

Financial Health Indicators - CFO Certification FAQ

Last updated 4/7/11.

The Form

Will there be different items each month or is it just these on the form?

The items listed on the CFO Certification will be determined by the System procedure 7.3.16 Financial Health and Compliance Indicators. As measures are added or taken away, the CFO Certification form will be amended.

Will CFOs need to remember to fill out the CFO Certification form each quarter?

Reminders will be emailed to CFOs and Business Managers toward the end of each quarter, providing a link to download the form for the current quarter.

Delegation

Can the certification be delegated to a Business Manager or Accounting Supervisor?

No. Part 2, subpart A of System procedure 7.3.16 asks the college or university Chief Financial Officer to certify that they have reviewed and accepted the documentation related to the risk factor. An “acting” CFO may certify the reconciliations if there is a vacancy in the CFO position.

Is it okay for the CFO to perform the bank reconciliation and certify that it is complete and current?

To maintain a strong internal control, the person performing the bank reconciliation should not be the person that reviews and certifies the reconciliation.

Financial Statements

For Measure 5, how are appropriation and grants considered when calculating a net operating revenue.

Appropriation and grants will be included with the net operating revenue when Financial Reporting Unit pulls data for the measure.

Will financial measures from the required interim statements be included in the Financial Health Indicator procedure?

No, but analysis of the interim statements could be required as part of a Financial Recovery Plan for measures 5 and 7. (Negative Accrual based operating revenue and Low CFI score)

Reconciliation

What items should I look for on the Local Bank Rec that would indicate our account is reconciled?

The Following are traits of a reconciled and current bank rec. Exceptions to these conditions should be diagnosed and corrected within a reasonable amount of time.

- Starting MnSCU cash should match the total on the AC0563CP report.
- Starting Bank cash should match the total on the bank statement.

- Outstanding check figure that reduces the bank cash should match the total on the AP0010CB Outstanding Check report.
- Outstanding sweeps figure should match the query results provided by the Brio Bank rec query. The query provides a pivot table summary is provided as well as transaction line detail.
- For current period reconciling items, look for notes on a correcting entry that will or already has been entered.
- A current reconciliation will not have any reconciling items noted from prior periods.

In our review of reconciliations, should we accept the ISRS reports that the preparer includes in the packet or should we run our own reports to verify?

The preparer's reports should be sufficient. We will provide some guidance on what would indicate that a report was run correctly. (coming soon)

Is there a dollar threshold for reconciling or does it have to be to the penny?

To reconcile an account means to identify and note all differences between ISRS and the source account. The cause of a difference may be unidentified during the period but the reconciliation should show that a discrepancy exists. Before writing off an unidentified difference, the business office should consider materiality and document the causes as much as possible so it can be solved at a later date.