OLD DOMINION UNIVERSITY

FINANCIAL MANAGEMENT GUIDELINES

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OFFICE OF FINANCE – THE PRIMARY MISSION OF THE UNIVERSITY CONTROLLER'S OFFICE IS TO ENSURE THE PROPER AND EFFICIENT USE OF UNIVERSITY FISCAL RESOURCES. THE OFFICE IS RESPONSIBLE FOR ALL FINANCIAL OPERATIONS OF ODU.

- ❖ **Data Control** is responsible for maintaining the integrity of the financial ledgers by processing journal entries (including data entry) or reports, handling problems/questions concerning Banner data and cutoff dates, Master Signature list inquiries and Banner report distribution problems.

- ❖ **Student Accounts** is responsible for posting departmental deposits, student payments, and company/third-party student payments. Accounts Receivable is responsible for billing of accounts, returned checks, refunds, student account adjustments, student account corrections, and Perkins loans, departmental billing and deposits.

- ❖ The mission of the **Payroll Office** is to ensure that all employees of the University are paid timely and accurately while maintaining compliance with federal, state, and University regulations and policies.

- ❖ **General Accounting** ensures the accuracy of the University's financial statements, maintains accurate accounting records and is responsible for grant, cost and fixed asset accounting and reconciliations.

BUDGET UNIT DIRECTOR DESIGNATION

▸ Budget unit directors are the people ultimately responsible for the fiscal integrity of the budget account. They are loaded into Banner as the main financial manager on the budget table form.

▸ **Data Control and the Budget Office should be notified when there is a change to this designee.** Department should allow enough time before the change is to occur in order to process the paperwork and make the changes to Banner. If the new designee is known at the start of the budget development cycle, notification should be made to the two offices at that time.

▸ Departments can choose to designate additional budget unit director delegates who can be authorized with same permissions as the main BUD – same form is used to designate a delegate.

   ▸ **Form to designate BUD can be found on the Office of Finance web site at the following link and sent to BUDRequest@odu.edu:**

   ▸ https://www.odu.edu/sites/default/files/documents/bud-change-request-form.pdf

SIGNATURE LIST

- The Master Signature List allows authorized personnel the ability to charge against their budget code(s) at University service areas, including travel.

  - Must be a University employee in order to be authorized on the list.

  - Users can be restricted to certain areas, for example: restricted to Bookstore purchases only.

  - Form to add authorized signers located on the Office of Finance web site at the following link and submitted to **SignList@odu.edu**:

  - https://www.odu.edu/sites/default/files/documents/master-signature-list.pdf

ACCOUNT CODES

- Account codes can be found in Banner on FTVACCT. There are also listings of revenue and expenses with brief descriptions of each code listed on the Budget Office's web site at the following URL: http://www.odu.edu/facultystaff/university-business/budget/resources

- Please note that our chart follows the same structure and coding as the Commonwealth of Virginia's listing of approved accounts. Users will need to choose the Account code that **best matches** each transaction. Miscellaneous or skilled services codes should be used if no other exact match exists.

BUDGET ADJUSTMENTS

- **Budget Adjustments:**
  - Budget adjustments are used to increase, decrease or transfer budgeted funding among line-items and/or budget pools within a single budget code or between one or more budget codes.
  - Budget adjustments can move funds to another budget in order to support conferences, special events, etc.
  - Budget Adjustment forms can be found on the Budget Office web site at the following link:
    - Templates & Forms | Old Dominion University

INTERDEPARTMENTAL TRANSFER REQUESTS

OLD DOMINION UNIVERSITY
INTERDEPARTMENTAL TRANSFER REQUEST
(E-mail signed/scanned form to IDTs@odu.edu).

CHARGE _____ (ORG/ACCT)   CREDIT _____ (ORG/ACCT)

DEPT. NAME _____   DEPT. NAME _____

CONTACT NAME _____   CONTACT NAME _____

CONTACT PHONE _____   CONTACT PHONE _____

Authorized Signature   Authorized Signature

Accounting Distribution for Charge				Accounting Distribution for Credit			
FUND	ORG	SUB ACCOUNT	AMOUNT	FUND	ORG	SUB ACCOUNT	AMOUNT

☐ Additional accounting distribution sheets attached

☐ Original Charge – attach supporting documentation

☐ Correction of Charge – attach Banner documentation

Explanation of Transfer:

Interdepartmental Transfer Requests (IDTs) – standard accounting entry form to record debit and credit transactions (transfers/corrections)to Banner

- Interdepartmental Transfers move year-to-date funds between budget codes in order to record charges incurred, correct posted charges or to reimburse another budget.

