UF | Office of Internal Audit
UNIVERSITY *of* FLORIDA
Controls Self-Assessment

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This document is separated into two sections. Section 1 lists only the questions on the Controls Self-Assessment (CSA) survey. Section 2 includes the questions, auditor comments, and links to university guidance.

Section 1: CSA Questions

UF | Office of Internal Audit
University *of* Florida

Controls Self-Assessment

Control Environment

1. Are appropriate faculty and staff members familiar with Board of Trustees Policies, Finance and Accounting Directives and Procedures, and other relevant guidelines concerning the university's operating and compliance requirements?

2. Do management and employees have the knowledge, training, and skills necessary to perform their jobs adequately and continue to take advantage of on-going training opportunities?

3. Has management established a mission statement, set goals, and developed objectives?

4. Are documented risk assessments periodically performed?

5. Are the unit's organizational structure and lines of authority clearly defined and   understood by employees?

6. Are employee desk procedures, and other internal operating procedures current and in a written format?

7. Has the unit established any benchmarks with peers to measure its resource use and outcomes?

8. Does the unit have a documented business continuation plan that addresses the absence of key employees and backup procedures for key business processes?

Budgeting, Accounting, and Financial Reporting

1. Is fiscal staff familiar with appropriate sections of Finance and Accounting Directives and Procedures and the University of Florida's Internal Control Principles?

2. Are departmental ledgers reconciled to supporting documentation timely?

3. Is the staff performing the reconciliation separate from the staff initiating and finalizing transactions?

4. Does management review the reconciled ledgers and supporting documentation and appropriately document its review in a timely manner?

5. Are financial reports comparing budgeted balances with actual financial activity generated and reviewed by appropriate management?

6. If fund or cost center deficits are anticipated, are appropriate levels of management notified timely and appropriate corrective action taken?

7. Does fiscal staff understand the rules associated with different fund types (E&G Appropriations, Grants, Agency, Auxiliary, Direct Support Organizations, etc.)?

Collections, Deposits, and Cash Funds

1. Does your unit process any collections, deposits, or cash funds?

2. Are staff members responsible for cash handling and deposits familiar with Finance and Accounting Directives and Procedures on cash handling and deposits?

3. Are the collection and deposit preparation functions segregated from the accounting functions, including general ledger and accounts receivable maintenance?

4. Has each type of Cash Fund (research stipends, change, and petty cash) been approved?

5. Are receipts issued or mail logs posted immediately for collections received in person or through the mail?

6. Are checks required to be restrictively endorsed upon receipt?

7. Are overages and shortages properly documented and appropriately explained?

8. Are receipts and deposits reconciled at least monthly with unit ledgers?

9. Are funds physically stored in a safe or equally secure place?

10. Is the write-off of delinquent accounts in compliance with university policy?

11. Are credit card transactions handled in compliance with Payment Card Industry (PCI) Data Security Standards (DSS)?

12. Do you have adequate internal control procedures to manage your collections and receivables?

13. Are cash and checks deposited in a timely manner in accordance with UF policy?

Purchasing and Disbursement

1. Are staff responsible for requisition/purchasing, vendor payments, and travel familiar with the appropriate directives and procedures website?

2. Are the duties for initiating requisitions, receiving purchased items, processing of invoices for payment, and reconciliation of the unit ledger separated between two or more employees?

3. Are the individuals who approve contracts and leases officially delegated with the responsibility to contract on behalf of the unit prior to the effective date of the contract?

4. Do Department Business Administrators review charges recorded on the unit ledger and inquire about unfamiliar charges?

5. Do unit procedures ensure that the best combination of quality, total price, and delivery are evaluated when acquiring goods or services that are not covered by an existing university or state contract?

6. Are all invoices independently reviewed for completeness, accuracy, compliance with university directives, and agreement to supporting documentation (receiving reports and purchase orders) before approval for payment?

7. Are returned purchases controlled in such a manner to ensure that the unit receives the credit or refund due the unit?

8. Are vendor invoices and travel reimbursements controlled in such a manner as to prevent duplicate payment?

9. Does the PCard approver have sufficient knowledge of the operations and authority to approve or deny cardholders' transactions?

10. Has the unit developed a method for documenting receipt for all goods and services?

11. Are purchasing card transactions authorized by an appropriate approver timely?

12. Does unit management periodically review a list of unit cardholders and their limits to determine if changes need to be made?

13. Are requests for travel reimbursements and related expenses submitted through the Travel and Expense module rather than myUF Payment Solutions?

14. Has the unit established procedures to ensure that telephone invoices are properly reviewed and approved for payment and that only authorized and official business telephone charges are paid?

15. Are maintenance agreements reviewed periodically?

16. Are the purchase, storage, and issuance of supplies properly controlled to prevent over-purchasing, pilferage, deterioration, and damage?

17. Are purchases made outside of *myUF Market* done so only when absolutely necessary?

18. Do travelers within your unit register foreign travel with the International Center?

Asset Management

1. Are unit property custodians familiar with the appropriate section of the Finance and Accounting Directives and Procedures related to asset management?

2. Are property transactions recorded and submitted to Asset Management as soon as possible?

3. Does your unit effectively manage its asset needs and resources by considering the Surplus Warehouse prior to purchasing new equipment and for disposal or re-use of surplus property?

4. Has the unit developed guidance defining attractive and sensitive property (ASP)?

5. Does your unit have a process to identify and record all acquisitions of attractive/sensitive property items?

6. Does your unit maintain proper security of the attractive/sensitive property?

7. Is furniture/equipment properly constructed at the university, accounted for, and included on the property records, when appropriate?

8. Is the use of property off-campus properly accounted for and documented with an off- campus certification form?

9. Are vehicle use records and vehicle maintenance records maintained for the use of university owned vehicles?

10. Are office keys and other methods/types of building access allocated only to the appropriate employees?

11. Does your unit follow special handling procedures upon the receipt of government or grant funded equipment?

12. Have employees been provided with information regarding the records retention guidelines?

Payroll

1. Does your unit approve time/leave and/or process payroll transactions?

2. Are staff members with responsibility for payroll familiar with the Finance and Accounting Directives and Procedures relating to Payroll?

3. Are time and labor entries approved by the person who has supervisory responsibilities over the persons whose time/leave is being approved?

4. Are time/leave entries approved at least once during the first work week of the pay period and Tuesday – Friday of the second work week?

5. Are unit procedures in place to ensure that leave taken is properly approved and recorded?

6. Does the payroll processor review the Preliminary Payroll Listing before each payroll closing to ensure that employees will be paid correctly?

7. Does management review, sign, and date the Final Payroll Listing to document that faculty and staff are paid accurately and terminated employees are not paid?

8. Is the Final Payroll Listing reviewed in a timely manner so that Payroll can be notified by the appropriate deadlines of any advices requiring EFT cancellation?

9. Are overpayments dealt with promptly?

10. Do the time records reflect the actual hours/minutes worked rather than the hours scheduled to work?

11. Have procedures been implemented to ensure that overtime and compensatory time hours worked are appropriate and approved in advance by an employee's supervisor?

Human Resource Management

1. Have employees with HR administrative responsibilities attended training programs that are specific to their roles in the organization?

2. Do new employees complete new employee orientation in a timely manner?

3. Are employee job descriptions current?

4. Are performance evaluations submitted on a timely basis to the UF Human Resource Services?

5. Are employees who are covered by the Fair Labor Standards Act (non-exempt/hourly employees) compensated for overtime worked?

6. Are terminations of appointments for employees separating from the university processed timely and the Employe Exit Checklist completed?

7. Is personnel information properly secured and disposed of in accordance with Privacy Office guidelines to reduce the risk of breach of sensitive information?

8. Does your unit have a process in place to review, identify, and manage employees' potential conflicts of interest (i.e. outside activities, financial interests, and employment of relatives/nepotism)?

9. Is approval for alternate work location obtained through completion of the UF Alternate Work Location Agreement form?

10. Is Vice President approval obtained to authorize a modified work schedule?

Research Management and Support

1. Does your unit manage any sponsored projects?

2. Are staff members responsible for contracts and grants familiar with the university policies, directives, and procedures relating to Contracts and Grants (C&G) and with the Division of Sponsored Programs (DSP) handbook?

3. Have staff and faculty been provided sufficient training to understand the special requirements of expending contract and grant funds, effort reporting, and in general ensuring compliance with grant or contract terms and Federal regulations?

4. Are costs directly charged to a grant or used as cost sharing reviewed to assure they are reasonable, allocable, consistently treated, and meet any restrictions that apply?

5. Does your unit review terms and conditions of contractual agreements regarding limitations for purchasing equipment before assets are acquired/charged to a contract or grant?

6. Is biweekly payroll distribution managed to assure that employee payroll is charged to sponsored projects consistent with employee's activities rather than budget or availability of funds?

7. Are unit procedures in place to ensure expenditures are not charged after the grant period, and assist core Contract and Grant offices with the timely closeouts of awards?

8. Are policies and procedures in place to ensure payroll or other expenditure transfers are appropriate, approved and processed timely and include required supporting documentation?

9. Are unit procedures in place to ensure that faculty and staff effort is reported accurately and timely?

10. Where projects require cost sharing, does the unit compare regularly accumulated cost shared amounts with grant cost sharing requirements to see it has met its cost sharing goals?

11. Except for capital grants, are purchases of fixed assets made prior to the end of the grant so the fixed assets can be used in accomplishment of project objectives?

12. Does the unit monitor if there are significant changes in a principle investigator or other key personnel's committed research activities? If applicable, is there a process to ensure these changes are reported to the Division of Sponsored Programs (DSP)?

13. Are staff members provided information on Export Controls rules and regulations?

Information Technology

1. Is your unit responsible for managing its information technology (IT)?

2. Are faculty and staff members provided with the university's information technology policies and guidelines at least annually and updated as new and revised policies are approved?

3. Are IT risk assessments conducted in accordance with university policy prior to purchase of, or when there are significant changes to, an information system and at least every two years for systems that store, process, or transmit restricted data?

4. Does a business continuity plan exist which identifies critical activities, backup files, programs, and alternative processing sites?

5. Have change management procedures been established, including patch management, for portable computers, workstations, and servers?

6. Are system security and application access logs enabled and reviewed periodically for unauthorized access and anomalies?

7. Are backups of operating systems, critical data, and key software programs made on a regular basis and stored at an off-site location?

8. Are documented procedures in place for reviewing and removing access to all production systems when an employee leaves the unit or is assigned to a different role within the unit?

9. Is sensitive and restricted data managed by the unit (on networks, personal computers, and back up media), classified and protected by restricted access, encryption, or other controls?

10. Are records of all software licensing agreements managed by the unit properly maintained?

11. Is anti-malware software installed, operating and up to date for all computing resources (laptops, desktops, servers, etc.)?

12. If personally managed computers are on the unit's network, are they all documented to include the maintainer of the machine with contact information, operating system version, services hosted, and network address?

13. Do you have a process to respond to notifications from the UF Information Security Office that you have systems that have been identified with a vulnerability?

14. Are all servers in your unit managed by professional IT Staff and located in protected environments with adequate physical security?

15. Do you have records of encryption for all mobile computing devices used to conduct university business, regardless of ownership?

16. For unit-provided web-based services that require GatorLink authentication, do all services follow the Identity Management Service Provider Standard?

17. Do you support any federal sponsored funding research projects that require FISMA approved research data storage?

Section 2: CSA Questions, Auditor Comments, and University Guidance

UF | Office of Internal Audit
University *of* Florida

Controls Self-Assessment

Control Environment

Question: 1. Are appropriate faculty and staff members familiar with Board of Trustees Policies, Finance and Accounting Directives and Procedures, and other relevant guidelines concerning the university's operating and compliance requirements?

Comment: It is important that policies and procedures are clearly communicated to all employees. Employees should become familiar with any pertinent policies and regulations which govern research, instruction, and administrative activities in his or her area of responsibility. These policies provide guidance to employees and articulate the ethical and legal principles that must be followed at the University of Florida.

