect the *internal controls*.)

To facilitate the successful fulfillment of this obligation, all *employees* are required to complete, within a reasonable time frame, the University's required fiscal training program(s). *Employees* are further required to carry out their designated fiscal responsibilities.

Fiscal Roles

The following figure illustrates the types and related hierarchy of fiscal roles within University management.

Figure – Hierarchy of Fiscal Roles



1 Certain employees of *Affiliates* may be authorized to conduct university *Fiscal Transactions*; these employees of *Affiliates* are also referred to as Fiscal Staff.

Officers

The term Officers refers to the President, other *Officers of the University*, and *Officers of the Administration*.

President

The President is the chief officer of the University responsible for compliance of all University fiscal matters with applicable policies, laws, and regulations [Regent Law 3.B.1].

Officers of the University

As defined in Regent Law, other *Officers of the University* include the secretary, treasurer, and university counsel. Each of these positions has specific functional reporting responsibilities to the Regents. These positions are entrusted with fiscal responsibility to the

President for their assigned *Organizational units* as well as for their *functional area of responsibility*.

Officers of the Administration

As defined in Regent Policy, *Officers of the Administration* are those individuals who hold the title or interim/acting title of vice president, chancellor, associate vice president, assistant vice president, vice chancellor, associate vice chancellor, associate university counsel, and deans of the schools, colleges, and libraries. Further, on written request, the President may designate other officers of the administration, which will be recorded in the respective letter of offer and also in the University's official personnel roster. These positions are entrusted with fiscal responsibility to the President or appropriate organizational supervisor for their assigned *organizational units* as well as for their *functional area of responsibility*.

Within the *Officers of the Administration*, the President has delegated to the positions of Vice President of Budget and Finance and University Controller the overall staff responsibility for the development and implementation of the financial management guidelines. Specifically, as detailed in the Administrative Policy Statement, *Controller Function Decentralization*, the University Controller has the authority over, and responsibility for, developing fiscal policies in consultation with the campus controllers (including accounting principles, standards, and procedures common to all campuses), and for seeking all exceptions to State Fiscal Rule (except if delegated in writing to a campus controller or other individual).

Fiscal Principals

According to Regent policy, Chairs (or equivalent position titles) are the principal administrators of the school or college's departments, and are accountable to the Deans. Directors (or equivalent position titles) are the principal administrators of *organizational units*, such as institutes, centers, and administrative departments, accountable to an *Officer of the Administration* (or other *Fiscal Principal*). With these appointments, Chairs and Directors (or equivalent position titles) are entrusted with fiscal responsibility for their assigned *Organizational units*.

Under federal regulations, each *Sponsored Project* has an identified Principal Investigator or faculty member charged with the responsibility for the administration and fiscal oversight of the *Sponsored Project*. With these appointments, Principal Investigators (or other faculty members) are entrusted with fiscal responsibility for their assigned *Sponsored Project*.

To emphasize the fiscal responsibility of these positions, these positions are designated as Fiscal Principals accountable to the designated *Officer* (or other *Fiscal Principal*).

Fiscal Managers

To facilitate the accomplishment of financial management objectives, an *Officer* or, where delegated by an *Officer* a *Fiscal Principal*, may designate employee(s) within the *Officer's Functional area of responsibility* (such as Departmental Administrators or other position titles) as key employee(s) with the authority and responsibility for *Fiscal Transactions*. To

emphasize the fiscal responsibility of these positions, these positions are designated as Fiscal Managers.

Fiscal Staff

Many other *employees* of the University are involved in university *Fiscal Transactions*, such as initiating purchases, receiving cash or other negotiables, entering or reviewing transactions into the *Finance System*, monitoring contractors, or verifying compliance. These *employees* are referred to as Fiscal Staff. In addition, certain *employees* of *Affiliates* may be authorized to conduct university financial transactions. These *employees* of *Affiliates* are also referred to as Fiscal Staff.

Non-Fiscal Employees

All other *employees* are hereafter referred to as Non-Fiscal Employees in this policy.

Fiscal Responsibilities

The University carries out the following financial responsibilities in order to reasonably prevent *Fiscal Misconduct* and other errors, and then, where prevention was not achieved despite the *employees*? reasonable efforts, to provide for timely detection and reporting.