- All coding for debit and credit sides must be complete – organization (budget) code, subaccount code, amount

- Subaccount Pool accounts are **NEVER** used on an IDT – these are for budget adjustments only (examples: 4999, 6999, 7999, 9899)

- All support must be present – explains reason for doing the transfer/correction and MUST include proper Banner support for any unusual balances (*see section on Unusual Balances*)

- Explanation must be complete and should include any Banner document code referenced when correcting/adjusting a previously posted transaction

- IDT forms can be found on the Office of Finance website at the following link:

  https://www.odu.edu/sites/default/files/documents/IDT-form.pdf

- See p. 11 for additional information

- How-To Video on Completing an IDT Form found HERE.

UNUSUAL BALANCES
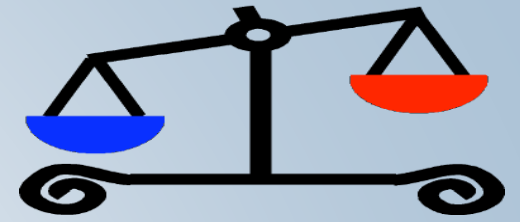
- Unusual balances in Banner are caused by transactions that post using an opposite sign for the account type

- Credits to expenses and debits to revenues are examples of unusual balance transactions

  - Whenever these are included on IDTs, the preparer **MUST** include the Banner proof of original debit charge (for expenses) or credit (for revenues)

  - **You cannot reimburse or correct a transaction without proving that the amount originally posted in Banner - any screen from Banner will serve as proper support for this**

  - **It would also help to put the original Banner document number in your explanation**

- Having the proper support with IDTs greatly speeds up the processing time by Data Control

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CORRECTIONS/RESEARCH

Each budget unit director (BUD) is responsible for ensuring that all activity posted to their budget is identified and reconciled in a timely manner. All discrepancies should be corrected timely.

The Office of Finance is responsible for processing data to budgets and researching and resolving budget discrepancies to aid departments.

Two mechanisms to aid in review:

▶ Interdepartmental Transfer (IDT) – when you know all correction data (debit/credit)

▶ Accounting Service Request (ASR) – to initiate research when a transaction cannot be identified

INTERDEPARTMENTAL TRANSFER REQUESTS (IDTS)

IDTs

▶ Can be prepared for

  ▶ Accounting entries

  ▶ Transaction corrections

  ▶ Transferring charges (reimbursing)

▶ All fields for accounting distribution must be completed

  ▶ Charge and Credit information (fund if required, organization code, sub-account code, amount)

▶ Explanation required, including reference numbers – be clear and concise

▶ Supporting documentation must be included – **speeds up processing time** – **See Unusual Balance Section**

  ▶ Printed Banner reports

  ▶ Screen prints from Banner

  ▶ Anything that supports the entries

▶ You cannot reimburse/correct a transaction without showing original posting – **include Banner document number in explanation**

▶ Debit amounts must match credit amounts

▶ Signatures for all budgets affected (cuts down on research requests)

▶ Contact information

▶ Submitted to IDTs@odu.edu

ACCOUNTING SERVICE REQUESTS (ASR)

▸ As budgets are reconciled by departments, unidentifiable transactions are sent by department with details requesting research and/or information.

