Office of the Vice President for Research & Economic Development  
Annual Financial Sub-Certification Fiscal Year Ending June 30, 2013

University officials are required to sign a document at the end of the annual financial audit. This document is called a Management Representation Letter and it is signed by university officials in Finance & Operations (this is called Financial Certification). After receiving this document, the State Auditor’s Office will issue an audit opinion as to whether our financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles. This certification of our financial statements has historically been a very centralized effort. However, decision-making and financial operations at the University are quite decentralized. This is common in higher education and as a result, many institutions have implemented Financial Sub-certification in order to collaborate with collegiate and auxiliary units by evaluating key internal controls. We are implementing Financial Sub-certification in an effort to clarify business units’ accountability for financial reporting and underlying internal controls. Deans, Vice-Presidents, Senior Fiscal Officers and certain central administration directors are required to complete the Financial Sub-certification questionnaire. Details are available at http://controller.fo.uiowa.edu/fy-2013-financial-subcertification

INSTRUCTIONS
Unit Directors, in conjunction with budget officers, in orgs 04/40/90 are required to complete the Financial Sub-certification forms for FY13.

1. Complete sub-certification questions 1-15, including all necessary comments for your department (attachment).
2. Obtain Appropriate Signatures (Unit Director and preparer, if applicable).
3. Send the completed form to Cheryl Reardon, Assistant Vice President for Research (via email or campus mail to 2660 UCC).
4. Departmental Deadline is Wednesday, September 11th.
5. A master sub-certification document for units that report to OPVR&ED will be created.
6. A master document will be signed at the org-level and submitted to the Business Office.

We hereby certify, to the best of our knowledge, that the information submitted in this financial sub-certification questionnaire is representative of the business practices of our unit for the fiscal year ending June 30, 2013.

______________________________  __________________________  __________________________
Director                               Date                     Department

______________________________  __________________________
Preparer/Budget Officer                Date

______________________________  __________________________
Other                               Date
Financial Sub-certification Statement

The annual financial sub-certification process is intended to serve two purposes:

1) provide reasonable assurance of the underlying numbers in the University's financial statements, and
2) provide reasonable assurance of a sufficient and effective internal control structure which can identify weaknesses in financial processes and systems.

For the current fiscal year, please indicate whether the control and compliance activities listed below are being performed consistently in your college/unit. Please provide a description of the issues and how your college/unit is addressing them in the comments section as indicated.

1. Does the college/unit communicate with faculty and staff with fiscal responsibilities about the importance of understanding and observing the University of Iowa Ethics Policy?

   [ ] Yes, we are effectively communicating the importance of this policy and setting clear expectations that it be followed
   [ ] Yes, but needs improvement (in comments section below, describe what improvements are planned)
   [ ] No, generally our unit is not communicating anything beyond the annual policy notifications from central Human Resources sent directly to employees

   Comments:

2. Does the college/unit follow personnel and payroll policies as set forth by Human Resources?

   [ ] Yes, we are confident that policies are clearly understood and effective internal controls are in place
   [ ] Yes, but needs improvement (in comments section below, describe specific areas of improvements that are planned)
   [ ] No (in comments section below, describe the issues and how the unit is planning to address this gap)

   Comments:
3. Does the college/unit set expectations that employees with fiscal responsibilities should attend relevant financial systems and processes training offered by Finance & Operations?

[ ] Yes, expectations are clearly documented for employees with fiscal responsibilities

[ ] Yes, but needs improvement (in comments section below, describe specific areas of improvements that are planned)

[ ] No (in comments section below, describe the issues and how the unit is planning to address this gap)

Comments:


4. Does the college/unit have processes and monitoring activities in place to ensure compliance with the University’s Cash Handling Policy?

[ ] Yes, we are confident that effective internal controls are in place to ensure compliance

[ ] Yes, but needs improvement (in comments section below, describe specific areas of improvements that are planned)

[ ] No (in comments section below, describe the issues and how the unit is planning to address this gap)

[ ] Not applicable -- we do not handle cash

Comments:


5. Does the college/unit submit the required information to Financial Management to ensure compliance with the Service Center Policy? This may include the submittal of financial statements, amounts billed to federal grants & contracts, total volume of activity and the calculation of proposed billing rates for the upcoming year.

[ ] Yes, we are confident that effective internal controls are in place to ensure compliance

[ ] Yes, but needs improvement (in comments section below, describe specific areas of improvements that are planned)

[ ] No (in comments section below, describe the issues and how the unit is planning to address this gap)

[ ] Not applicable -- we do not have service centers as defined by Financial Management

Comments:


Financial Sub-Certification Document
6. Does the college/unit communicate guidelines for reporting material financial risks, issues, errors, etc. to senior administrators within the college and to the Controller?

