FINANCIAL MANAGEMENT RESPONSIBILITY POLICY

Policy Statement

All university faculty and staff are accountable for processing and recording financial transactions in a timely and proper manner.

Reason for Policy/Purpose

Sound business practices and stewardship principles call for each member of GW’s faculty and staff to be accountable for safeguarding the assets and resources of the university, and for accurately recording the transactions of the university to appropriately report to constituents including students, parents, donors, sponsors, and other interested parties. This document has been developed to provide guidance on the proper accounting for transactions. While it is impossible to address every situation that may arise, this policy provides a framework for faculty and staff to use when evaluating specific circumstances.

Who Needs to Know This Policy

Faculty and staff

Table of Contents

<table>
<thead>
<tr>
<th>Table of Contents</th>
<th>Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Statement</td>
<td>1</td>
</tr>
<tr>
<td>Reason for Policy/Purpose</td>
<td>1</td>
</tr>
<tr>
<td>Who Needs to Know This Policy</td>
<td>1</td>
</tr>
<tr>
<td>Table of Contents</td>
<td>1</td>
</tr>
<tr>
<td>Policy/Procedures</td>
<td>2</td>
</tr>
<tr>
<td>Website Address for This Policy</td>
<td>3</td>
</tr>
<tr>
<td>Contacts</td>
<td>4</td>
</tr>
<tr>
<td>Related Information</td>
<td>4</td>
</tr>
<tr>
<td>Who Approved This Policy</td>
<td>4</td>
</tr>
<tr>
<td>History/Revision Dates</td>
<td>4</td>
</tr>
</tbody>
</table>
FINANCIAL MANAGEMENT RESPONSIBILITY POLICY

Policy/Procedures

This policy pertains to all business activities of the university and is applicable to all members of the faculty and staff. Supervisors are responsible for familiarizing their staff members with this policy. While certain tasks may be delegated to staff directly involved in processing transactions, accountability cannot be delegated. The person delegating tasks remains responsible for proper performance of those tasks.

1. All revenues generated by university activities and all expenditures for goods and services must be recorded and accounted for within the university’s Enterprise Accounting System. Revenues are recorded when earned, generally when the university has delivered the goods or services. Similarly, expenses are recorded when goods or services are received by the university. Holding an invoice or contract does not prevent the expense from being incurred and reportable. Accordingly, invoices should be submitted to Accounts Payable on a timely basis.

2. All transactions, whether recorded directly into the general ledger or entered through a subsystem, must include accurate descriptions and comprehensive supporting documentation to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Comptroller’s Office is responsible for the accuracy, integrity, and overall management of the university’s financial system and should be consulted on any matters relating to accounting policies and procedures.

3. All financial transactions must be recorded timely and accurately, with the true business nature of the transaction clearly identified. Specific guidance pertaining to the timely posting of transactions is published on the Enterprise Accounting System website, including a monthly closing calendar (EAS Monthly Closing Calendar and Schedules) prepared by the University Accounting Services Department.

4. No transaction, whether recorded directly into the general ledger or indirectly from a subsystem, nor any supporting documentation, shall be deliberately left incomplete or distorted. No payments made on behalf of the university are to be approved with the understanding that any part of such payment is for any purpose other than that described on its supporting documents.

5. The Finance Director of each School and Division is responsible for oversight of financial transactions affecting individual cost centers (consisting of an organization and a funding source code) or research project/task in the university's financial records system. It is the Finance Directors’ responsibility to coordinate with the department chair, principal investigator or other designees to:

   - Verify that transactions are reviewed and approved by an individual with the appropriate level of knowledge and authority.
FINANCIAL MANAGEMENT RESPONSIBILITY POLICY

- Verify that adequate internal controls are established over processing of financial transactions affecting the school or administrative department. Internal controls include segregation of duties, limiting of physical and data access based on individual job responsibilities, and monitoring/evaluating financial results as outlined below.

- Verify that periodic reports of account activity are reviewed to determine that all charges and entries are accurate and complete. The review must include a comparison of budget to actual and year-over-year actual results where applicable, and trends or areas of concern must be identified. For significant deviations from expected results, the variance must be investigated and reasons documented, along with any necessary corrective action plan.

- Verify that all entries made to each revenue and expense general ledger account string have been properly allocated and that transactions represent activities that pertain to the purpose of the account. In the case of restricted accounts, verify that all transactions comply with donor-imposed restrictions on the use of funds.

- Take appropriate and timely action to correct any improper charges allocated to an incorrect account string by notifying the following individuals: All non-sponsored research project notifications should be made to the Executive Director of Financial Accounting Operations at (571) 553-4115. If the transaction pertains to a sponsored research project, notification for research adjustments should be made to the Director of Grants and Contracts Accounting Services in the Comptroller’s Office at (571) 553-4356. See the Financial Transactions Adjustment Policy and the Cost Transfers on Sponsored Agreements Policy for additional guidance on processing corrections.

- Verify that all charges to governmental and other restricted sponsoring agency accounts are appropriate and allowable under the sponsor's regulations. See policy on Identification and Treatment of Unallowable Costs Policy for additional information.

- Verify that all university property is properly secured and accounted for on a periodic basis. Cash, checks and credit card receipts must be secured and deposited in accordance with the GW policy on Deposit of Checks, Cash and Credit Card Receipts. Physical property of the university must be safeguarded, used for university purposes, and properly maintained. See the Fixed Asset Management Policy for more information.

Website Address for This Policy

GW University Policies
FINANCIAL MANAGEMENT RESPONSIBILITY POLICY

Contacts

<table>
<thead>
<tr>
<th>Subject</th>
<th>Contact</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questions</td>
<td>Director of Financial</td>
<td>(571) 553-4166</td>
</tr>
<tr>
<td></td>
<td>Reporting and Analysis</td>
<td></td>
</tr>
</tbody>
</table>

Related Information

- Anti-Money Laundering Policy
- Fixed Asset Management Policy
- Conflict of Interest Policy for Non-Faculty Employees
- Cost Transfer on Sponsored Projects
- Deposit of Checks, Cash and Credit Card Receipts
- Effort Certification Policy
- Establishment of Departmental Funds
- Financial Transactions Adjustment Policy
- General Ledger Chart of Accounts Maintenance Policy
- Gift Acceptance Policy
- Identification and Treatment of Unallowable Costs Policy
- Opening Bank Accounts Policy
- Petty Cash Policy
- Policy on Conflicts of Interest and Commitment for Faculty and Investigators
- Reporting Financial Irregularities Policy
- Travel, Entertainment and Business Expense Reimbursement Policy
- EAS Monthly Closing Calendar and Schedules

Who Approved This Policy

Louis H. Katz, Executive Vice President and Treasurer

History/Revision Dates

- Origination Date: December 30, 2003
- Last Amended Date: September 11, 2009
- Next Review Date: February 29, 2016