FINANCIAL OVERSIGHT FOR AUXILIARY UNITS
# Table of Contents

SF STATE FINANCIAL REVIEW OVERSIGHT .................................................................................................................. 2

FINANCIAL REVIEW PROCESS ................................................................................................................................. 3

FINANCIAL REVIEW TIMELINE ............................................................................................................................... 5

SAMPLE TEMPLATE: CERTIFICATION OF FINANCIAL ACTIONS ........................................................................... 6

SUGGESTED TEMPLATE: FINANCIAL REVIEW REPORT ...................................................................................... 8
SF STATE FINANCIAL REVIEW OVERSIGHT

PURPOSE

The purpose of financial oversight and monitoring is to exercise due diligence over universities financial activities through planning and reporting. This includes budget development, ongoing financial monitoring, and compliance with budget.

In order to provide better defined policy guidance to the administration, establish expenditures parameters, define reporting requirements and to conform with relevant guiding principle from ICSUAM 2002, SF State University must exercise clear and transparent due diligence in its oversight of the university’s financial activities and establish reporting and monitoring requirements necessary to fulfill its fiduciary duties.

SCOPE

Each year, SF State will conduct at least two comprehensive financial reviews, one during the winter and the other during the spring, to identify any problematic financial situations that have occurred or may be expected to occur prior to the end of the fiscal year. The objective of the financial review is twofold:

1. To perform a division level analysis of expenditures of current YTD actuals compared to prior YTD actuals and full year revised projection compared to full year revised budget.
2. To identify material concerns (Revenues: under by 10%, Expenses: over spending by 10%, when comparing fiscal year Revised Projection to fiscal year Revised Budget), that may have a quantifiable impact on the current budget.

The scope of the reviews will include a comprehensive budget review for all revenue and expenditure activities for all funds. In addition, the winter and spring financial reviews will include formal meetings with senior management to review each unit’s financial performance. While the primary focus of the meetings varies, the feedback and discussions assist management in planning the budget for the upcoming fiscal year and forecasting for next academic year.
FINANCIAL REVIEW PROCESS

OVERVIEW:

Each Unit is required to provide a detailed analysis and a written report submitted to the Budget Administration and Operation office (BAO) addressing material items (Revenues: under by 10%, Expenses: over spending by 10%, when comparing fiscal year Revised Projection to fiscal year Revised Budget) that will have an adverse effect on the current budget by fiscal year-end.

OBJECTIVE:

The primary objective of the financial review is to determine if the funds available for the remainder of the fiscal year are adequate to maintain planned service levels.

In order to achieve the above mentioned objective, it is required for each Units to:

1. Financial Review Reports:
   a. Review and analyze YTD actuals compared to their YTD actuals prior year
   b. Review and analyze, current fiscal year Revised Projection compared to the current fiscal year Revised Budget and report any material variances defined as, Revenues: under by 10%, Expenses: over spending by 10%, when comparing fiscal year Revised Projection to fiscal year Revised Budget.

REPORTING REQUIREMENTS:

The following reports are provided to assist you in completing the required financial analysis.

Certification of Financial Actions:

Each Unit is required to provide a memorandum (certification of financial actions) commenting on the outcome of their financial review process and include comments on the financial conditions of each unit. Material variances must be explained and identified in the written report. Material variances is defined as Revenues: under by 10%, Expenses: over spending by 10%, when comparing fiscal year Revised Projection to fiscal year Revised Budget). Additional items to note within the report include service level changes, growth issues, unmet needs, trend issues, new programs, reserves or other factors that currently have or are expected to have impact on the budget.
Summary

When you are completed with your review and analysis, you will submit back to the BAO office:

- Financial Review Reports
- Capital project review
- Deficit review and other issues
- Certification of Financial Actions
## FINANCIAL REVIEW TIMELINE