References: *Board of Trustees Policies*
http://www.trustees.ufl.edu/policies/

General Counsel UF Regulations and Policies
http://generalcounsel.ufl.edu/regulations-and-policies/

Finance and Accounting Directives and Procedures
http://www.fa.ufl.edu/directives-and-procedures/

Florida Statutes
http://www.flsenate.gov/Statutes/

Internal Control Principles
http://www.fa.ufl.edu/controller/internal-control/

Question: **2.** Do management and employees have the knowledge, training, and skills necessary to perform their jobs adequately and continue to take advantage of on-going training opportunities?

Comment: It is essential that personnel be equipped for new challenges as issues that the university and/or the unit face change and become more complex. Education and training are necessary to prepare personnel to effectively deal with the evolving environment. Training programs should communicate prospective roles and responsibilities, and illustrate expected levels of performance and behavior. Rotation of personnel and promotions driven by periodic performance appraisals demonstrate the entity's commitment to the advancement of qualified personnel to higher levels of responsibility.

References: UF Training and Organizational Development
http://hr.ufl.edu/training/about.asp
http://hr.ufl.edu/learn-grow/training-organizational-development

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Question: **3.** Has management established a mission statement, set goals, and developed objectives?

Comment: It is important for a unit to develop a plan that clearly expresses its goals and objectives and identifies the essential tasks necessary to achieve each of its goals. This plan should indicate the priority of tasks, designate personnel that should be responsible for the accomplishment of each task, timelines for completion of tasks, and associated performance measures. A written plan helps each unit's management communicate this information to employees and helps assure continued effort towards the accomplishment of goals and objectives.

References: None campus-wide.

Question: **4.** Are documented risk assessments periodically performed?

Comment: While coordination with university or college strategic plans should be a primary concern, unit management will most likely have more specific issues to consider. Risks associated with potential control deficiencies, whether people or process related, may differ from unit to unit. Unit management should have procedures to evaluate internal and external risks that might impact accomplishment of objectives.

The risk assessment process should generally include identification of the potential impact and the probability of occurrence in order to help evaluate their importance. The discussion of what could go wrong or potential fraud risks is helpful to identifying risks. After identifying risks a risk management plan should be developed. By doing a risk assessment, the unit may uncover previously unknown risks and/or develop plans to address significant risks. The documentation of this analysis and assumptions used should be maintained to improve communication and help to improve continuity of operations.

Examples of controls designed in response to potential risks are as follows - procedures to prevent and detect unauthorized transactions; controls to ensure complete, accurate, authorized, timely and safeguarded transactions; security systems to implement segregation of duties and protect data, business contingency planning and recovery procedures.

References: None campus-wide.

Question: **5.** Are the unit's organizational structure and lines of authority clearly defined and understood by employees?

Comment: Establishing lines of authority within a unit is critical for its operational efficiency and success. Roles and responsibilities should be well defined and divided to avoid conflicts and to provide appropriate segregation of functional responsibilities. Appropriate segregation of duties increases the likelihood of timely detection of errors or irregularities. When establishing the organizational structure and delegation of authority, management should remember that they can delegate some of the duties they are responsible for, but cannot delegate their responsibility or accountability. Organizational charts and updated job descriptions are effective tools to clearly define the organizational structure and lines of authority.

References: None campus-wide.

Question: **6**. Are employee desk procedures, and other internal operating procedures current and in a written format?

Comment: It is important to document, update, and clearly communicate desk procedures in order for assignments to be completed in the most efficient and ongoing manner. Written procedures help management ensure that goals, expectations, and specific duties are clearly communicated to employees. These written procedures also can act as a reference to all employees to ensure consistency in processing transactions, especially if there is employee turnover. Employees should be trained for the duties they are to perform and they should be impressed with the importance of adhering to established procedures.

References: None campus-wide.

Question: **7.** Has the unit established any benchmarks with peers to measure its resource use and outcomes?

Comment: Benchmarks from within the university or from peer universities should be obtained to help assess operations and identify problem areas. The unit head is responsible to ensure that goals and expectations are clearly expressed and understood by staff. However, his or her responsibility does not end with the implementation of control procedures. He or she must also monitor adherence to the established procedures, effectiveness of the procedures and must evaluate unit progress towards the accomplishment of its goals. Benchmarks, both internal and external, can be used as performance measures and may also help to identify potential improvement

opportunities. Although the unit head can delegate duties and responsibilities, the unit head remains ultimately responsible for the accomplishment of the unit's goals.

References: None campus-wide.

Question: **8.** Does the unit have a documented business continuation plan that addresses the absence of key employees and backup procedures for key business processes?

Comment: Management should consider having backup plans for essential processes. A business continuation plan considers ways in which the unit can effectively perform essential functions when an extraordinary or unforeseen event occurs. The plan should be documented and must include the need of critical functions and key personnel and a communication plan.

References: None campus-wide.

Budgeting, Accounting, and Financial Reporting

Question: **1.** Is fiscal staff familiar with appropriate sections of Finance and Accounting Directives and Procedures and the University of Florida's Internal Control Principles?

Comment: Since unit size and complexity varies significantly, there is not one set of specific fiscal procedures that fits all unit. However, there are certain important fiscal responsibilities that all units should ensure are met. These fiscal responsibilities not only help ensure that management is properly informed of their fiscal operations and condition, but that proper controls are in place to ensure that revenues are maximized, and prudently spent, that university funds are properly safeguarded, and that proper accountability is maintained.

References: *Finance and Accounting Directives and Procedures*
Accounting and Reporting
http://www.fa.ufl.edu/directives-and-procedures/accounting-and-reporting/

Finance and Accounting Directives and Procedures
Accounting and Reporting- Sections 3. & 4.: Accounting System Overview & Chartfields
http://www.fa.ufl.edu/directives-and-procedures/accounting-and-reporting/#accounting

UF Enterprise Systems Training-myUFL Toolkits
http://hr.ufl.edu/learn-grow/just-in-time-training/myufl-toolkits/

Budget Monitoring
http://cfo.ufl.edu/administrative-units/gbas/gbas-resource-center/budget-monitoring/

Finance and Accounting Directives and Procedures
Auxiliary/Educational Business Accounting
http://www.fa.ufl.edu/directives-and-procedures/auxiliaryeducational-business-accounting/

Internal Control Principles

Question: **2.** Are unit ledgers reconciled to supporting documentation timely?

Comment: There are certain important fiscal requirements that all units must meet and upon which the university relies to deter or detect inappropriate financial activities. These key fiscal requirements include reconciling unit records in order to verify their accuracy and completeness. Departmental Business Administrators have a responsibility for identifying and resolving financial problems that may exist within their scope of responsibility and review. The reconciliation process provides a mechanism to accomplish this goal by comparing transactions recorded in the unit's *myUFL* accounts with source documentation. Both the *myUFL* unit ledgers and commitment control reports should be reconciled to the unit's accounting records/source documentation on at least a monthly basis to ensure that records are kept up to date and to identify errors, irregularities, or any unauthorized transactions that may have occurred. The reconciliation process also helps to ensure that funds are adequately safeguarded and proper accountability is maintained.

Reconciling payment and receipt transactional documentation to the accounting system should be regularly and timely performed for each budgetary cost center and sponsored project. Due to significant variances in unit size and complexity, there is not a specific set of reconciliation procedures that fit all units. There are, however, certain important requirements that all units should employ to ensure an acceptable reconciliation process. UF Finance and Accounting publishes university directives and procedures and a best practice guide for reconciliations. Some of the key items discussed in this guide are listed below:

- Reconciliations may be performed periodically (daily, weekly), but not less than on a monthly basis depending on the needs of the unit.
- Reconciliation of transactions to source documents is required to be performed for all transactions over $100.
- For transactions under $100, reconciling should include spot checking at least 25% of the budgetary cost center transactions to the source documents. Contracts and Grants funds may need reconciliation at a more detailed level.
- Inaccuracies or incomplete financial information identified during the reconciliation or verification process must be investigated and corrected in a timely manner.
- Reconciliation of contract and grant transactions may need to be performed at a more detailed level to satisfy the needs of the sponsor.
- Reconciliations must be documented and an audit trail maintained. All reconciliation documentation must be kept for the current and two prior fiscal years.
- Best practices dictate management must review charges that are recorded on their ledgers and obtain more information about charges that are unfamiliar. This managerial review is a control activity that should generally not be delegated.

- Management's monthly review should be documented. Options to substantiate or document the review could include reviewer initials, signature or electronic signatures.
- Management should ensure that reconciliations are performed by someone that does not initiate financial transactions. If a unit is too small to appropriately segregate duties, then the unit administrator may need to increase the review frequency of the transaction detail.

More information related to ledger reports can be found below.

References: *Finance and Accounting Directives and Procedures*
Accounting and Reporting-Section 2.H.: Reconciliation
http://www.fa.ufl.edu/directives-and-procedures/accounting-and-reporting/#definitions

Finance and Accounting Directives and Procedures
Accounting and Reporting- Section 6.B.: Departmental Fiscal Responsibility-Reconciliation
http://www.fa.ufl.edu/directives-and-procedures/accounting-and-reporting/#departmental

Reconciliation Best Practices
http://www.fa.ufl.edu/wp-content/uploads/2013/08/ReconciliationBestPractices.2013.pdf

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Question: **3.** Is the staff performing the reconciliation separate from the staff initiating and finalizing transactions?

Comment: Management should ensure that someone that does not initiate financial transactions perform the monthly reconciliation of ledgers. Segregation of conflicting duties is a critical control and may be difficult for some units to achieve. Reconciliations are used to ensure that errors or irregularities are prevented or detected in a timely basis. Therefore, reconciliation of financial transactions and recording of those transactions should be segregated duties. If a unit is too small to have two or more employees who can segregate duties, then compensating controls such as frequent review of the transaction detail by unit administrators must frequently review.

References: *Finance and Accounting Directives and Procedures*
Accounting and Reporting - Section 6.A.2.: Departmental Fiscal Responsibility-Segregation of Duties for Reconciliation
http://www.fa.ufl.edu/directives-and-procedures/accounting-and-reporting/#departmental

Finance and Accounting Directives and Procedures
Accounting and Reporting - Section 6.B.2. Departmental Fiscal Responsibility-Reconciliations
http://www.fa.ufl.edu/directives-and-procedures/accounting-and-reporting/#departmental

Reconciliation Best Practices

Question: **4.** Does management review the reconciled ledgers and supporting documentation and appropriately document its review in a timely manner?

Comment: Management refers to individuals with budget authority. Management should review reconciliations to ensure that they are completed within a reasonable time frame. They should ensure that differences are researched and actions taken to correct errors or irregularities. Management should also review transactions to verify that unauthorized transactions did not occur and that the unit's records are in agreement with unit ledgers. This managerial review is a control activity that should generally not be delegated.

References: *Finance and Accounting Directives and Procedures*
Accounting and Reporting- Section 6.B: Departmental Fiscal Responsibility- Reconciliations
http://www.fa.ufl.edu/directives-and-procedures/accounting-and-reporting/#departmental

Question: **5.** Are financial reports comparing budgeted balances with actual financial activity generated and reviewed by appropriate management?

Comment: Management should review the appropriateness and accuracy of financial transactions. This review should include a comparison of the budgeted amount to the actual amounts. Variations between budgeted and actual financial status should be adequately explained for unit management to monitor that resources are being used efficiently and effectively. Significant variances between budgeted and actual should be researched and corrective action should be taken when necessary. If expenditures are less than expected, it may mean that unit objectives are not being met. If expenditures are more than expected, sufficient resources may not be available later in the year.

References: *Reconciliation Best Practices*
http://www.fa.ufl.edu/wp-content/uploads/2013/08/ReconciliationBestPractices.2013.pdf

Question: **6**. If fund or cost center deficits are anticipated, are appropriate levels of management notified timely and appropriate corrective action taken?

Comment: Whenever a unit anticipates that it will not be able to operate within a budget, it should report this information to management so that appropriate adjustments can be made. Such occurrences may be due to underestimated expenditures or overestimated revenues for the budgeted period. Reports of contract or grant accounts with deficit balances should be sent to the principal investigators monthly. Any deficits should be eliminated as soon as possible.

References: None campus-wide.

Question: **7.** Does fiscal staff understand the rules associated with different fund types (E&G Appropriations, Grants, Agency, Auxiliary, Direct Support Organizations, etc.)?

