



---

## **Formulation, Issuance and Maintenance of University Financial Policies**

Approved By: Senior Vice President and CFO  
Effective Date: 06/30/2009  
History: Approval Date: 06/27/2009  
Revision Date: 4/30/2011  
Type: Administrative Policy  
Finance Policy Number: F\_ADM\_01  
Responsible Official: Senior Vice President and CFO  
Related Policies: None

### **Executive Summary**

#### **Policy Statement**

The Wake Forest University Reynolda Campus community shall have ready access to University financial policies and procedures that are formally approved, prepared in a consistent format and centrally maintained. The University offices and individuals responsible for initiating, creating, issuing, communicating, updating and maintaining University financial policies and procedures must comply with the procedures outlined in this document. Schools and other departments/operations may impose greater restrictions when applying University financial policies and procedures, but never less.

#### **Reason for the Policy**

This policy on financial policies promotes:

- Consistent process and format for policies, operational efficiencies and best practices across the University.
- Compliance with applicable laws, regulations, and accounting and reporting standards.
- Explanation of the elements of a University financial policy and a standardized policy format.
- Establishment of a process for setting University financial policies and procedures.
- Assurance that University financial policies and procedures are formally approved, prepared in a consistent format, and centrally maintained.

- Creation of a repository that provides the University community with a comprehensive, easy-to-use on-line resource that serves as the definitive source for University financial policies and procedures.
- Appropriate level, scope and frequency of attention to financial policies.
- Clarity, transparency and shared understanding of financial policy protocols.

This policy outlines the University's protocols for evaluating, formulating, revising, approving, issuing and maintaining administrative policies relating to financial and accounting functions. This policy defines a University finance policy, explains the standardized policy format and explains the relationship of procedures and forms to finance policies.

## **Responsibilities**

### **Primary Guidance**

There is not a primary policy to which this policy responds. It is consistent with best practices.

### **Responsible University Office or Officer**

The Office of the Senior Vice President and CFO is responsible for the maintenance of this policy, and for responding to questions posed regarding this policy.

### **Who Is Governed By This Policy**

All staff, faculty and students at the University—or anyone working on behalf of the University—who play a role in the evaluation, formulation, revision, approval, issuance or maintenance of administrative policies managed by departments that report to the Senior Vice President and CFO. Schools and departments may impose greater restrictions when applying University financial policies and procedures, but never less.

### **Who Should Know This Policy**

Executive Officers, Deans, Chairs, Directors, Departmental Administrators and individuals considering issuing, revising, or assisting the drafting of a WFU financial policy.

### **Exclusions & Special Situations**

All conflicts of interest policies, including administrative conflicts of interest, are managed through a separate policy and procedure. The University Trustees, President, Senior Vice President and CFO, and General Counsel, as the situation warrants and at their discretion, may develop, revise and issue University administrative policies in a manner separate from the protocols outlined in this policy.

## **Highlights of Revisions, by Date**

4/30/2011: Added or changed the following fields to header to provide a snapshot overview, as instructed by AVP, Finance and Controller to be consistent with the recommended format for University policies:

- Approved By

- History (Approval Date, Revisions) – continue to include more detailed information regarding the revisions in the body of the Summary.
- Type of Policy – Administrative versus Board
- Responsible Official – changed from Responsible Office
- Related Policies – provide list in header, continue to include with more details in the body of the Summary

## **Policy**

Wake Forest University Finance Division (Reynolda Campus) has embarked upon a long-term initiative that entails: a comprehensive review of all financial policies; an annual policy development program; a standard process for the development, revision, and approval of administrative policies; a standard policy format; and a central repository for all financial policies.

The finance division of the University develops, documents, communicates and maintains financial policies for doing business at Wake Forest University. Financial policies are those policies that are managed by administrative departments reporting up to the Senior Vice President and CFO, and satisfy one of the following descriptions:

- A University policy that governs a business transaction. These policies are often modeled by broader governing policies and have legal or regulatory compliance as a goal, but they also are developed in response to a broad set of business needs.
- A University policy that outlines a required procedure for an administrative transaction or activity. (Examples: quarterly and annual close of financial records; retroactivity for personnel and payroll transactions.) These policies are usually prepared in response to a need for a specific, consistent way of doing business at Wake Forest University.

Financial policies are considered separate from educational and research policies.  
Financial policies are considered separate from governance policies.

