



# FINANCIAL OVERSIGHT

FOR AUXILIARY UNITS

SAN FRANCISCO STATE UNIVERSITY  
BUDGET ADMINISTRATION AND OPERATIONS OFFICE



Date Created: 1/18/18

Date Revised: 1/19/18



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# 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

TASK	DATE	RESPONSIBILITY
Accounting period close	Soon after end of calendar month	Fiscal
Cabinet financial package submitted to BAO	3 weeks after BAO distributes reports	Vice Presidents
Cabinet/Division reports reviewed	2 weeks after receipt of Cabinet financial packages	BAO
Comprehensive financial report reviewed	After BAO office review	CFO and VPs
Financial report submitted to the President	After CFO and VPs reviews	BAO

## SAMPLE TEMPLATE: CERTIFICATION OF FINANCIAL ACTIONS

### 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).

Division/Self Support/Trust Fund	FY Revenue Variance Under 10%	FY Expense Variance Over 10%
<i>Ex: Division 1</i>		<i>Salaries = 18% or \$86,000</i>

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: \_\_\_\_\_



## SUGGESTED TEMPLATE: FINANCIAL REVIEW REPORT

San Francisco State University														
FY 2017 -18														
Budget Administration: Financial Review Report														
Period: July to November Actuals														
Final	Final					Final	Final					CYP calculated		
Operating Funds	Operating Funds					Operating Funds	Operating Funds					Operating Funds		
No Position	No Position					No Position	No Position					No Position		
Budget Admin & Op	Budget Admin & Operations					Budget Admin & Op	Budget Admin & Operations					Budget Admin & Operations		
Actual	Actual					Original Budget	Revised Budget					Q2 CYP		
Actual.	Actual.	Change from	% of Year	% of Year		Original Budget.	Revised Budget.			Open	Projection		Change from	
FY 16-17	FY 17-18	Prior Year	Expenses	Completion		FY 17-18	FY 17-18				FY 17-18	Revised Projection	Revised Budget	%
July to November	July to November					YearTotal	YearTotal	Adjustment	Commitments		YearTotal			
a	b	c = b-a	d = b/g	e = current mth/12		f	g	h	i		j	k=(h+i+j)	l= k-g	m = l/g
General Fund Allocation	All Programs	-	-	-	42%	-	-				-	-	-	-
Revenue	Spring	-	-	-	42%	-	-				-	-	-	-
Revenue	Summer	-	-	-	42%	-	-				-	-	-	-
Revenue	Fall	-	-	-	42%	-	-				-	-	-	-
Revenue	Winter	-	-	-	42%	-	-				-	-	-	-
Revenue	Other	-	-	-	42%	-	-				-	-	-	-
Revenue	No Program	-	-	-	42%	-	-				-	-	-	-
Revenue	All Programs	-	-	-	42%	-	-	-	-		-	-	-	-
Budget Adjustments.	All Programs	-	-	-	42%	-	-				-	-	-	-
Federal Reimbursements Work Study.	All Programs	-	-	-	42%	-	-				-	-	-	-
Reimbursed Release Time.	All Programs	-	-	-	42%	-	-				-	-	-	-
Cel Cost Reimbursement To General Fund.	All Programs	-	-	-	42%	-	-				-	-	-	-
Cost Allocation.	All Programs	-	-	-	42%	-	-				-	-	-	-
Other Revenue	All Programs	-	-	-	42%	-	-	-	-		-	-	-	-
Total Revenues / Other Sources.	All Programs	-	-	-	42%	-	-	-	-		-	-	-	-
Salary & Wages.	All Programs	256,371	204,982	(51,389)	44%	470,309	470,309				409,964	409,964	(60,345)	-13%
Benefits.	All Programs	114,912	112,310	(2,602)	100%	-	112,310				224,621	224,621	112,310	100%
Operating Expenses.	All Programs	12,904	15,082	2,178	38%	34,327	39,953				30,164	30,164	(9,790)	-25%
Utilities.	All Programs	-	-	-	42%	-	-				-	-	-	-
Risk Pool.	All Programs	-	-	-	42%	-	-				-	-	-	-
Work Study.	All Programs	-	-	-	0%	-	16,500				-	-	(16,500)	-100%
Total Financial Aid.	All Programs	-	-	-	42%	-	-				-	-	-	-
660809-Carry-Forward: Other Expenses	All Programs	-	-	-	42%	-	-				-	-	-	-
All Expenses.	All Programs	384,187	332,374	(51,813)	52%	504,636	639,073	-	-		664,748	664,748	25,676	4%
Net Transfers.	All Programs	-	-	-	42%	-	-				-	-	-	-
Operating Income (Loss).	All Programs	(384,187)	(332,374)	51,813	52%	(504,636)	(639,073)				(664,748)	(664,748)	(25,676)	4%