Comment: Management must ensure that moneys are only expended for a reasonable business purpose and that it supports the university mission. University Finance and Accounting Directives and Procedures provide general guidelines associated with allowable expenditures based on fund type.

References: *Finance and Accounting Directives and Procedures*
Disbursements- Section 4: Expenditure Policy
http://www.fa.ufl.edu/wp-content/uploads/disbursements/Disbursement_DirectivesandProcedures.pdf

UF Human Resource Services-Fiscal Management Course
PRO302 The Color of Money: A Guide to How Moneys May Be Spent at UF
http://hr.ufl.edu/learn-grow/business-administration/pro3-series/pro3-course-descriptions/fiscal-management-course-descriptions/

Collections, Deposits, and Cash Funds

Question: **1.** Does your unit process any collections, deposits, or cash funds?

Question: **2.** Are staff members responsible for cash handling and deposits familiar with Finance and Accounting Directives and Procedures on cash handling and deposits?

Comment: It is important that policies and procedures are clearly communicated to all university employees, including general control procedures for handling collections, deposits, and cash funds. Unauthorized bank accounts and collection points are inappropriate and generate high risks for the units as well as for the university. Unit heads and managers of units that collect university funds remain primarily responsible for ensuring that adequate control procedures are in place to secure university collections and funds.

References: *Finance and Accounting Directives and Procedures*
Cash, Collections, Receivables and Investments:
http://www.fa.ufl.edu/directives-and-procedures/cash-collections-receivables-and-investments/

Question: **3.** Are the collection and deposit preparation functions segregated from the accounting functions, including general ledger and accounts receivable maintenance?

Comment: Appropriate segregation of duties requires that no one individual has complete control over a process. This becomes especially important when cash is also collected. Management should maintain effective internal control practices where the custody and recordkeeping activities are properly segregated. Lack of segregation of duties over deposit processing may lead to errors or irregularities that are not detected in a timely manner.

References: *Finance and Accounting Directives and Procedures*
Cash, Collections, Receivables and Investments - Section 3: General Internal Control Requirements
http://www.fa.ufl.edu/directives-and-procedures/cash-collections-receivables-and-investments/#general

Question: **4.** Has each type of Cash Fund (research stipends, change, and petty cash) been approved?

Comment: As stated in the *Finance and Accounting Directives and Procedures*, requests to establish cash funds should be submitted to Treasury Management. This ensures proper accountability of university funds. For collection points that will result from the creation of an Auxiliary Enterprise or Educational Business Activity, management should first obtain the approval to establish an auxiliary unit from the appropriate dean and vice president of the respective area and the Vice President and Chief Financial Officer.

References: Treasury Management – Cash Funds

http://www.fa.ufl.edu/departments/treasury-management/cash-funds/

Finance and Accounting Directives and Procedures

Auxiliary/Educational Business Accounting- Section 3: Establishment of an Auxiliary/Educational Business

http://www.fa.ufl.edu/directives-and-procedures/auxiliaryeducational-business-accounting/#establishment

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Question: **5.** Are receipts issued or mail logs posted immediately for collections received in person or through the mail?

Comment: All collections should be properly documented on uniform cash receipts, a cash register, or a check log (for mailed checks only). These documents provide the customer with a receipt and provide an audit trail in case of a dispute later. Periodically, someone independent of the cash handling function should verify that deposits were made for all amounts collected based on these records.

References: *Finance and Accounting Directives and Procedures*
Cash, Collections, Receivables and Investments-Sections 5.D. and 5.F.: Cash Handling and Receipting
http://www.fa.ufl.edu/directives-and-procedures/cash-collections-receivables-and-investments/#cash

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Question: **6.** Are checks required to be restrictively endorsed upon receipt?

Comment: All checks received should be promptly and restrictively endorsed "for deposit only" to the appropriate account to reduce the likelihood of loss or mishandling.

References: *Finance and Accounting Directives and Procedures*
Cash, Collections, Receivables and Investments-Section 5.E.: Check-Endorsement

http://www.fa.ufl.edu/directives-and-procedures/cash-collections-receivables-and-investments/#cash

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Question: **7.** Are overages and shortages properly documented and appropriately explained?

Comment: Units must perform a daily reconciliation of their collections. This should include a comparison of the amounts on records (cash registers, uniform cash receipts, logs, etc.) with amounts on hand (incoming payments, sales collections, change funds, etc.). Any discrepancies should be investigated, documented, and reported to the supervisor. Responsibility for the overages and shortages should be documented; this should include the initials and date of the responsible individual and supervisor. If the discrepancy is significant and theft is suspected, management should immediately notify UPD and the Office of Internal Audit.

References: None campus-wide.

Question: **8.** Are receipts and deposits reconciled at least monthly with unit ledgers?

Comment: An individual independent of cash handling should reconcile unit records and unit ledgers to validated cashier's receipts and ensure deposits were posted to the appropriate account in the correct amount. Accounting entries should be supported and reconciled with sales records. This is done to ensure that entries are recorded correctly and that all sales transactions are accounted for. Generally, the individual who provides this check and balance is someone with accounting responsibility to help detect any errors or irregularities.

References: *Finance and Accounting Directives and Procedures*
Accounting and Reporting- Section 6.B.: Departmental Fiscal Responsibility-Reconciliation
http://www.fa.ufl.edu/directives-and-procedures/accounting-and-reporting/#departmental

Finance and Accounting Directives and Procedures
Cash, Collections, Receivables and Investments- Section 3: General Internal Control Requirements
http://www.fa.ufl.edu/directives-and-procedures/cash-collections-receivables-and-investments/#general

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Question: **9.** Are funds physically stored in a safe or equally secure place?

Comment: Controls associated with the physical security of funds should take in consideration the size of the fund. A safe may be a good control mechanism to protect funds. Management should ensure that the design and implementation of the controls associated with the safe are effective. Ensuring deposits are made timely can help to reduce the risks associated with maintaining deposits on hand.

References: *Finance and Accounting Directives and Procedures*

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Cash, Collections, Receivables and Investments- Section 3: General Internal Control Requirements
http://www.fa.ufl.edu/directives-and-procedures/cash-collections-receivables-and-investments/#general

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Question: **10.** Is the write-off of delinquent accounts in compliance with university policy?

Comment: University regulations require units to use due diligence and exert every effort in the collection of all accounts. After collection procedures have been exhausted, amounts that cannot be collected should be written off in accordance with university policies. Any balance written off must be properly supported and authorized by Treasury Management. This is necessary to ensure that all accounting entries are properly recorded and to allow appropriate monitoring of accounts receivable.

References: *Finance and Accounting Directives and Procedures*
Cash, Collections, Receivables and Investments- Section 15: Uncollectible Accounts Write-Off Procedures
http://www.fa.ufl.edu/directives-and-procedures/cash-collections-receivables-and-investments/#uncollectible

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Question: **11.** Are credit card transactions handled in compliance with Payment Card Industry (PCI) Data Security Standards (DSS)?

Comment: The PCI DSS, a set of comprehensive requirements for enhancing payment account data security, was developed by the credit card industry to assure consumers that their transactions are reliable and secure. Credit card merchants at the University of Florida are required to follow strict procedures to protect customers' credit card data and must prove compliance by completing an annual self-assessment questionnaire as well as a training session or workshop. These directives apply to all types of credit card activity (storage, processing and transmission of card information), including transactions processed face-to-face, over the phone, via fax, mail or the Internet.

References: *Finance and Accounting Directives and Procedures*
Cash, Collections, Receivables and Investments - Section 12: Credit Cards, E-Commerce Security and Management Policy
http://www.fa.ufl.edu/directives-and-procedures/cash-collections-receivables-and-investments/#credit

Payment Card Operations (Credit/Debit Cards) – Processing Best Practices
http://www.fa.ufl.edu/directives-and-procedures/disbursements/#processing

Question: **12.** Do you have adequate internal control procedures to manage your collections and receivables?

Comment: If your unit extends credit or maintains an accounts receivable system, certain controls should be established. These should include written operating procedures pertaining to authorizing credit, recording sales, establishing and maintaining customer accounts, billing customers and follow-up, receiving and applying payments, depositing of the receipts and write-off of uncollectable accounts. Billings to customers should be processed at least monthly, or as required by agreement with the customers. Procedures should ensure that all charges are recorded prior to billings. Timely billings increase the likelihood that payment will be received.

References: None campus-wide.

Question: **13.** Are cash and checks deposited in a timely manner in accordance with UF policy?

Comment: Cash and check receipts should be deposited timely to reduce the risk of loss or misappropriation. University policy requires deposit of receipts at least weekly if less than $1,000. If cash and checks total $1,000 or more, the deposit is required to be made by the next business day.

References: *Finance and Accounting Directives and Procedures*
Cash Collections, Receivables and Investments- Sections 5.G. and 6: Cash Movement and Deposit Procedures
http://www.fa.ufl.edu/directives-and-procedures/cash-collections-receivables-and-investments/#cash

Purchasing and Disbursement

Question: **1.** Are staff responsible for requisition/purchasing, vendor payments, and travel familiar with the appropriate Directives and Procedures website?

Comment: It is important that policies and procedures are clearly communicated to all university employees, including general control procedures for purchasing and disbursement activities. Unit heads and managers remain primarily responsible for ensuring that adequate control procedures are in place to secure university assets and ensure that funds used support the university's mission.

References: *UF Purchasing Directives and Procedures*
http://purchasing.ufl.edu/departments/directives.asp

Finance and Accounting Directives and Procedures
Disbursements
http://www.fa.ufl.edu/directives-and-procedures/disbursements/

Finance and Accounting Directives and Procedures
Travel
http://www.fa.ufl.edu/directives-and-procedures/travel/

University of Florida Regulations 3.020 Purchasing
http://regulations.ufl.edu/chapter3/3020.pdf

University of Florida Regulations 3.021 Purchasing, Sponsored Research Exemptions Procedures
http://regulations.ufl.edu/chapter3/3021.pdf

University of Florida Regulations 3.022 Payment to Vendors; Payment Processing Guidelines
http://regulations.ufl.edu/chapter3/3022.pdf

Question: **2.** Are the duties for initiating requisitions, receiving purchased items, processing of invoices for payment, and reconciliation of the unit ledger separated between two or more employees?

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Comment: Segregation of duties means that different people should be responsible for the authorization of transactions, recording of transactions, and the physical custody of assets. No single person should have complete control over a purchasing transaction. This reduces the risks that errors or irregularities may occur and not be detected timely. When, due to staff size it is not practical to adequately segregate duties, compensating controls, such as additional reviews, are necessary.

References: *Finance and Accounting Directives and Procedures*
Accounting and Reporting- Section 6.A.2.: Segregation of Duties for Reconciliation
http://www.fa.ufl.edu/directives-and-procedures/accounting-and-reporting/

Question: **3.** Are the individuals who approve contracts and leases officially delegated with the responsibility to contract on behalf of the unit prior to the effective date of the contract?

Comment: Appropriate personnel should approve contracts and leases to avoid possible financial loss or legal actions. Generally, the university should not enter into contract or lease agreements with employees to avoid conflict of interest. Each unit should ensure that an individual who is familiar with the appropriate rules and regulations review leases and contracts and ensures that appropriate signatures and approvals are obtained. Units should refer to applicable policies and regulations referenced in this document and contact the Purchasing Services office for additional information.

References: *University of Florida Regulations* 3.025 Lease of Space
http://regulations.ufl.edu/chapter3/3025.pdf
http://regulations.ufl.edu/wp-content/uploads/2015/04/3025.pdf

Disbursements Directives and Procedures
Disbursements – Section 5: Guidelines for Certain Types of Purchases
http://www.fa.ufl.edu/directives-and-procedures/disbursements/

UF Purchasing Directives and Procedures
Leases (Equipment and Real Property)
http://purchasing.ufl.edu/departments/directives-procedures.asp#leases

Office of Real Estate Directives and Procedures
Lease of Space
https://ore.ufl.edu/#

Question: **4.** Do Department Business Administrators review charges recorded on the unit's ledger and inquire about unfamiliar charges?