- A. The University, through the Office of University Controller with assistance from the campus controllers and the University Leadership Development Institute, will provide training and support on fiscal roles and responsibilities.
- B. All *Employees* (including **Officers, Fiscal Principals, Fiscal Managers, Fiscal Staff, and Non-Fiscal Employees**) are entrusted with the responsibility of preserving university resources and using those resources in a prudent manner for their designated purposes, as provided by policies, laws, regulations, and rules, and contracts, grants and donor restrictions.
- C. *Employees* (whether **Officers, Fiscal Principals, Fiscal Managers, or Fiscal Staff**) **who personally participate in a Fiscal Transaction have certain fiscal responsibilities as appropriate to their level of involvement. Personal participation is required by at least two individuals in every transaction. Personal participation is evidenced and certified on each transaction by a signature on the Fiscal Transaction as described in Attachment ?Guidance** Responsibilities include:
 1. Ensuring the *Fiscal Transaction* has proper authorization; results in no violation of the applicable *Conflict of Interest* policy or law¹; has adequate funds allocated or otherwise available within regularly approved budgets to cover it; occurs after reasonable consideration of the impact on the University; and, is in accordance with all University and other applicable policies, laws, regulations, and rules, and contracts, grants and donor restrictions.
 2. Ensuring the *Fiscal Transaction* is recorded in the University?s *Finance System* in a timely manner; in the *Organizational unit*?s *SpeedType* and fiscal (accounting) period to which it relates (or which benefits from the expense and most accurately reflects its nature); using adequate descriptions of transactions and correct *ChartFields*

- ; and, in accordance with all other university accounting policies.
3. Maintaining on file or submitting to the appropriate *University Administrative Office* original supporting (source) documentation for the *Fiscal Transaction* in accordance with minimum documentation levels and time periods specified in applicable university policy.
 4. Providing accurate representations and source documentation related to the *Fiscal Transaction*, in a timely manner, at the request of an *Officer* or *University Administrative Office*.

Furthermore, all approvers have specific additional responsibilities, including:

1. Challenging any transaction that does not appear to be an appropriate expenditure of *university funds*. This means that if the *approver* is uncertain as to the propriety of the transaction, the *approver* must refer the matter to the next higher-level *Fiscal Role* for further evaluation and approval.
 2. Not approving their own transactions, and not approving any transactions for their supervisors.
- D. All **Officers** have responsibilities to take reasonable actions to ensure *Employees* within the Officers? *Functional area of responsibility* have been informed about their fiscal roles and are properly carrying out their fiscal responsibilities. If a fiscal role or responsibility has not been assigned to an *Employee* within the Officers? *Functional area of responsibility*, *Officers* are required to carry out the fiscal role or responsibility personally. *Officers* must participate personally in the *Financial Report Review Process* (as detailed below) and also fulfill the following fiscal responsibilities as appropriate for their *Functional area of responsibility* and considering delegations (understanding that personal participation cannot be fully delegated):
1. Providing guidance and direction to subordinate *Employees* in carrying out their assigned fiscal duties as described below.
 2. Taking appropriate investigative, reporting and remedial action as a result of the *Financial Report Review Process* consistent with their assigned fiscal duties as detailed below.
 3. Setting a tone within their *Functional area of responsibility* (and the University as a whole) for ethical conduct and integrity, as outlined in the Administrative Policy Statement, *Fiscal Code of Ethics*.
 4. Reasonably ensuring the maintenance of *Internal controls* through continuous assessment and adjustment, and initiating immediate discussions and disclosures of any *Reportable Conditions* and *Material Weaknesses* in *Internal controls* with the appropriate campus Controller.
 5. Ensuring that operational plans within their *Functional area of responsibility* are aligned with established University and campus objectives, including, as appropriate, the formulation of budgets.
 6. Identifying and documenting the delegation of approval authority within their *Functional area of responsibility*, with careful consideration for proper segregation of duties; prevention of fraud, abuse or conflict of interests; and university policies preventing further delegation.
 7. Ensuring that their own approval authority is carried out properly.
 8. Taking reasonable actions to ensure that the approval authority they have delegated is carried out properly.
 9. Being knowledgeable about their responsibility and accountability for the

operations of their *Functional area of responsibility* (regardless of delegation).

10. Annually completing the statements required by the Administrative Policy Statements *Fiscal Certification* and *Officer Disclosures of Interests*.

