

A8.025 Organizational Responsibilities Within the Fiscal System

1. Purpose

To set forth policies regarding the financial responsibilities of program heads and fiscal administrators.

H.R.S. 304-4 provides that the Board of Regents has general management and control of the affairs of the University and that it may authorize its appointed officers to act on its behalf.

The Board of Regents Bylaws and Policies, Part D, Chapter 1, Section 1-2, a, (1)(c) states, among other things, that the execution of the policies authorized and established by the Board resides with the President and Executive Officer, Vice Presidents, Chancellors, and other administrative officers.

Also in the Board of Regents Bylaws and Policies, Part D, Chapter 2, Section 2-2,b,(5), the President explicitly delegates the responsibility for administration and operation of each campus to the respective Chancellors.

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3. Definition

- a. Program Head - refers to individuals responsible for the overall conduct of programs, specific projects or activities, or for the direction of organizations within the University. The term may include, but is not limited to, Deans, Provosts, Directors and Principal Investigators (as determined by each Chancellor or designee).

- b. Fiscal Administrator - the person on the staff of a campus, college, school, department or other agency of the University who advises the program head on the local conduct of business affairs. Within some organizations this work may be divided between more than one staff position. The term "fiscal administrator" is not descriptive of any one position, but rather refers to that group or class of persons who perform the business administration functions for a particular University agency. These persons may occupy positions with such job titles as Vice Chancellor, Director of Administrative Services, Assistant Dean, Assistant Director, Fiscal Officer, Administrative Officer, etc.

#### 4. Applicability/Responsibilities

This policy outlines financial responsibilities of program heads, and fiscal administrators. Primary authority for financial management has been delegated by the President to the Chancellors, who in turn can subdelegate authority to internal staff members and/or program heads. This latter subdelegation must be made in writing by the Chancellor so that persons who have the authority and responsibility for financial management are clearly identified.

- a. Responsibilities of Program Head. Authority for financial management for the administration and operations of the University resides formally at the Chancellor's level. However, further delegation can be made to program heads. Should delegation occur, program heads would be responsible for managing and controlling financial resources and other assets allocated to them to carry out their programs. Included in this is the development, presentation and execution of the operating budget, the initiation and follow up on business affairs such as procurement, property management, contracts and grants administration, cash management, disbursements, receipts, personnel and payroll, and ensuring that fiscal control and reporting systems are properly prepared and maintained. Execution of each area must be in compliance with applicable laws, rules, policies and regulations (Executive Policy Manual, Administrative Procedures Manual, etc.)

The program head may assign a fiscal administrator to assist in meeting the program head's financial management responsibilities. Responsibilities of fiscal administrators are outlined below. It is mandatory that program heads ensure proper performance by their fiscal

administrators in keeping with these responsibilities. A program head who does not have the services of a fiscal administrator and must personally perform financial management functions should be guided by the fiscal administrator responsibilities as well as any specific financial management responsibilities contained in his/her job description. It should be kept in mind that however many individuals are performing financial management functions under the supervision of the program head, it is the program head who is ultimately responsible for the proper financial management of the respective program.

b. Responsibilities of Fiscal Administrator

Outlined below are major functions that a fiscal administrator, appointed or designated by the program head, should perform. These functions can and will in some cases be performed by more than one individual and possibly at different levels in the hierarchy.

- 1) General Responsibilities. The basic responsibility of a fiscal administrator is to assist the program head in administering programs of instruction, research, public service, and other objectives of the organization and of the University through effective fiscal and other administrative services. Generally, responsibilities delegated by the program head to the fiscal administrator are expressed in specific Delegation of Authority documents or in other Administrative Procedures Manual instructions.

The fiscal administrator is responsible solely to the program head for local staff support in business affairs, and for ensuring compliance with applicable laws, regulations, and policies with respect to fiscal matters, and for ensuring that combined expenditures and encumbrances do not exceed funds available at any time.

