



*What is the  
Financial Review  
Checklist and How  
to Complete It*

**Yale** *Finance*

# What is the Financial Review Checklist (FRC)?

Why is it Important?

Key Responsibilities

FRC Components

# How to Complete the FRC

FRC Process

How to Fill Out the FRC

Scenarios

FRC Quarterly Certification

What is the  
Financial Review  
Checklist (FRC)?

# Why is it Important?

Financial reviews are essential components of an integrated system of Internal Control activities.

- Detective financial reviews are intended to identify errors, anomalies, potential compliance issues, and inaccurate accounting.
- Along with preventive controls, detective financial reviews provide reasonable assurance (but not absolute assurance) to individuals with financial oversight roles that financial activity is accurate, valid, and complete.

Details the minimum required financial review activities that must be performed to achieve the above; including maintaining proper accounting, Internal Controls, and adherence to University policies and procedures.

Contains certain other Internal Control activities that are not strictly financial review activities but are included in the completion and certification requirements.

For each activity, the checklist identifies the area of focus and the recommended report(s), tool(s), and/or other resources available to assist with the review.

Every school, department, unit, 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).

# Key Responsibilities

## Key Points and Responsibilities in [1101 PR.02](#) *Financial Transaction Review and Budget Monitoring*

### The Controller's Office

Compiles the requirements and activities for the FRC

Publishes the current version

Monitors completion of the FRC certification process

Assesses the FRC's effectiveness.

Launches and monitors the FRC certification process.

May also conduct independent reviews of FRCs at its discretion

(1).

### Departmental Business Offices ("DBOs")

Completes and maintains signed FRCs

*\*Please note, any recommended reports or other tools used during your review process are not required to be kept. You are only required to keep the completed FRC Checklist itself.*

### Lead Administrators

Certifies the completion of the FRC and its activities for their respective organizational units on a **quarterly basis**.

(1) i.e. the FRC Deep Dive Review Program

# FRC Components

1 Two tabs to distinguish monthly vs. quarterly activities

2 Areas and subareas that tie back to:

- University Financial Statements
- Grants and Contracts
- Internal Controls

3 Identification of “pre” and “post” close timing

- Based on the Month End Calendar

4 Descriptive guidance on why each step is required

Dept / Org Unit (s)	Insert cost center(s)	Pre/Post Close	#	Activity Description	
Statement of Financial Position	Assets and Liabilities	Advances and Spend Authorizations	Pre	1	<b>Review Open Advances and Spend Authorization</b> balances to ensure they are accurate and cleared in a timely manner.
	Assets and Liabilities		Post	2	<b>Perform Reconciliation For All Balance Sheet Ledger Accounts</b> in a timely manner. Monthly reconciliations should be completed within 10 days of month-end close.

1 Monthly Activities Quarterly Activities

# FRC Components

- 5 “Focus On” column to provide guidance on key items for each activity
- 6 Links to related resources (policy, procedure, accounting manual, etc.)
- 7 Connection to compliance by referencing the applicable section of the CBPQ
- 8 Recommended Workday Reports & Other Tools to help aid in the completion of the step
- 9 Additional columns to log in department specific comments
- 10 Completed by column should include
  - Initials and date of completion
  - For both business office and those delegated to perform the activity (outside of DBO, such as FRMS or YSS)

5	6	7	8	9	10		
Focus on	Related Resources	Compliance Topic Area	Recommended Workday Reports & Other Tools	Dept. Specific Procedural Comments	Current Month Review Comments	Completed By:	
						Activity is N/A	Completed By (initials and date)

# How to Complete the FRC

# FRC Process

It is important to establish a process in your department for how you will complete the FRC. Whether you, as a lead administrator, are completing the step yourself or you are delegating that task to someone on your team.

If delegating, you need to be able to verify that the work has been completed and should have a process in place for doing so. It is necessary to be able to verify and have confidence that the step was completed in order to certify for the FRC Certification.

## Best Practices:

- 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.
- Maintaining a shared drive folder to retain the checklists, reports, review comments, reconciliations, or other support may be optimal for the review process. *(Please note, for compliance purposes, you are only required to keep the completed FRC Checklist itself.)*

# How To Fill Out The FRC

The following outlines how the FRC should be filled out for your records and for monitoring purposes.

