POLICY

Effective Date: November 15, 2006
Approved By: President’s Council
Authority: 

Cancels: 

See Also: POL-U5320.01

POL-U5320.08 PERFORMING ANALYTICAL REVIEW OF UNIVERSITY FINANCIAL DATA

This policy applies to all budget officers and central accounting staff.

Definitions:
Financial Data – consists of all financial transactions and supporting documentation related to University assets, liabilities, revenue, expense and fund balance recorded or to be recorded in the Financial Repository.
Financial Repository – refers to the university’s primary system for recording, processing, and maintaining financial data.
Central Accounting Staff – includes employees working in Accounting Services and Student Accounting areas who have responsibility for financial reporting and/or account reconciliation.

1. Budget Officers Perform Analytical Review

Division budget officers will perform budget and financial analysis within their organizations. The financial analysis can include, but is not limited to:
   - Comparison to budgeted revenues and expenditures.
     a) Monitoring growth.
     b) Monitoring costs.
     c) Identifying trends.
     d) Comparing one fiscal period or year to another.
     e) Comparing expenditures to budget plans.
     f) Documenting variances between budget and actual expenditures.
     g) Diagnosing problems.

Analytical reviews must be documented and maintained for audit purposes.

2. Accounting Services Performs Regular University-Wide Analytical Review

Accounting Services performs regular analytical review of the university’s consolidated financial data. Appropriate analytical review includes, but is not limited to:
   a) Comparison of current year to prior year.
   b) Analysis of multi-year trends.
   c) Explanation and investigation of variances.
   d) Reasonableness of results.
e) Proper classification of transactions.
f) Comparison to other public state institutions.
g) Research and response to inquiries.
h) Maintain documentation of the reviews.

Approval of analytical reviews must be documented and maintained for audit purposes.

3. **Analytical Reviewers Take Necessary Corrective Action**

Division budget officers and central accounting personnel who perform analytical reviews are responsible to take corrective action required because of the review.

Appropriate corrective action may include, but is not limited to:

a) Adjustments to the budget.

b) Adjustments to the accounting records.

4. **Accounting Services Provides Training**

Accounting Services will provide analytical review training.

5. **Vice President for Business and Financial Affairs Monitors Central Accounting Staff Analytical Review**

The Vice President for Business and Financial Affairs will regularly monitor central accounting staff activities to ensure that analytical reviews are performed and that required action has been taken.