FINANCE AND ADMINISTRATION - FINANCIAL ACTIVITIES

BOT 6.3

Date of Last Update:
June 25, 2021

Approved By:

- Board of Trustees

Responsible Office:
Office of General Counsel

PROCEDURES

6.3 Financial Activities

The responsibility for the activities outlined above shall include but not be limited to the following:

1. **Accounting** - The accounting unit shall be responsible for maintaining records of all financial transactions for the self-balancing fund groups of the University and the preparation of all required budget reporting. The practices and procedures of the accounting unit shall conform to generally accepted principles of budgetary and fund accounting for universities, to applicable legal requirements, and to such uniform requirements as have been adopted by the Michigan state-supported institutions of higher education. Following the close of the fiscal year, financial statements for all funds shall be presented to the Board of Trustees at the first meeting following the completion of the statements.

2. **Disbursement of Funds** - The disbursement of funds shall be made by check or wire transfer only, properly documented and charged to the fund to which the disbursement applies, except that the disbursing officer may expend petty cash in lieu of a check when circumstances require such action. All checks or wire transfers must be drawn by an officer, or others authorized by the Board of Trustees and within the limits of Board resolutions.

3. **Receipt and Custody of Funds** - A cashier, or a person acting in a cashiering capacity, shall receive all funds, or evidence of deposit of funds, that belong to, or are to be held in trust by, the University. Funds received by the cashier from various operations

and offices of the University shall be supported by appropriate documentation. Funds received shall be adequately protected, pending deposit, and shall be credited to the fund to which the receipt applies as often as reasonable and practicable.

4. **Budget Office** - The budget office works closely with officers, staff, and committees in preparing the University's internal budgets. The budget office prepares working budgets as needed which reflect the income expenditure plan for each account and/or fund. The budget office monitors spending in all funds as necessary and regularly advises appropriate persons and/or committees on the status of the budget. The budget office aids university officials with their questions and concerns as they arise. The budget office cooperates in preparing special reports and studies as needed. The budget office prepares materials needed by the Board of Trustees to approve fees applicable to all students.

5. **Reserves for Maintenance, Renewals and Replacements** - Reserves for maintenance, renewals and replacements of fixed assets will be established for various units. Such reserves will be funded by charging the appropriate operating units. Actual expenditures for maintenance, renewals and replacements for participating units shall be charged against the reserve as they are made.

For each unit that a reserve is established, procedures will be developed detailing the source and amount on funds and which expenditures are appropriate to charge to the reserve.

6. **Retirement Plan Investment Committee** - The Retirement Plan Investment Committee shall provide oversight of the University's retirement plans, work with a registered investment advisor approved by the Treasurer and make recommendations to the Treasurer.