- 1 Required:** Input the cost centers that the FRC applies to.
- 2 Required:** Input the fiscal period that the FRC applies to.
  - a) Monthly: FY26-MONTH
  - b) Quarterly: FY26-September (Q1) / FY26-December (Q2) / FY26-March (Q3) / FY26-June (Q4)
- 3 Optional:** Any department comments regarding specific procedures can be included in this column.
- 4 Optional:** Any comments pertaining to the current month's review can be included in this column
- 5 Required if N/A:** If the step is N/A for your unit, you will need to mark that particular step as such in the "Activity is N/A" column. *Please note, the step, in its entirety, should be N/A if marking it so. I.e. your department does not have any subawards.*
- 6 Required:** For the person who is completing the step, they will need to mark this column with both their initials/name and date. If the step is completed by FRMS, you will need to mark that as well. It is important to know when the step was completed and by whom.

Dept / Org Unit (s):		1 [insert cost center(s) here]			2 Fiscal Period: [insert fiscal period here]						Completed By:			
Area	Subarea	Pre/Post Close	#	Activity Description	Objective	Focus on	Related Resources	Compliance Topic Area	Recommended Workday Reports & Other Tools	3 Dept. Specific Procedural Comments	4 Current Month Review Comments	5 Activity is N/A	6 Completed By Department (initials and date)	6 Completed By FRMS (initials and date)

# Scenarios 1 & 2

Here are scenarios for two steps from the FRC:

## Step: Review Open Advances and Spend Authorization:

- After reviewing the “*Find Spend Authorizations/ Cash Advances – Yale*” report, one \$400 outstanding advance over 90 days was identified. Department has communicated with the individual to submit an expense report.

## Step: Review Subaward Invoices in Progress:

- Overall, the process for subaward invoices involves the Department approving invoices, with FRMS assisting the Department in resolution of issues. However, after reviewing the “*Subaward Invoices In Progress – Yale*” and “*Invoice Aging In Progress – Yale*” reports for this current month, it has been determined that there are no subawards in the Department’s portfolio.

See how these should be included in the FRC on the next slide.

Cost Center and Fiscal Period are both filled out

Scenarios 1 & 2

Dept / Org Unit (s):										Cost Center1234					Fiscal Period: FY26-JULY										Completed By:				
Area	Subarea	Pre/Post Close	#	Activity Description	Objective	Focus on	Related Resources	Compliance Topic Area	Recommended Workday Reports & Other Tools	Dept. Specific Procedural Comments	Current Month Review Comments	Activity is N/A	Completed By Department (initials and date)	Completed By FRMS (initials and date)															
1	Statement of Financial Position	Assets and Liabilities	Advances and Spend Authorizations	Pre	1	<p><b>Review Open Advances and Spend Authorization</b> balances to ensure they are accurate and cleared in a timely manner.</p> <p>To verify the accuracy of open advances and spend authorizations. To ensure timely clearance in accordance with Policy, proper return of unspent cash advance, and proper decrementing of balances in the general ledger.</p> <ol style="list-style-type: none"> <li>1. Aged spend authorizations outstanding - A) open study participant authorizations past 90 days start date; B) open T&amp;E authorizations past 10 business days after end date of travel; C) uncleared advances on sponsored funds (FD=02,28,29) that are nearing the grant end date.</li> <li>2. Spend authorizations that do not have an interim Expense Report filed within the last 30 days.</li> <li>3. Proper repayment of unspent advances.</li> <li>4. Inaccurate spend authorization or advance balances that may require adjustments. (Refer to related resources for appropriate actions to take)</li> <li>5. Advances in draft status that may require action</li> </ol>	<p><u>Policy 3305 Expense Advances</u></p> <p><u>Procedure 3417 PR.01 Human Research Study Participant Remuneration</u></p> <p><u>Accounting Manual - Advances and Spend Authorizations</u></p> <p><u>3305 PR.01 Spend Authorization Process for Expense Advances</u></p>	CBPQ - Clinical Trials and E-Commerce Section	<p><b>Workday Report(s)</b></p> <p>1. Find Spend Authorizations/Cash Advances - Yale</p>		One \$400 spend auth is outstanding and is 92 days old. We have reached out to the owner and requested that they submit an expense report to clear the liability.		SLV 8/14/25																
	2	Grants and Contracts	Grants and Contracts	Subrecipient Activity	Pre	17	<p><b>Review Subaward Invoices in Progress</b> to ensure subaward invoice payments are processed accurately and in a timely manner.</p> <p>To ensure invoices for subrecipients are proper and accurate. To ensure invoices are paid timely, particularly those under a federal prime award, which need to be paid within <b>30</b> calendar days after receipt, unless believed to be improper.</p> <ol style="list-style-type: none"> <li>1. Review invoices for accuracy and appropriateness. Resolve content issues, if applicable.</li> <li>2. Invoices for subrecipients ( Supplier Group = Sponsored Sub Award Group) that need to be charged timely (i.e., within 30 calendar days after receipt).</li> <li>3. Invoices for subrecipients, particularly for grants that may be ending.</li> </ol>	<p><u>1307 PR.03 Monitoring Subrecipient Activity Associated with Sponsored Programs</u></p>	CBPQ - Sponsored Projects Section	<p><b>Workday Report(s)</b></p> <p>1. Subaward Invoices In Progress - Yale 2. Invoice Aging In Progress - Yale</p>	<p><b>Department:</b> Department approves invoices.</p> <p><b>FRMS:</b> Assists Department in resolution of issues.</p>	No subawards currently in portfolio.	N/A	SLV 8/12/25															

