Unit Reviews

What is it?
A review of overarching business operations:
- Business Processes
- Compliance
- Best Business Practices endorsed by CALS

Why are unit reviews done?
- Help units to:
  - Manage risk
  - Identify gaps/deficiencies for improvement
  - Reduce waste
- CALS responsibility of public stewardship and accountability
  - Duty to our stakeholders
- Identify innovative business practices that can be shared with other CALS units.

Reviewed 1/30/2018
What prompts a business review?

At least one of the following:

- **Risk factors**
  - Number of Accounts
  - Business Office staff and Department Head turnover in the last Fiscal Year
  - High volumes of sales and service revenue
  - Number of PCards
  - The use of Petty Cash or Change Fund

- **Requested by unit heads, business office staff and/or faculty**

- **Concerns reported to the college**
  - Ethics
  - Compliance
  - Operational Deficiencies
How is it done?

- Review of financial transactions
- Accounting review
- Roles and responsibilities
- Conversations with Unit Head and business staff
- Tour of facilities
- Rates & Review submits a report detailing observations and recommendations
- Review Checklist – list of compliance areas to be reviewed

The attached Unit Review Checklist is a compilation of the different compliance areas that are looked at during the review process; it explains the reasoning behind the compliance requirements, and provides resources. Additional areas may be reviewed based on observations, findings and/or areas of concern reported to the college. The guide will be updated periodically as the review scope expands. We hope the guide will serve as a resource to business officers in efforts to remain in compliance with university requirements and CALS best practices.
<table>
<thead>
<tr>
<th>Subject area</th>
<th>Items reviewed and recommendations</th>
<th>Additional links and other resources</th>
</tr>
</thead>
</table>
| Accounting   | Review is done on KFS transactions for a specific period range, usually the previous and current Fiscal Year. If the unit has Foundation accounts, transactional activity on Foundation accounts will be reviewed as well. Each eDoc must be treated as a stand-alone document and must be able to show the activity taking place from beginning to end. Transactions must be properly coded, and use of the appropriate document for the transaction is verified for accurate reporting (i.e. use IB instead of a Transfer of Funds to receive payment for products or services sold to other units). | Reports used:  
- UAF transactions: Queries & Reports available in the UAF intranet. |
| Supporting documentation | Documents must include the following:  
- the required back up documents  
- a detailed business purpose explaining how the activity/item benefited the UA  
- cross-references to all eDoc numbers related to each transaction |  
- FSM 9.00 Expenditure Policy and Procedures  
- Business Purpose reference guide  
- PCard Compliance FAQs (review item #3, for a list of required documentation) |
| Proper handling of sales and use tax on purchases: |  
- Appropriate use of the tax exemptions  
- Transactions must have the required ARS statements for sales tax exemptions for equipment and chemicals used for Research and Development  
- Object Code 5560-Freight/In-Out is exempt from tax and must not be used for shipping charges that include handling (S/H) as handling charges are be taxable and should be assigned to object code 3880 – Shipping & Handling. For invoices where significant amounts of S/H are charged, it is recommended that the unit contact the vendor to have the charges separated so the tax exemption can be claimed on the shipping portion of the charge. |  
- AZ Transaction Privilege Tax and Use presentation by FSO  
- AZ Sales Tax FAQs. Path to answers for the most common questions:  
  - for a list of exemptions commonly used by UA departments see answers to question #3 and #8  
  - for correcting tax errors see answer to question #21  
  - sales tax exemption blurbs for equipment and chemicals used in Research and Development, see answer to question #22 |
| Management and oversight for accounting processes | It is recommended that Business Managers perform spot reviews on transactions (PCards, DVs, REQS, etc.) that are delegated to other support business staff to ensure that transactions fulfill the documentation requirements described above. Periodic monitoring of transactions allows managers to identify deficiencies or challenges that can be easily addressed through additional training and coaching. Make sure to enter a note in the 'Notes and Attachments' section for transactions that have been reviewed (i.e. 'Reviewed'). |  
  - Under 'Budget Account Type' select: 'State' and 'State Fed Ag'  
  - Select a Report View: Detail by Line Number |

