Financial Review Checklist

Activity Trainings
Review Open Advances and Spend Authorizations
In this training, we will be covering the Financial Review Checklist step *Review Open Advances and Spend Authorizations*. We will be walking you through the step’s *Objective, Focus On* and the *Workday Reports*.

The walkthrough of the reports will include:

- The parameters used to run the report in Workday.
- The results that you would expect to see.
- How the report should be used in your analysis to operationally finish the objective of the step.
Definitions

Advances

- Personal Charges on Expense Reports (P-card)
- Spend Authorizations – Travel and Expense Advance
- Spend Authorizations – Study Participant Advances

Expense Advance

- Funds advanced for purchases or payments in a limited number of circumstances where other preferred methods of purchase or payment are not practical or available.
Financial Review Checklist
Activity Details
Review Open Advances and Spend Authorization balances to ensure they are accurate and cleared in a timely manner.

**Objective**
- 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.

**Focus On**
1. Aged spend authorizations outstanding - A) open study participant authorizations past 90 days start date; B) open T&E authorizations past 10 business days after end date of travel; C) uncleared advances on grant funds.
2. Proper repayment of unspent advances.
3. Inaccurate spend authorization or advance balances that may require adjustments. (Refer to related resources for appropriate actions to take)

**Workday Reports**
- Find Spend Authorizations/Cash Advances - Yale

**Related Resources:** Policy 3305 Expense Advances, Procedure 3417 PR.01 Human Research Study Participant Remuneration, Accounting Manual-Advances and Spend Authorizations, and Workday Training Guide.
Workday Parameters
1) Type Find Spend Authorization/Cash Advances-Yale into the Workday Search Bar.
2) Companies: Yale University
3) Cost Center Hierarchy: Results will automatically limit based on your security.
4) Change Spend Authorization Status to “Approved”.
5) Then click “Ok” at the bottom to submit the report.
You can either work within Workday and use the column filters or you can export the data to Excel for analysis. If you have a large list of open authorizations, it may be useful to download to Excel to track status and follow-up based on research performed.
Analysis – Workday & Excel
Days after End Date:
- Advances should be reviewed that are past their respective deadline. You should review open Study Participant authorizations past 90 days from start date and open Travel and Entertainment advances past 10 business days after end date of travel.

Cash Advance Outstanding Balance:
- Anything that has a value, should be reviewed, anything with a zero balance does not need to be reviewed as those balances have already been collected.

Related Expense Report:
- If an expense report is included in the Related Expense Report column but there is still a balance in the Outstanding Cash Advance Balance column, the report likely only covers a portion of the amount advanced.

Related Cash Advance Repayments:
- This column will show you if unused cash that was initially taken out have been returned to Treasury.

Chart of Accounts Columns:
- You will be able to focus on COA details in these columns. This is especially important when determining if there is an outstanding balance on a grant.
Analysis – Workday
Focus On Step #1: Aged Spend Authorization Outstanding

The first sort/filter you should apply is to sort the outstanding balances by the number of days outstanding.

- Click on the column header “Days After End Date” and select Sort Descending.

The second sort/filter you should apply is to sort the outstanding balances from highest to lowest dollar amounts and remove any zero values.

- Click on the column header “Cash Advance Outstanding Balance” and select Sort Descending.
- Apply the filter condition <>0 to remove any of the zero values.

While you will need to review the whole population you just created from the above sorts/filter, you will also need to review any open authorizations that are on grants within this population. The highest priority should be given to Fund02 with Fund29 given the next highest priority.
### Analysis - Workday Column Filters

#### Focus On Step #1: Aged Spend Authorization Outstanding

After you have applied your sorts/filters, you will see a report that looks like this. As you can see above, the left side of the report has filters and sorts that have been applied to the *Days after End Date* and *Cash Advances Outstanding Balance* columns. The right side of the report is shown below which highlights the COA details.