# Scenario 3 - FRMS

## Step: Perform Reconciliation for Subaward Prepaid Expenses

- Overall, the process for reconciliation of subaward prepaid expenses involves the Department doing invoice review and approval, and reconciliation of advances. FRMS reviews the closeout. The department completed their review and confirmed with FRMS that they reviewed the subawards that were closing.

Cost Center and Fiscal Period are both filled out

Scenario #3

Dept / Org Unit (s):		Cost Center 1234			Fiscal Period: FY26-September (Q1)							Completed By:				
Area	Subarea	Pre/ Post Close	#	Activity Description	Objective	Focus on	Related Resources	Compliance Topic Area	Recommended Workday Reports & Other Tools	Dept. Specific Procedural Comments	Current Month Review Comments	Activity is N/A	Completed By Department (initials and date)	Completed By FRMS (initials and date)		
Grants and Contracts	Grants and Contracts	Subrecipient Activity	Post	9	<b>Perform Reconciliation for Subaward Prepaid Expenses</b> in a timely manner. Reconciliations should be completed within 10 days of quarter-end close.	To verify the accuracy, completeness, and validity of subrecipient prepaid balances included in the Statement of Financial Position. (Ledger Account 17008 - Prepaid Expenses and Spend Category SC658 - Prepaid Expenses)	1. Reconcile between the general ledger balance and the supporting documentation, including previously issued prepayments, expenditures received to clear the prepayment, and any subsequently issued prepayments.	<u>1307 PR.02 Managing Subrecipient Activity Associated with Sponsored Programs</u>	CBPQ - Sponsored Projects Section	<b>Workday Report(s)</b> 1. Subaward Prepaid Advances – Yale 2. Assets and Liabilities - Yale 3. Trial Balance by Cost Center - Yale	<b>Department:</b> Invoice review and approval, and reconciliation of advances.  <b>FRMS:</b> Review for closeout.	Department has reviewed invoices.  Confirmed that FRMS has reviewed the subawards that are closing. No issues.		SLV 10/11/2025	RS 10/14/2025	

# FRC Quarterly Certification

Please use the following examples as to what should be reported in the comment box of the certification:

1) We are still in the process of completing step(s) (insert #) for period(s) (insert month) due to (insert reason). Completion will be done within the next 10 business days.

2) We are still in the process of completing step(s) (insert #) for period(s) (insert month) due to (insert reason). Completion will be done within the next 15-30 business days.

3) During our completion of step(s) (insert #) we identified material balances and/or transactions that require adjustment which are (insert details). As such, we will perform the following (insert details).

4) We are having difficulty completing the checklist activities and would like some guidance in the following areas, (insert details).

# Contact

## Financial Compliance

*(for questions on the FRC, this training,  
or internal control matters)*

[financial.compliance@yale.edu](mailto:financial.compliance@yale.edu)

## Controllers Office

*(for policy and procedure interpretation,  
questions, and exception requests)*

[controllers.office@yale.edu](mailto:controllers.office@yale.edu)