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Monthly Financial Reporting Overview

### Financial Guidance

• Establish internal controls (who does what, clear separation of duties)

Internal Audit provides guidelines at this site

http://www.auburn.edu/administration/internal\_auditing/internalcontrolfaq.html

 Ensure personnel have attended Banner classes and know where to find financial policies

(http://www.auburn.edu/administration/business\_office/)

- Ensure Liaison provides update to unit on lessons learned, new reports, etc.
- Review daily and monthly financial data for unit



#### Top 10 Suggestions for Internal Control & Successful Business Operations

- Set a strong example for the expectation of ethical behavior, compliance with laws/policies, and communicate your expectations routinely to your unit's personnel.
- 2. Never sign something you don't understand.
- 3. Limit signature authority and don't let anyone sign your name (an employee should sign their own name). Never use a signature stamp.
- 4. If something doesn't make sense ask questions about it until you do. Pay attention to what your employees are doing.
- 5. Be familiar with University policies and procedures. Be willing to call and ask questions.
- 6. Consider unique risks your unit may have (i.e. cash collections, contracts and grants, etc.) and ensure additional oversight is provided.
- 7. Ensure accounts are reconciled monthly and review this reconciliation for any unusual transactions. (This should include a review of payroll and leave reports.)
- 8. Don't let one employee have complete control of any process.
- Keep offices and labs locked to protect property, data, and other resources. (Remember to shred paper documents with identifying information.)
- 10. Ensure University assets are used for University business (incidental personal use is allowed).



### Getting Started (these are some suggestions)

- Daily accumulation of invoices, direct charges, requisitions, budget change order, etc. by Fund-Org combination.
- Monthly review of reports to ensure transactions you expected to hit your funds did
- Monthly clean up of deficit balances (BCO, DEC, ITV)
  - BCO-Budget change order for transfer of budgeted funds from one location to another (3 digit pool accts)
  - DEC-Departmental Error Correction moves actual entries in 'current' year from one FOAP to another FOAP
  - ITV-Internal Transaction Voucher used for anything other than error. To charge department or reallocate internal charges.
- Monthly clean up of old purchase orders (critical to free up funds)

Ensure your staff understands organizational hierarchy as this creates most effective extracts of data. Quick review.

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# Organizational Hierarchy

- 1 Chart/Division
- 12 Executive Level
- 123 College
- 1234 School
- 12345 Department
- 123456 Organization (entry point)

Most reports use the last four hierarchies to pull data but occasionally you will see division and executive level used