Comment: The *myUFL* unit ledgers should be reconciled to the unit's accounting records on a monthly basis to ensure that records are kept up to date and to identify errors, irregularities, or any unauthorized transactions that may have occurred. The reconciliation process includes adjusting the ledgers and the unit's records for all pending transactions and transactions not posted. Additional information can be found at:

UF Best Practice for Departmental Reconciliation of Payment and Receipt Transactions in myUFL
http://www.fa.ufl.edu/wp-content/uploads/2013/08/ReconciliationBestPractices.2013.pdf

References: *Finance and Accounting Directives and Procedures*
Accounting and Reporting - Section 6: Departmental Fiscal Responsibility
http://www.fa.ufl.edu/directives-and-procedures/accounting-and-reporting/

Question: **5.** Do unit procedures ensure that the best combination of quality, total price, and delivery are evaluated when acquiring goods or services that are not covered by an existing university or state contract?

Comment: It is the unit's responsibility to ensure that a beneficial combination of price, quality, and services is achieved. This may require assistance from Purchasing and Disbursement Services in seeking competition from various sources of the item, with regard to prices, reliability, quality, and accessibility of vendor support. The university has established thresholds and limits for the authorization of certain purchases. In some cases, it is at the unit's discretion to choose appropriate vendors. Units should develop procedures such as reviewing price lists and obtaining quotes from other vendors for purchases below the significance level established by the university.

References: *University of Florida Regulations* 3.020 Purchasing
http://regulations.ufl.edu/chapter3/3020.pdf

UF Purchasing Directives and Procedures
Section 8: Monetary Levels and Limits
http://www.purchasing.ufl.edu/departments/directives-procedures.asp

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Question: **6.** Are all invoices independently reviewed for completeness, accuracy, compliance with university directives, and agreement to supporting documentation (receiving reports and purchase orders) before approval for payment?

Comment: Before approval of payment, all invoices should be reviewed for compliance with university policies and agreement to supporting documentation by a person different from the one that originated the transaction. Appropriate personnel should ensure that evidence of receipt was properly obtained and that the appropriate purchase order was included when applicable. When approving invoices for payment you should consider:

- All items on the invoice were received in good condition.
- Items received met the conditions of the purchase or contract.
- The invoice complies with the billing terms of the purchase order or contract.
- The invoice was calculated using the proper rates.
- The invoice does not include inappropriate charges such as travel, shipping, or insurance.
- The invoice does not include Florida sales tax, when possible.
- The invoice was mathematically correct.

Where staffing levels permit, individuals should not have responsibility for more than one of the three components of a transaction: initiation, processing, and reconciliation. Additional information such as training tools and instruction guide related to purchasing and disbursements can be found at: http://hr.ufl.edu/learn-grow/just-in-time-training/myufl-toolkits/purchasing/

References: *Finance and Accounting Directives and Procedures*
Disbursements - Section 6: Processing of Invoices
http://www.fa.ufl.edu/wp-content/uploads/disbursements/Disbursement_DirectivesandProcedures.pdf

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Question: **7.** Are returned purchases controlled in such a manner to ensure that the unit receives the credit or refund due the unit?

Comment: Management should develop unit policies to ensure that credit memos are timely and properly applied against vendor invoices. As stated by Finance and Accounting Directives and Procedures there is no need to hold credit invoices for a vendor. Units may input the credit memo into *myUFL*, and it will be applied against other invoices payable to the vendor.

References: *Finance and Accounting Directives and Procedures*
Disbursements - Section.6.H.: Processing of Invoices-Credit Memos
http://www.fa.ufl.edu/wp-content/uploads/disbursements/Disbursement_DirectivesandProcedures.pdf

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Question: **8.** Are vendor invoices and travel reimbursements controlled in such a manner as to prevent duplicate payment?

Comment:	It is the responsibility of the unit to ensure that duplicate payments are not made to a vendor. Unit procedures should be in place to prevent and detect duplicate payments. This includes keeping accurate records for all payments made and only authorizing payments on original invoices rather than periodic statements or copies of invoices.
References:	*Finance and Accounting Directives and Procedures* Disbursements- Section 6.B.*2.:* Processing of Invoices-Attributes of an Invoice-Duplicate Invoice http://www.fa.ufl.edu/wp-content/uploads/disbursements/Disbursement_DirectivesandProcedures.pdf *Finance and Accounting Directives and Procedures* Travel- Section 7A-B.: Travel Authorization and Expense Reimbursements http://www.fa.ufl.edu/directives-and-procedures/travel/#travel

Question:	**9.** Does the PCard approver have sufficient knowledge of the operations and authority to approve or deny cardholders' transactions?
Comment:	The approver's responsibilities require the freedom to question and, possibly, deny a transaction. Therefore, the approver should not report to the person(s) who would initiate the transaction. He or she must be able to question and deny a transaction without fear of reprisal. The employee should have knowledge of the university directives and procedures pertaining to the type of transaction, budget constraints on purchases, and any applicable grant requirements.
References:	Identity & Access Management – Who should be the approver? http://identity.it.ufl.edu/identity-coordination/coordination-roles/who-should-be-the-approver/

Question:	**10.** Has the unit developed a method for documenting receipt for all goods and services?
Comment:	The receiving function is an integral part of the invoice payment process. Evidence and verification of receipt of goods or services is mandatory prior to an invoice being processed for payment. Although receiving is not required to be performed online in the MPS or myUFL systems (except for capital assets, see below), all units must develop a method of properly documenting the receipt for all goods and services. The approval of an invoice in the MPS system constitutes verification by the unit that the goods and services being paid for have been received. Receiving is required to be performed in the MPS system for purchases of capital assets. When approving an invoice applied against an encumbrance for capital assets, complete the asset section in MPS by checking the box and completing all the required information for capitalization. For PCard transactions, it is recommended the cardholder or the person actually receiving the goods sign each receipt or appropriate purchase documentation and provide to their verifier or approver within three days of making a purchase. The receipts and any supporting documents must be attached to the transaction in the PCard module. A report

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named "PCard Paid Charges Aging Report" can be generated via Enterprise Reporting to assist units in identifying and accounting for all transactions made by a cardholder and processed monthly.

References:	Disbursements Directives and Procedures – Processing of Invoices - Section 6.C. http://www.fa.ufl.edu/wp-content/uploads/disbursements/Disbursement_DirectivesandProcedures.pdf

UF Purchasing PCard Policies and Procedures
Receipt Requirements
http://www.purchasing.ufl.edu/departments/pcard/procedures/default.asp

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Question: **11.** Are purchasing card transactions authorized by an appropriate approver timely?

Comment: All PCard transactions should be reviewed for receipts/supporting documentation and compliance with university directives. A PCard "reconciler" is responsible for adding accounting information (category ID, description, chartfield) to cardholder transactions, but this may also be performed by an approver. Each unit should have two assigned PCard approvers, one primary and one backup. To the extent possible the approver should not report to the person(s) who would initiate the transaction. The approver should also be in a position to determine whether purchases were reasonable and appropriate. PCard transactions should be approved in fifteen calendar days or less. Additional information and training tools for reconciling and approving PCard transactions can be found at:

http://hr.ufl.edu/learn-grow/just-in-time-training/myufl-toolkits/purchasing/

References: *UF Purchasing PCard Policies and Procedures*
Receipt Requirements
http://www.purchasing.ufl.edu/departments/pcard/procedures/default.asp

UF PCard Best Practices
http://www.fa.ufl.edu/wp-content/uploads/2012/03/best-practice-purchasing-card.pdf

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Question: **12.** Does unit management periodically review a list of unit cardholders and their limits to determine if changes need to be made?

Comment: Since unit size and complexity varies significantly, unit managers should consider the establishment of specific thresholds or limits that will fit the cardholder's and unit needs. Management should design and implement proper controls to ensure that purchases have a valid business purpose and that they comply with established purchasing limits. Unit managers should perform periodic reviews of the cardholder's list, actual use, and credit card limits to determine if there are any changes in thresholds or cardholder's need for a PCard.

References: UF Purchasing-PCard FAQs
http://purchasing.ufl.edu/departments/pcard/faq.asp

UF PCard Best Practices (Page 9)
http://www.fa.ufl.edu/wp-content/uploads/2012/03/best-practice-purchasing-card.pdf

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Question: **13.** Are requests for travel reimbursements and related expenses submitted through the Travel and Expense module rather than myUF Payment Solutions?

Comment: University Directives state that all travel reimbursement requests must be submitted on a Travel Expense Report through the Travel and Expense module. The Travel Expense Report should include all travel related expenses even when paid with a PCard, Avis ACTO or by direct payment because this will ensure that the true cost of travel is properly reflected. Not following these instructions may lead to duplicate reimbursements for the same expense.

References: *Finance and Accounting Directives* and Procedures Travel- Section 7.B.: Travel Authorization and Expense Reimbursements-Travel Expense Reimbursements
http://www.fa.ufl.edu/directives-and-procedures/travel/#travel

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Question: **14.** Has the unit established procedures to ensure that telephone invoices are properly reviewed and approved for payment and that only authorized and official business telephone charges are paid?

Comment: Management should develop unit procedures to ensure that telephones and cell phones are used in the most efficient manner. This includes using least costly methods for long distance telephone calls and ensuring that calls are limited to business use only. In addition, monthly service charges should be reviewed to ensure that the unit is charged only for services received, including appropriate telephone lines.

Cellular telephones and similar wireless communication devices have become common place and are now often necessary for staff and faculty to carry out their responsibilities in an effective and efficient manner. The cost of the business use of these phones and other devices may be significant and needs to be properly managed by University units.

The unit is responsible for:
A .Determining whether the faculty or staff's position requires a communication device based upon his or her job responsibilities and maintaining appropriate documentation to support this in the unit files;
b. Determining which of the allowed acquisition methods is most appropriate to a faculty or staff member requiring a communication device;
c. If a communication device reimbursement is granted to the faculty or staff member, to ensure that documentation supporting the amount is maintained in the unit files, along with the noncompensatory business purpose;
d. If a University owned communication device is provided, to ensure that appropriate detail documentation is maintained to support the business purpose;

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e. University provided equipment remains the property of the University and must be turned into the unit head or designee when the equipment or cell phone service is no longer needed, or if the faculty or staff member transfers or terminates their employment with the University;

f. If a faculty or staff member receiving a monthly service plan reimbursement terminates or changes units, Payables and Disbursement Services must be contacted to close the voucher and discontinue the reimbursement.

References: *Finance and Accounting Directives and Procedures* Telecommunications –Section 1: Telecommunication Charges - Responsibilities and Internal Control
http://www.fa.ufl.edu/directives-and-procedures/telecommunications/#telecommunication

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Question: **15.** Are maintenance agreements reviewed periodically?

Comment: Prior to renewing maintenance contracts on equipment, management should ensure the equipment is still owned and used by the unit and that it is still in the unit's best interest to continue to carry the maintenance coverage. When determining the need of maintenance agreements management should consider the value of the equipment, its useful life and the intended use among other factors.

References: UF Purchasing -*Purchasing Directives and Procedures* - Guidelines for Certain Types of Purchases-Maintenance or Service Agreement
http://purchasing.ufl.edu/departments/directives-procedures.asp#maintenance

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Question: **16.** Are the purchase, storage, and issuance of supplies properly controlled to prevent over-purchasing, pilferage, deterioration, and damage?

Comment: Supplies should be kept at reasonable quantities and should be stored in secure areas. Units can benefit from the creation of Amount Only Purchase Orders when initiating supplies purchases. These facilitate the purchasing process of supplies and reduce associated administrative costs. Unit managers should ensure that supplies are only purchased for a valid business purpose and that appropriate control procedures are established to prevent misuse. This could include the use of locked file cabinets to store supplies, assigning custody of the supply warehouse or storage area to appropriate personnel and segregating duties such as ordering, receiving and approving supply purchases.

References: *Finance and Accounting Directives and Procedures* Inventories for Supply and Resale
http://www.fa.ufl.edu/directives-and-procedures/inventories-for-supply-and-resale/

Question: **17.** Are purchases made outside of *myUF Market* done so only when absolutely necessary?