![Workday Analysis](image)

<table>
<thead>
<tr>
<th>Days after End Date</th>
<th>Cash Advance Outstanding Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1402</td>
<td>1,000.00</td>
</tr>
<tr>
<td>1396</td>
<td>500.00</td>
</tr>
<tr>
<td>1388</td>
<td>1,000.00</td>
</tr>
</tbody>
</table>

**COA Details**

An open authorization on Fund02

**Attribute Values**

- **Value Designated**: Unrestricted Operating
- **Fund**: YD000001
- **Recipient Program**: FD01
- **Cash Advance Requested**: 1,000.00
- **Cash Advance Total**: 1,000.00
- **Cash Advance Repayment**: Yes

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By consistently monitoring aging advances on Fund 2 balances, we try to limit the risk of not charging valid expenses to the award before its end date. When those situations go undetected, and the federal award is no longer active, the result is either charging expenses or recording a write-off, to unrestricted funds.
This column shows the worker. The worker is the individual who took the spend authorization/advance out.

This column will be important if you need to discuss or further understand the status of an advance. You might need to contact the worker to determine if an expense report can be processed to clear all or a portion of the advance.

<table>
<thead>
<tr>
<th>Spend Authorization</th>
<th>Spend Authorization Number</th>
<th>Spend Authorization Status</th>
<th>Description</th>
<th>Worker</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUTH:XXXXXXX</td>
<td>Approved</td>
<td>SPA:XXXXXXX STUDY SUB IRB# HIC:XXXXXXX PPC PCR:XXXXXX</td>
<td>Worker Name</td>
<td></td>
</tr>
<tr>
<td>AUTH:XXXXXXX</td>
<td>Approved</td>
<td>SPA:XXXXXXX STUDY SUB IRB# HIC:XXXXXXX PPC PCR:XXXXXX</td>
<td>Worker Name</td>
<td></td>
</tr>
</tbody>
</table>
Focus On Step # 2: Proper Repayment of Unspent

**Analysis**

**View Cash Advance Repayment**

- **Company**: Yale University
- **Spend Authorization**: AUTH XXXX, Doe, John on 5/08/2017 for 3,000 USD
- **Payee**: Doe, John
- **Payee Type**: Employee
- **Repayment Date**: 10/10/2017
- **Repayment Amount**: 105.00
- **Currency**: USD
- **Payment Type**: Cash
- **Payment Reference**: (empty)
- **Memo**: ABC232654

**Related Cash Advance Repayments**

- **Credit to Expense Advance Account**: 105.00 USD
- **Balancing Worktag**: FD01 Unrestricted Operating

If there are related Cash Advance Repayments, you will be able to see the amounts in this column. Click on the link to see the details. This will allow you to drill into that related Cash Advance Repayment to show the unused cash that was initially taken out via the authorization that have been returned to Treasury.

<table>
<thead>
<tr>
<th>Cash Advance Requested</th>
<th>Cash Advance Total</th>
<th>Cash Advance Outstanding Balance</th>
<th>Cash Advance Fully Repaid Date</th>
<th>Related Expense Reports</th>
<th>Related Cash Advance Repayments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>3,000.00</td>
<td>1,000.00</td>
<td></td>
<td>Expense Report EXP-XXXXXX</td>
<td>105.00 USD – 10/10/2017</td>
</tr>
</tbody>
</table>
### Analysis

If there is a related Expense report for an advance, click on the link to see additional details. This will allow you to drill into that related Expense Report to show what was already submitted to clear the advance.

### Related Expense Report

**Employee:** Doe, John

**Date:** 3 years ago

<table>
<thead>
<tr>
<th>Expense Item</th>
<th>Quantity</th>
<th>Per Unit Amount</th>
<th>Total Amount</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Research Payments</td>
<td>100</td>
<td>18.95</td>
<td>1,895.00 USD</td>
<td>USD</td>
</tr>
</tbody>
</table>

**Memo:** (empty)

**Country of Activity:** (empty)

**Grant:** (empty)

**Gift:** (empty)

**Yale Designated:** (empty)

**Status:**
- **Company Paid:** 0.00 USD
- **Cash Advance Applied:** 0.00 USD
- **Reimbursement:** 1,895.00 USD
- **Total:** 1,895.00 USD