### **Related Policies**

None

### **Related Documents**

None

# Procedure

Contents:

1. [Identifying a Financial Policy Need](#)
2. [Creating and Approving a Policy](#)
3. [Issuing a Policy](#)
4. [Updating and Maintaining a Policy](#)
5. [Annual Policy Program](#)
6. [Policy Library](#)

## 1. Identifying a Financial Policy Need

The need for a University financial policy may arise anywhere in the Wake Forest University financial community, but every policy must fall within the jurisdiction of a responsible office. The responsible office will be the University office, department or official that develops, administers and ensures compliance with the policy and procedures, and will be accountable for the accurate formulation, issuance and timely updating of the document. A University financial policy is a policy addressing the parameters within which University financial transactions must occur to enable the University to account for and conduct its financial operations. A University financial policy must satisfy all of the following criteria:

- It has broad application throughout the University.
- It promotes compliance with applicable laws or regulations.
- It promotes operational efficiencies and/or reduces institutional risk.
- It promotes use of industry standards and best practices.
- It establishes responsibility for administering the policy.

Examples of financial policies include:

- Accounting Policies
- Tax Policies
- Travel and Reimbursement
- Purchasing
- Credit Cards
- Expense Charges to a Sponsored Award
- Transaction Authority

Examples of non-financial policies include:

- Environmental and Safety
- Outside Activities of Holders of Academic Appointments
- Export Controls and Licenses
- Electronic Communications
- Campus Planning

Existing University financial policies that are not yet in the standard policy format will be placed into this format, utilizing the procedures contained herein as we

progress through the long-term initiative that will entail a comprehensive review of all financial policies.

## 2. Creating and Approving a Policy

The responsible office must establish a Stakeholder Group to develop the document. The document should follow the standard policy format, which includes the following sections:

- 2.1. Header, including the Responsible Official
- 2.2. Policy Statement
- 2.3. Reason for the Policy
- 2.4. Responsibilities
  - 2.4.1. Primary Guidance
  - 2.4.2. Responsible University Office or Officer
  - 2.4.3. Who is Governed By This Policy
  - 2.4.4. Who Should Know This Policy
  - 2.4.5. Exclusions and Special Situations
- 2.5. Highlights of Revisions, by Date
- 2.6. Policy Text
  - 2.6.1. Table of Contents
  - 2.6.2. Policy and Procedures
  - 2.6.3. Definitions
  - 2.6.4. Contact(s)
  - 2.6.5. Cross References to Related Policies
  - 2.6.6. Web Address
  - 2.6.7. Related Policies
  - 2.6.8. Related Documents
  - 2.6.9. Appendices / Forms (where applicable)

The responsible office has the authority to appoint members of the Stakeholder Group. The Stakeholder Group should consist of appropriate individuals who can provide a broad perspective on the content and application of the policy (e.g., members from the responsible office, subject matter experts, frequent users of the policy and representatives of groups affected by the policy). Depending on the subject matter of the policy, the Stakeholder Group may be formal or informal. The purpose of the Stakeholder Group is to ensure that each policy and its accompanying procedures are clearly written using the standard policy format, are easily understandable to all who must comply with them, and are practical and applicable. The responsible office should also ensure that the appropriate financial and operational personnel review the policy and provide input during the editorial process (e.g. legal matters should be reviewed by the General Counsel's Office and tax matters should be reviewed by the Tax Director). The responsible office should also inform the General Counsel's Office, early in the development work, about the topics to be addressed in the work on the policy so the General Counsel's Office can identify any relevant regulatory or other issues for consideration.

Once the Stakeholder Group has completed its work on a particular policy document, the responsible office will electronically submit the draft policy to the Responsible Office's Finance Division Leader. Once the finance leader has reviewed and

approved the policy document, he/she will bring the document to the Finance Division Leadership Team (FDLT) for review and comment via the Assistant to the Senior Vice President and CFO. The FDLT has the opportunity to, but is not required to, evaluate the impact of financial policies on the University-wide community and other existing University financial policies and procedures, impact on other processes and technology, and ensuring that each policy is clearly written and can be practically applied. The FDLT also has the opportunity to focus on policy and procedural clarification and on the regulatory, control and management aspects of policies and procedures. The Responsible Office's Finance Division Leader, at his or her discretion, may include the FDLT in the stakeholder group to provide an early opportunity to review the proposed policy and to accelerate the review process. Once the FDLT is provided the opportunity to review the policy document, the Finance Division Leader recommends the approval of the policy document by the Senior Vice President and CFO. Upon final approval by the Senior Vice President and CFO, and after consultation from the General Counsel's Office, when appropriate, the policy will be issued to the University community. The Stakeholder Group should allow a minimum of 30 days for the approval process. If any of these parties have questions regarding the proposed policy, they will be directed to the responsible office.

### 3. Issuing a Policy

Upon final approval by the Senior Vice President and CFO, Finance Systems will assign the policy number and make the policy available in a web-based central repository. The responsible office must ensure that the policy is communicated and that adequate training is provided to the University financial community. The responsible office may also consider e-mail notification, an announcement on WIN, presentations at manager forums including the Campus Finance Representative Group, departmental presentations and hosting meetings for policy owners and users as additional means of policy communication.

