

# UC Davis Policy and Procedure Manual

## Chapter 330, Financial Management and Services

### Section 65, Fiscal Closing

Date: 10/3/12

Supersedes: 3/28/07

Responsible Department: Accounting and Financial Services

Source Document: UC Accounting Manual; Bylaws of The Regents of the University of California, 12.1, Committee on Compliance and Audit

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#### I. Purpose

This section provides the policy and procedures concerning the fiscal closing operation, including the disposition of unexpended balances at year-end.

#### II. Policy

- A. The University's fiscal year begins on July 1 and ends June 30.
- B. Campus departments are required to close the fiscal year in a solvent condition.
- C. The University's administration submits an Annual Financial Report to The Regents' Committee on Compliance and Audit, who submits the report to the Board of Regents.
- D. The financial statements of the University are audited annually by an outside firm.

#### III. Responsibilities

- A. The Associate Vice Chancellor--Finance/Controller
  - 1. Coordinates the fiscal closing operations for the Davis campus and the UC Davis Health System.
  - 2. Coordinates The Regents' financial audits and A-133 audits.
- B. Departmental administrators
  - 1. Meet the deadlines set forth in the campus Fiscal Closing Schedule issued each spring by Accounting & Financial Services.
  - 2. Manage and close out all funds in a solvent condition.
  - 3. Recording of financial data in the appropriate period
    - a. Analyze account/fund activities and balances to determine necessary adjustments, accruals, deferrals, and appropriate corrections to balance sheet, revenue, and expenditure accounts.
    - b. Record annual physical inventories, income and expenditure accruals of auxiliary enterprises, service enterprises, and service departments.
- C. Deans, vice chancellors, vice provosts, department chairs and MSO/CAOs
  - 1. Sign Fiscal Close Certification Letters to acknowledge their responsibility for and confirm to the best of their knowledge and belief:
    - a. All transactions and agreements, including the accrual of liabilities, have been

recorded properly in campus accounting records.

- b. Communications from regulatory agencies, donors, or other entities concerning noncompliance have been disclosed in writing to the Campus Controller.
  - c. They are responsible for the application of university policies and procedures to ensure the efficient and effective use of resources and to prevent and detect fraud in their areas of authority.
  - d. They are responsible for establishing and maintaining an effective system of internal controls in their areas of authority.
  - e. All known allegations of fraud or suspected fraud, particularly with regard to management or staff with internal control responsibilities, have been disclosed to the appropriate university official or work group.
  - f. Their unit's funds are managed in compliance with the laws, regulations, and provisions of contract and grant agreements, and donor restrictions.
- D. University employees are strongly encouraged to report all known or suspected improper governmental activities (IGAs) under the provisions of the Policy on Reporting and Investigating Allegations of Suspected Improper Governmental Activities ([Whistleblower Policy](#)) and in accordance with [Section 380-17](#).

#### V. Further Information

- A. Additional information is available from Accounting & Financial Services FIS Help Desk at (530) 752-3855, by e-mail: [fishelp@ucdavis.edu](mailto:fishelp@ucdavis.edu), or at <http://accounting.ucdavis.edu/projects/UCDKuali/gethelp/whatprob.cfm>).
- B. Additional information on audits may be obtained through [Internal Audit Services](#) (530) 752-7596, <http://internalaudit.ucdavis.edu/staff.html>.

#### VI. References and Related Policies

- A. OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations ([http://www.whitehouse.gov/omb/circulars\\_default](http://www.whitehouse.gov/omb/circulars_default)).
- B. UC Office of the President (<http://policy.ucop.edu/>):
  - 1. Accounting Manual.
  - 2. Bylaws of The Regents of the University of California, 12.1, Committee on Compliance and Audit.
  - 3. Policy on Reporting and Investigating Allegations of Suspected Improper Governmental Activities (Whistleblower Policy).
- C. UCD Accounting and Financial Services, Fiscal Period and Fiscal Close Information (<http://accounting.ucdavis.edu/fiscalclose/index.cfm#dates>).
- D. UCD Administrative Responsibilities Handbook (<http://accounting.ucdavis.edu/refs/Handbook.cfm>).
- E. UCD Policy & Procedure Manual, [Section 380-17](#), Improper Governmental Activities/Whistleblower Protection.