After each question number is the correct response for no risk/corrective action. If (info), the question is merely collecting information (no risk or corrective action). If (decision), the question is meant to determine whether you continue or skip the next section of questions.

PROCUREMENT OF GOODS AND SERVICES

Question 1: (decision 2-9)
Does your department have a procurement card(s)?

If you answered "Yes" to Question 1, please go to Question 2 and continue.

If you answered "No" to Question 1, please skip to Q10.

Question 2: No
Have individuals in your department who have **not** read the procurement card policy (**Policy FI0530**) made purchases with departmental procurement cards?

Risk:
Individuals who make purchases with procurement cards without reading the procurement card policy may make disallowed purchases or not obtain adequate receipts.

Corrective Action:
Ensure that all individuals who use procurement cards in the department have read **Policy FI0530** on procurement card use.

Question 3: Yes
If procurement cards are used to purchase items between $1,500 and $4,999.99 that are classified as sensitive minor equipment (examples include computers, cameras, musical instruments, televisions), is the asset linked to the procurement card transaction using a "complex posting" during the procurement card reconciliation process?

Risk:
Sensitive minor equipment purchased with procurement cards may not be entered in the University equipment inventory system (IRIS) and recorded in the proper general ledger (G/L) account. Adequate records of sensitive minor equipment assist the department in oversight and control of these vulnerable items.

Corrective Action:
When purchasing sensitive minor equipment with procurement cards, ensure that the asset is linked to the procurement card transaction using a "complex posting" during the procurement card reconciliation process. (**Policy FI0600, #7**)

Question 4: No
Excluding purchases against existing procurement agreements (e.g., framework orders) or from vendors in the UT Marketplace, have purchases been made to a single vendor for items with a similar purpose (e.g., furniture, computer components) and divided into multiple purchases under $10,000 to allow using the procurement card?

Risk:
The University may not have obtained the most favorable prices for purchases of $10,000 or more made with the procurement card rather than being competitively bid in accordance with **Policy FI0405**. Additionally, **Policy FI0530** prohibits splitting procurement card single transactions in excess of $9,999.99 into smaller transactions.

Corrective Action:
Excluding purchases against existing purchasing agreements (e.g., framework orders) or from vendors in the UT Marketplace, purchases for items with a similar purpose from a single vendor which exceed $9,999.99 during a calendar year must be made by the campus/institute purchasing department and be competitively bid.

Question 5: Yes
When receipts obtained from vendors do not meet the minimum requirements established by **Policy FI0530, #16**, are Supplemental Receipt Forms prepared by your department and attached to original supporting documentation received from the vendor (e.g., non-itemized receipt, packing slip)?

Risk:
Fraudulent purchases may be concealed with inadequate documentation.

Corrective Action:
When an original receipt cannot be obtained which meets minimum requirements, ensure that a Supplemental Receipt Form is completed and attached to the original supporting documentation obtained from the vendor.

Question 6: Yes
During the verification process, are all procurement card expenses distributed to the appropriate G/L accounts, ensuring the G/L is changed for any purchases that should not be coded as supplies, which is the default?

Risk:
Failure to distribute expenses to the appropriate G/L accounts results in a misrepresentation of both the department's and the University's accounting records.

Corrective Action:
Ensure that the verifier distributes expenses to the appropriate G/L account as required by **Policy FI0530, #7**.

Question 7: Yes
During the verification process, does the verifier confirm that receipts (original or supplemental) are available for all transactions listed on the cardholder's monthly statement and that all receipts are acceptable documents according to University policy?

Risk:
Fraudulent purchases may be concealed with inadequate documentation.

Corrective Action:

The verifier should confirm that acceptable receipts (original or supplemental) are available for all transactions listed on the cardholder's monthly statement. (**Policy FI0530, #7**)

Question 8: Yes

Are all original procurement card statements (signed by the cardholder) and receipts scanned into IRIS each month?