### 4. Updating and Maintaining a Policy

From time to time, policies and procedures will need to be amended or updated. University financial policies, procedures and forms must be evaluated on at least an annual basis to ensure that they are up-to-date (see section 5 below). The responsible office is charged with keeping its policies up-to-date.

While reviewing policies, the responsible office should consider the following:

- The Policy Statement and Reason for Policy will rarely change.
- Information in the Forms and Contacts sections should be reviewed frequently.
- Procedures will change when a related process changes.

The responsible office must submit all amendments or updates to policies to the Responsible Office's Finance Division Leader. Upon approval by the Responsible Office's Finance Division Leader, the responsible office should submit the amended policy to Finance Systems in a timely manner to ensure the on-line policy library is up-to-date. If the change is only related to form or contact information (not significantly changing the policy content) then approval by the Responsible Office's Finance Division Leader is not necessary. The responsible office will be charged

with evaluating whether the changes require further communication to the University financial community.

## 5. Annual Policy Program

Each year the members of the FDLT will decide upon the policy work for their respective departments. This work may include new policies, revisions to existing policies and continuation of policy work from the previous year. A leadership team member may, at his or her discretion, amend the policy program during the course of the year. The goal of the annual policy program is to: promote policy work as a regular, ongoing part of University financial management; decide upon and communicate policy priorities; and facilitate the tracking of progress on policy work. The policy program will coincide with the fiscal year.

## 6. Policy Library

The Finance Division will develop and maintain a central, online repository for financial policies. The repository will contain revised administrative policies for doing business at Wake Forest University. Postings to the repository will be administered by Finance Systems.

### **Definitions**

Executive Staff – responsible for setting goals and tracking the progress of the annual policy program.

Finance Division Leadership Team – A standing committee whose membership includes senior Finance administrators reporting to the Senior Vice President and CFO. This group has the opportunity to review all drafted policies (but is not charged with approval of the final draft of each policy prior to issuance) for the purposes of evaluating process and technology impact, and to facilitate the Annual Policy Program. Additionally, this group determines the policy work for their respective divisions.

Financial Policy – a University financial policy is a policy addressing the parameters within which University financial transactions must occur to enable the University to account for and conduct its financial operations without undue risk.

Policy Library - an online repository of administrative policies that: contains the full text of policies; is organized by categories and searchable by key words; contains URL links to related procedures and forms for policies.

Policy Number – naming convention to organize, identify and track finance policies.

Procedures – action steps within the policy that guide how the policy is implemented. They can also include information on the “who, what, when and where” of the policy and its related administrative procedures. Procedures describe the customary or standard way of implementing policy and may also describe how exceptions are handled.

Responsible Officer – responsible for determining scope and work plan for policy review; completion of plan and submission of proposed changes to the Responsible Office’s Finance Division Leader; and for approving procedures, forms and user guides.

Responsible Official – responsible for carrying out work plan, soliciting feedback on proposals, and submission of proposal to Responsible Office’s Finance Division Leader for feedback.

Stakeholder Group – An ad hoc committee formed to write clear and understandable policies and procedures on a given subject, using the standard format. Members of the ad hoc committee are appointed by the responsible office.

### **Contacts**

Responsible Office – Brandon E. Gilliland, Controller  
(336) 758-4534, [brandon@wfu.edu](mailto:brandon@wfu.edu)

### **Cross References to Related Policies**

[will be provided upon completion of policy library]

### **Web Address for Policy**

**<http://www.wfu.edu/fas/policies/index.html>**

[will be provided upon completion of policy library]

### **Appendix and Forms**

Financial Policy Template

[link will be provided upon completion]

Financial Policy Formulation Process Map

[Financial Policy Formulation Process Map.pdf](#)

Policy Number Naming Convention:

F_ADM_##	Finance Administration
F_AP_##	Accounts Payable
F_AR_##	Accounts Receivable
F_BFP_##	Budget & Financial Planning
F_CFS_##	Campus Financial Services & Communication
F_DIV_##	Business Diversity Programs
F_FAR_##	Financial, Accounting, and Reporting (generally related to General Accounting, General Ledger, Restricted Accounting, Endowment Accounting, Post Awards/Grants, Trust Accounting, Property & Workers’ Compensation Insurance)
F_FSY_##	Finance Systems & Process Transformation
F_PO_##	Purchasing
F_PY_##	Payroll
F_RE_##	Real Estate
F_SFS_##	Student Financial Services
F_TX_##	Tax
F_UMS_##	University Mail Services
F_US_##	University Stores