College of Agriculture and Life Sciences (CALS) Business Operations

Monthly Financial Review and Oversight

Standard Operating Procedure

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CBO-Budget-204	**Monthly Financial Review and Oversight**
Contact:	**CALS Business Operations – Director of Budgets and Planning, Sean Munday**
Effective Date:	**09/04/18** **Last Revision Date:**

1. PURPOSE
   1. This SOP describes the process by which the CALS Business Operations staff work with college departments/units to review financial accounts (excluding Ledger 5 projects) on a monthly basis and spending activity to assess appropriateness of expenditures and allocation of these expenditures to particular funding sources.
      1. The University has policies that require college employees who make an expenditure on behalf of the University, to do so in support of a legitimate business purpose and using appropriate and allowable funding sources for the type of expenditure.

2. CBO GUIDELINES
   1. All expenditures must be allowable, allocable, and fall within an appropriate funding source. All charges must comply with the funding source regulations and relate to the appropriate period (federal or state fiscal year).
   2. Each department and unit should ensure a Business Points of Contact are assigned for every active project within the department/unit's OUC(s).

3. ASSOCIATED SYSTEMS/FORMS
   1. Systems
      1. Wolfpack Reporting System (WRS)
      2. PeopleSoft Financials
      3. Excel
   2. Forms
      1. N/A

4. ROLES AND RESPONSIBILITIES

Relevant Parties	Roles and Responsibilities
Department	
Project Responsible Person	Each project has a designated responsible person who has primary responsibility to manage the resources within and ensure the appropriate use of those project resources.
Business Points of Contact (POCs)	Responsible for regularly reviewing their responsible projects associated with their appropriate areas of their department, including but not limited to Business Services Coordinator, a HR representative, or another designated individual(s), to ensure that all charges are allowable and appropriate. Responsible for submitting Journal Vouchers (JV) via ServiceNow to move inappropriately allocated/ unallowable charges to the appropriate funding type.
CALS CBO	
Budget Consultant	Responsible for reviewing all projects across the college and correcting any unallowable expenditures within those department/unit funding sources. Responsible for providing financial monthly reports to departments/ units to ensure they are aware of any current spending activities.
Accounting Services Team (Initiator)	Responsible for reviewing department/unit JV requests to verify the accuracy and allowability of the request, and if appropriate, entering the request into PeopleSoft.
Accounting Services Team (Approver)	Responsible for reviewing JV requests, verifying the accuracy and allowability of a request, and approving or denying the JV requests.

5. PROCEDURE
1. **Departmental Monthly Review**
    1. At the end of each month, the Business POCs will use the Wolfpack Reporting System (WRS) to run a C3 report to review all financial activity within the department's OUC.
    2. Once the Business POCs has run the C3 report, the Business POCs will review the report project by project to ensure all expenditures are accurate and appropriately allocated.
        a) After running the C3 report, the Business POCs will review salary expenditures on the P3 report to ensure that any salary expenses are being paid from appropriate funding sources. If a faculty or staff member is not being paid from appropriate funding sources, the Business POCs will submit a Salary Distribution Change request

to correct the error.

   b) If there are unallowable/inappropriately allocated charges on a project, the Business POCs should submit a JV request via ServiceNow to move the expenditures to an appropriate funding source.

   c) When reviewing the C3 report, the Business POCs must ensure their department does not exceed the overall budget. The budget should be zero/positive throughout the year.

3. Additionally, the Business POCs will run a P1 report to review each project individually and ensure that all expenditures are accurate and appropriately allocated.

   a) The Business POCs will run a P2 report to review projects that carryforward from year to year (typically Upper Ledger 3 or 7) to ensure a positive cash balance.

4. Once the Business POCs has reviewed and verified the expenditures, if needed, they will submit a JV request via ServiceNow to reallocate any unallowable/inappropriately allocated charges to an appropriate funding source.

5. The JV will then be reviewed and processed (entered into PeopleSoft) by the Accounting Services Team (Initiator) to move revenue or expenditures to the appropriate project.

6. Once the JV has been processed, it will route to the Accounting Services Team (Approver) to be reviewed and approved, if determined to be appropriate.

2. **Budget Office Monthly Review**
   1. The Budget Consultant will run a CALS BBA (Budget Balance Available) query once the ledgers have closed for the prior month to review all departmental charges.

      a) For any expenditures that are unallowable on federal funds but are allowable on state funds, the Budget Consultant will move the expenditure to state funds.

      b) For any expenditures that are unallowable on either federal or state funds, the Budget Consultant will contact the appropriate department and request that they provide an appropriate funding source for the expenditure to be moved to.

   2. Once the Budget Consultant has reviewed the charges, they will send a monthly budget report to the Business POCs and Department Head to schedule a meeting to review all activities.

   3. For any expenses that are unallowable/inappropriately allocated, the Business Point of Contact will submit a JV request via ServiceNow to reallocate the charges to an appropriate funding source.

   4. The Accounting Services Team (Initiator) will process the JV to move expenditures to the appropriate funding source.

   5. Once the JV has been processed, it will route to the Accounting Services Team (Approver) to be reviewed and approved.

6. REFERENCES

1. Abbreviations and Definitions- https://cals.ncsu.edu/intranet/cals-business-operations/abbreviations-and-definitions/
2. Budget Guidance- https://research.ncsu.edu/sparcs/budgeting-guidelines/
3. Chart of Expense Accounts- http://controller.ofb.ncsu.edu/expense-accounts/
4. Spending Guidelines- https://controller.ofa.ncsu.edu/files/2018/05/Spending-Guidelines.pdf
5. State Budget Manual- https://www.osbm.nc.gov/files/pdf_files/BudgetManual.pdf
6. Uniform Guidance- https://research.ncsu.edu/sparcs/budgeting-guidelines/uniform-guidance/
7. Year End Close Schedule- https://cals.ncsu.edu/intranet/cals-business-operations/documents-forms/

7. REVISION LOG

Date	Version	Nature Of Change	Author
09/04/18	Initial Document 1.0	Initial Document	Sean Munday
09/27/18	Revision 1.1	Technical Change	Sean Munday