☐ Yes, guidelines are clearly communicated
☐ Yes, but needs improvement (in comments section below, describe specific areas of improvements that are planned)
☐ No (in comments section below, describe the issues and how the unit is planning to address this gap)

Comments:

7. Has the college/unit addressed and resolved outstanding internal and external audit issues?

☐ Yes, audit issues have been addressed and resolved
☐ Yes, audit issues have been addressed but not yet resolved (describe further in comments section)
☐ No (in comments section below, describe the issues and how the unit is planning to address this gap)
☐ Not applicable -- we do not have any identified internal or external audit issues

Comments:

8. Does the college/unit perform review of transactions appearing in its general ledger reports to internal source documents on a monthly basis?

☐ Yes, we are confident that current processes are working effectively
☐ Yes, but needs improvement (in comments section below, describe specific areas of improvements that are planned)
☐ No (in comments section below, describe the issues and how the unit is planning to address this gap)

Comments:
9. Does the college/unit perform reconciliations of non-cash assets and liabilities to supporting detail?

- Yes, we are confident that current processes are working effectively
- Yes, but needs improvement (in comments section below, describe specific areas of improvements that are planned)
- No (in comments section below, describe the issues and how the unit is planning to address this gap)
- Not applicable - we do not have any activity or balances in these accounts

Comments:

---

10. Does the college/unit follow practices which help to ensure understanding and compliance with policies regarding use of University resources as set forth in the Operations Manual?

- Yes, we are confident that our current practices are effective in helping to ensure compliance
- Yes, but needs improvement (in comments section below, describe specific areas of improvements that are planned)
- No (in comments section below, describe the issues and how the unit is planning to address this gap)

Comments:

---

11. Does the college/unit follow practices, including monitoring activities, which help to ensure compliance with University purchasing policies, travel policies and procurement card policies?

- Yes, we are confident that our current practices are effective in helping to ensure compliance
- Yes, but needs improvement (in comments section below, describe specific areas of improvements that are planned)
- No (in comments section below, describe the issues and how the unit is planning to address this gap)

Comments:
12. Does the college/unit encourage donors to direct their gift to the UI Foundation? For those gifts received directly by the University, are they deposited into appropriate gift accounts and applicable donor information forwarded to Grant Accounting? Does the college/unit have processes in place to ensure compliance with UI spending policies and restrictions imposed by donors?

☐ Yes, we are confident that our current practices are effective in helping to ensure compliance
☐ Yes, but needs improvement (in comments section below, describe specific areas of improvements that are planned)
☐ No (in comments section below, describe the issues and how the unit is planning to address this gap)
☐ Not applicable -- we do not have any gift activity in our college/unit

Comments:

13. Does the college/unit formally route all externally sponsored applications, proposals and awards through the Division of Sponsored Programs or Clinical Trials Office? Does the college/unit have effective processes in place to ensure accurate disclosure and compliance with UI Sponsor policies?

☐ Yes, we are confident that our current practices are effective in helping to ensure compliance
☐ Yes, but needs improvement (in comments section below, describe specific areas of improvements that are planned)
☐ No (in comments section below, describe the issues and how the unit is planning to address this gap)
☐ Not applicable -- we do not have any externally sponsored activities as defined

Comments:

14. Does the college/unit have processes in place to help ensure timely compliance with UI policies and restrictions imposed by granting agencies and other sponsors, including, but not limited to, funding limits and allowability of costs?

☐ Yes, we are confident that our current practices are effective in helping to ensure compliance
☐ Yes, but needs improvement (in comments section below, describe specific areas of improvements that are planned)
☐ No (in comments section below, describe the issues and how the unit is planning to address this gap)
☐ Not applicable -- we do not have any externally sponsored activities as defined

Comments:
15. Does the college/unit have processes in place to ensure effective custody over non-cash assets, including maintenance of accurate equipment inventory records, measures to prevent loss/theft of items, and compliance with University surplus/disposal policies?

☐ Yes, we are confident that our current practices are effective in helping to ensure compliance
☐ Yes, but needs improvement (in comments section below, describe specific areas of improvements that are planned)
☐ No (in comments section below, describe the issues and how the unit is planning to address this gap)

Comments:

Financial Sub-Certification Document

#16 is not effective for this fiscal year.