REPORT FGRORGH CHART: A

#### Auburn University Organization Hierarchy Report AS OF 15-Feb-2010

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			DATA		CNTL			*****
	ORGANIZATION	DESCRIPTION	ENTRY		ORGN		TERM	NEXT CHANGE
	A	Auburn University	N	A		01-OCT-1990		31-DEC-2099
	_ 1	AU Main Campus	N	A		01-OCT-1990		31-DEC-2099
<b>A</b>	10	Office of the President	N	A		01-OCT-1990		31-DEC-2099
	100	Office of the President	N	A		01-OCT-1990		31-DEC-2099
	1000	President's Office	N	A		01-OCT-1990		31-DEC-2099
	10000	President's Office	N	A		01-OCT-1990		31-DEC-2099
	100000	President's Office	Y Y	A		01-OCT-1990		31-DEC-2099
	100001	President's Salary Reserve	Y	A		01-OCT-1990		31-DEC-2099
	100002	Non-Instructional Salaries	Y	A		28-MAR-2008		31-DEC-2099
Division	100003	Admin & Professional Assembly	Y Y Y	A		01-OCT-1990		31-DEC-2099
Division	100005	Commencement Exercises	Y	A		01-OCT-1990		31-DEC-2099
	100006	Committee For Persons With Disb	Y Y	A		01-OCT-1990		31-DEC-2099
	100007	Office of Intercollegiate Athletics	Y Y	A		01-OCT-1990		31-DEC-2099
,	100008	General Counsel	_	A		01-OCT-1990		31-DEC-2099
Executive	102000	Senior Advisor	Y	A		29-MAY-2009		31-DEC-2099
LACOUTIVO	170659	Higher Education Legislation Office	Y	A		09-OCT-2008		31-DEC-2099
	10010	Secretary to Board of Trustees	N	A		01-OCT-1990		31-DEC-2099
	100100	Secretary to Board of Trustees	Y	I		09-JUN-2008		31-DEC-2099
	100101	Trustees	Y	A		01-OCT-1990		31-DEC-2099
	10020	Governmental Affairs	N	A		01-OCT-1990		31-DEC-2099
	100200	Governmental Affairs	Y	A		01-OCT-1990		31-DEC-2099
	10100	Internal Auditing	N	A		01-OCT-1990		31-DEC-2099
	101000	Internal Auditing	N	I		01-OCT-1990		31-DEC-2099
	101001	Internal Auditing	Y	A		01-OCT-1990		31-DEC-2099
	10102	Instnl Research and Assesment	N	A		24-JAN-2007		31-DEC-2099
	101020	Instnl Research and Assesment	N	I		04-APR-2007		31-DEC-2099
	101021	Instil Research and Assesment	Y	A		04-APR-2007		31-DEC-2099
College	108	Enrollment Services	N N	A		09-FEB-2007		31-DEC-2099
College	1820 18200	Enrollment Services	N N	A A		09-FEB-2007		31-DEC-2099
	18200	Office of Enrollment Services Admin	N N	I		09-FEB-2007		31-DEC-2099
	182000	Enrollment Management Admin	Y	A		09-FEB-2007		31-DEC-2099 31-DEC-2099
	182001	Office of Enrollment Services Enrollment Servs-Vacant Salary Resv	Y	A		18-MAY-2007		
	182003	Office of Enrollment Services	N I	A		12-NOV-2007 01-OCT-1990		31-DEC-2099 31-DEC-2099
	18202	Office Enrollment Services Office Enrollment Serv-Operations	Y	A		09-FEB-2007		31-DEC-2099 31-DEC-2099
School	18220	Office of University Recruitment	Ň	A		09-FEB-2007		31-DEC-2099 31-DEC-2099
	182200	Marketing and Recruiting		Î		09-FEB-2007		31-DEC-2099 31-DEC-2099
	182200	Office of University Recruitment	N Y	A		18-APR-2007		31-DEC-2099 31-DEC-2099
	182202	Admissions and Recruiting	Ý	Ā		09-FEB-2007		31-DEC-2099
	182210	War Eagle Day	Ň	Î		09-FEB-2007		31-DEC-2099
	182210	War Eagle Day		A		09-FEB-2007		31-DEC-2099 31-DEC-2099
Department	18231	Office of University Scholarships	Y N	Ā		02-FEB-2007		31-DEC-2099 31-DEC-2099
2 oparament	105411	Future Leaders Scholarship	v	Ā		21-FEB-2007		31-DEC-2099
	182300	Office of University Scholarships	Y Y Y Y Y	Ā		18-MAY-2007		31-DEC-2099
	182300	Trustee Scholarships	v	Ā		01-OCT-1990		31-DEC-2099 31-DEC-2099
	182301	President's Oppor Scholship	v	Ā		28-APR-2006		31-DEC-2099 31-DEC-2099
_	182305	Freshman Academic Sch I	v	Ā		01-OCT-1990		31-DEC-2099
	182306	R Dudley Pres Scholship	ŷ	Ā		28-APR-2006		31-DEC-2099
Organization	102500	r rearel rree concretth	-			20 121-2000		JI 220-2009
3								

# Month End Reporting – Banner e~Print

Key Banner reports available to assist you for monthly review of financial information