<table>
<thead>
<tr>
<th>TASK</th>
<th>DATE</th>
<th>RESPONSIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting period close</td>
<td>Soon after end of calendar month</td>
<td>Fiscal</td>
</tr>
<tr>
<td>Cabinet financial package submitted to BAO</td>
<td>3 weeks after BAO distributes reports</td>
<td>Vice Presidents</td>
</tr>
<tr>
<td>Cabinet/Division reports reviewed</td>
<td>2 weeks after receipt of Cabinet financial packages</td>
<td>BAO</td>
</tr>
<tr>
<td>Comprehensive financial report reviewed</td>
<td>After BAO office review</td>
<td>CFO and VPs</td>
</tr>
<tr>
<td>Financial report submitted to the President</td>
<td>After CFO and VPs reviews</td>
<td>BAO</td>
</tr>
</tbody>
</table>
CERTIFICATION OF FINANCIAL ACTIONS

Fiscal Year ________________          Date: ________________

Period (check one)

Winter Review ______  Spring Review ________

Division/Cabinet: ____________________________

Fiscal Officer: ____________________________

(Print Name)

Please list any Division/Self Support/Trust Fund in your Cabinet that you anticipate will experience a fiscal year Revised Projection material variance compared to your fiscal year Revised Budget. (Attach separate sheet if necessary).

<table>
<thead>
<tr>
<th>Division/Self Support/Trust Fund</th>
<th>FY Revenue Variance Under 10%</th>
<th>FY Expense Variance Over 10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ex: Division 1</td>
<td></td>
<td>Salaries = 18% or $86,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Describe in a separate document the nature of the financial changes and assess the impact that the changes will have on your Cabinet’s/Division’s/Self Support’s/Trust Fund’s planned year-end financial position by including the following:

(i) the reason for the occurrence
(ii) the actions taken by your Cabinet to resolve this particular occurrence
(iii) the actions taken by your Cabinet to prevent events such as this from occurring again
(iv) Explanation of material variances (Defined as Revenues: under 10%, Expenses: over spending by 10% when comparing fiscal year Revised Projection to fiscal year Revised Budget)
CERTIFICATION

Each Cabinet’s/Division’s fiscal officer is required to complete and sign the following certification form.

I certify the above information provided in Financial Review Report(s) and Position Management Report(s) for the

Winter Review _______ Spring Review _______

FY _______ is correct as of the date indicated below, and that

[Division/Cabinet]

has informed the University Budget Office, at least at the campus financial review, of any significant actuals or projected variances from annual revenues or expenditures that were approved in the annual budget.

Name: __________________________________________

Title:  __________________________________________

Signature: _____________________________ Date: __________

Name: __________________________________________

Title:  __________________________________________

Signature: _____________________________ Date: __________

Name: __________________________________________

Title:  __________________________________________

Signature: _____________________________ Date: __________
### Period: July to November Actuals

<table>
<thead>
<tr>
<th>FY 16-17</th>
<th>FY 17-18</th>
<th>Change from</th>
<th>% of Year</th>
<th>% of Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>July to November</td>
<td>July to November</td>
<td>Prior Year Expenses</td>
<td>Completion</td>
<td>Year Total</td>
</tr>
<tr>
<td>Actual</td>
<td>Actual</td>
<td>Change from</td>
<td>% of Year</td>
<td>% of Year</td>
</tr>
<tr>
<td>Final</td>
<td>Final</td>
<td>CYP calculated</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Operating Funds**
- All Programs
  - General Fund Allocation: 42%
- Revenue: Spring 42%, Summer 42%, Fall 42%, Winter 42%, Other 42%
- Benefits: Salary & Wages 42%
- Budget Adjustments: General Fund Allocation, Revenue, Benefits

**Cost Allocation**
- All Programs: 42%
  - Cel Cost Reimbursement To General Fund: 42%

**Total Revenues / Other Sources**
- Salaries & Wages: 42%
- Utilities: 42%
- Risk Pool: 42%
- Work Study: 42%
- Total Financial Aid: 42%
- 6K8899 Carry-Forward: Other Expenses: 42%

**All Expenses**
- All Programs: 42%
  - Operating Expenses: 42%
  - Net Transfers: 42%

**Operating Income (Loss)**
- All Programs: 42%