Comment:	*myUF Market* is the preferred method for all purchases. The PCard can be used outside *myUF Market* only when the vendor or product needed is not available through *myUF Market*. Employee reimbursements should be kept to a minimum. *myUF Market* provides easy access to contract pricing and should help to place orders quickly and efficiently.
References:	About *myUF Market* http://purchasing.ufl.edu/departments/myufmarket/default.asp

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Question:	**18.** Do travelers within your unit register foreign travel with the International Center?
Comment:	For federal compliance purposes and to ensure that travelers receive the assistance they would need in emergency situations, all faculty, staff and students traveling outside the U.S. in conjunction with a UF degree program or on official university business must register their travel with the International Center. Travelers should also be aware of their responsibilities for protecting sensitive data subject to export controls. By ensuring staff are registered with the International Center for foreign travel, sensitive data that may be on laptop computers that are accompanying travelers can be better managed. Export controlled information should never be stored on a computer that is connected to the University intranet or to the Internet, except from an approved Export Control Network Computer (ECNC). The ECNC approval process includes meeting specific security requirements and approval by the department chair or dean and the Director of Sponsored Research and Compliance.
References:	UF Office of Research – Export Controls FAQ's http://research.ufl.edu/faculty-and-staff/research-compliance/export-controls/faqs.html *UF Administrative Memo* - University's Policies Regarding Compliance with U.S. Export Controls: Responsibilities of Faculty, Staff and Students https://administrativememo.ufl.edu/2008/05/universitys-policies-regarding-compliance-with-u-s-export-controls-responsibilities-of-faculty-staff-and-students/ UF Office of Research-Forms http://research.ufl.edu/faculty-and-staff/research-compliance/export-controls/forms.html International Center-International Travel Registration http://www.ufic.ufl.edu/Travel.html

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Asset Management

Question: **1.** Are unit property custodians familiar with the appropriate section of the Finance and Accounting Directives and Procedures related to asset management?

Comment: Property custodians must be familiar with university policies and procedures for asset management in order to accurately maintain records and provide accountability for university owned property.

Additionally, each unit should develop written policies and procedures to address the particular needs of that unit. The procedures should provide that:

14. The functions of ordering, receiving, processing payments, and maintaining the inventory should be separated among various employees. The person responsible for maintaining the inventory records should not have access to inventory items.
15. Appropriate reorder levels for inventory items are established.
16. The inventory is stored securely and is protected from damage and deterioration.
17. Access to the inventory should be limited to those who need access and keys or locks should be changed periodically.
18. Inventories should be physically counted periodically by someone who does not have access to the inventory. The results of the counts should be compared to the inventory records. Significant discrepancies should be investigated.
19. Accounting systems for inventories consisting of high dollar items will need to be structured to allow for the tracking of each item. Unit heads and managers of units remain primarily responsible for ensuring that adequate control procedures are in place to secure university assets.

References: *Finance and Accounting Directives and Procedures*
Asset Management
http://www.fa.ufl.edu/directives-and-procedures/asset-management/

Question: **2.** Are property transactions recorded and submitted to Asset Management as soon as possible?

Comment: In order for all property items to be accounted for adequately, Property Surveys and Reports of Transfer of Property must be completed and submitted to Asset Management. This procedure ensures that accurate records are kept for all property

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items. Maintenance of accurate property records is important for financial reporting, monitoring, and insurance purposes.

References: *Finance and Accounting Directives and Procedures*
Asset Management- Section 9: Transferring Ownership
http://www.fa.ufl.edu/directives-and-procedures/asset-management/

Asset Management – Section 12: Dispositions
http://www.fa.ufl.edu/directives-and-procedures/asset-management/

Question: **3.** Does your unit effectively manage its asset needs and resources by considering the Surplus Warehouse prior to purchasing new equipment and for disposal or re-use of surplus property?

Comment: Employees with authority to purchase and manage assets for their unit should visit the surplus property website or warehouse to ensure that university resources are maximized and used effectively. Units are encouraged to initiate a request to pick up surplus equipment in *myAssets* whenever they discover they have equipment that is no longer needed in their unit so that those items become available for use by other units.

References: *Finance and Accounting Directives and Procedures*
Asset Management- Section 4: Acquisitions
http://www.fa.ufl.edu/directives-and-procedures/asset-management/#acquisitions

University of Florida Asset Management Surplus Property
http://www.fa.ufl.edu/departments/asset-management/surplus-property/

Finance and Accounting Directives and Procedures
Asset Management- Section 17: Reducing, Re-Using and/or Recycling University of Florida Electronic Equipment
http://www.fa.ufl.edu/directives-and-procedures/asset-management/#reducing

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Question: **4.** Has the unit developed guidance defining attractive and sensitive property (ASP)?

Comment: The university defines Attractive/Sensitive Property (ASP) as tangible personal property that costs less than $5,000 and can be characterized as "walk away" items. These items are prone to theft because they are either not secured, are easily portable, contain new technology and/or they are adaptable for personal use.

The following are required to be treated as ASP and identified in a unit's ASP list when the item costs less than $5,000 (not part of the University's capital assets inventory):

- Any property item included on the United States Munitions List (USML) or in the 600 series on the Commerce Control List

- Items taken off campus

- Items purchased with Equipment-Use Fees, Fund 163
http://cfo.ufl.edu/media/cfoufledu/documents/Equipment-Use-Fee-Equipment-Management-Policy.pdf

20.   Items identified in the Mobile computing and storage devices policy to be maintained on the unit's information assets inventory
http://www.it.ufl.edu/policies/information-security/mobile-computing-storage-devices

Each unit should complete its own assessment of what it includes as ASP (including the items noted above). This policy should be documented and communicated to all individuals responsible for the property's life cycle (personnel responsible for purchasing, custodians, etc).

References:	B*est Practice Guides: Best Practices for Attractive and Sensitive Property* *http://www.fa.ufl.edu/wp-content/uploads/asset/FinalASPBestPractices.pdf* *Finance and Accounting Directives and Procedures* Asset Management – Section 16: Attractive and Sensitive Property *http://www.fa.ufl.edu/directives-and-procedures/asset-management/#safeguarding*

Question:	**5.** Does your unit have a process to identify and record all acquisitions of attractive/sensitive property items?
Comment:	A process should be established to identify attractive/sensitive property that has been purchased, donated, and transferred into the unit. Maintaining a record of the items acquired will assist in an annual inventory of attractive/sensitive property. Proper coordination of the communication mechanisms between the unit's Asset Manager and those involved with purchasing and/or receiving goods helps to improve the accuracy of unit records.
References:	B*est Practice Guides: Best Practices for Attractive and Sensitive Property* *http://www.fa.ufl.edu/wp-content/uploads/asset/FinalASPBestPractices.pdf* *Finance and Accounting Directives and Procedures* Asset Management – Section 16: Attractive and Sensitive Property *http://www.fa.ufl.edu/directives-and-procedures/asset-management/#safeguarding*

Question:	**6.** Does your unit maintain proper security of the attractive/sensitive property?
Comment:	Units should ensure that movable equipment is adequately secure. For items that are considered to be "attractive" or easily stolen, additional security measures should be

implemented including but not limited to assignment of control to an individual, a system to track and check out items for use, or maintenance in a separate locked location.

References: *Finance and Accounting Directives and Procedures*
Asset Management – Section 7: Safeguarding and Care
http://www.fa.ufl.edu/directives-and-procedures/asset-management/#safeguarding and care

Asset Management – Section 16: Safeguarding Attractive and Sensitive Property
http://www.fa.ufl.edu/directives-and-procedures/asset-management/#safeguarding

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Question: **7.** Is furniture/equipment properly constructed at the university, accounted for, and included on the property records, when appropriate?

Comment: Constructed or fabricated equipment includes equipment that is constructed by individuals or units or purchased by assembling parts or basic materials. Property or equipment constructed at the university needs to be properly accounted for by following Asset Management procedures for the acquisition and accountability of equipment.

References: *Finance and Accounting Directives and Procedures*
Asset Management- Section 4.E.: Acquisitions-Fabricated Equipment
http://www.fa.ufl.edu/directives-and-procedures/asset-management/#acquisitions

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Question: **8.** Is the use of property off-campus properly accounted for and documented with an off-campus certification form?

Comment: Unit policies and procedures should be established to provide guidance and conditions under which university equipment may be taken off campus. Whenever university equipment is taken off campus, the contribution to the university's and unit's missions should be fully documented. Personnel should annually complete the appropriate forms for equipment taken off campus in order for the unit to ensure that all equipment is properly accounted for and that all employees keeping equipment off campus are eligible to do so. Use of university equipment in connection with outside activities should be approved by the custodian of the equipment and the employee's supervisor. Any costs incurred by such use should be charged to the employee.

References: *Finance and Accounting Directives and Procedures*
Asset Management- Section 8.: Relocating
http://www.fa.ufl.edu/directives-and-procedures/asset-management/#relocating

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Question: **9.** Are vehicle use records and vehicle maintenance records maintained for the use of university owned vehicles?

Comment: Units should keep vehicle use records in order to document that all vehicle usage is appropriate. This procedure also ensures that vehicle usage is restricted to business use only and to personnel with valid driver's licenses. A vehicle use record form can be found at: http://www.fa.ufl.edu/wp-content/uploads/disbursementsvehicleuse.pdf

References: *Finance and Accounting Directives and Procedures*

University- Owned Vehicle Usage-Acquisition, Use, Maintenance, and Logs
http://www.fa.ufl.edu/directives-and-procedures/university-owned-vehicle-usage/

University of Florida Vehicle Management Plan
http://www.ppd.ufl.edu/pdf/VehicleManagementPlan2007_7-22-08%20(2).pdf

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Question: **10.** Are office keys and other methods/types of building access allocated only to the appropriate employees?

Comment: Appropriate access controls should include the development of a policy to access unit facilities. Management should evaluate procedures for opening and closing facilities as well as assignment of keys, passwords and any other mechanisms that will grant access to the property.

References: University of Florida Key and Lock Policy
https://www.ppd.ufl.edu/_library/pdf/bm/KeyPolicy.pdf

Question: **11.** Does your unit follow special handling procedures upon the receipt of government or grant funded equipment?

Comment: Government owned properties are subject to special handling when received and upon disposal. Title to all equipment furnished by the government for use on a project will remain with the government. When government owned property becomes excess to the contract for which it was provided, it must be screened against the needs of other contracts before it can be declared excess. A request to cannibalize government equipment must be made to the contracting officer for approval. UF owned equipment purchased from Contracts & Grant funds and still residing on a Contract & Grant account can only be donated to other government organizations.

References: *Finance and Accounting Directives and Procedures*
Asset Management- Sections 4.F.-4.H.: Acquisitions
http://www.fa.ufl.edu/directives-and-procedures/asset-management/#acquisitions

Finance and Accounting Directives and Procedures
Asset Management- Section 12: Dispositions
http://www.fa.ufl.edu/directives-and-procedures/asset-management/#dispositions

Question: **12.** Have employees been provided with information regarding the records retention guidelines?

Comment: Records are information fixed on any media. Any information created or received by an employee that has anything to do with university business belongs to the university. This information, regardless of format, is to be maintained according to records management guidelines published by the State of Florida and the university.

The University of Florida is required by state law to make available, preserve, and safeguard public records which document university functions, policies, procedures and decisions and those that protect the legal and financial rights of the university. Management of public records is one of the many administrative functions assigned to all university entities and their staff.

There should be periodic reviews to purge and properly dispose of records that surpass their retention period.

References: University of Florida Records Retention Schedules

http://cms.uflib.ufl.edu/records/Schedules

Payroll

Question: **1**. Does your unit approve time/leave and/or process payroll transactions?

Question: **2.** Are staff members with responsibility for payroll familiar with the Finance and Accounting Directives and Procedures relating to Payroll?

Comment: It is important that policies and procedures are clearly communicated to all employees, including general control procedures for managing payroll activities.

References: *Finance and Accounting Directives and Procedures*
Payroll
http://www.fa.ufl.edu/directives-and-procedures/payroll

Question: **3.** Are time and labor entries approved by the person who has supervisory responsibilities over the persons whose time/leave is being approved?

Comment: Payroll should be approved by personnel that has supervisory responsibilities over all persons whose time/leave is being approved.

References: *Finance and Accounting Directives and Procedures*
Payroll- Section 4: Responsibilities
http://www.fa.ufl.edu/directives-and-procedures/payroll/#responsibilities

Question: **4.** Are time/leave entries approved at least once during the first work week of the pay period and Tuesday – Friday of the second work week?

