

**CNAS**  
**Key Financial Controls Matrix - General**

Area	Key Control	CNAS Recommended Review Processes/LRSS Guidance/Best Practices	Department Specific Processes/LRSS Procedures (if different)/ CNAS CFAO Approval Required
Payroll	* New Hire/Rehire process and HR hiring documentation	*PPS transactor must have appropriate authorization and hiring documentation before entering new hires into PPS. *PPS transactor makes note in comments section regarding authorization to establish an employee in PPS.	
	o I9s (evidence)	*Mandatory PPS PAN reviewers should have access to a copy of the completed I9 for verification.	
	o FAU	*Departments should have procedures in place to ensure that a recruitment/appointment is not done without first identifying the appropriate FAU/fund source and confirming that sufficient resources are available. *Recommend that analyst-level personnel confirm availability of funding and obtain PI approval if applicable.	
	* Employee Status Changes (e.g. promotions, reclassifications)	*PPS transactor must have appropriate authorization and/or documentation before entering change in employee status into PPS. *PPS transactor makes note in comments section regarding authorization for action taken.	
	* Pay Rate changes (e.g. Range Adjustments, Merits, Equity)	For rate changes and adjustments prepared at department-level, PPS preparer confirms pay rate changes to appropriate source documentation. *Merit and/or range adjustments processed by Central Payroll office are verified by Department to approved merit roster or other documentation approving the action.	
	* Change of Status (e.g. Leave and Separations)	See above- Employee Status Changes.	
	* Time Reporting process	* Employees for whom timesheets are required must prepare and sign a timesheet each month. *Timesheets are reviewed and signed by the supervisor; supervisors are directed that they should turn in timesheet after signing, not employee. *Best practice/not required by policy: Supervisor should ensure that actual hours worked by non-exempt employees, which deviate from regular time, are specifically reported e.g., if overtime was worked from 5 to 7 p.m., then the time the hours were worked (i.e. 5-7pm) must be noted on the timesheet.	
	* Distribution of checks/direct deposits	*Individual distributing the checks should not have PPS transactor access.	

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	* Review Distribution of Payroll Expenditure (evidence)	<p>*PPS transactors should not review timesheet activity to the DOPEs/reconcile payroll expenses. *Utilize SuperDOPE extracts, provided that query controls are in place to ensure that the data is an accurate representation of the DOPEs. Either the hard copy DOPEs or the SuperDOPE extract should be signed and dated by the reconciler as evidence of the reconciliation process.</p> <p>*Departments/units may consider reviewing the DOPEs on a sample basis. Departments should establish criteria concerning sample selection e.g., reconcile all transactions over a certain dollar amount, or review the entire DOPE for some funds, but do not review the same funds each month.</p> <p>*Ensure that approved timesheets for all employees are made available to the DOPE reconciler each month.</p>	
	* General Ledger review and reconciliation	<p>*A high degree of reliance should be placed on internal controls surrounding processes of the personnel function, related PAN reviews and the review of the DOPE; consequently, line item reconciliation of all payroll transactions as they appear in the Financial Transaction Detail Report is not necessary.</p> <p>Unexplained budget-to-actual variances should be investigated.</p>	
	* Payroll Expense Transfer Process	<p>*PIs should approve payroll cost transfers, particularly if Federal funds are involved. Analysts may recommend that a transfer is needed; however, the PI must make the ultimate decision. Approval may be provided via e-mail or in writing and should be maintained as part of the documentation concerning the transfer. *Transfers should be prepared within 120 days of original transaction and provide adequate explanation for transfer.</p>	