The fiscal administrator is expected to recommend improvements in business management methods or procedures to the program head. The fiscal administrator is also expected to maintain adequate files and records of activities and procedures, obtain proper information about the program, and remain abreast of new information affecting the programs serviced.

Depending upon the classification of the fiscal administrator, this individual will hold and conduct training sessions for the staff and clerical personnel under his/her supervision. The fiscal administrator may also have some or all of the following supervisory responsibilities:

- a) Supervise staff of subprofessional subordinates engaged in bookkeeping, procurement document processing, and inventory management.
  - b) Supervise administrative, technical and clerical subordinates.
  - c) Plan, lay out and supervise the work of administrative, professional and technical staff.
- 2) Specific Responsibilities. Where the broad areas of responsibility are divided among more than one staff member, each of the following specific responsibilities may be assigned as applicable. It should be understood that based on a program's scope of operation, some of the following items may not be applicable, or in other cases, additional responsibilities outside of this list might be performed.
- a) Accounting
    - (1) Understand how accounting transactions are submitted and recorded in the UH fiscal system; be familiar with the appropriate documents and their use; and assure adherence to established procedures.
    - (2) Understand the University's role in the overall management of funds and its control over receipts and disbursements.
    - (3) Maintain current and complete information on the status of each account (allotments, encumbrances, expenditures, and revenue balances), including transactions not yet reflected in University accounting records, such as purchase orders and interdepartmental charges in the process of being recorded.
    - (4) Encumber funds; adapt established account codes and systems to the various projects;

- examine and close accounts (except Federal and Trust Fund Contract and Grant accounts) in a timely manner at termination dates by clearing accounts of outstanding encumbrances, cash balances, etc.
- (5) Prepare claims against funding agencies for reimbursement of expenditures incurred but not billed by the Contracts and Grants Management Office.
  - (6) Administer the billing and settlement of interdepartmental sales (recharges) of activities with authorized recharging operations.
  - (7) Review accounting reports produced by the Fiscal Information System and verify or adjust internal records as necessary; notify the Central Accounting Office of any discrepancies or errors in such reports.
  - (8) Review internal controls in effect, and revise and implement procedures as necessary.
  - (9) Maintain petty cash and imprest checking accounts in accordance with current policies, provide adequate security for these funds, and ensure their proper usage.
  - (10) Project the status of accounts and of the organization's financial position for financial planning and budgetary control purposes.
  - (11) Make analyses of fiscal operations and financial conditions of the programs within his/her area of responsibility, and propose solutions to organizational fiscal problems; prepare worksheets and analyze cost trends; analyze cash flows and levels. Review financial records and reports prepared by others; review and trace related errors.
  - (12) Prepare and provide financial data for auditors and the Central Administration as required, and funding agencies when requested.

- (13) Maintain liaison with program heads to keep them abreast of the status of accounts with which they are concerned and to keep informed of plans which may affect such accounts.
- (14) Prepare trial balances of selected accounts for independent auditors and others.
- (15) Prepare composite and unit income statements and statements of condition to analyze the financial results of Special Fund operations (athletics, student housing, etc.)
- (16) Analyze historical sales data and market trends; review current operations and make projections; develop long-range sales objectives and standards; prepare financial plans based on sales estimates.
- (17) Conduct end-of-period cash and funds flow analyses; recommend investment of excess cash.
- (18) Make timely and accurate disbursements to vendors, contractors, and other individuals or agencies to which a financial obligation is owed.
- (19) Ensure that payroll documents are accurate, complete and timely.
- (20) Submit timely appointment recommendations or reports of termination to ensure that payroll checks are received on time or not written in favor of individuals beyond the end of their appointment period.
- (21) Conduct local administration of leave, promotion, transfer, termination, and fringe benefit actions in accordance with current instructions and as directed by the program head.

b) Procurement

- (1) Acquire goods and services within the limits of delegated purchasing authority by issuing purchase orders or authorizations for

payment, or by use of petty cash or an imprest checking account.