**Finance**  
**State Budget Lines.** Business Office must ensure that budget lines are corrected to balance within the first quarter of the Fiscal Year. Over or under budgeted lines skew the reporting data and make it difficult for administrators to assess state funding commitments and ERE pools. Ensure that budget lines are properly funded. Periodically review balances for the budget lines in your unit.
<table>
<thead>
<tr>
<th>Subject area</th>
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</tr>
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</table>
| Cash Handling        | • Cash Handling training.  
  - All employees involved in payment handling functions must complete the required FSO training every 2 years. Training can be completed online in UAccess Learning; search for 'Certification: Cash Handling & Receiving' (Program code: FSOCRTCash). Special arrangements can be made for large groups within a department by contacting Theresa Couch from the Bursars Office.  
  - Review the process of receiving and processing a payment, including:  
    o segregation of duties  
    o checks are endorsed with the Wells Fargo stamp upon receipt  
    o check logs are being completed upon receipt of checks  
    o deposits are done daily  
    o funds are kept in a secured location  
    o other items set forth in FSM 8.10 Cash Receiving  
  Requests for exceptions to policy must be submitted in writing and forwarded to FSO for approval; contact Theresa Couch for details (tcouch@email.arizona.edu, 520-621-1711). Granted exceptions must be kept on file in the unit.  
|                      | Credit Card Acceptance:  
  - Units must obtain authorization from the Bursars Office in order to accept debit/credit cards (in person or online) from the public as a form of payment.  
  - Other available guides:  
    - FSM 8.14 Merchant (Bank Card/Credit Card) Acceptance Policy and Procedures  
    - Basic Agents Booklet  
    - Advanced Agents Booklet  
|                      | Account Reconciliation  
  - Reconciliation must be done monthly.  
  - PIs must be provided with monthly financial reports. Units can benefit from the use of Agents and have reports delivered directly to PIs by email.  
  - Training is available in UAccess Learning to learn how to set up your own Agents. Information Technology also offers presentations, guides an tutorials.  
|                      | Other available guides:  
  - Basic Agents Booklet  
  - Advanced Agents Booklet  
|                      | PCard controls          
  - Department Cards:  
    - Units must use Department Card Checkout Log to sign a Department Card in and out of Business Office  
    - The person in control of the Department card must ensure that the purchases are in compliance with PCard policy.  
    - Other internal controls as described in the PACS PCard policies Manual, policy 2.1.3 Cardholder / Responsible Cardholder  
  - PCard Policies Manual, 2.0 Requirements of Program  
|                      | PCard limits:  
  - Higher transaction limits create a higher risk of loss through external fraud or in the event of a lost or stolen card.  
  - Perform a periodic review of PCard limits, and compare them against usage history. Amount limits and frequency of use should be reduced to only the necessary level. Cards that have infrequent use must be reviewed and canceled if no longer needed.  
  - To review card limits and transaction/usage history for cardholders within a unit, use the Purchasing Card dashboards in UAccess Analytics ->Financial -> General-Purchasing Card  
    - Use the ‘Cardholder’ report to view card limits. Narrow your search to only Active cards in the ‘PCard Status’ section from the search-selection-pane.  
    - Use the ‘Card Transactions’ report to view the number of transactions for a determined period of time: ‘Transaction Detail by Organization’  