▸ Fillable form is completed and sent to Office of Finance for action at DataControlASR@odu.edu

▸ Provide supporting documentation as outlined on the form

  ▸ Screenshots

  ▸ Details of research

▸ Form can be found on web site at: https://www.odu.edu/sites/default/files/documents/accounting-service-request.pdf

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YEAR-END OVERVIEW

- Banner Closeout
  - Cash closing is June 30
    - Office of Finance follows State of VA closing deadlines
    - Departments must adhere to FY Closing deadlines
    - Office of Finance continues keying transactions until internal cut-off
  - Encumbrance Roll (mid July)
    - Transfers open encumbrances to next fiscal year (does NOT liquidate from current FY)
    - Be sure all e-Receivers are done within 3 workdays of receipt of goods/services
    - Watch for Procurement Services announcements for details
  - Final operating account close - beginning of August
    - All operating account activity at fund level is closed into fund balance – keeps ending fund balance in sync with fund balance in new year
    - Departments must adhere to FY Closing deadlines

ACCRUAL ENTRY ACCOUNTING

Accrual accounting

▸ Revenues are recorded when they are earned

▸ Expenses are recorded when they are incurred

▸ The date that goods/services are received determines FY

  ▸ Items received on or before June 30 – current FY

  ▸ Items received on or after July 1 – new FY

▸ Accrual entries are processed AFTER cash is closed on 6/30 and are reversed in the new year, which net with the actual charge or deposit

▸ Departments must review budgets daily in Banner

  ▸ Ensure you request corrections by deadline on FY closing calendar

  ▸ Pay attention to plus/minus transaction signs on FGITRND

▸ Office of Finance must begin preparing financial statements as required by the State

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ACCRUAL ENTRY ACCOUNTING (CONT'D)

▸ Example 1 - shows a PCARD (SPCC) purchase card or RGH purchase that took place on 6/28/17. Charges do not appear on bank report until 7/06/17. Accounts Payable processes entry during accrual period as follows (assumes 1CL00 budget purchased against 6002 supplies for $250 – paid to 1GA10). **AP paid invoice in June**.

> ▸ FY17
>
> ▸ Debit   **1CL00 – 6002** $250
>
> ▸ Credit   011001 – 1701 $250   "Due to" accrual
>
> ▸ Credit   1GA10 – 6101 $250
>
> ▸ Debit   011001 - 0901 $250   "Due from" accrual
>
> ▸ Document processed with "IV" document number
>
> ▸ FY18
>
> ▸ Debit   011001 – 1701 $250   "Due to" reversal
>
> ▸ Credit   **1CL00 – 6002** $250
>
> ▸ Debit   1GA10 – 6101 $250
>
> ▸ Credit   011001 - 0901 $250   "Due from" reversal
>
> ▸ Document is processed again with "J" document number to **reverse** the prior year entry
>
> ▸ FY18
>
> ▸ Debit   **1CL00 - 6002** $250
>
> ▸ Credit   1GA10 - 6101 $250
>
> ▸ Document is processed with "IV" document number to **net budgets to zero** and process the cash entry

ACCRUAL ENTRY ACCOUNTING (CONT'D)

► Example 2 – shows a PCARD purchase that took place on 6/28/17. Charges do not appear on bank report until July. Accounts Payable processes entry during accrual period as follows (assumes 1CL00 budget purchased against 6001 supplies for $500 – paid to 1GA10). **AP paid invoice in July new fiscal year**.

- ► Debit **1CL00 - 6001** $500
- ► Credit 011001 - 1004 $500 Payable
- ► Document processed with "IV" document number
- ► FY18
- ► Debit 011001 - 1004 $500 Payable reversal
- ► Credit **1CL00 - 6001** $500
- ► Document processed again with "J" document number to reverse the prior year entry
- ► FY18
- ► Debit **1CL00 – 6001** $500
- ► Credit 1GA10 – 6101 $500
- ► Document processed with "IV" document number to **net budgets to zero** and process the cash entry

ACCRUAL ENTRY ACCOUNTING (CONT'D)

- **MANUAL ACCRUAL LISTS**
- Middle to late July – manual accruals are posted to Banner
  - Batches represent charges or deposits not processed by June 30 or by the AP, AR or PR keying deadlines
  - Transactions are necessary to hit the proper budgets for ending fiscal year
  - Accrued to the budgets for the correct fiscal year earned or incurred
  - Accounts Payable, Accounts Receivable and Payroll all process transactions for these manual accrual lists
    - Posted to Banner on journal entries and have a **"J##" document** identifier
  - Monitor daily to review and reconcile these transactions

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ACCRUAL ENTRY ACCOUNTING (CONT'D)

- Example: Manual AP Invoice Charge Accrual
  - Charge to 6CL06-5301 for $85.00; invoice received in AP after keying cutoff but charge applies to FY17
    - FY17 Entry
    - Debit   **6CL06 - 5301** $85.00
    - Credit   047101   - 1004 $85.00   Payable

    - FY18 Entries
    - Debit   047101   - 1004 $85.00   Rev. Payable
    - Credit   **6CL06 - 5301** $85.00

    - Debit   **6CL06 - 5301** $85.00   Invoice Payment

  - Note that the net effect on the budget in FY18 is zero. The accrual reversal nets with the actual payment so that only prior year is charged. The payable entries also net to zero in new year so that only cash is changed.

