

## Certificate in University Financial Management Budget Process & Management – Practice Quiz

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### **PART 1: Multiple Choice**

Circle the correct response(s) for each question.

1. The budget system:
  - a. helps budget unit directors plan for and manage all aspects of the financial activity of the University.
  - b. is set up to check the availability of funds, before transactions are processed.
  - c. helps in the planning, monitoring and execution of the financial activity that the Office of Finance processes against your budget.
  - d. b and c only
  
2. Revenue includes:
  - a. State appropriations.
  - b. Student tuition and fees.
  - c. Transfers from foundations.
  - d. All of the above.
  - e. None of the above
  
3. Which items are part of the Budget Documentation Phase at ODU?
  - a. Recording the state-approved budget
  - b. The Budget Guidance Memorandum
  - c. Documentation of Executive Budget Decisions
  - d. Alignment of Base Budgets
  - e. All of the above
  
4. The following statements are true about capital budgets:
  - a. Capital budgets are normally associated with major expenditures on durable items.
  - b. The fund sources can be from major gifts from private sources.
  - c. The funds expire at the end of each fiscal year.
  - d. All of the above.
  - e. None of the above
  
5. Pool budgeting is used for:
  - a. non personal services
  - b. travel
  - c. transfers
  - d. employee benefits
  - e. expense recoveries
  - f. equipment

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6. If you have insufficient funds available in your budget because an expenditure was posted to the incorrect sub-account, what action should you take?
- a. Process a budget adjustment to increase the budget in the sub-account affected.
  - b. Request error correction from the Office of Finance by sending an IDT form and supporting documentation.
  - c. Request that Accounts Payable override the insufficient funds message.
  - d. Do nothing and hope the problem will resolve itself.

### **PART 2: True or False**

Indicate whether the following statements are true (T) or false (F).

- 1. Budget Unit Directors are required to monitor budgets to ensure there are no unexplained variances.
- 2. There is no way for departments to research invoices without the assistance of Accounts Payable.
- 3. The accrual period is referred to as the 13th month.
- 4. It is important for E&G funded organizations to make sure they hold adequate reserves.
- 5. The budget adjustment form is used to request changes to the current operating budget, the base budget, or both, within existing policies and procedures.
- 6. Equipment budgets do not need to be monitored because any shortage of funds will be reimbursed by the Equipment Trust Fund.
- 7. Indirect costs are charged to Auxiliary Enterprises units for services that are provided by E&G services.
- 8. Before recruiting for a vacant faculty, faculty administrator or faculty professional position outside of Academic Affairs, the request must be reviewed by Human Resources and approved by the President.

### **ANSWERS:**

#### **PART 1:**

- 1. A, B, C
- 2. D
- 3. E
- 4. A, B
- 5. A, B, D, F
- 6. B

#### **PART 2:**

- 1. T
- 2. F
- 3. T
- 4. F
- 5. T
- 6. F
- 7. T
- 8. F