- (2) Obtain goods and services beyond his/her purchasing authority through the University Procurement and Property Management Office (PPMO), and doing the preliminary work within his/her capacity on contractual documents which are awarded by the Procurement and Property Management Office.
- (3) Assist requisitioners in developing technical specifications of goods and services desired.
- (4) Acquire pertinent information on prices and relative quality of goods and services offered.
- (5) Review past and proposed expenditures and recommend the best method of acquiring services or products.
- (6) Select or recommend vendors on the basis of competitive quotations where appropriate.
- (7) Furnish vendor source material when pertinent and recommend vendors for proprietary purchases made by the Procurement and Property Management Office.
- (8) Certify to the program head the availability of funds and compliance with applicable laws, regulations, and policies prior to the issuance of purchase orders, incurring of expenditures or letting of contracts.
- (9) Ensure that requisitions, purchase orders and other procurement documents are accurate and complete.
- (10) Keep abreast of bills of lading, deliveries, invoices and correspondence to ensure that required actions are taken and responses made promptly.
- (11) Ensure, in cooperation with requisitioners and program heads, that inspection of goods received and forwarding of receiving reports (matched with invoices as applicable) to the

Disbursing Office are accomplished promptly.

- (12) Take prompt action to clear encumbrances in cases of non-delivery, cancellation, or return of goods.
- (13) Administer University contracts to ensure satisfactory performance by vendors and that the University meets its obligations fully and promptly.

c) Property Management

- (1) Assist and advise the program head and using agencies on compliance with the rules and regulations pertaining to property administration.
- (2) Maintain appropriate property and inventory records and controls, and prepare inventory reports in accordance with current instructions.
- (3) Assist using agencies and the program head in the tasks of personal property acquisition and administration.
- (4) Ensure effective assignment, transfer, loan and disposal of supplies and equipment in accordance with current University regulations and organizational requirements.
- (5) Assume custodial responsibility for personal property within the program or assist in ensuring that property custodians accept and operate in accordance with their responsibilities.
- (6) Satisfactorily safeguard, in accordance with present policies, supplies and equipment consistent with conditions of use.

d) Budget

- (1) Assist the program head in developing workload data, information on program requirements and current resources, program narratives, and expenditure plans in support of annual budget preparation and long-range



budget plans. Requirements to be considered include personnel, supplies, equipment, motor vehicles, and physical facilities.

- (2) Prepare budgets and budget submission documents including revenues, as applicable, in accordance with current instructions, as directed by the program head.
- (3) Conduct a continual review of budget performance and status, including monitoring current year allotments as they relate to actual encumbrances and expenditures, to ensure that commitments do not exceed resources.
- (4) Monitor all financial and budgetary transactions to ensure compliance with pertinent laws, rules, regulations, policies and procedures (UH, state, federal, and other external funding sources).
- (5) Revise and update expenditure plans and budget data when necessary.
- (6) Assist the program head in the preparation of federal budget proposals.
- (7) Prepare and submit quarterly and other financial reports as required on a timely basis, in accordance with current instructions.
- (8) Prepare adjustments and/or revisions of budgetary estimates (revenues, allocations and allotments) on financial plans under the direction of the program head.
- (9) Be knowledgeable of the University's and the state's budgetary processes and the Department of Accounting and General Services' accounting procedures.
- (10) Be knowledgeable about the preparation and flow through the system of the University's budgetary documents.
- (11) Keep abreast of position counts and requirements and coordinate and/or prepare necessary requests and justifications for

staffing vacant positions, establishing new positions or redescribing existing positions; conduct staffing pattern studies.

- (12) Coordinate the preparation of organizational and functional charts.

e) Contract and Grant Administration

- (1) Assist the program head in preparing budget material for proposals to funding agencies.
- (2) Schedule contract acquisitions and work closely with using agencies in determining their real needs, and assist them in developing technical specifications and pricing information.
- (3) Act as coordinator between the Procurement and Property Management Office and the using agency.
- (4) Effectively monitor contracts in accordance with University regulations.
- (5) Maintain cost sharing records.
- (6) Furnish necessary information to the Contracts and Grants Management Office for preparation of fiscal reports to grantors.