- E. All **Fiscal Principals** have the responsibility to take reasonable action to ensure that subordinate *employees* within their *Responsibility Units* have been informed about their fiscal roles and are properly carrying out their fiscal responsibilities. If a fiscal role or responsibility has not been assigned to an *employee* within their *Responsibility Units*, *Fiscal Principals* are required to personally carry out the fiscal role or responsibility. *Fiscal Principals* must personally participate in the *Financial Report Review Process* (as detailed below) and also do the following fiscal responsibilities as appropriate for their fiscal roles and considering their delegations (understanding that personal participation cannot be fully delegated):
1. Providing guidance and direction to subordinate *employees* in carrying out their assigned fiscal duties as described below.
 2. Initiating appropriate investigative, reporting and remedial action as a result of the *Financial Report Review* as outlined below.
 3. Ensuring that their own approval authority is carried out properly, and taking reasonable actions to ensure that the approval authority they have delegated is carried out properly.
 4. Assisting in setting a tone within their *Responsibility Unit* (and the University as a whole) for ethical conduct and integrity, as outlined in the Administrative Policy Statement *Fiscal Code of Ethics*.
 5. Assisting in continuously assessing and adjusting, or making recommendation for adjusting, *Internal controls*, and initiating immediate discussions and disclosures of any *Reportable Conditions* and *Material Weaknesses* in *Internal controls* with the appropriate *Officer*.
 6. Assisting in the development of operational plans within their *Responsibility Units* that are aligned with established University and campus objectives, including, as appropriate, the formulation of budgets.
 7. Being knowledgeable about their responsibility and accountability for the *Fiscal Transactions* of their *Responsibility Units* (regardless of delegation).
- F. **Fiscal Managers** must personally participate in the *Financial Report Review Process* (as detailed in item G6 below) and the following fiscal responsibilities as appropriate for their fiscal roles in their *Responsibility Units* and considering delegations to *Fiscal Staff* (understanding that personal participation cannot be fully delegated):
1. Initiating appropriate investigative, reporting, and remedial action as a result of the *Financial Report Review Process* as outlined below.
 2. Ensuring that their own approval authority is carried out properly, and taking reasonable actions to ensure that the approval authority they have delegated is carried out properly.
 3. Providing guidance and direction to subordinate *employees* in carrying out their assigned fiscal duties by being familiar with financial policies and procedures and serving as the primary resource for subordinates' inquiries; identifying and making available all relevant university and *Responsibility Unit* policies and procedures and laws, regulations, and rules, and contracts, grants and donor restrictions; ensuring subordinates are adequately trained and fully understand their assigned fiscal responsibilities, including *Finance System* use; including an assessment of the subordinates' fiscal responsibilities performance in their

periodic performance evaluations; and, explaining that subordinates will be personally accountable for their actions when processing *Fiscal Transactions* per C.R.S. 24-30-202 (3).

4. Assisting in setting a tone within their *Responsibility Unit* (and the University as a whole) for ethical conduct and integrity, as outlined in the Administrative Policy Statement *Fiscal Code of Ethics*.
5. Assisting in continuously assessing and adjusting, or making recommendation for adjusting, *Internal controls*, and initiating immediate discussions and disclosures of any *Reportable Conditions* and *Material Weaknesses* in *Internal controls* with the appropriate *Officer* (and *Fiscal Manager* or *Fiscal Principal*, as appropriate to *Fiscal Role*).
6. Assisting with the formulation of budgets that align with their *Responsibility Unit's* operational plans.
7. Being knowledgeable about their responsibility and accountability for the *Fiscal Transactions* of their *Responsibility Unit* (regardless of delegation).

G. *Fiscal Managers* have the following assigned fiscal duties (unless assigned to *Fiscal Staff* through job descriptions) related to their *Responsibility Units*:

1. Providing timely notification to the appropriate campus Controller's office to accurately identify the *Position Number*³ of the immediate (next higher) responsible *Officer*, *Fiscal Official*, and *Fiscal Manager* for each *FOPPS* in the University's *Finance System*.
2. Continuously maintaining the *HRMS* to accurately identify the name, University e-mail address and University phone number related to the *Position Numbers*.
3. Informing, properly and in a timely manner, the responsible *Officer* (and *Fiscal Manager* or *Fiscal Principal*, as appropriate) about communications from sponsors, donors, and regulatory agencies concerning *Material* (whether resolved or unresolved) issues of noncompliance; inappropriate reporting of financial information; questioned costs; or allegations of fraud or suspected fraud.
4. Ensuring that all access granted to financial information is in accordance with University policies.²
5. Ensuring their own delegated approval authority is used properly.
6. The *Financial Report Review Process* serves as the only way fraud, errors, and omissions may be detected for some transactions. Accordingly, carrying out the *Financial Report Review Process*, as appropriate to their *Fiscal Role*, to reasonably ensure that the reported *Fiscal Transactions* are recorded in the most appropriate *SpeedType* and *Account* as well as in accordance with university accounting policies; the reports reconcile to the *Responsibility Unit's* supporting (source) documents; all *Fiscal Transactions* placed in *Suspense Accounts* are resolved monthly; the reported *Fiscal Transactions* represent appropriate use of university resources, especially considering the Administrative Policy Statements *Propriety of Expenditures* and *Fiscal Misconduct Reporting*; the reported *Fiscal Transactions* were processed in accordance with University policies and procedures and other applicable laws, regulations, and rules, and contracts, grants and donor restrictions; *Available Resources* were sufficient to cover the reported *Fiscal Transactions*, considering all outstanding commitments (encumbrances); and, appropriate investigation, reporting and remedial action as described below is carried out.
7. Initiating appropriate investigative, reporting and remedial action with the

responsible *Officer* (and *Fiscal Manager or Fiscal Principal*, as appropriate to *Fiscal Role*) as a result of the *Financial Report Review Process* such as transferring the cost to an appropriate alternate *Organizational unit* in the event costs incurred and charged to the sponsored funding source are not allowable; taking corrective action for any identified or anticipated deficits immediately upon such identification, or in advance of the time that the predetermined limit of *Available Resources* is reached; making any appropriate reporting in accordance with the Administrative Policy Statement *Fiscal Misconduct Reporting*; and, informing the responsible *Officer* (and *Fiscal Manager or Fiscal Principal*, as appropriate) and campus Controller (except where another *University Administrative Office* is indicated) about the certain types of *Fiscal Transactions* and other required disclosures as set forth in the Administrative Policy Statements *Fiscal Certifications* and *Officer Disclosure of Interests*.

8. Serving as the primary resource for inquiries relative to the *FOPPS* by an *Officer* or *University Administrative Office*.
9. Assisting in the maintenance (through continuous assessment and adjustment) of *Internal controls*, including documented organizational plans and fiscal procedures.⁴

III. PROCEDURES, FORMS, GUIDELINES, AND RESOURCES

A. Related Administrative Policy Statements

The APS Fiscal Roles and Responsibilities is the parent policy for a suite of policies addressing fiscal management and accountability. The other policies within this suite include:

- Fiscal Certification
- Fiscal Code of Ethics
- Fiscal Misconduct Reporting
- Officer Disclosure of Interests

B. Related Procurement Service Center (PSC) Procedural Statements

- Tests of Propriety

C. Educational Resources

Educational Resources including guides, training notifications, and newsletters are announced and available on the Office of University Controller web site.

IV. Definitions

Italicized terms used in this Administrative Policy Statement are defined in the Policy Glossary.

V. Contacts

Questions about this policy should be directed to the appropriate campus Controller who will consult with the Assistant Vice President/University Controller as appropriate.

VI. History

Revisions dated 1/1/2011

- Noted authority for developing fiscal procedures. Identified that subordinates cannot approve any transactions for their supervisors. Consolidated requirements irrespective of individual role or place in the fiscal management pyramid hierarchy.

Supersedes

- Fiscal Roles and Responsibilities Administrative Policy Statement dated 6/30/2005
- Fiscal Roles and Responsibilities Administrative Policy Statement dated 11/1/1999

ATTACHMENT A - Guidance on Fiscal Roles and Approval Authority

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1. See Administrative Policy Statement Conflicts of Interest and Commitment.
 2. ^{a.} ^{b.} For guidance on university policy, please consult with the appropriate campus Controller.
 3. An individual's Position Number can be found by searching in HRMS (using Administer Workforce ? Job Data).
 4. For guidance on Internal controls, please consult with the appropriate campus Controller

Groups audience:

Office of Policy and Efficiency (OPE)

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