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	* Post Audit Notification (PAN) review	*Recommend Analyst II grade or higher be charged with review of PPS PANs; mandatory PAN reviewer should not have PPS transactor access. *PANs should be reviewed within 3 days or before payroll cut-off. *Reviewer should add comment on PAN notice indicating that the item has been reviewed and describing any issues requiring follow-up. *Reviewer should verify that appointment does not exceed 100%, student appointments do not exceed maximum allowable, steps for graduate students are appropriate, pay rates are appropriate, leave codes are correct. Reviewer should have access to verify hiring documentation and/or documentation that authorizes payroll changes. *Dean's Office receives copies of all departmental PPS PANs; however, Dean's Office review is limited to items that appear exceptional in some way and those that impact Staffing.	
	* Staffing balanced quarterly	Staffing must be in balance by 9/30, 12/31, 3/31, 5/30, and 6/30. *Recommended that variances are checked and adjusted monthly.	
	* PPS Training requirement for entry/update access	*Access may be granted only after PPS training has been taken. *PPS transactors should attend PPS user's group meetings regularly.	
Expenses	* Department staff are trained on FAU code use * Department administrative staff provides information to all departmental transactors on valid FAU combinations for expenditures (Best Practice: departments should maintain a listing of valid FAU combinations, including notes regarding expiration dates and other restrictions)	*All departments will be required to utilize the CNAS "FAU Management System", when it is deployed. The system will contain FAU elements, attributes about these elements, and how the elements may be used in valid combinations. Metadata may be entered into the system, to describe restrictions, allowability of specific expenses such as equipment, GSR fees, etc., and other key information about the fund. All department personnel with transactional authority/access must be trained on and have access to this system.	
	* Post Audit Notifications (PAN) notices are sent daily to Reviewers for review and PAN notices are reviewed within two business days (critical for high risk transactions such as ATP and PRO)	*PAN reviewer cannot be the person placing the order and/or processing the transaction. *Verify FAU at the time of PAN review and implement corrections as necessary. *Pull back-up documentation for expenses exceeding \$2,500 to review for completeness, accuracy, compliance with policies, etc, and overall appropriateness per Campus Policy no. 200-61.	
	* Meaningful budgets are prepared, and timely actions are taken on negative budget variations	*Review budgets monthly and make adjustments as necessary. *Budget categories must be cleared and closed as part of the fiscal closing process. *Perm budget adjustments for upcoming fiscal year are processed prior to fiscal closing deadlines.	

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	<p>* Department reviews activity on monthly basis through reconciliation/analysis of the Financial Transaction Detail Report and/or other data extracts (evidence). Note: departments should evaluate the effectiveness of their reconciliation process—points to consider:</p> <ul style="list-style-type: none"> <li>o Fund source</li> <li>o Transaction source and variability</li> <li>o High risk transaction</li> <li>o Segregation of Duties</li> <li>o PAN process or other approval process</li> <li>o Dollar amount</li> <li>o Staffing levels and skill sets</li> </ul>	<p>*ERS and/or other data extracts must be reviewed and/or reconciled to the FTD on a monthly basis. *Allowability of expenses must be reviewed and/or reconciled during monthly review.</p>	
	<p>* Various budget to actual reports are used to determine appropriate expense classification (e.g., Financial Transaction Detail, Deficit Analysis Report, Zero Dollar BEA Status)</p>		
	<p>* Timely cost transfers (within 120 day of the original posting or by fiscal year end whichever occurs first).</p>	<p>*For Contracts &amp; Grants, a cost transfer is considered timely if it's processed within 120 days of the original posting. *For department funds, a cost transfer is considered timely if it's processed within 120 days of original posting or by fiscal closing, whichever comes first.</p>	
	<p>* Cost transfers contain an adequate explanation of “how the error” occurred</p>	<p>*An adequate explanation includes why an expense was charged to original FAU; what is the benefit to the fund this expense is being transferred to; why is this expense allowable and allocable to the fund being transferred to; if the transfer is over 120 days or crosses fiscal years, attach a copy of the FTD, what were the circumstances that prevented earlier detection and what corrective action has been taken to minimize the reoccurrence.</p>	
Direct Payments	<p>* All direct payments requests are supported by the appropriate documentation (e.g., travel receipts, petty cash receipts, utility bills, entertainment check request, etc.)</p> <p>* All direct payment requests are supported by authorized approvals</p>	<p>*Need original itemized receipts or Declaration of Missing Evidence (DME). *Exception to policy requires prior approval; payment request needs to be accompanied by exceptional approval. *All entertainment requests should be reviewed/approved by FAO/MSO prior to chair approval. *Refer to Entertainment policy- UCR Policy 200-44 for specifics - i.e. max reimbursement amounts for different activities, will need a list of attendees for each event, etc.</p> <p>*Payment requests should include authorized approvals.</p>	