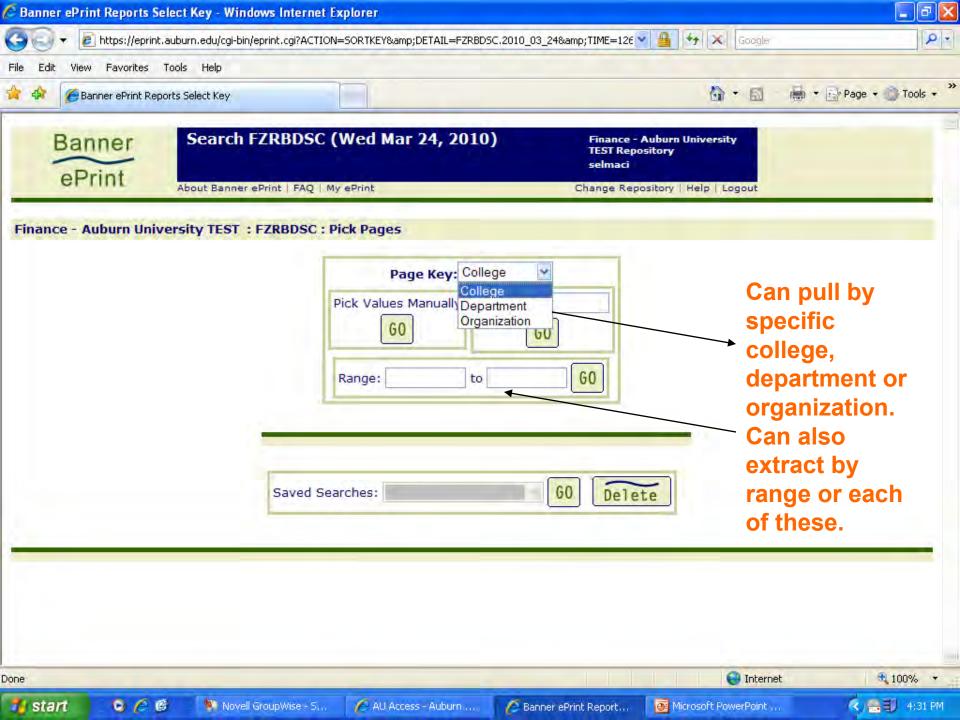
- FGRBDSC or FZRBDSC Budget Status Report
- 2. FZRODTA Daily Transactions
- 3. FZRFATE Potential Error Report
- 4. FZODOS1 Departmental Operating Summary
- 5. FZRREMM -Revenue/Expense Month by Month