Risk:

Scanning procurement card statements and receipts into IRIS ensures accounting records are appropriately maintained in accordance with **Policy FI0120**.

Corrective Action:

Ensure that procurement card statements (signed by the cardholder) and receipts are scanned into IRIS each month.

Question 9: Yes

Do all procurement cardholders in your department review and sign their statements each month to ensure that the listed transactions are correct?

Risk:

Unauthorized transactions may exist on the monthly statement.

Corrective Action:

Ensure that all cardholders sign their monthly statements after reviewing them for accuracy. (**Policy FI0530, #6**)

Question 10: Yes

Are invoices reviewed and approved by someone other than the employee who requisitions materials?

Risk:

No separation of duties exists. Separation of duties helps prevent fraudulent purchase practices.

Corrective Action:

Assign duties so that the person requisitioning materials does not approve invoices.

Question 11: Yes

Is each invoice marked with a "date received" (either written or stamped) indicating the month, day, and year the invoice was received by the department?

Risk:

The invoices do not meet fiscal policy requirements necessary to comply with the Prompt Payment Act, which requires all invoices to be paid within 45 days of receipt of the invoice or date the goods or services were received.

Corrective Action:
Mark each invoice with the "date received" (either written or stamped) as required by **Policy FI0505, #13**.

Question 12: Yes
Does the processing of invoices for payment include the following:

1) Comparison of terms, prices, quantities, and freight charges on invoices with those on the purchase orders (when applicable)?
2) Comparison of items and quantities on invoices with merchandise actually received?
3) Mathematical check of charges, including discounts, on invoices?

Risk:
The University may pay for goods not received or pay an incorrect amount.

Corrective Action:
Compare invoices and purchase orders (if applicable) with the items actually received and mathematically check the charges, including discounts, on invoices. (**Policy FI0505, #13**)

Question 13: Yes
Are all original invoices received and entered by the department in IRIS kept on file until the associated ledger has been reconciled (for invoices scanned into IRIS) or for six years (for those not scanned into IRIS)?

Risk:
Accounting records are not being maintained in accordance with **Policy FI0120**.

Corrective Action:
Ensure that original invoices are kept on file until the associated ledger has been reconciled (for invoices scanned into IRIS) or for six years (for those not scanned into IRIS).

Question 14: Yes
Do all employees in the department who approve transactions in IRIS meet the following conditions?

1) The employee's position is classified as exempt.
2) The employee does not approve any expenditures in IRIS that he or she has entered or prepared for entry.
3) The employee does not approve any transaction that results in a payment of University funds (including sponsored program funds) to himself or herself (e.g., travel expense or petty cash reimbursements, additional pay).
4) The employee has demonstrated sufficient ethical standards and knowledge of University and departmental operations to be entrusted with the responsibility for University funds.

Risk:

Approval authority may have been granted to someone who 1) is not in a position to assess the appropriateness of the purchase or 2) may have the opportunity to conceal fraudulent purchases.

Corrective Action:

Remove approval authority from all employees who are non-exempt and prohibit employees from approving any expenditure in IRIS that they have entered or prepared for entry. Ensure that transactions resulting in payment to approvers is routed to the next higher level administrator in the funds center hierarchy for additional approval. (**Policy FI0150**)

Question 15: No

Has an employee with approval authority delegated approval by sharing his or her IRIS password?

Risk:

IRIS security has been compromised by sharing passwords. (The approver is accountable for all actions taken by someone who has used his or her password.)

Corrective Action:

The substitute approver should use a unique IRIS user ID and password; the shared password should be changed; and IRIS users should be informed they are not to share passwords. (**Policy IT0110**)

Question 16: Yes

Has a departmental employee been specifically assigned responsibility to monitor and approve transactions in the event of the regular approver's absence?

Risk:

Transactions may not be approved and processed in a timely fashion.

Corrective Action:

Assign someone in the department responsibility as a "substitute approver" for monitoring and approving transactions in IRIS in the regular approver's absence.

