

Effective Date: November 2020
Previous Version: n/a
Policy Owner: Chief Financial Officer
Approved by: President
Approval Date: 11/30/2020

FINANCIAL MANAGEMENT RESPONSIBILITY

Policy Statement

All NewU faculty and staff are accountable for processing and recording financial transactions in a timely and proper manner.

Scope

The Policy on Financial Management Responsibility applies to all NewU Staff and Faculty.

Policy

This policy pertains to all business activities of NewU. Supervisors are responsible for familiarizing their staff members with this policy. While certain tasks may be delegated to staff directly involved in processing transactions, accountability cannot be delegated. The person delegating tasks remains responsible for proper performance of those tasks.

1. The CFO's office is responsible for creating NewU's budget in collaboration with the President and the rest of the executive team in line with NewU's mission and strategy. NewU uses the incremental budget model.
2. All revenues generated by NewU activities and all expenditures for goods and services must be recorded and accounted for within NewU's accounting system: Oracle NetSuite. Revenues are recorded when earned, generally when NewU has delivered the goods or services. Similarly, expenses are recorded when goods or services are received by NewU. Holding an invoice or contract does not prevent the expense from being incurred and reportable. Accordingly, invoices should be submitted to the CFO or his/her designee on a timely basis through the NewU E-Portal.
3. All transactions, regardless of the amount, must be recorded into the general ledger with accurate descriptions and comprehensive supporting documentation to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The CFO is responsible for the accuracy, integrity, and overall management of NewU's financial system and should be consulted on any matters relating to accounting policies and procedures.

4. All financial transactions must be recorded timely and accurately, with the true business nature of the transaction clearly identified. Specific guidance pertaining to the timely posting of transactions will be made available, including monthly closing calendar and schedules prepared by the CFO or his/her designee.
5. No transaction recorded into the general ledger, nor any supporting documentation, may be deliberately left incomplete or distorted. No payments made on behalf of NewU are to be approved with the understanding that any part of such payment is for any purpose other than that described on its supporting documents.
6. The CFO is responsible for oversight of financial transactions. It is the CFO's responsibility to coordinate with other relevant parties at NewU to:
 - a. Verify that transactions are reviewed and approved by an individual with the appropriate level of knowledge and authority. NewU maintains all accounting records, supplier information, contracts, and any other related information in the professional management systems NetSuite and Salesforce as applicable, with key backup files stored safely outside of these systems.
 - b. Verify that adequate internal controls are established over processing of financial transactions affecting NewU. Internal controls include segregation of duties, limiting of physical and data access based on individual job responsibilities, and monitoring/evaluating financial results.
 - c. Verify that periodic reports of account activity are reviewed to determine that all charges and entries are accurate and complete. The review must include a comparison of budget to actual and year-over-year actual results where applicable, and trends or areas of concern must be identified. For significant deviations from expected results, the variance must be investigated and reasons documented, along with any necessary corrective action plan.
 - d. Verify that all entries made to each revenue and expense general ledger account have been properly allocated and that transactions represent activities that pertain to the purpose of the account. In the case of restricted accounts, verify that all transactions comply with donor-imposed restrictions on the use of funds. NewU is committed to transparency in managing its finances. Entries in the accounting system must use the established Chart of Accounts with appropriate tags to provide detail on the transactions. Creation of new accounts within the system requires prior approval of the CFO.
 - e. Take appropriate and timely action to correct any improper charges allocated to an incorrect account by notifying the CFO as soon as

discovered. See the Financial Transactions Adjustment policy for additional guidance on processing corrections.

- f. Verify that all charges to any restricted donor accounts are appropriate and allowable under the donor's requirements. Should NewU become eligible to apply for funding sponsored by the Federal government (i.e. at a minimum after receiving accreditation) and should NewU receive such funding, the applicable policies and procedures will be proactively adopted at that time.
 - g. Verify that all NewU property is properly secured and accounted for on a periodic basis. Cash, checks and credit card receipts must be secured and deposited in accordance with NewU's policy on Deposit of Checks, Cash, and Credit Card Receipts. Physical property of NewU must be safeguarded, used for NewU purposes, and properly maintained. See the Fixed Asset Management policy for more information.
7. The following approval thresholds apply to any and all purchase pre-authorizations, purchases, acquisitions and disposals of fixed assets, expense reports, and accounting entry adjustments. For the avoidance of doubt, NewU does not allow splitting larger transactions for the purpose of circumventing this policy.

Amount	Approver
Up to \$499.99	Direct supervisor
Between \$500.00 and \$4,999.99	CFO
Between \$5,000.00 and 49,999.99	President
\$50,000 and above	Board of Directors

8. The CFO is responsible for ensuring that all applicable federal and state taxes are paid on time to the respective authorities. See the following policies for more details: Sales Tax Collection, Reporting and Remittance; 1099 Tax Reporting and Withholding Policy; and Unrelated Business Income Tax.
9. Certain policies, such as those that govern the signing of contracts and agreements that legally bind NewU, are covered by NewU's Bylaws.

An annual financial audit will be conducted by an independent certified public accountant.

Definitions

NewU E-Portal –NewU's digital workflow management system powered by Salesforce.

The following is a list of authorities and officers for this policy:

- a) Approving Authority: President

- b) Designated Executive Officer: CFO
- c) Procedural Authority: CFO
- d) Procedural Officer: CFO

[End]