



# SAN DIEGO STATE UNIVERSITY

<b>Subject:</b>	<b>Financial Statement, Payroll and Transaction Review Process and Procedures</b>
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<b>Department Name:</b>	All
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<b>Supersedes:</b>	N/A
<b>Effective Date:</b>	January 1, 2010
<b>Issue Date:</b>	November 2, 2009
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<b>Approved by:</b>	Scott Burns, AVP Business and Financial Affairs

## **Applicability**

This section describes departmental responsibilities for administrative control procedures to safeguard University assets, assure the validity of financial transactions in departmental accounts, and assure adherence to prescribed policies and procedures. This procedure includes departmental review of budget and accounting reports available through Oracle eBusiness Suite and PeopleSoft HCM.

## **Roles and Responsibilities**

Duties are separated by roles defined in central administrative systems (e.g., Oracle and PeopleSoft). All users of campus systems are accountable for transactions processed under their user IDs. The sharing of passwords and user accounts is strictly prohibited. The roles defined in each system are as follows:

### A. Oracle eBusiness Suite

1. Requisitioners--Prepare transactions accurately and appropriately, in compliance with applicable University policies and procedures, external regulations, and terms and conditions of agreements.
2. Account Managers/Approvers--Review documents for compliance with University policies and procedures, external regulations, appropriate account coding and terms and conditions of agreements, then approves or disapproves them. Account managers must ensure that corrective actions are taken on disapproved documents.
3. General Ledger Reviewers--Performs the monthly review of the general ledger and certifies the validity of the charges and credits. Reviewers must ensure that appropriate corrective actions are taken to correct invalid entries in the ledger.

## **Departmental review of financial reports**

Departments will be notified monthly by Accounting Services when all transactions for a period have been posted and the General Ledger closed for that period, the Department shall review their budget to actual and payroll reports and transactions as to the validity of charges, credits and encumbrances against their accounts.

Departments will also receive electronic files providing the detail for all payroll transactions posted to the General Ledger for each period.

Accounts may be reviewed online or on paper.

Departments shall certify on a quarterly basis that:

- the review is complete
- the transactions are accurate, valid and appropriate for the funding source
- any new corrective actions and closures of purchase orders have been initiated
- previously requested corrections and purchase order closures are complete
- payroll reports represent time worked by valid SDSU employees
- amount shown in dollars and hours are correct and charged to the proper position and/or account

Certification of the monthly review must be documented by someone other than the person who typically approves the transactions.

Departments will have 10 working days from the date notified by Accounting Services that all transactions for the final period of the quarter have been posted to complete their final monthly review for the quarter and submit an e-mail notification certifying the review is complete. (Instructions for submitting notification will be provided separately.)

## **Adequate Documentation**

Business and Financial Affairs is responsible for maintaining documentation submitted for payment of travel claims, supplier invoices, and purchase orders and will provide this information in a timely manner at the request of internal or external auditors.

Areas that are designated as "chargeback" areas (Plant, TNS, Repro, etc.) that submit their recharge transactions electronically to the General Ledger, are accountable for providing adequate supporting documentation on their rates and how they arrived at specific charges to departments at a sufficient level of detail to enable them to provide this information in a timely manner at the request of Business and Financial Affairs, internal or external auditors.

Supporting documentation, either paper or electronic, must be adequate to support the financial transactions and balances. Adequate documentation answers the following questions: **what** was purchased, **where** it was purchased, **when** it was purchased. Departments must also be able to explain **why** it was purchased if requested.