Question 17: Yes

Does the person who approves payment of invoices in IRIS observe and review the scanned invoice prior to approving the transaction?

Risk:

Transactions in IRIS do not contain itemized detail of what was purchased. Fraudulent purchases may occur because the person approving the invoice did not know what was purchased.

Corrective Action:
The person approving transactions in IRIS should observe and review the invoice as he or she approves the transaction in IRIS.

Question 18: Yes
Are invoices processed and approved in IRIS so that payment will be made within 45 days of receipt of the invoice or date the goods or services were received (whichever is later)?

Risk:
Payments may not be made to vendors within the 45-day limit established by the Prompt Payment Act.

Corrective Action:
Take steps to ensure that invoices are processed and approved for payment within 45 days of receipt of the invoice or date the goods or services were received (whichever is later). (**Policy FI0505, #25**)

Question 19: Yes
Are all departmental ledgers reconciled each month as required by **Policy FI0115**?

Risk:
Fraudulent transactions and errors may not be detected.

Corrective Action:
Reconcile all departmental ledgers each month.

Question 20: Yes
Are all departmental ledgers reconciled by an employee who does not enter data into IRIS?

Risk:
Fraudulent transactions and errors may not be detected.

Corrective Action:
Segregate duties so that the ledgers are reconciled by an employee who does not perform data entry.

Question 21: Yes
Is the reconciled ledger reviewed and approved by either the employee responsible for the funds or his/her designee? (Note: Principal Investigators must review and approve their own ledgers.)

Risk:
Because all transactions do not go through workflow, the employee responsible for the funds may not be aware of them all (including fraud).

Corrective Action:
Ensure that the employee responsible for the funds or his/her designee reviews and approves the reconciled ledger each month. (**Policy FI0115**)

Question 22: No
Are payments to individuals for personal services paid from petty cash funds?

Risk:
The University may violate federal laws on income withholding. Additionally, **Policy FI0525** prohibits payments to individuals for personal services from petty cash funds.

Corrective Action:
A Form T-27 or invoice from the individual should be processed for such payments in accordance with **Policy FI0505**. Additionally, steps must be taken to determine if the individual should be classified as an employee or an independent contractor. (**Policy FI0505**, **#9**) If the individual should be classified as an employee, steps may need to be taken to add him or her to the University's payroll system.

Question 23: Yes
Does your department obtain the campus/institute chief business officer's approval for all entertainment expenses that are above $1,000 per function?

Risk:
Proper approval is not obtained for entertainment expenses above $1,000 per function as required by **Policy FI0715**. Approval by the campus/institute chief business officer helps to ensure the expenses are prudent and reasonable.

Corrective Action:
Ensure that expenditures for entertainment $1,000 and above per function are approved by the campus/institute chief business officer.

Question 24: Yes
Are receipts (or for some campuses, invoices) for bookstore purchases reconciled to charges on the departmental ledger each month by a departmental employee who is not authorized to make bookstore charge purchases?

Risk:
Unauthorized or unallowable transactions may be charged to the department.

Corrective Action:
Assign an employee who is not authorized to make bookstore charge purchases the duty of reconciling bookstore receipts (or invoices) to the departmental ledger each month.

Question 25: (decision 26-30)
Has your department purchased services (e.g., catering services, guest speakers, consulting

services) from outside sources in the past two years?

If you answered "Yes" to Question 25, please go to Question 26 and continue.

If you answered "No" to Question 25, please skip to Question 31 and continue.

Question 26: **Yes**

Are contracts for services entered into the Contract Management System for review by the campus/institute contract office whenever payments by the University for services are expected to exceed $10,000 per engagement?

Risk:

Service contracts do not receive the review required by **Policy FI0420**. Such contracts may not be legally binding or may contain terms prohibited by University policies.

Corrective Action:

Ensure that contracts for services expected to exceed $10,000 per engagement are entered into the Contract Management System for proper review.

Question 27: **Yes**

Does the department head or business manager verify that all services have been performed satisfactorily before authorizing payment?

