



MEMORANDUM

DATE: August 1, 2022

TO:

R. Eisenbach, Dean, Academic Programs & Advising
J. Fabbj, Dean, University Library
J. Ostergren, Dean, CEHHS
D. Formo, Dean, UGS
R. Lush, Director, Faculty Center
R. Ramirez, Dean, CoBA
M. Hunt, AVP for Faculty Affairs

S Gross, AVP Industry Partnerships
J. Trischman, Dean, CSTEM
G. Gibbison, Dean, Extended Learning
C. De Leone, Dean, GSR
L. Gubkin, Dean, CHABSS
Y. Meulemans, Chair, Academic Senate
C. Kemnitz, Provost, Academic Affairs

FROM: Mary Oling Sisay
Vice Provost, Planning and Academic Resources

SUBJECT: Monthly Budget Review and Validation Process Update

The campus instituted a validation process in 2007 to ensure that all campus department budgets are reviewed and reconciled on a monthly basis to maintain internal controls as well as to ensure that financial statements are accurate, reliable, and meet audit requirements. This continues to be the protocol for Academic Affairs. To summarize the protocol:

- All college and department budgets (e.g., all DEPT IDs) are to be reconciled to the Common Financial System (CFS)/Data Warehouse reports on a monthly basis.
- The reconciliation is to be completed by the 10th of the subsequent month after the month closed (e.g., January books closed on February 13, so the January reconciliation should be completed by March 10).
- Both the unit's resource analyst/coordinator and the unit manager review, sign, (as assigned in the unit) and date the reconciliation **through ADOBE signature routing**.
- **Beginning in 22/23, the signed reconciliation documents for each unit are to be saved to the Academic Affairs Budget Division Budget and Planning Resources Portal in the provided unit folders**
 - **Please use standard naming conventions for documents such as: FY 22_23 Period 1 Recon UNIT DEPT ID (or something similar for easy access by auditors if needed)**

Monthly Budget Review and Validation Process

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We must maintain these documents so that we can provide auditors with documentation that unit budget reports are being reviewed and reconciled in a timely manner. During an audit, the auditors may ask to see the budget reconciliation for any DEPT ID for a specific month. Upon an auditor's request, the subunit resource analyst/coordinator will be asked to produce the signed reconciliation.

A past audit noted that our budget reconciliation systems, specifically "shadow" budget systems, are inconsistent across the division and even across departments in the colleges, in terms of both format and effectiveness. The auditors suggested that we increase ongoing training and support to implement a consistent shadow budgeting system across the units. In an effort to do that we have opted to utilize an Excel workbook as the preferred method to track and reconcile the budget to CFS/Data Warehouse for consistency in the division. Planning and Academic Resources has both a template and a training module available. We suggest that the workbook be stored in a 'shared' folder with the manager for convenience and accessibility.

Standard reconciliation elements:

1. Run the DFA (Department, Fund, and Account), Class Code, Projects, or Fund Balance Report (Cash Trusts) from CFS/Data Warehouse.
2. Compare financial data from CFS/Data Warehouse to the Excel 'sub-system' or 'shadow' workbook, ensuring that budget, actuals, encumbrances, and revenues are accurate, and variances are resolved.
3. Forecast by projecting out expenses through the end of the year, updating as needed.
4. Ensure that projected expenses will be within the fiscal year budgeted amounts or resolve with your supervisor as soon as possible.
5. Review with your manager and sign reconciliation.
6. Maintain signed reconciliations within the unit and within the AA portal.

Please ensure that your unit, and any subunits that report to you, continue to observe this protocol. It helps us manage our resources, identify, and address discrepancies in a timely manner, and supports the timely completion of the annual mid-year review and year-end fiscal planning processes.

Budget training resources and sample shadow budgets are available at the Planning and Academic Resources Website: <https://www.csusm.edu/par/aabudgettraining.html>. Contact Maria Rasimas, Academic Affairs Director of Resources & Operations, for any additional budget support and training you may need.

Thank you for your continued support in following this protocol.

MOS/mr

cc: Associates Deans, Directors, and Subunit Analysts