FINANCIAL SYSTEM DEPARTMENTS

Policy:

For purposes of this discussion, departments are cost centers within the University. This includes, but is not limited to, academic areas, administrative areas, clearing departments, grants and student organizations.

All NEW departments will be activated by Financial Services.

1. There must be adequate justification for having the department (e.g., the need to separately account for activities or funds).

2. There must be cash, budgeted funds, or projected revenues available to support operations.

3. Any full-time faculty or staff member may serve as sponsor or co-sponsor. They may be either monthly salaried or hourly wage personnel.

The sponsor of a university department assumes responsibility for the department's expenditures, deposits, and resolution of deficits should it be necessary. Specific major responsibilities are:

1. The sponsor's or co-sponsor's approval as shown on the APPLICATION FOR NEW DEPARTMENT NUMBER OR CHANGE TO EXISTING DEPARTMENT NUMBER is required for all expenditures to vendors external to the University.

2. A method of monthly review and verification of the transactions appearing on the monthly reports must be established and performed on a regular basis.

3. Unauthorized deficits are not permitted. If a temporary deficit has been forecast, written approval must be obtained from the appropriate Dean/Provost, Vice President or President.

4. Cash, checks, etc., must be deposited at the Bursar's Office within twenty-four (24) hours of receipt of funds. Contact the Bursar's Office for assistance in complying with this requirement.

5. Purchases which exceed $5,000 must be processed according to procedures established by the Purchasing Department.

6. During a sponsor's absence, it is advisable to temporarily appoint a co-sponsor.

7. Any CHANGES to the department must be communicated to Financial Services with an APPLICATION FOR NEW DEPARTMENT NUMBER OR CHANGE TO EXISTING DEPARTMENT NUMBER. Changes include sponsorship changes, name changes, inactivating, changes in reporting levels, and changes in how the department is being used.

   a. It is the responsibility of the sponsor to authorize by memorandum to Financial Services a full-time faculty or staff member to sign in the temporary absence of the sponsor. The temporary sponsor's signature must also be on file in Financial Services. Use the APPLICATION FOR NEW DEPARTMENT NUMBER OR CHANGE TO EXISTING DEPARTMENT NUMBER and specify on the form the dates the temporary sponsor will be signing invoices and other documents. The organization should prepare a memorandum setting forth the reason for the change. The memorandum must state the resignation of the old sponsor (with signature) and provide the name and address of the new sponsor. A co-sponsor may also be designated, if approved by the sponsor. The
new sponsor and co-sponsor must be full-time faculty or staff members.

b. A memorandum bearing the signature of the sponsor must be forwarded to Financial Services in order to close a department.

8. Controls and separation of duties must be in place to the extent staffing levels permit to assure that a single individual is not responsible for deposit processing, accounts receivable processing and record maintenance, and inventory control. For assistance in establishing procedures and controls, contact the Controller's Office.

9. The department sponsor is liable for the financial management of the department.

10. Approval of Personal Financial Transactions –

   Employees, whether faculty, staff or students, shall not approve any transactions that impacts themselves financially, whether directly or indirectly. This includes, but is not limited to, salary increases, special payments, travel, reimbursements, or other supplemental payments or non-cash fringe benefits. Such transactions shall only be approved in writing by a University employee who is in a greater level of institutional authority and who is completely independent from the individual receiving the benefit or reimbursement.

11. **See procedures document for opening, changing, and closing departments.**