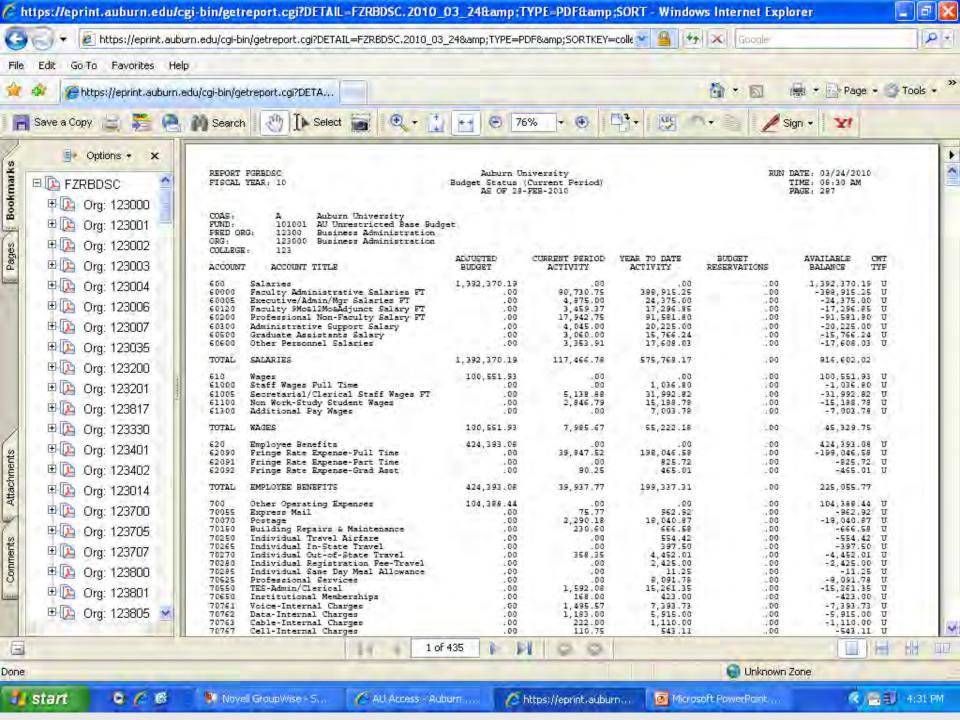


# FGRBDSC – Budget Status Report FZRBDSC – Budget Status Report

- Two reports which allow for different type extraction.
   Original report was FGRBDSC which will allow the user to
   extract by individual fund or org or by a range of funds or
   organizations. FZRBDSC is a newly created report
   which allows the user to extract by org hierarchy. You can
   pull by college, department or organization. This will help
   units who have gaps in their organizational groupings.
   Most will probably find FZRBDSC the most useful.
- Good report to assist you in identifying errors in fundorganization combination. If you see only one or two entries on a page, a deficit carryover or deficit balance.....this might suggest a more thorough review.
- Able to check for reasonable balance available on this report







# Examples of Questions you might ask yourself while looking at FZRBDSC?

- Should my fund have revenues? If base fund (10X001), the answer should be no. If you have a budgeted or expected revenue stream, is it coming in like you planned?
- Do your expenses exceed the revenue you have budgeted?
- Do I have a current available balance adequate to get me through the year based on my current level of spending?
- Look at specific sub-sections like salary/benefits and compare to budget based on where you are in year. Five months in and I have used more than 42% (5/12 s)of my budget – I may be in trouble.
- Why do I only have a negative carryover in this fund-org?
- Why is there only one entry for the year? Did I hit the wrong combination?

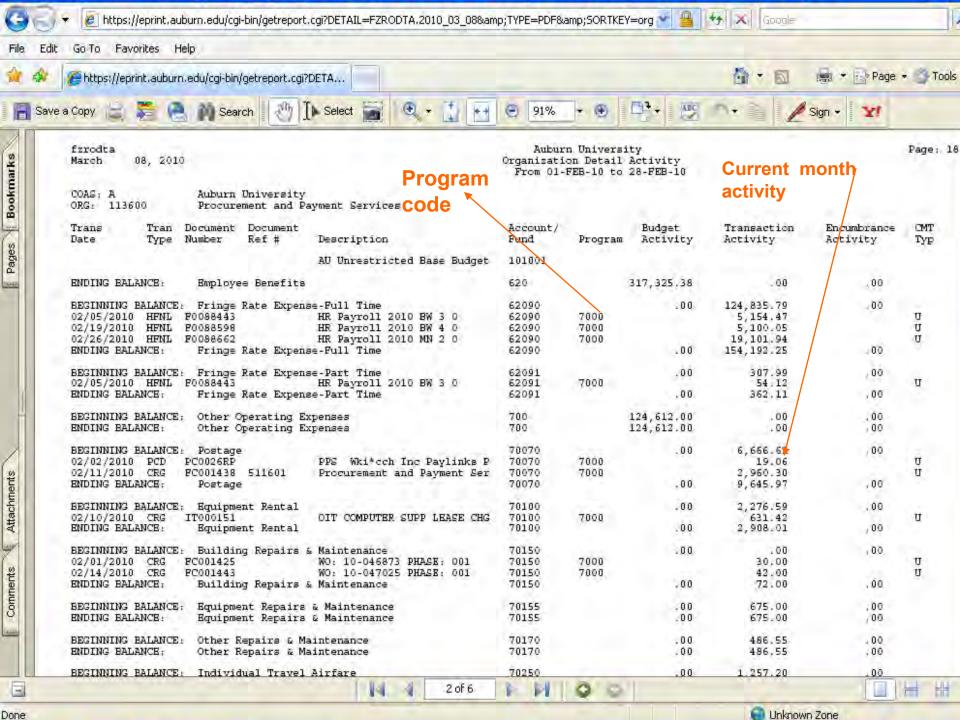
Now you will need to get into the details of the accounts to ensure correct entries were posted.