<table>
<thead>
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</tr>
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<tbody>
<tr>
<td>Invoicing - CALS Best Practice</td>
<td>The number of Auto-Approves on PCard transactions must be minimal or none. Ensure that Auto-Approved transactions have the appropriate notes and back up documents. Add all required information to the Notes &amp; Attachment section and include the e-Doc # of any transactions making corrections.</td>
<td>Available fillable invoice templates are available in the CALS Best Practices section. The forms are fillable PDFs after downloading them to your computer: • Invoice Template for Products • Invoice Template for Services</td>
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<td>Inventory controls for sales merchandise and other value added inventory</td>
<td>• Include payments terms in all invoices • Do not engage in verbal agreements with customers</td>
<td>Per policy requirements in FSM 8.10 Cash Receiving, see Value Added Inventory requirements, item 30.</td>
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<td>Tracking moveable assets - CALS Best Practice</td>
<td>• Unit must track moveable equipment that could be reasonably expected to be used away from university premises, i.e. cell phones, laptops, tablets, AV equipment. • Employees in possession of university equipment that is being used off campus must submit a Certification Statement for Off-Campus Location Use of Equipment form to the business office.</td>
<td>Review the Tracking Non-Capitalized Equipment presentation for additional guidance Property Management Policy 11.30 Off Campus Use and Location</td>
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<td>Cell Phone plans and allowances - CALS Best Practice</td>
<td>Cells phones plans paid with UA funds should be evaluated to determine whether there is a compelling business need. However, it is an expectation in CALS that all employees with a justified and reasonable business need for UA funded cell phone or mobile communication plan should receive a communication plan allowance or a Technology Reimbursement in lieu of direct payments of cell phone bills. For additional information, review CALS Best Practices - Cell Phone Payments presentation and UA Policy FSM 9.17 Communication Service Plans. Features and requirements: • Cell Phone plans: o Full call details must be included as backup and reviewed, with personal calls noted o Any charges above plan allowances, where personal calls are included, must be reimbursed to the University by the user o Employees must be appropriately notified of the terms of use of a university-paid communication plan through a signed Communication Service Usage Agreement • Communication Service plan allowance: o The payment is treated as taxable income. o Payment is subject to ERE o Processed through payroll: ▪ Complete a Communication Service Plan Allowance Form. o Process a Payment Request in MSS • Technology Reimbursement: o ERE and income tax charges are not assessed o Submit Technology Reimbursement Agreement (instructions for submission are included in the form)</td>
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### Voyager Fleet Cards
Voyager Cards are the preferred payment mechanism for gasoline while using a rental company or UA owned vehicle. If the Voyager card is not available, the PCard can then be used. There is also the benefit of an exemption from federal tax, currently $0.184 per gallon on fuel purchases with the Voyager card. A card can be acquired by completing an application through the Motor Pool.

- Controls for departmental voyager cards per the Voyager Card Guidelines document: Departmental Procedures and Best Practices
- The department must have signed acknowledgement forms on file (see Appendix #3 from the Voyager Card Guidelines Document)
- The business office must provide card owners/users with a copy of the Voyager Flee Card FAQs document (see Appendix 2 in the Voyager Card Guidelines Document)

### Driving for UA business

**Mileage**
Mileage to go to or from your residence to your duty post is not an accountable expense and will be considered to be income; it must be approved, in advance, by the department head and will be reported to payroll so that taxes can be withheld on it. This must be paid on a Disbursement Voucher through FSO-Operations. Exceptions must be documented on the employee offer letter. Review [CALS Travel Policy Clarification](#) document for personal vehicle reimbursement.

**Use of personal Vehicles:**
The use of personally owned vehicles for university business must meet the requirements set forth by the Risk Management Fleet Safety Policy Sections 2.0 through 2.6, and Section 6.0 and must be authorized by the department through the completion of a ‘Departmental Authorization for Personal Vehicle Use’ form.

**Rental Cars:**
- University insurance provides liability and property damage coverage of rental vehicles for official university business use only. As such, users of rental vehicles should decline optional insurance options offered by rental agencies, unless the driver is under 25 years old or the vehicle will be used outside the U.S. See Risk Management Fleet policy 7.0 Use of Rental and Leased Vehicles on University Business and the UA Financial policy FSM 14.15 Transportation, Rental Vehicles section.
- **CALS Best Practice:** It is advantageous to utilize services covered by University-Wide Contracts or Strategic Alliance before using alternative services. The UA has contracts with Hertz (contract #66596) and Enterprise/National (contract/account # XZ50223) for special pricing for employees traveling on UA business. Prices are set and not subject to market rate, and the additional liability and damage insurance is included at no additional charge. As state employees, rental companies may offer discounts for rentals for personal use. Ask the representative.