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Procurement	<p>* Campus departments have authority for procurement. This authority has maximum authorization limits determined by Purchasing based upon specific vendors and specific limits for individual users are established by Departmental SAAs.</p>	<p>*The department FAO/MSO determines individual limits and can request limit changes to the users to better accommodate department purchasing needs. *Dept purchasing agent ensures appropriate authorization and validates FAU &amp; restrictions. *For procard transactions, Department Card Administrator should maintain card documentation, ensure that all items have been received and inspected within 10 working days, reconcile card charges with the financial transaction detail report within 30 days, and redistribute charges from the default FAU within 60 days of posting or by the end of the fiscal year, whichever occurs first. *Refer to Campus Policy #750-70- Procurement Card.</p>	
	<p>* Department users of eBuy are trained and depending upon purchasing limits “certified” by Purchasing</p>	<p>*eBuy transactors who will have a transaction limit of \$500 or greater must successfully complete mandatory training courses prior to SAA establishing granting transactor access to the eBuy Purchasing System. *Mandatory training includes "The Nuts and Bolts of UCR Purchasing" and "Purchasing Fundamentals." *All those involved with ProCard transactions (Cardholder, Financial Manager, Reviewer, and Department Card Administrator) must also complete the "Procurement Card Training." *Refer to Campus Policy #750-Purchasing in its entirety.</p>	
	<p>* Goods and services are accepted by departments before PO invoice is paid</p>	<p>*Before approving payment, the department should verify that the goods and services were received in acceptable condition and in the quantity ordered. *Department should update eBuy that items OK to pay in a timely manner.</p>	
	<p>* Someone, other than the PO Transactor, is accepting receipt of goods and services (separation of duties)</p>	<p>*The person responsible for the receipt of goods and services should not be the person placing the order/processing the transaction.</p>	
	<p>* All invoices over \$5K are hand signed for approval</p>	<p>*Invoices greater than \$5,000 must be reviewed for completeness, hand-signed by authorized department personnel, and returned to Accounting within 5 working days. *Refer to Invoice Processing Policy - UCR Policy #: 200-59 for specifics.</p>	

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Equipment	* Classify equipment expenditures correctly and review related PAN notices	*The person responsible for ordering inventorial equipment must use FAU Account Code series 803XXX; after classification, validate FAU & funding restrictions. *The PAN reviewer must review for appropriateness. *The item to be considered equipment must be non-expendable, have an acquisition cost of greater than \$5,000 (including shipping & taxes), be free standing, is complete in itself, does not lose its identity when affixed to or installed in other property, and have a life expectancy of one year or more. *See Campus Policy Number: 750-12 for exceptions. *After installation of equipment, authorized signature is required on the invoice to approve final payment. *Material Management will assign a nine-digit Campus property number and create an inventory bar-coded label (2" X 1 ¼"). The inventory label is sent to the acquiring department and must be applied to the actual piece of equipment in an easily visible area as appropriate.	
	* Provide physical security for the assets	*Each department is responsible for providing adequate care, maintenance, security and accountability for all property under its jurisdiction. *The location of each item of inventorial equipment shall be noted in the official inventory system. *Loan agreements must be prepared any time a piece of equipment is loaned outside the department or taken off campus.	
	* Departments conduct physical equipment inventories bi-annually and department head certifies inventory report.	*Campus departments are required to conduct an annual verification and a physical inventory of their assets at least every two years. *Departments should print out their own equipment inventory listing (EQ920) for reconciliation of its inventory. *Police report must be filed for any lost, missing, or stolen equipment in order to remove item from inventory. *After completion of inventory, department head or designee certifies inventory report. *Refer to Campus Policy #750-12 Equipment Management - Purpose and Responsibilities for Management of.	