# FZRODTA - Daily Transactions

- We currently have two ODTA reports. Shortly the FGRODTA report will be eliminated. The FZRODTA report allows you to see the <u>program code</u> entered. This is especially critical when reviewing contracts and grants.
- The ODTA report lets you see exactly what hit in the current month. If you have been filing all invoices, Direct Charges, ITVs, etc by Fund-Org combination, you can quickly check these to ensure the charges hit as you expected. Helps catch key punch errors and typos. Also alerts you to entries made to your FOAP where you have no documentation. Provides for good validation practice.
- Data can be pulled by fund, org or a range of funds or organizations.





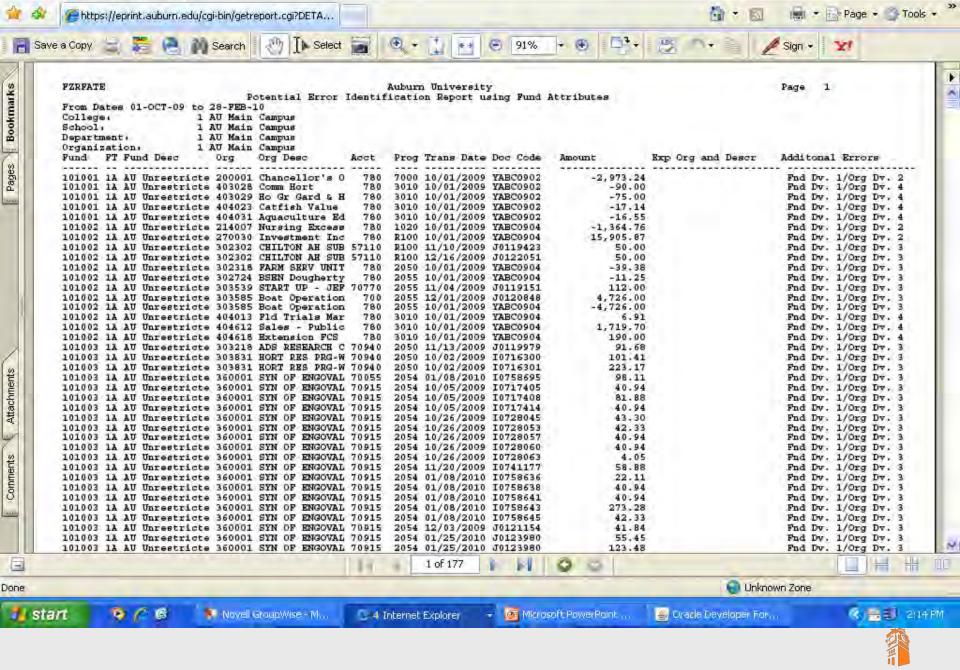
# FZRFATE – Potential Error Reporting

- Query by college, school or department org.
- Uses Fund Attribute provided by Colleges to associate specific funds with specific organizations. Fund attributes will be used on other reporting going forward so critical to ensure it is accurate. Will circulate your attributes again soon so you can have units validate.
- Most funds have a unique organization. Some exceptions –like base, soft, ICRE, etc.
- Remember the report will be sorted so that the <u>owner</u> of the fund sees errors against their fund. Owner will work with unit causing error to make correction.