**Semi drivers and CDL**
Drivers of certain equipment/vehicles must meet the policy requirements specified in the RM Fleet Policy, sections 2.2 and 2.3. Additional information about commercial license can be found in the ADOT Commercial Driver License FAQs.

**Parking passes and service permits**
All service permits and parking coupons should be stored in a secured location and controlled through a check out/check in log that is centrally maintained. All use of the permits should have a business related reason, which must be documented on the log. It is recommended that the unit head approve all purchases of service permits and parking coupons. Per University policy 9.10 Requisitions/Reimbursements, section 4e, University parking fees and permits for faculty, staff or administrators personal use cannot be paid with university funds. Similarly, parking violations cannot be paid with university funds.

**Ag Experiment Station agreements**
Use a Testing and Facility Use Agreement when performing services for external customers using AES land, equipment, or labor if the AES is NOT engaging in research for the customer; collaboration on research activities requires a research agreement.

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**Additional links and other resources**
- [AES Agreements Presentation](#)
- [Agreement Process Routing Flowchart](#)
- [Testing & Facilities Use Agreement Template](#)
<table>
<thead>
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<td>Fundraising/request for donations</td>
<td>Units engaging in campaigns to request donations from the public must seek guidance from the <a href="mailto:CALSDevelopment&amp;AlumniOffice@uafoundation.org">CALS Development &amp; Alumni Office</a>. Fundraising materials soliciting donations must be reviewed by the CALS Development and Alumni Office or Josie Bell (<a href="mailto:josbell@uafoundation.org">josbell@uafoundation.org</a>) from UA Central Gifts Office to ensure that the correct terminology is being used.</td>
<td></td>
</tr>
</tbody>
</table>
| Academic Units: Special Course Fees  | **Special course fees** are additional charges for specific credit courses in order to cover higher costs that enhance the students’ learning experience. The students who pay a special course fee should benefit directly from this fee, which must be carefully managed:  
- ABOR requires that expenditures for special course fees should be consistent with the purpose and cost breakdown specified in the Fee Request Form approved by the Senior Vice Provost for Academic Affairs. Expenses not listed in the form should not be covered with Special Course Fees; departments have the option to request a course fee modification to update the cost categories based on the current needs for the course. New instructors should be provided with a copy of the approved Form.  
- To request a copy of the approved Request Form for a specific course contact:  
  Martha Sesteaga  
  Program Manager, University Fees  
  sesteaga@email.arizona.edu  
  (520) 621-3046  
- To review course fees received for each course during a specific period use the Course Fees dashboard under  
  Student-> Student Fin Aid & Fin Details -> Course Fees.  
  Select the Item Type(s) associated to your course(s) and the fiscal month(s).  
- Departments that currently have fees for multiple courses disbursed into a single account must establish sub-accounts to match the revenue with expenses by course.  
- Course fee revenue should ideally be spent during the same semester it is received.  
- Periodically review balances. A large year-end balance raises the question of whether the fee is higher than necessary; in this case it may be appropriate to reduce the fee amount, or eliminate the fee. Guidance on the proper disposition of excess funds must be discussed with the Financial Service Office and the University Special Fees Committee.  
  Visit the [UA Academic Affairs website](http://academicaffairs.arizona.edu) for additional information and for forms to add, modify or cancel a Special Course Fee. |                                      |
| Course Notes and Materials           | The preparation and sale of Lecture Notes and Course Materials must not be done using state resources. It is recommended that instructors use [D2L](http://d2l.arizona.edu) or the [SU Fast Copy](http://fastcopy.arizona.edu) (once produced, Class Notes are sold at the UA Bookstore). |                                      |
| Roles and Responsibilities for business functions and processes | Units undergoing a review are required to complete a Roles and Responsibilities template to help us assess whether there is appropriate segregation of duties, adequate back up for all business functions, and active cross training. Contact Lynda Silvain or Adriana Prado to request a copy of the template.  
  Organizational structure is also reviewed in consultation with Dustin Green from UA HR Consulting Services and/or Heather Roberts-Wrenn from CALS Organizational Effectiveness. |                                      |
| HR                                   | **Supervisor & Time Approver - CALS Best Practice**  
  All employees must have an assigned Supervisor & Time Approver in MSS:  