Comment: Approvers are encouraged to review and approve time daily. This should help prevent any last minute approvals and potential errors. As a reminder, if daily approval is not possible, approvals should be completed at least once during the first work week of the pay period and Tues-Fri (approvals must be completed by 9am on Friday) of the 2nd work week.

References: Required training to obtain the UF_TL_DEPT_APPROVER security role:
PST916: Time & Labor Approvers

Question: **5.** Are unit procedures in place to ensure that leave taken is properly approved and recorded?

Comment: Each unit is responsible for maintaining auditable leave records for each of its employees. Planned leave should be approved in advance by the supervisor of the employee using leave. All FMLA leave should be documented, approved, and entered in a timely manner. All eligible employees should be advised of their FMLA rights and responsibilities, as appropriate. To ensure the accuracy of leave entry, leave reports should be reviewed at least each payroll period by someone other than the leave keeper. Detailed reviews of the leave reports should be performed to ensure that entries of leave use were recorded accurately and timely. If leave is not recorded timely, the likelihood that it will be recorded is reduced and it possibly could allow an employee to use leave in excess of the actual leave balance. Additional information can be found at: http://hr.ufl.edu/benefits/leave/

References: *University of Florida Regulations* 1.200 Benefits, Retirement Programs, Employment Services, and Holidays
http://regulations.ufl.edu/chapter1/1200.pdf

University of Florida Regulations 1.201 Leaves
http://regulations.ufl.edu/chapter1/1201.pdf

Question: **6.** Does the payroll processor review the Preliminary Payroll Listing before each payroll closing to ensure that employees will be paid correctly?

Comment: Payroll should be calculated and recorded accurately and completely for all services performed. Data in support of payroll to be processed should be reviewed for accuracy and completeness. Management should develop procedures and assign responsibilities to ensure that the unit's Preliminary Payroll Listing is properly and timely reviewed. This procedure should detect errors or irregularities before the payroll is processed. The last page of the Preliminary Payroll Listing includes "Employees Missing a Paycheck". Employees are listed if they have not entered time/leave or the time/leave the employee entered has not been approved.

References: *Finance and Accounting Directives and Procedures*
Payroll- Section 4: Responsibilities
http://www.fa.ufl.edu/directives-and-procedures/payroll/#responsibilities

Finance and Accounting Directives and Procedures
Payroll- Section 10: Wage Overpayments
http://www.fa.ufl.edu/directives-and-procedures/payroll

Question: 7. Does management review, sign, and date the Final Payroll Listing to document that faculty and staff are paid accurately and terminated employees are not paid?

Comment: It is important for a unit to perform a documented review of the Final Payroll Listing to help ensure that payroll payments are correct. This procedure will assist units in identifying personnel transactions such as terminations, rate changes, or hires that were not processed timely. The Final Payroll Listing should also be reviewed to ensure that leave used by employees was reported accurately. The recommended best practice is to retain the Final Payroll Listing in the unit, in hard copy or electronic format, with evidence of approval. This should not be delegated unless compensating controls exist to help verify payroll is accurate, complete, and timely.

References: *Finance and Accounting Directives and Procedures*
Payroll- Section 4: Responsibilities
http://www.fa.ufl.edu/directives-and-procedures/payroll/#responsibilities

Finance and Accounting Directives and Procedures
Payroll- Section 10: Wage Overpayments
http://www.fa.ufl.edu/directives-and-procedures/payroll/

July 22, 2013 Administrative Memo
http://lists.ufl.edu/cgi-bin/wa?A2=ind13&L=ADMINISTRATIVE-MEMO-L&T=0&O=D&P=42182

Question: 8. Is the Final Payroll Listing reviewed in a timely manner so that Payroll can be notified by the appropriate deadlines of any advices requiring EFT cancellation?

Comment: The Final Payroll Listing can be accessed through Enterprise Reporting the Monday morning following the end of the pay cycle. Management should develop procedures to ensure that the Final Payroll Listing is properly and timely reviewed. Timely communication is necessary to prevent the transfer of an incorrect amount to an employee. The deadline for requesting an EFT cancellation is 5 PM on Monday following the end of the pay cycle, This deadline may be different during accelerated payrolls; however, all accelerated dates are published in the biweekly Payroll Closing Schedule listserv message to Approvers and Processors.

References: *Finance and Accounting Directives and Procedures*
Payroll- Section 10: Wage Overpayments
http://www.fa.ufl.edu/directives-and-procedures/payroll/

Question: **9.** Are overpayments dealt with promptly?

Comment: When overpayments occur management needs to notify Payroll Services in order to ensure that the necessary actions are immediately taken and appropriate forms are completed.

References: *Finance and Accounting Directives and Procedures*
Payroll- Section 10: Wage Overpayments
http://www.fa.ufl.edu/directives-and-procedures/payroll/

Question: **10.** Do the time records reflect the actual hours/minutes worked rather than the hours scheduled to work?

Comment: Time and attendance records should be completed by the employee and approved by supervisory personnel with direct knowledge that the work certified was actually performed. In order to ensure that employees are being paid for actual time worked, units should ensure that time cards/timesheets reflect the actual hours/minutes worked rather than the hours scheduled to work. Non-exempt employees who use Punch Timesheet should enter their actual start/stop time, e.g. Start 8:06. The rounding rules in myUFL add the total number of minutes for the day and round to the quarter hour. Leave time should be reported in quarter hour increments. Estimates of time to be worked are sometimes necessary to meet payroll deadlines. Variances from these estimates should be documented and appropriate adjustments should be made to payroll or leave records as soon as possible. This helps ensure proper payroll payments and maintenance of time records. It is important for a unit to keep accurate records of time and attendance in order to adequately account for benefit time, deal with excessive absences and document compliance with the federal wage and hour law. Each unit is responsible for ensuring:

- compliance with federal wage and hour rules,
- accurate time records are maintained,
- that leave use as documented by leave records agrees with time records, and
- that appropriate accounts are charged for salaries and wages.

References: UF Human Resource Services-Time Reporting-Time Worked
http://hr.ufl.edu/working-at-uf/time-and-pay/time-reporting/

UF Human Resource Services-Record Keeping
http://hr.ufl.edu/manager-resources/classification-compensation/compensation/wage-and-hour-law/

Question: **11.** Have procedures been implemented to ensure that overtime and compensatory time hours worked are appropriate and approved in advance by an employee's supervisor?

Comment: Overtime and compensatory work hours should be approved in advance by a supervisor in order for the unit to avoid excessive and unnecessary payroll costs. An alternative to paying overtime may be an adjustment to the employee's work schedule. Every effort should be made to limit overtime to the performance of essential tasks which require completion by a specific deadline and which cannot be accomplished during regular work hours.

References: UF Human Resource Services-Time Reporting-Attendance, Working Hours, and Time Worked
http://hr.ufl.edu/working-at-uf/time-and-pay/time-reporting/

UF Human Resource Services-Compensatory Leave
http://www.hr.ufl.edu/leave/compensatory.asp

UF Human Resource Services-Overtime
http://hr.ufl.edu/manager-resources/classification-compensation/compensation/wage-and-hour-law/

Human Resource Management

Question: **1.** Have employees with HR administrative responsibilities attended training programs that are specific to their roles in the organization?

Comment: Management should ensure that their unit's staff have the skills, knowledge and other competencies to effectively perform their duties. This could be achieved through on the job training or other training tools. The UF Human Resource Services and UF Enterprise Systems have developed a series of instruction guides and web tutorials that will assist unit administrators with many tasks, including entering a new hire into the *myUFL* systems as well as assisting with the execution of job or position actions (such as special pay increases and reclassifications). More information on these tools can be found at:

UF Training & Organizational Development-Training Courses Offered
http://hr.ufl.edu/learn-grow/training-organizational-development/courses-and-registration/

UF Training & Organizational Development-HR/Payroll Courses
http://hr.ufl.edu/learn-grow/business-administration/pro3-series/pro3-course-descriptions/human-resourcespayroll-management-course-descriptions/

UF Human Resource Services-Hiring
http://hr.ufl.edu/learn-grow/just-in-time-training/myufl-toolkits/hiring-and-additional-pay/

UF Human Resource Services-Job Actions
http://hr.ufl.edu/learn-grow/just-in-time-training/myufl-toolkits/job-and-position-actions/

UF Human Resource Services-Time and Labor
http://hr.ufl.edu/learn-grow/just-in-time-training/myufl-toolkits/time-labor/

References: None campus-wide.

Question: **2.** Do new employees complete new employee orientation in a timely manner?

Comment: All newly-hired TEAMS employees, both exempt and non-exempt, should complete the online new employee orientation. The New Employee Orientation programs discuss the rights and responsibilities that come with being a University of Florida employee and provide an overview of available benefits and retirement options. Additional information can be found at:

http://hr.ufl.edu/working-at-uf/new-employees/staff-enrollment

http://hr.ufl.edu/working-at-uf/new-employees/gatorresources/

References: None campus-wide.

Question: **3.** Are employee job descriptions current?

Comment: Management should analyze, on a formal or informal basis, the tasks comprising particular jobs, considering such factors as the extent to which individuals must exercise judgment and the extent of related supervision. In order to ensure that everyone is aware of their roles and duties, this information should be clearly communicated throughout the business unit with current organization charts and position descriptions.

More information on position descriptions can be found at:
http://hr.ufl.edu/manager-resources/classification-compensation/classification/establishing-a-new-position/how-to-write-a-position-description/

References: None campus-wide.

Question: **4.** Are performance evaluations submitted on a timely basis to the UF Human Resource Services?

Comment: Units should make an effort on the periodic and timely submission of employee evaluations. So that employees may obtain essential information about work performance, staff with more than six months of service should be formally evaluated by their supervisors on an annual basis. This on-going responsibility is very important to facilitating the best possible staff environments. Additional information can be found at:

http://hr.ufl.edu/manager-resources/employee-relations/performance-appraisals/

References: *University of Florida Regulations* 3.050 Staff Performance Appraisals
http://regulations.ufl.edu/chapter3/3050.pdf

Question: **5.** Are employees who are covered by the Fair Labor Standards Act (non-exempt/hourly employees) compensated for overtime worked?

Comment: Supervisors and managers are responsible for organizing and scheduling work in such a manner as to preclude the need for non-exempt (hourly paid) employees to work more than forty (40) hours in a workweek. If non-exempt employees work more than 40 hours per week they are entitled to overtime compensation or compensatory time. Procedures should be in place to ensure that the schedule and time worked for non- exempt employees is closely monitored and documented.

References: 6C1-1.101 *University of Florida Regulations* 1.101 Compensation
http://regulations.ufl.edu/chapter1/1101.pdf

UF Human Resource Services-Overtime
http://www.hr.ufl.edu/class_comp/policy/wageandhour.asp

Question: **6.** Are terminations of appointments for employees separating from the university processed timely and the Employee Exit Checklist completed?

Comment: It is important for a unit to complete the Employee Exit Checklist for all employees upon transfer or termination in order to ensure that all exit procedures have been completed. An employee exit interview also allows supervisors to assess work environment and solicit input for potential improvement. These procedures protect university assets and should include:
- Deletion of authority to approve transactions (signature cards, electronic authorizations),
- Deletion of access to applications, and
- The return of university property such as keys, credit cards, and computers.

More information related to exit checklist can be found at:

http://hr.ufl.edu/wp-content/uploads/forms/emp_relations/exit_checklist.pdf

References: *University of Florida Regulations* 1.017 Separations from Employment and Layoff
http://regulations.ufl.edu/wp-content/uploads/2012/09/1017.pdf

Question: **7.** Is personnel information properly secured and disposed of in accordance with Privacy Office guidelines to reduce the risk of breach of sensitive information?

Comment: All restricted information in all formats (paper, electronic, or other) should be secured from unauthorized access at all times, to protect the information from damage, loss, alteration, tampering, and fraudulent use. Restricted information is any and all personal identification information, protected health information, financial information, and other information protected by law.

References: *UF Information Privacy Policies & Procedures*
http://privacy.ufl.edu/privacy-policies-and-procedures/

Question: 8. Does your unit have a process in place to review, identify, and manage employees' potential conflicts of interest (i.e. outside activities, financial interests, and employment of relatives/nepotism)?

