FINANCIAL MANAGEMENT RESPONSIBILITY

Policy Summary

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

Who is Governed by this Policy

Faculty and staff

Policy

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.

A. 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 (EAS). 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.

B. 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 Office of the University Controller 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.

C. 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.

D. 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.

E. 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:

1. Verify that transactions are reviewed and approved by an individual with the appropriate level of knowledge and authority.
2. 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.
3. 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.
4. 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.
5. 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 at 571-553-4356. See the Financial Transactions Adjustment Policy and the Cost Transfers on Sponsored Agreements Policy for additional guidance on processing corrections.

6. 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.

7. 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.

### Related Information

- Anti-Money Laundering Policy
- Conflict of Interest Policy for Non-Faculty Employees
- Cost Transfer on Sponsored Projects
- Deposit of Checks, Cash and Credit Card Receipts
- EAS Monthly Closing Calendar and Schedules
- Effort Certification Policy
- Establishment of Departmental Funds
- Fixed Asset Management Policy
- 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

Contacts

<table>
<thead>
<tr>
<th>Contact</th>
<th>Telephone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Reporting</td>
<td>571-553-4166</td>
<td><a href="mailto:financereporting@gwu.edu">financereporting@gwu.edu</a></td>
</tr>
</tbody>
</table>

*Reporting of non-compliance with this policy can be done through the Office of Ethics, Compliance, and Privacy website.*