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	* Notifies Equipment Management when an asset is disposed of or transferred	<p>*See Campus Policy no. 750-99 - Disposal. *Equipment Management is responsible for storage &amp; disposal of equipment and supplies which are surplus to the campus. No other department, unit, or individual is authorized to sell, dispose of, destroy, or dismantle University property without the consent of the Equipment Manager. *The department needs to determine the fund source which acquired asset. If equipment item was purchased with funds other than a current contract and grant, the equipment item is first offered to others within the department, the college, the campus and then, based on value (&gt; \$10,000), to other UC campuses to ensure equipment is utilized to fullest extent. *If not transferred in this manner, equipment is transferred to Equipment Management. *Equipment which contains hazardous/toxic substances may not be removed from the custodial department &amp; turned into Equipment Management until the hazardous substances have been properly disposed of &amp; certified safe for disposal by Environ. Health &amp; Safety (EH&amp;S); the dept is responsible for coordinating with EH&amp;S.</p> <p>*Proceeds for the sale of excess equipment will be returned to the releasing department less handling costs (note - determination of fund allocation will be based on fund used to purchase equipment, e.g. initial complement, match, etc). *Equipment Management will retain the handling costs, normally 10%. See Campus Policy Number 750-12. *Transfer of Equipment to another U.C. Campus: An Equipment Inventory Modification Request (EIMR), available at <a href="http://matmgmt.ucr.edu/equipment/">http://matmgmt.ucr.edu/equipment/</a> (or equivalent document) will be used for all off campus transfers. *Transfer of Equipment to a non U.C. Institution: Contact the Equipment Manager- special restrictions apply. *University of California policy is that federally funded items can be transferred at no charge; reimbursement is required on State and University funded equipment at fair market value (UCR Policy &amp; Procedure 750-24). *Equipment transfers on items not funded on sponsored projects require Dean's Office approval.</p>	
	* Complete appropriate disposal/transfer documentation	*The department prepares an Equipment Inventory Modification Request (EIMR) and a Disposal Request Form, for each item. Information to complete these forms can be obtained from the department's copy of the Annual Inventory Listing (EQ920). *The EIMR is sent to Equipment Management who assumes accountability for the excess items when received. *The Disposal Request form is attached to the item, and indicates the department and account to which sale proceeds are to be credited.	

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	* Fabrications are coordinated with Equipment Management and ensure fabrication number is noted on all procurement actions.	*See Campus Policy Number: 750-18. Department submits a "memo of intent" to fabricate to the Equipment Management Office, including a complete description of the equipment to be fabricated, location, department name, custodial code and completion date. Equipment Management will review the memo of intent and, if appropriate, will assign a fabrication control number to the memo. The department is to use fabrication control numbers on all purchase orders. After completion of the fabrication, the department must prepare an EIMR or equivalent and forward it to the Equipment Management Office.	
Regents Gifts (does not include gifts processed by the UCR Foundation)	* Receive monies from donor and deposits funds to gift revenue account utilizing Deposit Advice System (DAS).	*Employee must validate the fund classification of gift by reviewing the donor letter and other supporting documentation against policy 200-45. *Once the proper fund classification is established, the PI or recipient of the donation must certify the gift status after reviewing the gift definition and specific characteristics outlined in policy 200-45. *A copy of the Deposit Advice Form (DAF), donor letter (or state no donor letter), and PI certification should be reviewed and approved by designated employee. *Copies of the DAF are retained by the Analyst to project revenue for ERS reports and a copy must be available in the fund file for the Reconciler to validate the gift revenue.	
	* Prepares Gift Acceptance Report (GAR) and forwards to Development with appropriate back up.	*Employee completes the GAR, the donor thank you letter from department (optional), and the Statement of Economic Interest (700-U) upon receipt of a copy of the DAF, the original donor letter, and the gift fund certification from recipient. *Employee forwards complete gift packet including the donor letter and recipient's certification to the appropriate financial officer for a second review of the fund classification and Statement of Economic Interest (700-U). *Chair signs GAR only after the appropriate financial officer's review; Chair may delegate signature to the appropriate financial officer. *The donor thank you letter from the department is optional because the campus acknowledges receipt of all funds to comply with IRS regulations, but they do not send a thank you letter. *In-kind donations require certification that the goods are in fact a gift; GAR required; Form 700-U required, unless the donor entity is otherwise exempted see <a href="http://www.ucop.edu/research/exempt.html#anchor848803">http://www.ucop.edu/research/exempt.html#anchor848803</a> .	
Contracts and Grants	* Approval of expenditures		
	* Timely cost transfers		
	* Timely certifications of effort (e.g. PARs)	See Sponsored Programs Matrix.	

