
	<b>UNIVERSITY OF PASADENA (UPAS)</b> <b>Operational Procedures</b>		
	Doc # :PO-FI-11.1	Title: Fiscal Management Policy	
	Rev # : 08	Approved By: Chief Executive Officer (CEO)	Date : 15 Sep 2022

REVISION HISTORY			
Rev No	Description of change	Author	Effective Date
1	New Procedure	Chief Financial Officer (CFO)	09 Oct 2015
2	No change	Chief Financial Officer (CFO)	07 Oct 2016
3	No change	Chief Financial Officer (CFO)	06 Oct 2017
4	No change	Chief Financial Officer (CFO)	05 Oct 2018
5	No change	Chief Financial Officer (CFO)	04 Oct 2019
6	No change	Chief Financial Officer (CFO)	14 Sep 2020
7	No change	Chief Financial Officer (CFO)	06 Sep 2021
8	No change	Chief Financial Officer (CFO)	15 Sep 2022

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## 1. Purpose

1.1 The purpose of the Fiscal Management policy is to ensure that University funds and resources are used only for University purposes, and that appropriate financial controls are developed, documented and applied to prevent the abuse or misuse of University funds and other resources.

1.2 The purpose of this policy is also to establish guidelines for developing financial goals and objectives, making financial decisions and reporting the financial status of the university.

## 2. Scope

2.1 This policy sets out the principles of financial management for all the staff members, which encompasses all financial activities undertaken by, and within, the University.

## 3. Definitions

3.1 Calendar Year: is defined as the twelve month period beginning January 1<sup>st</sup> through December 31<sup>st</sup> of any given year. Some maintenance and service agreements may be contracted on a calendar year basis which would need to be translated to a fiscal year basis for budget purposes.

3.2 Operating activities: Involve receiving contributions, collecting tuition revenue, procuring and receiving goods or services within the twelve months of the designated fiscal year.

## 4. Responsibility


4.1 The Chief Finance Officer (CFO) is responsible for effective and efficient implementation of this policy.

## 5. Procedure/Process

5.1 Financial management policy principles

### 5.1.1 Authorizations

- No University funds may be committed or expended except by approval of a University staff member with documented authority to approve, in accordance with the University's financial delegations.

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- Where a financial delegate has a direct or personal interest in a transaction, neither the delegate, nor any other delegate who reports to him or her, may approve that transaction.

#### 5.1.2 Use of University Funds

- University funds must only be expended on goods and services for approved University purposes.
- All tendering and procurement activity, including the use of University preferred suppliers, must be compliant with the Purchasing Procedures.
- Funds from external sources tied to particular purposes, such as grant funds, must be used only for the specified purposes.

#### 5.1.3 Financial records

- All financial transactions must be properly documented and accurately recorded in a timely manner and in accordance with University policies and best accounting practices.
- It is an offence under anti-bribery legislation to falsify accounting documents (including altering, concealing or destroying financial records or failure to make or amend an accounting document) either intentionally or unintentionally, to facilitate or disguise illegitimate financial transactions.

#### 5.1.4 Integrity


- All members of the University community are to act in an ethical and honest manner in all aspects of procurement and financial expenditure involving University funds.

#### 5.1.5 Compliance

- All members of the University community are required to comply with this policy and related University procedures and business processes.
- Failure to do so may result in disciplinary action and/or the withdrawal of University privileges, services and facilities

#### 5.2. Budgeting process

- Board and Budget Committee are responsible for Institutions budget.
- The Budget Committee is comprised of Chief Operations Officer, Chief Academic Officer, CFO and CEO.

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- Chief Academic Officer along with Chief Operations Officer is responsible for forecasting IT infrastructure requirements based on student enrollment projections.
- Initial budgets are prepared based on marking projections and industry trend.
- The budget is developed using budget assumptions, which evolve from the planning process.

### 5.3 Budgeting

- The Board ensures compliance with the requirement of maintaining a minimum reserve.
- Each year, the Board adopts budget parameters, which state its commitment to the on-going fiscal stability of the Institution by using principles of sound fiscal management.
- Continuous review of financial conditions by the Board provides timely, ongoing assessments of the potential financial risks.
- Financial emergencies can therefore be minimized and unforeseen occurrences can be handled by adjusting expenditures as needed.
- As a primary strategy, the Institution ensures the maintenance of a reserve that can used to respond to financial emergencies.
- All employees are encouraged to reports risks immediately to their supervisor. Identified risks are brought to the notice of top management immediately and resolution is obtained as per documented process and policies.
- Governing Board members are responsible for reviewing and approving financial reports and Budgets.

## 6. Review

The University of Pasadena reviews its fiscal management policy every year.