Comment: Employees of the University of Florida may also engage in outside employment, consulting, and other similar activities. These activities can further the dissemination and use of the knowledge and expertise developed at the university and may also advance the professional competence and reputation of the faculty and staff members. Thus, participation in outside activities may often serve the mission of the university in addition to benefiting individual employees. Such activities and the financial interests of faculty and staff members are, however, of concern to the university if they result in conflicts with the employees' duties and responsibilities to the institution. It is the policy of the university that faculty and staff members may participate in outside activities and hold financial interests as long as the activities and interests do not conflict with these duties and responsibilities.

The University of Florida is committed to a policy of employment and advancement on qualifications and merit and does not discriminate in favor of or in opposition to the employment of relatives. UF Regulation 1.009, Employment of Relatives, specifically prohibits the appointment of relatives or persons living in the same household to any position where a direct or indirect supervisory relationship would exist between relatives or would create a perceived or actual conflict of interest. This includes, but is not limited to appointment, compensation, assignment of work, evaluation, grants administration and sponsored research projects, and financial authority or transactions. The employment of related person and/or a supervisory employee must be specifically approved in writing by the Dean of the college in which the related person is employed and the Provost or, for non-academic units, the Director of the unit and the Vice President for Human Resource Services. Employment of Relatives Approval Form: http://hr.ufl.edu/wp-content/uploads/forms/recruitment/Employment_of_relatives.pdf

References: *UF Guidelines, Policies, and Procedures on Conflict of Interest and Outside Activities, Including Financial Interests*
http://www.generalcounsel.ufl.edu/downloads/COI.pdf

TEAMS and USPS Employee Handbook
http://hr.ufl.edu/wp-content/uploads/publications/handbook.pdf

University of Florida Regulations 1.009 Employment of Relatives

http://regulations.ufl.edu/wp-content/uploads/2012/09/1009.pdf

UF Human Resource Services – Employment of Relatives

http://hr.ufl.edu/manager-resources/recruitment-staffing/recruitment-resources/recruitment-policies/hiring-policies/#nepotism

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Question: **9.** Is approval for alternate work location obtained through completion of the UF Alternate Work Location Agreement form?

Comment: Alternate Work Location Agreements are required when an employee will work on a scheduled basis from a location other than the office or facility where work routinely occurs. Working at an approved alternate location cannot be permitted if the employee cannot perform all essential functions of his or her assigned duties, including his or her contact with customers, coworkers, or students, as determined by the employee's supervisor in conjunction with the appropriate dean or director—with final approval by the appropriate vice president.

References: UF Human Resource Services-Alternate Work Location
http://www.hr.ufl.edu/recruitment/policy/default.asp
http://hr.ufl.edu/wp-content/uploads/forms/recruitment/alternate.pdf

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Question: **10.** Is Vice President approval obtained to authorize a modified work schedule?

Comment: Modified work schedules are those that deviate from the traditional schedule of eight hours per day, five days per week. These schedules may be established at the discretion of management and require appropriate vice president approval but must still adhere to the requirements of the Fair Labor Standards Act as well as university policy.

References: UF Human Resource Services-Modified Work Schedule
http://hr.ufl.edu/manager-resources/recruitment-staffing/recruitment-resources/recruitment-policies/modified-work-schedule/

Research Management and Support

Question: **1.** Does your unit manage any sponsored projects?

Question: **2.** Are staff members responsible for contracts and grants familiar with the university policies, directives, and procedures relating to Contracts and Grants (C&G) and with the Division of Sponsored Programs (DSP) handbook?

Comment: Personnel should be informed of proper business procedures. Testing or requiring employees to certify they have read and understood relevant policies and standards are one method to ensure their understanding and acceptance of standards.

References: Contracts and Grants Accounting
http://www.cg.cfo.ufl.edu/

Office of Research - *Researcher's Handbook*
http://research.ufl.edu/research/handbook.html

Office of Research - Research Compliance
http://research.ufl.edu/faculty-and-staff/research-compliance.html

Costing Policies
http://www.fa.ufl.edu/departments/cost-analysis/costing-guidelines-and-policies/

University Research Regulations
http://generalcounsel.ufl.edu/regulations-and-policies/

Question: **3.** Have staff and faculty been provided sufficient training to understand the special requirements of expending contract and grant funds, effort reporting, and in general ensuring compliance with grant or contract terms and Federal regulations?

Comment: Unit personnel should be encouraged to attend available training. Unit meetings could be held to communicate relevant issues. Consider the use of the Contracts and Grants Accounting office as a presenter at these meetings or coordination with Division of Sponsored Programs for your specific requirements.

References: Training references are available at:

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http://research.ufl.edu/faculty-and-staff/training.html and http://hr.ufl.edu/learn-grow/business-administration/sponsored-research-training/

Question: **4.** Are costs directly charged to a grant or used as cost sharing reviewed to assure they are reasonable, allocable, consistently treated, and meet any restrictions that apply?

Comment: College/Departmental/Division responsibilities: The college, department or division is responsible for implementing and monitoring compliance with applicable guidelines. They are also responsible for providing principal investigators with the information necessary to fulfill their fiduciary and sponsored project management responsibilities. The college is responsible for clearly delineating the division of responsibilities between the college and its departments/divisions. The college, department, or division should have records that will permit auditing by internal or external auditors. For example, if an investigator's laboratory is supported by multiple sponsored projects with distinct specific aims, cost incurred for use of common equipment and other activities that benefit all these contracts or grants should be able to be distributed across these sponsored projects on the basis of the proportional benefit provided to each of them, as required by 2CFR 200. Reference: http://training.hr.ufl.edu/resources/cost_principles/2CFR200_QuickReferenceGuide.pdf

Approval and monitoring procedures should provide for assurance that costs are:

Reasonable, that is, if costs are:
- Ordinary and necessary to the performance of the contract or grant.
- Determined using sound business practices, arms-length bargaining, compliance with federal and state laws, and regulations and contract and grant conditions.
- The actions that a prudent person would take in those circumstances.
- Treated consistently as per established institutional policy.

Allowable and Allocable if the costs:

- Are incurred specifically for the contract or grant.
- Benefit the contract or grant being charged.
- Are necessary to the overall operation of the project.
- Approved prior to being incurred where required.
- Incurred within or inured benefit to during the project period of performance

The use of written policies and procedures documenting transaction approval and monitoring process, as well as a standard review checklist are sample tools to improve consistency.

References: Costing Policies: http://www.fa.ufl.edu/departments/cost-analysis/costing-guidelines-and-policies/

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Question: **5.** Does your unit review terms and conditions of contractual agreements regarding limitations for purchasing equipment before assets are acquired/charged to a contract or grant?

Comment: Contract terms should be reviewed prior to the initiation of an equipment purchase to ensure that funds may be used for the purchase and that any required purchase approvals are obtained when required, and equipment is properly titled.

References: Office of Research *Researcher's Handbook* Section 3: Preparing a Budget
http://www.research.ufl.edu/research/handbook/researcher_handbook/section3.html

Question: **6.** Is biweekly payroll distribution managed to assure that employee payroll is charged to sponsored projects consistent with employee's activities rather than budget or availability of funds?

Comment: It is the responsibility of the principal investigator to conduct his/her project in accordance with the approved proposal. In most cases, reimbursement of expenditures incurred by the project is dependent on the progress made by the principal investigator. The principal investigator is responsible for:

- Assembling the necessary staff. Salaries and wages must directly benefit the project and be within the permissible time frame.
- Conducting the project as described in the proposal and agreed to by means of the award notification.

The unit should have procedures in place to verify initial employee cost distributions and any changes are set up in alignment with their duties and charged to appropriate accounts based on sponsor requirements. Unit policies and procedures should be in place for review of payroll distributions and timely correction of errors.

All expenditures, including payroll expenses, charged to grant or contract accounts should be made in support of the grant or contract, and according to its budget. Expenditures should be made at an appropriate time during the grant so that the goods or services will benefit the grant. Reviews of grant ledgers by a principal investigator or another individual with suitable means of verification are a key control to ensure that expenditures support the accomplishment of the grant. Payroll distribution reports available in *myUFL* and reconciled effort reports can be used to agree amounts charged to the project.

References: None campus-wide.

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Question:	**7.** Are unit procedures in place to ensure expenditures are not charged after the grant period, and assist core Contract and Grant offices with the timely closeouts of awards?
Comment:	Unit procedures should be in place to ensure all charges to grants are directly charged at the time they occur and benefit the grant during the grant's period of performance. Review and monitoring procedures should be in place to verify charges and make timely corrections. Policies should be in place to communicate the importance and expectations necessary for close out of projects. Consider the use of an internal review prior to the end of the grant period in order to identify issues and have sufficient time to make any necessary corrections.
References:	Office of Research *Researcher's Handbook* Section 12: Closing Out a Project http://www.research.ufl.edu/research/handbook/researcher_handbook/section12.html

Question:	**8.** Are policies and procedures in place to ensure payroll or other expenditure transfers are appropriate, approved and processed timely and include required supporting documentation?
Comment:	A cost transfer is an after-the-fact reallocation of costs. Cost transfers move expenses from one account to another and are necessary to allow for corrections in certain situations. The National Institutes of Health (NIH) Grants Policy Statement also requires that costs must be supported by documentation that fully explains the transfer. The first and foremost responsibility for recording charges to the correct account is at the unit level when the costs are incurred and recorded. Sufficient fiscal practices at the unit should allow for any clerical or bookkeeping errors to be identified in a timely manner, allowing cost transfers to be processed within the required time limits. The PI's signature should be required on all cost transfers to certify that the costs being transferred are applicable to the project.
References:	Cost Analysis *Implementing the Charging Costs Directly or Indirectly to Sponsored Projects Policy* http://www.fa.ufl.edu/departments/cost-analysis/costing-guidelines-and-policies/charging-costs-directly-or-indirectly-to-sponsored-projects/ General Counsel *UF Policy on Cost Transfers Involving Sponsored Awards* http://generalcounsel.ufl.edu/media/ufledu/content-assets/generalcounselufledu/documents/CostTransferPolicy.pdf NIH Grants Policy Statement (Rev. 03/15) - Part II: Terms and Conditions of NIH Grant Awards--Subpart B: Terms and Conditions for Specific Types of Grants, Recipients, and Activities – File 1 of 11 - Section 9.1: General http://grants.nih.gov/grants/policy/nihgps/HTML5/section_9/9.1_general.htm

Question: **9.** Are unit procedures in place to ensure that faculty and staff effort is reported accurately and timely?

Comment: Distribution of effort must be confirmed or certified by the employee or a official who is informed about the work the employee performed. Documentation should be maintained by the unit to support that individuals who have certified effort reports have the knowledge necessary to satisfy the standard required by federal regulations.   PIs should be able to certify charges for individuals working directly on their grants.

References: *Effort Reporting Directives and Procedures*
http://generalcounsel.ufl.edu/media/generalcounselufledu/documents/Effort-Reporting-Policy.pdf

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Question: **10.** Where projects require cost sharing, does the unit compare regularly accumulated cost shared amounts with grant cost sharing requirements to see it has met its cost sharing goals?

Comment: Unit review procedures relative to grant and contract applications should include identification of the cost sharing or matching requirements and a determination of whether the unit has resources necessary to meet the requirements. If the units are unable or unwilling to meet sponsor matching requirements, this should be resolved during the pre-award negotiation phase, prior to grant acceptance. Accounting records documenting compliance with cost sharing and matching requirements should be maintained and regularly compared against cost sharing requirements. Unfulfilled cost sharing requirements or poor documentation may result in an audit disallowance, or after-the-fact dollar reduction by the agency.

References: Office of Research *Researcher's Handbook* - Cost Sharing
http://research.ufl.edu/research/handbook/policies/cost-sharing.html

Cost Analysis *Costing Guidelines and Policies*
http://www.fa.ufl.edu/departments/cost-analysis/costing-guidelines-and-policies/

Question: **11.** Except for capital grants, are purchases of fixed assets made prior to the end of the grant so the fixed assets can be used in accomplishment of project objectives?

