

# Role of Fiscal Officer, Account Manager and Account Supervisor

FIN-ACC-1

## About This Policy

**Effective Dates:**

10-01-1990

**Last Updated:**

01-01-2005

**Responsible University Administrator:**

Vice President and Chief Financial Officer

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## Scope

All Indiana University units and employees.

## Policy Statement

**Executive Management** positions inherently come with the responsibility for the fiscal activity which occurs in all of their units. Executive Managers will not necessarily be assigned an official chart of accounts role in an account, but this does not mean that executive management does not have ultimate responsibility for the fiscal integrity of all accounts assigned to their organizations. Depending on the organization, these positions could include chairs, deans, vice chancellors, vice presidents, chancellors and the president.

Within the University chart of accounts, each account will have a Fiscal Officer, an Account Manager and an Account Supervisor. Roles and responsibilities of these individuals are as follows:

- Account Supervisor has an account leadership role.
- Account Manager has an account operational role.
- Fiscal Officer has an account oversight role.

All four roles discussed in this policy (Executive Management, Account Supervisor, Account Manager and Fiscal Officer) are listed in order of hierarchical responsibility with Executive Management having the highest responsibility in regard to fiscal integrity. It is understood that most of these positions will have multiple accounts, in multiple fund groups under their scope of responsibility.

The **Account Supervisor** is the unit leader responsible for the fiscal integrity of the organization. This role will provide leadership, oversight and management philosophy to ensure that all funds are spent and managed according to the goals, objectives and mission of the organization and in accordance with University policies. The Account Supervisor will also ensure that the Fiscal Officer has the education and training required to perform their assigned functions.

The **Account Manager** has the responsibility for ensuring that funds are spent and managed according to the goals, objectives and mission of the organization, to ensure that the funds are being spent according to a budgeted plan and that the allocation of expenditures is appropriate to the function identified for the account.

The duties and responsibilities of the **Fiscal Officer** include providing daily oversight on how the funds are spent and managed. This oversight includes ensuring funds are budgeted, where appropriate, that they are spent according to fiscal policy, that funds are spent in alignment with the account purpose, that processes and controls are in place, that assets are safeguarded, that transactions are recorded and reported properly, that the account is reconciled on a monthly basis, and that either the expenditures are in conformity with the budget, or appropriate budget changes have been made to reflect a change in the original budget. Signature authority on all financial transactions rests with the Fiscal Officer, and the Fiscal Officer is the only person who can delegate signature authority on an account. Because of signature authority, Fiscal Officers are required to utilize IU's Kuali Financial System (KFS).

**Fiscal Officers** typically reside at the Responsibility Center, Auxiliary Unit or Support Unit. Large, complex Responsibility Centers (RC) may have multiple Fiscal Officers in order to accommodate the size and scale of the RC. In such cases, there will be a primary RC Fiscal Officer that provides oversight to the other RC Fiscal Officers. Campus fiscal administration must approve the creation of all Fiscal Officers below the RC level.

## Reason For Policy

To clearly define the role of Fiscal Officer, Account Manager and Account Supervisor in order to establish a process to ensure fiscal control, accountability and integrity for University accounts.

## Procedure

**Approvals.** When approving documents, the Fiscal Officer is responsible for verifying or having processes in place that verify the following:

1. Charges to the account correctly represent materials received or services rendered;
2. Charges represent activities which are established, and comply with the fiscal plan that is established for the account;
3. Funds are available in the account to cover authorized charges
4. The transactions in the account comply with all relevant internal or external regulations, policies and procedures.
5. The transaction is accurate, timely and completely recorded.

**Budget.** The Fiscal Officer in concurrence with the Account Manager is responsible for establishing an annual budget. The budget, which provides orderly execution of the needs related to the account, serves as one of the control mechanisms to compare planned receipts and disbursements with the actual fiscal activities. For contract and grant accounts, the budget is established through a proposal and award process which should be a joint process between the Principal Investigator and the Fiscal Officer.

**Cash Accounts.** There are non-budgeted "cash control" accounts. In those specific cases a Fiscal Officer and Account Manager must ensure that sufficient cash is always in the account to pay for anticipated expenditures.

