Financial Review Checklist (FRC)

Yale

PURPOSE AND STRUCTURE

PURPOSE OF FRC

- The FRC (Form 1101 FR.01 *Financial Review Checklist*) details the minimum required financial review activities that must be performed to maintain proper accounting, internal controls, and adherence to University policy and procedures. The FRC also contains certain other internal control activities that are not strictly financial review activities but that are included in the FRC completion and certification requirements.

FRC PROCEDURE REQUIREMENTS

- Every school, department, or other organizational unit with authority to process and approve financial transactions must utilize the FRC and complete the listed activities at their specified frequencies (e.g., monthly, quarterly).
- For each activity, the FRC identifies the area of focus and the recommended report(s), tool(s), and/or other resources available to assist with the review.
- Each step should be signed with the initials and date of the person completing the step or marked as N/A. This responsibility also extends to FRC items delegated to areas outside the Department Business Office (DBO) (e.g., FRMS, Yale Shared Services).
- Lead Administrators (LAs) are responsible for ensuring their respective DBO(s) adhere(s) to the responsibilities in the FRC before completing the quarterly certification. They are also responsible for ensuring any exceptions noted during the review process are properly documented and discussed, as appropriate.

FRC AREAS & SUBAREAS

MONTHLY ACTIVITIES

Assets and Liabilities
- Advances and Spend Authorizations
- Assets and Liabilities

Revenue and Expenses
- Payroll and Other Expenses
- In-Progress
- Revenue

Financial Reporting
- Reporting

Grants and Contracts
- Sponsor Financial Reporting
- Award Worktags
- Subrecipient Activity
- Expenses
- Internal Financial Reporting

QUARTERLY ACTIVITIES

Assets and Liabilities
- Moveable Equipment Inventory
- Capital Projects

Revenue and Expenses
- In-Progress

Access
- Workday
- Sponsored Identity

P-Cards

Training

Grants and Contracts
- Subrecipient Activity
- Expenses

BEST PRACTICES

COMPLETING THE FRC

- LAs may determine the level of delegation at which the FRC is completed. There may be one or multiple checklists for the LA's respective schools, departments, or organizational units, depending on the level of delegation.
- LAs should establish expectations with personnel who participate in the FRC process. This includes delegation of responsible areas, timelines for completion, proactive communication of exceptions, and participation in resolution of issues.
- LAs and DBOs should review the FRC together on at least a quarterly basis. Formal meetings to discuss results, open issues, or questions are highly recommended.
- LAs should perform periodic detailed reviews over FRC steps, (e.g., reconciliation, account balance reviews, etc.) Review results should be shared and discussed with the team to align expectations and address any noted areas of improvement.
- DBOs should ensure they are using the most up-to-date FRC by referencing the published version maintained on the Yale Policies and Procedures website.
- The recommended report(s) listed for each step on the FRC serve as the best way to accomplish the objective of the step. DBOs are not required to review all the reports listed. FRC steps may be accomplished through use of one primary report or through multiple supplemental reports that contain similar information in a different format.
- Maintaining a shared drive folder to retain the checklists, reports, review comments, reconciliations, or other support may be optimal for the review process.
- DBO specific procedural comments and current month review comments may be included in the FRC to provide guidance and make note of results or exceptions.

DISTRIBUTION & RETENTION

- After the FRC is completed, we suggest that you share FRC results, exceptions, and/or major takeaways with your team and leadership. This will ensure that everyone is aware of relevant issues and can act on DBO results and areas for improvement.
- DBOs are responsible for maintaining completed FRCs, including all initialed completion dates, in accordance with Policy 1105 *Retention of University Financial Records*.

ONBOARDING

- The FRC and corresponding FRC Trainings can also be utilized as tools in support of onboarding new employees to get them familiar with key processes and controls across the functional areas of the checklist.

FRC PROCEDURE & CONTACT INFORMATION

- If you have any questions regarding the FRC, please reference 1101 PR.02 Financial Transaction Review and Budget Monitoring or contact the Financial Compliance Office.