

Prepared by the Vice President for Budget and Finance and
Chief Financial Officer
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June 2014

A8.000 FISCAL MANAGEMENT

A8.025 FISCAL RESPONSIBILITIES WITHIN THE UNIVERSITY

1. Purpose

To set forth the responsibilities of employees who perform or have authority for fiscal and administrative functions.

To provide definitions of key terms referenced in the conduct of University fiscal management.

2. Definitions

- a. Fiscal Transaction - Refers to financial activity processed and/or recorded in the University's various systems such as the Kualii Financial System, Banner Student Information System, MyGrant, PeopleSoft, and eTravel. The term may also refer to financial data in reporting systems such as Discoverer, PageCenterX, and eThORITY.
- b. Fiscal Administrator/Assistant Fiscal Administrator - The term "Fiscal Administrator" is a working title not descriptive of any one position, but rather refers to that group or class of persons who perform the business and fiscal administration functions for a particular University unit. These persons may occupy positions with such job titles as Vice Chancellor of Administration, Director of Administrative Services, Assistant Dean, Assistant Director, and other positions within the APT Institutional Support Career Group,
<http://hawaii.edu/ohr/hris/careergroups%20120501.pdf>
- c. Fiscal Office (FO) Code - Three character code assigned by the Financial Management Office representing a specific functional unit administered by a designated Fiscal Administrator.

- d. Functional Unit - Any campus, college, school, department, program or unit of the University of Hawaii.
- e. Principal Investigator/Project Director (PI/PD) - The Principal Investigator/Project Director named on the sponsored award.
- f. Program Head - Program Heads are leaders of functional units, e.g., college, division, department, center, administrative area and may include, but are not limited to, department chairs, Deans, Directors, Vice Chancellors, Vice Presidents, Chancellors and the President.
- g. Purchasing Authority - Authority granted to designated individuals to execute contractual documents for procuring goods, services, and construction up to specified amounts. Only University personnel specifically delegated purchasing authority are authorized to contractually commit the University and only within the limits of their purchasing authority.

3. Responsibilities

- a. Employees shall comply with the provisions of Hawai'i Revised Statutes, Chapter 84, Standards of Conduct http://www.capitol.hawaii.gov/hrscurrent/Vol102_Ch0046-0115/HRS0084/HRS_0084-.htm and with any University whistleblower policies and procedures that may be adopted. Fraud, waste and abuse are prohibited.
- b. Individuals shall not approve documents used to generate payment or reimbursement to themselves. Such documents shall be approved by the next immediate supervisor.
- c. Every University employee who performs or has authority for fiscal and administrative functions is responsible to take reasonable action to ensure:
 - 1) Funds are used only for official university business.
 - 2) Funds and fiscal transactions are accounted for accurately in the University's fiscal records.
 - 3) Transactions comply with applicable policies, laws, regulations, and rules; contracts and grants;

accreditation requirements and generally accepted accounting principles.

- 4) Internal controls and proper segregation of duties are followed.
- 5) University assets such as facilities, data, equipment, supplies, inventory, accounts receivables and cash (including checks and credit card payments) are protected from unauthorized access or theft.
- 6) Practices and procedures support operational efficiency and effectiveness.

b. Program Head Responsibilities

Program Heads provide leadership, oversight and management to ensure all fiscal resources and other assets are spent and managed according to the goals, objectives and mission of the unit and in accordance with federal and state laws and regulations and University policies and procedures.

The Program Head may appoint a Fiscal Administrator, or a Fiscal Administrator may be assigned, to assist with fiscal management responsibilities. However, Program Heads are ultimately responsible and accountable for adherence to internal controls and the sound fiscal management of the unit and retain this fiscal responsibility even if authority for transactional processing, record keeping, approving, monitoring and reporting is delegated.

The Program Head shall ensure that at least two individuals, one with program responsibility and one with Fiscal Administrator responsibility, review and approve each fiscal transaction as evidenced by physical signatures or electronic workflow approvals.

The Program Head may temporarily delegate program responsibility to sign and approve documents to another responsible University administrator, who has first-hand knowledge of the work performed and is familiar with the unit's program goals, initiatives and requirements and who can reasonably review transactions for program appropriateness. Such delegations shall be in writing and shall be for full

authority and shall not include dollar or document limitations. Individuals so delegated will be held equally responsible with the Program Head for all transactions approved.

Program Head program responsibility shall not be delegated to an individual with Fiscal Administrator responsibility or to an individual with delegated purchasing authority on the same account.

c. Principal Investigator (PI)/Project Director (PD) Responsibilities

As described in A8.926, Administrative and Financial Management Requirements for Extramurally Financed Research and Training Programs/Activities of the University, <http://www.hawaii.edu/svpa/apm/congrant/a8926.pdf>, the PI/PD is responsible and accountable for the satisfactory performance of scientific and technical work prescribed under the sponsored program or activity and the review of expenditures to ensure the allowability, allocability and reasonableness of all costs charged to the award in support of the project. The PI/PD shall be accountable for any program deficits and disallowances that may occur in the performance or work under the sponsored program or activity.

The PI/PD shall be assigned a fiscal administrator to assist with the fiscal management of the project or program.

The PI/PD may temporarily delegate program responsibility to sign and approve documents to another responsible University administrator, who has first-hand knowledge of the work performed and is familiar with the unit's program goals, initiatives and requirements and who can reasonably review transactions for program appropriateness. Such delegations shall be in writing and shall be for full authority and shall not include dollar or document limitations. Individuals so delegated will be held equally responsible with the PI/PD for all transactions approved.

PI/PD program responsibility shall not be delegated to an individual with Fiscal Administrator responsibility or to an individual with delegated purchasing authority on the same account.

d. Fiscal Administrator Responsibilities

Fiscal Administrators (FA) are responsible for controlling program expenditures within funding authorization in accordance with University policies and procedures and sponsor funding requirements. The FA shall also provide guidance and assistance to the Program Head or PI/PD and staff with respect to administrative and financial matters, particularly those relating to the allowability and allocability of program costs, approval requirements, financial status, delivery and coordination of administrative support requirements, proper recording of expenditures and cost transfers and the liquidation or cancellation of all outstanding encumbrances to ensure the timely closeout of accounts. Depending on their job description, Fiscal Administrators may:

- 1) Certify availability of funds;
- 2) Approve procurement transactions up to their authorized dollar limit;
- 3) Establish, review and maintain internal controls and processes;
- 4) Help ensure all physical and financial assets are safeguarded;
- 5) Record and report transactions properly and accurately;
- 6) Reconcile transactions and accounts on a regular basis;
- 7) Ensure expenditures conform to budget plans and fund type restrictions;
- 8) Request/authorize access to the University's financial information system;
- 9) Recommend improvements in business management methods and procedures;
- 10) Maintain accurate files and records of fiscal transactions and documents;

- 11) Work with central system offices regarding issues related to tax compliance for unrelated business income, general obligation and revenue bond post issuance compliance, tax withholding and reporting;
- 12) Understand and apply University requirements for processing transactions, including the application of generally accepted accounting principles.

If a Fiscal Administrator is uncertain as to the propriety of a transaction, the Fiscal Administrator shall refer the matter to a higher-level Fiscal Administrator for further evaluation and approval.