**Compliance.** The Fiscal Officer is responsible for understanding and ensuring compliance with University, federal, or sponsoring agency regulations, policies, and procedures. Guidance can be obtained from various administrative offices that share in these responsibilities including Purchasing, Human Resources, Insurance, Loss Control & Claims, Financial Management Services, Facilities and the University Controller Office.

**Mandatory Fields.** In the KFS, all three positions of Fiscal Officer, Account Manager and Account Supervisor are required. At the campuses discretion, the Fiscal Officer and the Account Manager can be the same individual if the unit is so small as to eliminate the ability to have a separate individual in the two roles.

**Organizational Approvals.** The Kuali Financial System (KFS) provides the ability for organizations to insert individuals in the approval process by organization, by document type and by dollar amount. This functionality remains as an integral part of the process and is supplemental to the roles defined in this policy.

**Reconciliation.** A Monthly Operating Detail (MOD) and Monthly Operating Statement (MOS) are provided to the Fiscal Officer to assist in a monthly review of the account. These statements reflect the official university records, the current budget, cash transactions to date, and accrual and encumbrance information. These statements

should be reviewed, along with supporting documentation, such as payroll and purchasing documentation, to ensure that all entries recorded are accurate and appropriate to the account. The review should also include an analysis of the actual to budgeted variances to assist in determining that the activities in the account confirm to the budget.

**Records Management.** Most original copies of financial records are retained by Financial Management Services to satisfy federal and state regulations, legal, and audit requirements. A Fiscal Officer is responsible for retaining all other original documents such as attendance records, payroll vouchers and supporting documentation for activity such as revolving fund checks and procurement cards. The University publishes the retention schedules for various documents. For further information see Related Information section on side bar.

## Definitions

**Account:** Defined by Indiana University as a group of funds that has been assigned to a unit to accomplish a specific university function.

**Account Manager:** The person who through their actions, their position, or the budgeting process of the Dean or Vice President has direct responsibility for how funds are spent and managed. Examples would be a principal investigator who received a grant or contract, an academic person who received internal research funds from the Dean, or a Director of a non-academic department.

**Account Supervisor:** It is assumed that the account supervisor will be the "leader" of the organization in which the account resides. In an academic unit this would probably be the Dean, in an administrative unit it would be the Vice President.

**Allowability of Expenditure:** Refers to when an expenditure is allowable (or acceptable) within a University account. Policies, donor intent and agency guidelines are the guidance that should be followed in order to determine if an expenditure is allowable or not. Policies are the presiding determinant over all other guidance.

**Campus Financial Administration:** The financial administrators at the campus level responsible for the budgetary and fiscal affairs of the campus. University Administration (UA) is considered a campus in this definition and the University Controller serves in the role of the senior financial administrator for UA.

**Fiscal Officer:** A person who is trained and hired for the purpose of providing fiscal, policy, and internal control management of all funds in a unit. They are responsible for ensuring that processes and related controls have been established to achieve the mission and objectives of their organization(s).

**Internal Controls:** Include procedures for ensuring reliable financial information, establishing accountability and safeguarding of assets, determining that transactions are proper for the account and in compliance with University policies, statutes, and regulations.

**Reconciliation:** Of an account, means that the monthly operating reports are being reviewed monthly to ensure that the expenditures posted to the account are expenditures that were approved by the Fiscal Officer, or their delegate, and that these expenditures are allowable. In addition, that the revenues are reviewed to verify that all revenues that should have been posted to the account during the period are accounted for with the account activity.

**Signature Authority:** Refers to the only signature that is required to process a financial transaction and for that transaction to be posted to a system.

## History

This policy was established on October 1, 1990.

## Related Information

[Ranking of Account Supervisor, Account Managers, and Delegation of Signature Authority, FIN-ACC-10](#)

[Signature Requirements on Transactions Where Fiscal Officer Has Division Responsibility and is the Principal Investigator, FIN-ACC-20](#)

[Management of Human Resource Records: Personnel Records for Staff and Temporary Employees and Benefit Program Records for All Employees, Retirees, and COBRA Participants, HR-02-80](#)