Comment:	The principal investigator is responsible for initiating purchases for equipment or supplies early enough so they reasonably benefit the project. Primary considerations in the acquisition of equipment with grant funds are the:

- Functions of the equipment in facilitating the successful execution of the project;
- Necessity for ensuring that grant funds are properly used and accounted for;
- Desirability of minimizing administrative accounting and reporting requirements;
- Responsibility for establishing and maintaining a system for the effective management of such equipment. At the university, property accountability is the responsibility of University Property Services.

Purchases of fixed assets should be made prior to the end of the grant in order for the project to benefit from the assets by using it in accomplishment of the objectives. Documentation should be available to support that the equipment charged is allowable and allocable under terms of the grant.

References:	None campus-wide.

Question:	**12.** Does the unit monitor if there are significant changes in a principle investigator or other key personnel's committed research activities? If applicable, is there a process to ensure these changes are reported to the Division of Sponsored Programs (DSP)?
Comment:	Consider unit procedures to monitor and review the employee's level of commitment to sponsors. If key personnel have committed to a specified level of effort the unit could monitor cost distribution and/or effort reports to verify the committed level has been met. In addition, written policies and procedures to monitor and adjust for changes in commitment of effort should be established.
References:	None campus-wide.

Question:	**13.** Are staff members provided information on Export Controls rules and regulations?
Comment:	Export controls rules and regulations are U.S. laws that regulate the distribution of important technology, services and information to foreign persons and foreign countries for reasons of foreign policy and national security. Export controls govern the shipment, transmission, or transfer of certain sensitive items, information or software to foreign persons or entities. An export to a foreign person in the U.S. (even on campus) is considered a deemed export. Where applicable, authorization from the U.S. Government is required in the form of an export license. A Technology Control Plan is needed if your research is subject to Export Controls. Violations may lead to administrative, civil and criminal penalties.
References:	Office of Research-Export Controls http://research.ufl.edu/faculty-and-staff/research-compliance/export-controls.html

Information Technology

Question: **1.** Is your unit responsible for managing its information technology (IT)?

Question: **2.** Are faculty and staff members provided with the university's information technology policies and guidelines at least annually and updated as new and revised policies are approved?

Comment: Due to the increased use of information technology resources, all employees are required to understand university policies and guidelines for the use of computers. This should include a general understanding of data security and appropriate uses of hardware and software. Requiring employees to certify that they read and understand relevant Policies and Standards is one method by which management can insure accountability and acceptance of enforceable standards.

References: UF Information Technology Policies
http://www.it.ufl.edu/policies/

University of Florida Regulations Section 1.0102: Policies on Information Technology and Security
http://regulations.ufl.edu/chapter1/10102.pdf

UF Privacy Office - HIPAA & Privacy - General Awareness
http://privacy.health.ufl.edu/training/hipaaPrivacy/instructions.shtml

Question: **3.** Are IT risk assessments conducted in accordance with university policy prior to purchase of, or significant changes to an information system, and at least every 2 years for systems that store, process, or transmit restricted data?

Comment: A successful risk assessment hinges upon the accurate collection of information regarding system strengths, weaknesses, and capabilities. Risk is commonly represented by the probability and impact of occurrence. A risk assessment should be considered by management as an essential function to ensure that the organization is not impaired in the accomplishment of its mission and goals. All management levels should be involved in a risk assessment process; consideration should be given not only to the resources needed to accomplish the organization's mission but also to ensure confidentiality, integrity, and availability of systems and data.

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Question: **4.** Does a business continuity plan exist which identifies critical activities, backup files, programs, and alternative processing sites?

Comment: Each unit should develop, document, and test a plan for continuing operations in the event of a catastrophe, or a serious computer malfunction or information security incident. For units that operate a local area network, such a plan should address the loss of one or more servers. The plan should address the possibility of losing a computer system for several days to several weeks. Staff should be familiar with what files are backed up regularly through the network and critical files that they may have to manually back up. A business continuity plan should be in place that addresses expected scenarios and be flexible enough to adapt to unexpected situations. In the event of a disaster, individuals involved in the recovery of a system or services should be well versed in the actions that they need to undertake. The plan should be documented in such a way that actions related to specific individuals are clearly outlined.

Question: **5.** Have change management procedures been established, including patch management, for portable computers, workstations, and servers?

Comment: In a computing environment, with somewhat open and decentralized operations, a clear and logical path of authority regarding modifications to IT systems is critical. Ensuring only authorized changes are made reduces the risk of problems due to improper/out-of-date safeguards, software conflicts, and usability. Change management must include procedures to regularly identify and mitigate potential risks. Patch management solutions need to be comprehensive to cover updates at both the operating system level and installed applications to provide adequate protection against all types of software vulnerabilities.

Question: **6.** Are system security and application access logs enabled and reviewed periodically for unauthorized access and anomalies?

Comment: System logs can assist management in the detection of program errors and system attacks. Procedures must be in place to ensure that system logs are periodically reviewed. Where possible, automated review should be enabled and alerts transmitted to appropriate staff.

References:	UF Information Technology *UF Network and Host Security Standard and Procedures*
	http://www.it.ufl.edu/policies/security/network-host-security/

Question:	**7.** Are backups of operating systems, critical data, and key software programs made on a regular basis and stored at an off-site location?
Comment:	For computers that are operated by a unit (servers, stand-alone machines, etc.), a copy of the operating system (e.g., Windows, UNIX), programs, and critical data files should be stored in a location separate from the unit. This will allow easier recovery from a fire, flood, or other disaster that may destroy the unit's site. Personnel should be educated about the need to maintain backups of their critical files that are not on the server. Restoring from backups should be periodically tested. In addition, production servers must be routinely backed up, use off-site back-up storage, and document restoration testing as appropriate.
References:	UF Information Technology *UF Network and Host Security Standard and Procedures*
	http://www.it.ufl.edu/policies/security/network-host-security/

Question:	**8.** Are documented procedures in place for reviewing and removing access to all production systems when an employee leaves the unit or is assigned to a different role within the unit?
Comment:	Each unit is required to have procedures to ensure that access to the system is revoked when employees terminate their employment with the unit. The removal of access should be completed immediately to reduce the risk of unauthorized activities.
References:	
	UF Human Resource Services – Employee Exit Checklist
	http://hr.ufl.edu/wp-content/uploads/forms/emp_relations/exit_checklist.pdf

Question:	**9.** Is sensitive and restricted data managed by the unit (on networks, personal computers, and back up media), classified and protected by restricted access, encryption, or other controls?
Comment:	Most units have sensitive or restricted data. This may include student data, personnel data, employee evaluations, research data, patient data, etc. Access to this information should be restricted as needed. This may include storing information off a network, encrypting files, or perhaps making data "read only" so that it cannot be altered or deleted.
	Backup files may be stored off site provided the confidentiality of the files are protected, such as encrypting the files.

References: UF Information Technology *UF IT Data Classification Policy*
http://www.it.ufl.edu/policies/information-security/data-classification/

UF Information Technology *UF IT Data Security Standard*
http://www.it.ufl.edu/policies/security/data-security-standard/

Question: **10.** Are records of all software licensing agreements managed by the unit properly maintained?

Comment: Legal rights to use software are granted in accordance with the terms and conditions of the license purchase. As with any other valuable asset, units must ensure that computer software is properly managed to reduce related costs. Among other things, management should develop procedures to ensure that records of all software licensing agreements are adequately maintained and that all purchased licenses are needed.

References: UF Information Technology *Software Security Standard*
http://www.it.ufl.edu/policies/security/network-host-security/#software

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Question: **11.** Is anti-malware software installed, operating and up to date for all computing resources (laptops, desktops, servers, etc.)?

Comment: Anti-virus software is required to be installed and maintained on every computer. It should be setup so that:

- An auto update to the DAT file and scan engine is performed daily, and the user is unable to disable/delay the update without outside approval from the appropriate network administrator.
- The scan runs at a regularly scheduled time, with the results of the scan reported back to the I.T. administrator in charge of the machine(s).
- The user is unable to disable/delay the scheduled scan, without outside approval from the appropriate network administrator.

References: UF Information Technology –Endpoint Management Core Protection
http://www.it.ufl.edu/ufem/resources/faqs/

UF Information Technology UF Network and Host Security Standard and Procedureshttp://www.it.ufl.edu/policies/security/network-host-security/

Question: **12.** If personally managed computers are on the unit's network, are they all documented to include the maintainer of the machine with contact information, operating system version, services hosted, and network address?

Comment: Network access for personally managed IT resources should be more restricted than network access for professionally managed IT resources. Possible restrictions include:
- GatorLink authentication where possible.
- A VLAN separate from the professionally managed machines.
- Restriction to private IP only.

References: UF Information Technology *UF Network and Host Security Standard and Procedures*
http://www.it.ufl.edu/policies/security/network-host-security/

Question: **13.** Do you have a process to respond to notifications from the UF Information Security Office that you have systems that have been identified with a vulnerability?

Comment: Unit Information Security Managers (ISMs) must ensure vulnerability and threat assessment within their unit. A vulnerability scanner is available to authorized UF network and server administrators from the Infosec web site at https://infosec.ufl.edu/cgi-bin/newscan/. IT workers must vet security lists, web sites and other resources for patches to vulnerabilities in software for which they are responsible.

Network and server managers must resolve vulnerabilities identified in notifications. IT workers should follow unit change management procedures to make software updates. Common resolutions to correct a vulnerability include upgrading and patching. Alternatives include physical, network, host, user and/or other access restrictions. Other resolutions may also apply.

References: UF Information Technology *UF IT Incident Response Standard*
http://www.it.ufl.edu/policies/security/incident-response/

Question: **14.** Are all servers in your unit managed by professional IT Staff and located in protected environments with adequate physical security?

Comment: Production servers must be located in physically secured space, protected with adequate physical security measures, and professionally managed.

References: UF Information Technology *Security Charter (see Professionally Managed IT Resources)*
http://www.it.ufl.edu/policies/security/charter/

UF Information Technology *UFIT Security Physical Security Standard*
http://www.it.ufl.edu/policies/security/physical-security/

UF Information Technology *UF Network and Host Security Standard and Procedures*
http://www.it.ufl.edu/policies/security/network-host-security/

Question: **15.** Do you have records of encryption for all mobile computing devices used to conduct university business, regardless of ownership?

Comment: Any and all mobile computing devices used within the University of Florida information and computing environments must meet all applicable UF encryption standards. The encryption system will include a management component that provides key recovery and proof that the device is encrypted.

References: UF Information Technology *Mobile Computing and Storage Devices Standard* http://www.it.ufl.edu/policies/information-security/mobile-computing-storage-devices/standard

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Question: **16.** For unit-provided web-based services that require GatorLink authentication, do all services follow the Identity Management Service Provider Standard?

Comment: Service Providers should not use any login screen that is not provided by the central identity provider at UF. Shibboleth is an example technology for use by Service Providers using login.ufl.edu. A Service Provider in this context is an application or web site that is authenticated by using the GatorLink account and password credentials.

References: UF Information Technology *Identity Management Service Provider Standard* http://www.it.ufl.edu/policies/identity-and-passwords/service-provider-standard/

Question: **17.** Do you support any federal sponsored funding research projects that require FISMA approved research data storage?

Comment: Compliance with FISMA is mandatory for all contracts and may be mandatory for grants. The decision is based on two criteria:
> (1) Does the grant require the research organization to return the data back to the federal project sponsor? and
> (2) Has the grant been awarded using a contracting form?

Federal Information Security Management Act (FISMA) of 2002
Congress included FISMA as part of the E-Government Act of 2002 to establish security guidelines for federal agencies or those providing services to federal agencies.

FISMA sets forth:
• Specific requirements for security programs
• Specific documentation, policies, and procedures
• Defined processes required to be in place in accordance with NIST 800-53 – a national security standard

For projects not requiring a FISMA "moderate" environment a new service known as GatorVault will soon be available. If you work with protected health information (PHI)

and require HIPAA and HITECH compliance GatorVault will meet the required data protection requirements.

For more information: http://www.rc.ufl.edu/resources/hardware/gatorvault/

More details about FISMA FAQ:
https://shield.ufl.edu/faqs/

References: Reference to FISMA Logon Process for 2-factor login.
https://kb.helpdesk.ufl.edu/FAQs/FISMALogonProcess

https://news.it.ufl.edu/research/ufs-fisma-compliant-environment-is-live/