Risk:

Departments may authorize the expenditure of University funds for services that have not been completed or were not performed adequately.

Corrective Action:

The department head should verify that all services have been performed satisfactorily before authorizing payment.

Question 28: **Yes**

For all amendments to contracts for services, does your department enter the amendment into the Contract Management System for review and approval?

Risk:

Amendments may be initiated which are not legally binding or contain terms prohibited by University policies.

Corrective Action:

Amendments to contracts must be entered into the Contract Management System for legal and fiscal review. (**Policy FI0420**)

Question 29: **No**

Is contract work ever performed before the contract is fully executed and in "active" status

in the contract system?

Risk:
The University may be liable for work performed that was never authorized. Additionally, if the fully executed contract is not available in the system, the University may overpay for services.

Corrective Action:
Contract work for services should not be permitted until the contract is fully executed and in "active" status in the contract system.

Question 30: Yes
For service contracts over $10,000 that are not competitively bid, is a thorough explanation documented in the sole-source justification field in the Contract Management System or in the requisition system via the sole-source justification form?

Risk:
A non-competitive agreement may be executed with a vendor that does not qualify as a sole-source provider.

Corrective Action:
Ensure that a thorough explanation is documented in the sole-source justification field in the Contract Management System for all contracts over $10,000 that are not competitively bid as specified in **Policy FI0405**.

SPONSORED PROGRAMS

Question 31: (decision 32-end)
Does your department obtain external grants and contracts from sponsoring agencies?

If you answered "Yes" to Question 31, please go to Question 32 and continue.

If you answered "No" to Question 31, you have completed the questionnaire.

Question 32: Yes
Do all sponsored project WBS elements for your department have complete and accurate budgets in IRIS which include all sources and uses of funds, e.g., facilities and administrative (F&A) costs, F&A cost sharing, and direct cost sharing?

Risk:
IRIS cannot be used to monitor WBS elements for over-expenditures if the budgets are inaccurate and do not include all sources and uses of funds.

Corrective Action:
Submit all new or revised budgets to the campus research or business office in a timely

manner so the budget will be correctly reflected on the departmental ledger. (**Policy FI0205, #14**)

Question 33: Yes

Does your department identify, investigate, and resolve overspent WBS elements on a monthly basis?

Risk:

If sponsored projects are overspent, corrective action may not be taken in a timely manner. Over-expenditures can cause billing delays. Also, the expenditures may not belong to the sponsored project.

Corrective Action:

Review all sponsored project WBS elements for the department each month and investigate and resolve any over-expenditures.

Question 34: Yes

In those instances where work or expenditures must begin before a sponsored project is fully executed, is an advance WBS element established to handle project expenditures?

Risk:

Expenditures may be charged to incorrect WBS elements and require difficult and error-prone transfers after the correct WBS elements are established.

Corrective Action:

Always establish an advance WBS element when work or expenditures must begin before a sponsored project is fully executed. (**Policy FI0205, #14**)

Question 35: Yes

Does your department always request sponsored project extensions if needed before the existing sponsored projects expire?

Risk:

If extensions are not obtained before existing sponsored projects expire, the University may incur expenditures that cannot be reimbursed, or payments to the University may be delayed unnecessarily.

Corrective Action:

Develop procedures in your department to ensure that sponsored project award extensions are requested before the projects expire. (**Policy FI0205, #14**)

Question 36: Yes

Does the department ensure that principal investigators (PIs) and departmental staff who process financial transactions are familiar with federal regulations from the Office of Management and Budget (OMB), sponsor regulations, specific award provisions, and

University fiscal policies, so that they know which costs are allowable?

Risk:

PIs or other departmental staff who process financial transactions who are not familiar with sponsored projects regulations may not know which costs are allowable. Therefore, unallowable costs could be charged to a sponsored project.

