

# Annual Financial Statement Certification Policy

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## POLICY CONTENTS

**Policy Statement**

**Reason for Policy**

**Who Should Read this Policy**

**Policy Text**

**Procedures**

**Related Information**

**Definitions**

**Additional Contacts**

**Forms**

**Responsibilities**

**FAQ**

**Revision History**

**Appendices**

**Effective Date:** June 10, 2009

**Last Updated:** June 1, 2014

**Responsible University Officer:**

Vice President for Business and Finance

**Policy Owner:**

Associate Vice President for Accounting  
and Business Services

**Policy Contacts:**

**Neva Nguyen**

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## POLICY STATEMENT

Certain members of the Leadership Team, other senior employees, and their Business Managers are required to complete and sign the **Annual Financial Statement Certification** at the end of each fiscal year. The certification process is an essential internal control activity intended to ensure the integrity of the University's financial statements. Completion of the annual certification also provides an opportunity for departments to review their financial activity for the year and to confirm that all transactions have been properly recorded in the University's accounting system.

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## REASON FOR POLICY

This Policy includes the procedures for the completion of the Annual Financial Statement Certification by those employees subject to the certification requirement.

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## WHO SHOULD READ THIS POLICY

Any employee who is responsible for completing the Annual Financial Statement Certification; the members of the Leadership Team, other senior employees, and their Business Managers, as well as managers who supervise an employee with such responsibilities.

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## POLICY TEXT

The University's **financial statements** are prepared annually by the Office of Accounting and Business Services (ABS), in accordance with generally accepted accounting principles. The financial statements represent the financial position of the University as of the end of the fiscal year and encompass not only activity affecting budgeted or operating funds but also include activities associated with non-operating or restricted funds. The financial statements are an important indicator of the University's financial performances, which helps external stakeholders determine how well the University has managed its resources. Such stakeholders include donors, banks, lenders, regulatory agencies, governmental entities, and others.

In order to ensure that the financial statements present fairly, in all material respects, the financial position of the University, the statements are audited each year by the University's external auditors. The Annual Financial Statement Certification process is a critical element in documenting the University's compliance with the audit standards and a best practice intended to ensure the accurate and fair presentation of the financial statements.

### Employees Subject to Certification Requirement

Because the duties and responsibilities of Leadership Team members, other senior employees, and their Business Managers have a significant impact on the financial activities of the University, they are required to complete and sign the **Annual Financial Statement Certification**. As part of the certification process, these individuals have a fiduciary duty to communicate to ABS any information that may have a material impact on the financial statements, both when completing the certification and throughout the year as transactions are processed.

The specific position titles subject to the Annual Financial Statement Certification requirement are listed in **Appendix A**.

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## PROCEDURES

- **Authorization**
  - **Review of Financial Activities**
  - **Violations**
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## RELATED INFORMATION

Type	Title
USF	<b>Conflict of Interest Policy</b>
USF	<b>Department Cash Handling Policy</b>
USF	Department Payroll Controls Policy - <i>under construction</i>

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## DEFINITIONS

<b>Term</b>	<b>Definition</b>
<b>Banner System</b>	The enterprise information system used to record the business activities of the University. The core system suite is made up of the Advancement, Finance, Financial Aid, Human Resources, and Student modules, and includes additional functionality in document management, job scheduling, reporting, and workflow.
Business Manager	A University employee, designated by the President, Vice President, Vice Provost, or Dean who is the financial manager for the University account(s) being used for the expense. This may include the President, Vice Presidents, Vice Provosts, or Deans.
<b>Concur</b>	The University's online system for payment requests, expense reimbursements, cash advance requests, and reporting.
<b>FOAPAL</b> or (FOAP)	The acronym representing each element of the University's charts of accounts, i.e., Fund, Organization, Account, Program, Activity, and Location.

## ADDITIONAL CONTACTS

<b>Subject</b>	<b>Contact</b>	<b>Phone</b>	<b>Email</b>
ABS	Nguyen	415.422.2772	<b>nnguyen25@usfca.edu</b>
Financial reporting	Desmond Dair	415.422.6732	<b>ddair@usfca.edu</b>

## FORMS

<b>Form</b>	<b>Use</b>	<b>Location</b>
<b>Annual Financial Statement Certification</b>	Used by employees subject to this Policy to certify the accuracy of their financial transactions.	ABS

## RESPONSIBILITIES

### Employees Subject to Certification Requirement

- Responsible for the continuous monitoring of financial activities to ensure they are conducted in a timely, complete, and accurate manner.
- Promptly reports information to ABS that may have a material impact on the financial statements.
- Completes Annual Financial Statement Certification in accordance with the schedule published by ABS.