  - For more information, review the [Supervisor & Time Approver](http://calsbusinessresources.arizona.edu) presentation in the CALS Best Practices section of the [CBS Website](http://calsbusinessresources.arizona.edu) under CALS Business Resources  
  - Generate a report in UAccess analytics for a list of positions needing an assigned Approver or Supervisor in your unit by visiting the CBS Website -> Reports -> For Business Support ->Personnel ->Payroll ->Payroll Approvers & Missing Approvers  
  **Employees ending current position**  
  Supervisor and Business Office must coordinate gathering information and completing activities such as updating access provisioning, collecting PCards and equipment etc. prior to the employee’s departure. Units are encouraged to complete the [Exiting Employee Checklist](http://calsbusinessresources.arizona.edu), a comprehensive tool that summarizes the actions to be taken when an employee is leaving their current position. The checklist must be completed prior to the employee’s departure. |                                      |
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</thead>
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<td>Interactions with non-enrolled minors</td>
<td>Review <a href="https://example.com">UA Policy Number SA-100</a> for &quot;University programs and activities ('Programs') that are supervised exclusively by University employees or others authorized to act in a custodial capacity on the University’s behalf ('Authorized Representatives') for the benefit of individuals under the age of 18 ('Minors').&quot;</td>
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</tr>
</tbody>
</table>
| Volunteers                           | Depending on the activities carried out by some programs, volunteers may be required to be added in the system as Designated Campus Colleagues (DCCs) in order to go through the appropriate screening process and training:  
• Interactions with Non-Enrolled Minors - [UA Policy SA-100](https://example.com)  
• Security or safety-sensitive [screening](https://example.com)  
• [Specialized University Training](https://example.com)  
• Export Control training  
• Cash Handling Training                                                                 |                                                                                     |
| Designated Campus Colleagues (DCCs)  | [DCCs](https://example.com) include affiliates, associates, volunteers, and interns contributing to the UA by providing services and their expertise and may be eligible for certain UA privileges.  
The Business Office is responsible for maintaining the DCCs in MSS and ensure that applicable agreements and forms are complete.                                                                                   |                                                                                     |
| Student Clubs                        | Faculty and staff who have agreed to serve as an advisor for a recognized club or organization through the Associated Students of the University of Arizona Club Recognition Process must complete the Club Advisor Training in UAccess Learning, course code: RMSCRTASUA.  
Advisors cannot participate as treasurers and manage the club's funds.  
Additional information and resources for departments and advisors can be found in the [ASUA Club & Organizations Handbook](https://example.com), pg. 73. |                                                                                     |
| Employee Evaluations                 | Appraisals are important to support employee engagement and performance growth. Employees must receive a formal appraisal at least once every 12 months. The college will follow up with unit heads to ensure that appraisals are being completed for all employees.                                                                 | [HR Performance Management - Formal Evaluation](https://example.com)  
[Performance Feedback FAQs](https://example.com)  
[Career Conversations Guide](https://example.com)  
[Career Conversations Form](https://example.com)                                                                 |                                                                                     |
| Compensation                         | Active UA employees and students must NOT be paid for performing University work as both an employee and as a temporary agent through a third party temporary labor agency. Only approved payroll methods should be used to compensate UA employees and students.                                                                                      |                                                                                     |
| Employees residing in UA property    | When an employee’s position requires the occupancy of UA property, a request must be sent to CALS Administration prior to an offer letter with residential occupancy being stipulated. The employee must then sign a housing agreement that has been created by Real Estate Admin and the Office of General Counsel. The agreements must be reviewed on a regular basis. For additional information contact Kina Barton, at (520) 626-5795 or kina@email.arizona.edu. |                                                                                     |