ACCRUAL ENTRY ACCOUNTING (CONT'D)

- Example: Manual AR Library Fines Deposit
  - Funds for library fines are not received until after June 30; **revenue applies to June**
    - FY17 Entry
    - Debit   011001 - 0261 $50.00   Receivable
    - Credit   **1RV01 - 3745** $50.00

    - FY18 Entry
    - Debit   **1RV01 - 3745** $50.00
    - Credit   011001 - 0261 $50.00   Receivable

    - Credit   **1RV01 - 3745** $50.00   Deposit

  - Note that the net effect on the budget in FY18 is zero. The accrual reversal nets with the actual deposit so that only prior year is credited. The receivable entries also net to zero in new year so that only cash is changed.

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REPORTING TOOLS

E-Print

▸ Monthly budget and payroll reports available

▸ Generally available first business day of the month

▸ No hard copy reports provided to departments

▸ Employees who monitor budgets can obtain access – training available on-line on Office of Finance Web site

   ▸ Must have **FIN_EVERYONE** access to budgets you wish to access

▸ Two finance reports available

   ▸ FGRBDSC – equivalent to FGIBDST for the month

   ▸ FGRODTA – equivalent to FGITRND for the month

▸ Payroll Reports available – additional access required

   ▸ NHRSDST – part-time payroll activity by budget code

   ▸ NWRSDST – full-time payroll activity by budget code

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REPORTING TOOLS (CONT'D)

- E-Print
- Year-End -run once monthly except for June reports
  - July 1 – initial run showing all transactions posted through June 30
    - Posting continues in early July until internal keying cut-off
    - Departments need to adhere to all FY Closing deadlines
  - Mid-July
    - Reports usually are run after AP Keying Deadline and Encumbrance Roll
  - Late July
    - Reports usually are run to show manual accruals and other adjustments
  - Beginning August
    - Reports are run immediately after final year-end close

REPORTING TOOLS (CONT'D)

Insight

- Refreshed daily between midnight and 6am
  - Picks up changes from last refresh
  - Reports reflect *yesterday's* transactions
- Must have **FIN_EVERYONE** access to all budgets you wish to access
- Point of Contact – budget@odu.edu
- Reports can be saved in PDF or Excel
- Reports can be scheduled to run on specific dates/times
- Reports can be e-mailed for easy distribution

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We will comply with the University's accounting policies and procedures and maintain strong internal controls at all times. We will not make any false or misleading entries in the University's records under any circumstances.

We will report through appropriate means and channels any dishonesty, fraud, misconduct, violations or neglect of duty, when discovered. We will appropriately investigate all such reports and require warranted corrective action and discipline, in accordance with University policies and procedures and the law.

UNIVERSITY CODE OF ETHICS – POLICY 1002

INTERNAL CONTROLS/FRAUD

University Policy 3003

▶ Upon discovery of information or circumstances suggesting fraud or misuse of University property or funds, the individual should contact either the State Employee Fraud, Waste, and Abuse Hotline or the Internal Audit Department. The individual may also contact the Department of Human Resources, the Old Dominion University Department of Public Safety, Office of Finance and University Counsel. When fraud, or circumstances suggesting fraud, is reported to any of these offices, the other offices should be contacted in a timely manner to inform them of the situation if warranted.

University Policy 3010

▶ Department management is responsible for monitoring internal controls to ensure that they exist and are operating effectively.

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RESOURCES

▶ Banner Hotline – bannerhotline@odu.edu

▶ Linda Meyers, Finance Systems Manager
Office of Finance
757-683-3279, lmeyers@odu.edu

▶ Kristy Hammonds, Data Control Supervisor
Office of Finance
757-683-5537, knhammon@odu.edu