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	<p>* Monthly PI statements and reconciliation)</p> <p>* See Departmental Controls-Sponsored Programs document for comprehensive listing.</p>		
Cash Handling	<p>* Department is responsible for adhering to Business and Finance Bulletin BUS-49</p>	<p>*Dept Managers must ensure that cash and checks are handled in accordance with BUS-49 and UCR Policies 200-06 &amp; 200-12. A key component of these policies includes ensuring that monies accepted in the department that are awaiting transmittal to the Main Cashiers Office are secured against accidental loss or theft at all times, day and night. *Procedures should be established by each department ensure that no single individual is responsible for collection, handling, depositing, and accounting for cash received by that department. *At least two qualified individuals must be assigned to carry out key duties of the cash handling process. *A DAF should accompany all monies sent to the Main Cashiers Office, and each check received in the department should be immediately stamped with an official endorsement stamp. *Monies less than \$500 must be sent to the Main Cashiers Office at least weekly, or on the last working day of the month whichever comes first. *No coin or currency is to be sent through the campus mail, but endorsed checks may be sent via campus mail.</p>	
		<p>*Per S. Bailey at the Cashier's Office, at least 2 staff members must accompany cash deposits of \$2,500 or greater; she recommends that 2 staff members accompany cash deposits under \$2,500. Campus police may be asked to escort 1 staff member carrying cash deposits, but there is a fee for this service.</p>	
	<p>* Departments reconciliation of revenue accounts</p>	<p>*For revenues received through the DAF, related revenue accounts should be reconciled monthly. * Perm Budget for Sales and Service should be reviewed annually and BEA adjusted as needed. * Given systems limitations, it is not currently possible to reconcile revenue received from the Foundation or Course Materials Fees to transactional detail. Analytical procedures should be performed to verify reasonableness of revenues reported.</p>	
	<p>* Flux analysis</p>	<p>*Variances in revenue or expenses should be addressed quarterly, as well as during the annual Perm Budget review.</p>	
Enterprise Access Control	<p>* System Access Administrators (SAAs) are the primary users of EACS for establishing, modifying, and deleting Transactors and other role privileges. SAAs will use EACS to grant access to applications available through iViews</p>	<p>*System Access Administrators (SAAs) must establish a process that will be department-specific to guide them in granting access to iViews applications using EACS. For example, procurement applications such as eBuy and Storehouse should require the PI's approval before granting access to PI-specific funds.</p>	

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	* The Financial Manager and SAA are responsible for managing and ensuring the effectiveness and integrity of the accountability structure	*The Fin. Manager and SAA should update the accountability structure to meet changing requirements; SAA should ensure that access to an application is based upon business necessity, job function, and that appropriate training has been received. Access must be removed for employees who have separated or transferred, on a timely basis. Access must be removed immediately if access rights have been revoked due to other circumstances. *Before deleting access for staff who process transactions, SAA should ensure that all pending transactions for that employee have been fully processed.	
	* Various reports are available to evaluate the accountability structure	*SAA should periodically review the two reports currently available- View Accountability by Application or by Person- to determine if there is an adequate number of transactors and back up assistance to meet operational requirements, and to ensure the overall effectiveness and integrity of the structure.	
	* SAAs approval process to access to EACS	*SAAs must obtain access to EACS through their department/unit's Financial Manager who sends an email to the Director, Financial Control and Accountability, in Accounting requesting SAA access for an individual. SAA access should be limited to financial manager and his/her designee.	
	* Prior to adding a user to the SAA's Accountability Structure, the Financial Manager and SAA must ensure that users have received the required training and appropriate guidance	See above- Financial Manager & SAA are responsible for ... accountability structure.	
	* The SAA must add the user id to the Accountability Structure and then grant the user access to specific application through EACS	See above- Financial Manager & SAA are responsible for ... accountability structure.	
	* All UCRFS users and SAAs must attend FAU Training, Accountability Training and other training as appropriate.	*All UCRFS users and SAAs must complete FAU training and Accountability training. Other training may be required depending upon the application and departmental operational needs.	