

UADA Policy 365.1 Financial Accounting and Reporting Policy

Purpose

The purpose of this policy is to specifically establish and affirm how UADA meets the requirements of Board Policy 365.1.

Scope

This policy applies to all UADA staff responsible for fulfilling financial accounting and reporting responsibilities, including requirements set by the University of Arkansas System Office, applicable law, and applicable regulatory authorities.

Policy

1. Basis of Accounting and Reporting

Consistent with Board Policy 365.1, UADA will follow financial accounting and reporting requirements in accordance with Generally Accepted Accounting Principles (GAAP) for state and local governments as governed by the Governmental Accounting Standards Board (GASB), with incorporation to the extent possible provisions of the *Financial Accounting and Reporting Manual for Higher Education* published by the National Association of College and University Business Officers. To the extent required or necessary, UADA will coordinate with the Vice President for Finance for the University of Arkansas System (UASYS) to confirm that UADA's application of GAAP is consistent with the practices and procedures implemented across UASYS.

2. Financial Reporting and Consolidation

Since UADA financial information is consolidated with and reported as part of the University of Arkansas, Fayetteville (UAF) Annual Comprehensive Financial Report (ACFR), UADA will coordinate with appropriate personnel responsible for financial reporting at UAF to ensure reporting consistency and timeliness. This coordination may influence the year-end close and reporting process. It is the responsibility of the UADA Associate Vice President for Finance and Administration to ensure processes are in place to facilitate annual reporting that allows for accurate and timely financial reporting and consolidation. UADA fiscal staff are expected to execute financial reporting duties in a manner that is consistent with this policy and the timelines defined by the Associate Vice President for Finance and Administration.

3. Internal Control, Effective Practices, and Reporting Structure

The UADA Associate Vice President for Finance and Administration is responsible for ensuring effective internal controls over financial reporting exist, financial processes and

reporting are effective and consistent, and that practices across departments and units are aligned with organizational standards and requirements and that such standards and requirements are consistent with UASYS standards and requirements. All central and departmental finance staff are expected to uphold internal control procedures and standardized practices. To facilitate alignment and consistency, all central and distributed departmental finance staff across UADA departments and units will maintain a dotted reporting line to the Associate Vice President for Finance and Administration organization, consistent with the requirements of Board Policy 365.1. For some positions, this may be achieved through a dotted reporting line to a position that reports directly to the Associate Vice President for Finance and Administration. Workday matrix organizations will be used to document this reporting relationship in addition to this policy, which specifically establishes this dotted line reporting relationship. Additionally, the UADA Associate Vice President for Finance and Administration has a dotted line reporting relationship to the UASYS Vice President for Finance, in accordance with Board Policy 365.1.

4. Document/Record Retention, and Auditing

UADA shall maintain appropriate accounting and financial records, in accordance with Board Policy 365.1 and relevant federal and state laws and regulations. In most instances, these records are maintained within Workday as the financial system of record maintained by UASYS. However, the Associate Vice President for Finance and Administration holds primary responsibility for providing directives to UADA departments and staff regarding the types of documents and records outside Workday that should be maintained to support UADA's financial processes and reporting. In no instances should UADA faculty or staff intentionally destroy supporting documents or records deemed necessary to support UADA's financial transactions, as determined by the Associative Vice President for Finance and Administration or designees. UADA acknowledges the right of entities such as Arkansas Division of Legislative Audit, external audit firms, Internal Audit, and other regulatory agencies to audit UADA's financial records and will develop documents and records in a manner consistent with the authority these entities hold to perform audits as required.

5. Financial Period Close

UADA shall maintain a structured financial close process, consistent with Board Policy 365.1. UADA will maintain a financial period close schedule designed to meet the period close standards outlined in Board Policy 365.1 which includes monthly close within 10 business days, quarterly close within 15 business days, and year-end close within 60 business days. The schedule will be communicated to any UADA staff that are part of the period close process and progress according to schedule will be monitored. Period close status will be reported to the UASYS Vice President for Finance in the manner and at the frequency prescribed.