

Eastern Washington University – Office of Controller Fiscal Responsibilities of the College Business Manager

Overview

The Office of Controller is responsible for providing guidance in the administration of Banner Finance and recording of financial transactions. The college business manager advises college leadership and other fiscal personnel within their respective department. From a financial statement preparation and internal control perspective the college business manager can be the frontline defense in preventing material misstatements or non-compliance with applicable laws and regulations. To fulfill this important role, the college business manager performs multiple control activities:

- Obtains adequate training and provides staff supervision
- Maintains adequate internal controls (e.g., separation of duties, authorization/approvals)
- Monitors fiscal activity (e.g., budget and transaction review, reconciliations)
- Complies with state laws and regulations (e.g., procurement, ethics, safeguarding assets)

Roles and Responsibilities

The college business manager position is typically the primary coordinator for fiscal matters of a college to assist the academic leadership (dean/director/chair) who are responsible for managing the budget. The business manager may have budgetary authority for operations under their direct control but not for the college as a whole. The academic administrator cannot relinquish or delegate their responsibility for managing the fiscal affairs of the college. The college business manager advises, recommends and monitors fiscal matters but cannot assume management responsibilities for the dean/director/chair.

Regulatory Environment

Eastern Washington University is an agency of the State of Washington (state government) and is therefore subject to state laws and regulations. In addition to financial statement audits, the University is also subject to an audit of compliance with applicable laws and regulations. The Washington State Office of Management provides fiscal guidance through the [State Administrative and Accounting Manual \(SAAM\)](#). The University's central finance teams provide additional procedures designed to comply with these requirements, as well as guidance for best practices. The central finance teams consist of multiple units within the Business & Finance Department including Budget Services, Human Resources, Office of Controller, Student Financial Services (cash receipting and deposits), Purchasing, and others.

Control Activities

Control activities include training and supervision, reviews of staff performance, authorizations and approvals, reconciliations and analytical reviews, safeguarding assets, separation of duties, monitoring (reporting and communicating results), and risk assessment. Through these activities college business managers can help ensure the University financial statements are free from material misstatement, and develop controls for monitoring compliance with applicable laws and regulation.

1. Training and supervision

- Obtain training. Banner Finance training is provided through the Information Technology Division. Individual one-on-one training may be arranged by contacting EWU General Accounting. Central finance teams also provide various types of training and/or materials designed to assist departmental fiscal personnel in the performance of their duties.

- Provide supervision over business processes and fiscal personnel (direct reports) within the college. Ensure adequate separation of duties so that individuals initiating transactions are not also approving the transaction. For smaller units with limited staffing, ensure adequate supervisory review of transactions as a compensating control.

2. Recording transactions

The central finance team provides resources to assist with proper classification. The following documents are available on the EWU General Accounting website.

- *Overview of Banner Index Codes* provides a description of Banner Indexes (formerly “Ledgers”) by fund type and funding source.
- *Banner Account Code Descriptions* provides definitions for revenue, expense, and fund transfer accounts; it also provides an overview of the Banner Finance chart of accounts.

When approving transactions, ensure it is appropriate, accurate and complies with applicable laws, regulations, policies, and procedures. Transactions must be adequately supported and reconciled to supporting documentation.

3. Reviewing fiscal activity

Management review of reports, statements, reconciliations and other information is an important control activity. The college business manager is responsible for reviewing account coding for transactions posted to the college organizational units (Banner Index/Org codes).

- Review recorded transactions (posted to Banner) for accuracy and completeness. Those transactions are grouped into line items on the university financial statements.
- Instructions for preparing Banner Finance fiscal reports are available on the EWU General Accounting website. See *Producing Month End Reports in Banner*. Review budget v. actual revenues and expenses with comparison of current to prior periods. Follow up on unexpected results. Fund managers should also review balance sheet accounts (assets, liabilities) for proper classification and existence.
- Real-time online review via Banner Finance forms (screens) such as FGIBDST, FGITBAL, etc.

4. Compliance with administrative requirements

Areas of high risk for non-compliance include procurement (including purchasing cards), cash handling/receipting, petty cash, small & attractive assets, and travel reimbursements (including university-issued credit cards). The following information and resources are available for departmental fiscal personnel:

- Training and manuals from the EWU Purchasing Department provide guidance for allowable and prohibited purchases.
 - *Purchasing Card Holder/Approver Training*
 - *Procurement & Contracts Training*
 - *Shopping Guide*
- *Cash Policy Manual* maintained by Student Financial Services provides procedures for cash receipting and deposits.

- *Inventory Control FAQ* website maintained by the Office of Controller provides instructions for tracking and safeguarding university assets.
- *CTA Manual* is available from the EWU Travel Accounting website; it provides guidance for holders of university central travel account credit cards.

5. Monitoring and oversight

Monitoring is the assessment of internal control performance; it is accomplished by ongoing monitoring activities. For example, walk-throughs (following a transaction from beginning to end) can be performed to determine whether procedures are in place and working. For more information about internal controls, visit the COSO.org website and review the [internal control framework](#) principles. Examples of oversight controls include budget planning and monitoring.

- General Accounting closes the fiscal reporting period in Banner Finance shortly after calendar month end. After the closing announcement (sent via email), college business managers are required to review their financial activity for accuracy and completeness.
- College budget managers are responsible for monitoring the college budgets to ensure that sufficient revenue and expenditure budget is available to support operating activities in the current fiscal year and beyond.
- If a departmental budget (org/index level) goes into a deficit, it should be resolved timely.

Responsibility Matrix

University vice presidents and academic administrators have oversight responsibility for controlling operating budgets for their respective units. The vice president for Business & Finance has overall responsibility for ensuring that the University operates within authorized budget levels. The college business manager assists university administrators with this task and helps the institution comply with applicable laws/regulations through performance of the control activities. The following chart summarizes these responsibilities by key groups.

Responsibility Topic	Central Finance Teams	Department Deans/Directors	College Budget Managers
Fiscal Policies and Procedures	Development	Tone	Compliance
Financial Planning and Management	Guidance	Administer	Advise
Internal Controls	Preventive	Tone/Review	Detective
Fiscal Oversight / Monitoring Controls	Oversight	Environment	Reporting
Training and Supervision	X	X	X
Safeguarding Assets	X	X	X
Compliance with Laws and Regulations	Guidance	Tone	Compliance
Recording Financial Transactions	Training	Direction	Monitoring
Financial Reporting / Reconciliations	Oversight	Review	Preparation
Financial Statement Preparation	X		
Audit Prep and Response	X		

Any questions regarding fiscal responsibilities of the college business manager should be directed to the applicable central finance team or the university controller.