Corrective Action:

Take action to familiarize PIs and departmental staff who process financial transactions with OMB regulations, sponsor regulations, specific award provisions, and UT fiscal policies, and inform them of their responsibilities to help ensure compliance with these regulations and other limitations on expenditures. (**Policy FI0205, #8**)

Question 37: **No**

Does your department make numerous or late transfers (more than 60 days after the project's end date) of costs on sponsored projects, particularly from overspent sponsored projects to projects with funds remaining?

Risk:

Sponsors may disallow these cost transfers. Excessive or late cost transfers are viewed suspiciously by sponsors and may indicate weak accounting practices or using underspent projects to fund overspent projects. This practice could jeopardize future funding.

Corrective Action:

Establish procedures to ensure that cost transfers occur rarely and are only to correct errors. Ensure that all cost transfers are thoroughly documented with proper approvals, an explanation(s) of the reason for the transfer, and how the project being charged benefited from the expenditure. (**Policy FI0220**)

Question 38: **Yes**

If sponsored projects in your department produce program income, is the income identified in the proposals and the projects' accounting records (i.e., deposited in the WBS element using cost element 700900)?

Risk:

Not identifying program income properly violates OMB Uniform Guidance regulations. Also, if a sponsor discovers that program income was earned but not included in the proposal, the sponsor may insist that the money be refunded.

Corrective Action:

Take steps to ensure that all program income is identified in the proposals and accounting records. (**Policy FI0235**)

Question 39: Yes

At the end of a sponsored project, does your department

> 1) process all charges and travel vouchers within 60 days?
> 2) submit final technical reports to agencies within the required contractual deadlines?
> 3) work with the sponsored projects accounting office or campus business office to zero and close sponsored projects in a timely manner (within 3 months)?
> 4) if necessary, request and receive extensions from sponsors before the ending date of the award?

Risk:

The University may not be able to recover all charges or collect the final payment in a timely fashion. Also, if credits are processed against a sponsored project after the final invoice or financial report has been sent, the University has overcharged the sponsor and must return funds and file revised final financial reports.

Corrective Action:

Establish procedures to ensure that: 1) project ending dates are monitored centrally in the department and closeout is accomplished in a timely manner with complete and valid charges on the sponsored project within 60 days of project ending dates, 2) expired sponsored projects are monitored centrally in the department and the department works with the sponsored projects accounting office or campus business office to zero expired sponsored projects, and 3) extensions are processed properly in a timely fashion.

Question 40: Yes

Does your department refrain from making expenditures (including salaries) to sponsored project accounts after the end dates?

Risk:

Expenses may not be reimbursed by the sponsoring agency. Also, if late charges should actually be made to another WBS element (e.g., for a continuing project), there may be difficulties in resolving the accounting and reimbursement from the agency.

Corrective Action:

Establish procedures to prevent expenditures made after the end date of sponsored projects.

Question 41: Yes

Has a departmental employee been assigned to review the Report of Non-Certified Effort (ECR Uncertified Effort Report) in IRIS each month to ensure that all PIs and other monthly paid staff who work on sponsored projects have certified their effort?

Risk:
Not certifying effort each month may cause the following: salary allocations may not be changed at a later date to the correct amount; agencies may be billed for erroneous amounts that must be corrected later.

Corrective Action:
Assign a departmental employee responsibility for reviewing the Report of Non-Certified Effort in IRIS each month and to follow up with PIs or other monthly paid staff who work on sponsored projects who have not certified their effort. (**Policy FI0215, #35**)

Question 42: Yes
If departmental staff are responsible for entering effort certification on behalf of PIs (or other monthly paid staff working on sponsored projects), is appropriate documentation containing first-hand knowledge of the work expended obtained from the employee each month, and is the documentation kept on file in the department for six years after termination and review by sponsor or by the contract clause?

Risk:
Documentation is not being maintained to meet federal requirements.

Corrective Action:
Ensure that PIs and other monthly paid staff who work on sponsored projects submit appropriate documentation (e.g., signed and dated fax, memo, letter, email) containing first-hand knowledge of the work expended each month (**Policy FI0215, #14**) and that the documentation is kept on file in the department for six years after termination and review by sponsor or by the contract clause (**Policy FI0120**).