- The system can identify errors between divisions. For example –if a division 3 fund is used with a division 1 org, the report will throw this into a divisional error which will appear on the first few pages of the report. These type errors will not be sorted by attribute owner so everyone will need to look at the first few pages of the report to see if one of your organizations is being shown on these pages.
- Always best to go to SSB or Admin and perform query once you find error on report – so that you have the most current information through current day. This will help to ensure no one else has corrected the error. Also possible additional errors have occurred within the current month.
- The report is cumulative. Will show all errors and their corrections (ins and outs).
- Correct using normal practice (DEC or BCO)





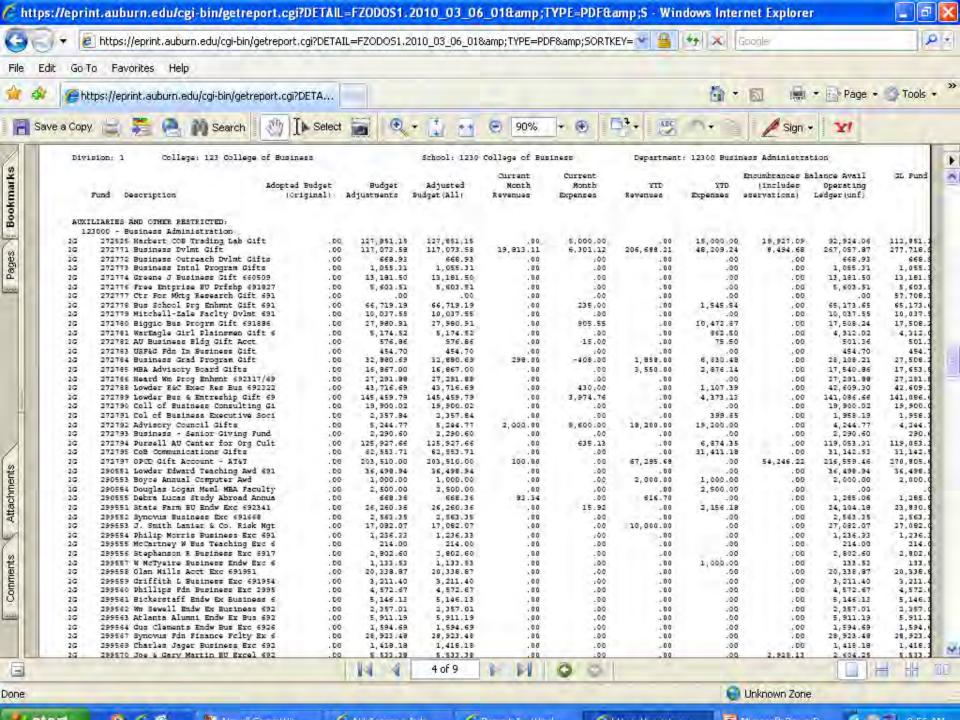
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## FZODOS1-Departmental Operating Summary

- Data should be extracted by College, School or Department
- Within the report, data is accumulated by department, providing summary information by fund within each department. Classified by fund type such as unrestricted, contracts/grants, restricted, auxiliaries, and plant.
- Can quickly see by department, totals by fund type.
- Easy to identify deficits that require correction.
- Majority of time if available balance and fund balance are shown, they should match. Exception C&G/Some Appropriations. If they don't match, could be budget bump has not been made to match transfer of funds or it could be fund was used with an organization outside of the department group. More than likely an error.
- This is a summary report so it is a good tool for supervisors, department heads & directors who might not want to get into the details. Since you can extract by department, you can easily pull the file, save and forward. No need to print. Allows for more ease in magnification of report.

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## FZRREMM-Rev/Exp Month by Month

- Data should be extracted by College, School or Department
- New report which shows month by month totals by account within a given fund-org combination
- Provides user with adjusted budget, month by month entries, encumbrances, total revenues, expenditures and net available (C&G slightly different)
- Will enable users to see unusual entries –identify potential errors.
- Also allows users to see common monthly expenditures and then forecast end of year outcome
- Available in pdf or excel if printing is desired