### Accounting and Business Services

- Responsible for administering the Annual Financial Statement Certification process.
- Establishes the schedule for completion of the annual certifications.
- Promptly makes corrections to the University's accounting records as needed.
- Reviews and approves, if appropriate, requests for an exception to this Policy.

### President, Vice Presidents, Vice Provosts, and Deans

- Ensures that employees within his or her division are in compliance with this Policy.

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## FREQUENTLY ASKED QUESTIONS

### **Annual Financial Statement Certification FAQs**

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## REVISION HISTORY

- 06/01/2014 - Revised to update terms and definitions used in the Policy.
  - 06/10/2009 - Effective date of Policy.
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## APPENDICES

### **Appendix A** - Employees Subject to Annual Financial Statement Certification Requirement

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## PROCEDURES

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## AUTHORIZATION

The Associate Vice President for Accounting and Business Services is responsible for the administration of the Annual Financial Statement Certification process. Any exception to the procedures set forth in this Policy requires advance written approval by the Associate Vice President.

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## REVIEW OF FINANCIAL ACTIVITIES

In order to complete the **Annual Financial Statement Certification**, an employee subject to this Policy must review the financial activities of his or her division or department on an ongoing basis. Continuous monitoring of financial activities is essential to ensure the accuracy of information recorded in the accounting system and compliance with University policies and procedures, including the prevention and detection of fraud and the misuse of University resources.

The responsibility for the financial activities within each division or department is structured to meet the needs of that area. These responsibilities may be shared by several employees depending on the size and the nature of the organization. However, regardless of the assignment of duties, employees covered by this Policy are responsible for ensuring that financial activities are conducted

in a timely, complete, and accurate manner. Examples of financial activities include, but are not limited to, the regular review of the payroll labor distribution and budget reports, review and approval of expenditure requests, timely deposit of cash receipts, and review and approval of timesheets and leave reports.

As part of the fiscal year-end close, all accruals must be timely recorded in the accounting system as well. If a department received goods or services in the current fiscal year but has not initiated a payment request in the Concur Reporting System, an accrual journal entry request must be submitted to ABS so that the expense can be recorded in the correct year. Similarly, if payment has not been received for revenue that was earned during the fiscal year, a journal entry request must be submitted to ABS so that the revenue can be recorded in the correct year.

For additional information regarding the scope of the annual certification process and the responsibilities of individuals subject to this Policy, see **Frequently Asked Questions**.

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## **VIOLATIONS**

Intentional violations of any portion of this Policy may result in disciplinary action, up to and including termination of employment and/or legal action.

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# Employees Subject to Annual Financial Statement Certification Requirement

## Appendix A

Employees holding the following position titles are responsible for completing and signing the **Annual Financial Statement Certification** in accordance with the schedule established by the Office of Accounting and Business Services:

- President
- Provost and Academic Vice President
- Vice President, Communications and Marketing
- Vice President for International Relations
- Vice President for Development
- General Counsel
- Vice President for Information Technology and Chief Information Officer
- Director, Internal Audit and Tax Compliance
- Senior Vice Provost, Academic Affairs
- Vice Provost, Branch Campuses
- Vice Provost, Institutional Planning, Budget and Effectiveness
- Vice Provost, Student Life
- Vice Provost, Strategic Enrollment Management
- Vice Provost, Diversity and Community Engagement
- Dean, School of Law
- Dean, College of Arts and Sciences
- Dean, University Library
- Dean, School of Education
- Dean, School of Nursing and Health Professions
- Dean, School of Management
- Assistant Vice President, Facilities Management
- Assistant Vice President, Human Resources
- Senior Associate Dean and Director, Enrollment and Financial Services
- Director of Athletics
- Director, Development Services

The Business Manager reporting to the holder of each position listed above is also required to complete and sign the Annual Financial Statement Certification.