Question 43: Yes
Are changes to previously certified effort thoroughly documented as to why the change of effort is needed and a positive assertion that the new charges are appropriate, allowable, and allocable?

Risk:
Changes to previously certified effort erode the credibility of the certifier and the effort certification process and are not allowed except in limited circumstances.

Corrective Action:
If a previous certification must be reset, extensive documentation is required to support the change. (**Policy FI0215, #43**)

Question 44: Yes
When changes to previously certified effort are necessary, are adjustments to payroll distributions initiated through the payroll system with approval of the campus/institute chief business officer and the University controller when required?

Risk:

Salary journal entries posted directly to the accounting system are not normally allowed. If salary changes are not initiated through the payroll system, salary charges on sponsored projects are not supported by the detailed payroll records of the University.

Corrective Action:

If a previous certification must be reset, adjustments to payroll distributions must be initiated through the payroll system with the approval of the campus/institute chief business officer and the controller when required. (**Policy FI0215, #44**)

Question 45: Yes

When you receive a Visitor Information Packet for a visitor engaged in research, do you

1) Determine whether the work or collaboration with the proposed visitor would violate the terms of any University grant or contract?
2) Determine whether the University should execute an agreement with the proposed visitor's home institution?
3) Ensure that the necessary export control and research security reviews are completed?

Risk:

Allowing visitors access to University research without appropriate safeguards could violate grant or contract terms. Additionally, lack of export control and research security reviews could violate export control regulations.

Corrective Action:

When you receive a Visitor Information Packet for a visitor engaged in research, (1) determine whether the work or collaboration with the proposed visitor would violate the terms of any University grant or contract; (2) determine whether the University should execute an agreement with the proposed visitor's home institution; and (3) ensure that the necessary export control and research security reviews are completed. (**Policy RE0002, #3**)

Question 46: Yes

When you receive a Visitor Information Packet for a visitor engaged in research, do you deliver a copy of the completed Background Request form to the campus human resources office for processing?

Risk:

The appropriate background check may not be performed to ensure compliance with University policy and export control regulations.

Corrective Action:

When you receive a Visitor Information Packet for a visitor engaged in research, deliver a

copy of the completed Background Request form to the campus human resources office for processing. (**Policy RE0002, #3**)

Question 47: Yes
When you receive a Visitor Information Packet for a visitor engaged in research, do you contact the campus export control and research security offices to request an appropriate review of the proposed visitor and his/her home institution?

Risk:
Appropriate reviews may not be performed to ensure compliance with University policy and export control regulations.

Corrective Action:
When you receive a Visitor Information Packet for a visitor engaged in research, contact the campus export control and research security offices to request an appropriate review of the proposed visitor and his/her home institution. (**Policy RE0002, #4**)

Question 48: Yes
When you receive a Visitor Information Packet for a visitor engaged in research, do you retain a copy of all documents required by **Policy RE0002** and forward a copy to the campus human resources office?

Risk:
Appropriate documentation is not retained for compliance with University policy and export control regulations.

Corrective Action:
When you receive a Visitor Information Packet for a visitor engaged in research, retain a copy of all documents required by **Policy RE0002** and forward a copy to the campus human resources office.

Question 49: Yes
For a visitor engaged in research, do you terminate the visitor's IRIS appointment and related NetID access on the termination date?

Risk:
The visitor maintains access to University information systems, including private or sensitive data.

Corrective Action:
For a visitor engaged in research, terminate the visitor's IRIS appointment and related NetID access on the termination date. (**Policy RE0002, #7**)

Question 50: Yes
For a visitor engaged in research, do you terminate the visitor's card reader access and collect his/her key on the termination date?

Risk:

The visitor maintains access to University property and assets.

Corrective Action:

For a visitor engaged in research, terminate the visitor's card reader access and collect his/her key on the termination date. (**Policy RE0002, #8**)