**Remaining Amount to Itemize:** 0.00 USD

### Item Details

**Merchant:** Per Unit is an average

**Itemization**

<table>
<thead>
<tr>
<th>Remaining Amount to Itemize</th>
<th>0.00 USD</th>
</tr>
</thead>
</table>

**View Details**

6 items

- **Human Research Payments**
  - Thu, Oct 5, 2017
  - 1560.00 USD

- **Human Research Payments**
  - Thu, Oct 5, 2017
  - 175.00 USD

- **Human Research Payments**
  - Thu, Oct 5, 2017
  - 260.00 USD

- **Human Research Payments**
  - Thu, Oct 5, 2017
  - 60.00 USD
Focus On Step #3: Inaccurate Spend Authorizations Requiring Adjustments

Sometimes expense reports get linked to the incorrect spend authorizations or there is a prior period error. If there is an outstanding balance and an expense report attached, review the expense report to see if it pertains to that authorization and for what amount.

What if I don’t think this balance is correct?
Analysis - Excel
Excel

Analysis

Focus On Steps #1-3

Working in Excel can be beneficial for documenting your findings or other notes applicable to your analysis.

You will complete your analysis in Excel the same way outlined in the Workday slides above.

The additional steps you may need to do, that differs from the Workday instructions, are the following:

- **To look up a related Cash Advance Repayment**, take the Spend Authorization number from the Excel table and search for it in Workday. Then click on the Cash Advance Repayments link to see the details of this repayment.

- **To look up an Expense Report**, copy and paste the expense report number from the Excel table into Workday to see the details.
Follow-up Actions
After you have the data set analyzed, determine if one of the following operational scenarios exist. This will help you determine next steps:

A. The study is over, but there are remaining funds to be returned to Yale.
B. The study is over, but there are cards OTHER than reloadable gift cards remaining.
C. There is an exception from the Associate Controller to have one advance open past the 3-month maximum.
D. There is documentation to support the expenses and the department will submit an expense report to close this spend authorization in Workday.
E. The department has no supporting documentation and no cards/cash on hand and will need to contact the Controller’s Office and write-off the balance.
F. Other

For example, if a study participant advance has not been cleared in over 90 days, contact the worker to determine if an expense report can be processed to clear all or a portion of the advance.

You should discuss the status of the advance with the worker to determine next steps.

See details on the following slides.
Follow-up Actions

After you have the data set analyzed, the following operational scenarios will help you determine next steps:

A. The study is over, but you have remaining funds to be returned to Yale. The following actions can be completed by the department.

- If the spend authorization included **reloadable debit cards with a remaining balance**, the employee removes the remaining balance(s) from the card(s) by sending an email to Treasury with the following information: cardholder name; remaining balance amount, and the spend authorization number.

- If the spend authorization included **a cash advance and there are remaining funds to be returned**, repayment of any unspent cash must be by check. Repayments by Cash Sale do not automatically connect to the original spend authorization. They must be applied by the Accounts Payable team. For the Cash Sale to properly route to Accounts Payable, departments must use RC153. To properly complete the repayment of unspent cash, departments must process a Cash Sale using the following information:
  
  - Revenue Category = RC153 – Repayment of Cash Advance
  - COA Combination = YD000001.CC0372.PG00363.PJ028913
  - Employee Worktag = Employee worktag from the original spend authorization (this is not the Assignee worktag)
  - Memo = Ensure this field contains the original spend authorization number (AUTH-xxxxxx).

  - Assignee is not used on the initial spend authorization or repayment – both are using the central COA combination shown above.

- Special note for advances made prior to February 2019 – the project used to record the receivable was PJ000001 instead of PJ028913. Therefore, any cash sale repayments should use PJ000001. If there is a question about which project to use, open the cash advance and select the worker payment tab. Using the related actions glass next to “Cash Advance Payment” select Accounting > View Accounting.

- Once the cash sale is performed, subsequently, close the spend authorization in accordance with the training document linked below.
  
  https://workday.training.yale.edu/system/files/create_spend_authorization.pdf
B. The study is over, but you have cards OTHER than reloadable cards remaining. This will need to be reviewed and discussed with the Controller's Office.

C. You have an exception from the Associate Controller to have one study participant advance open past the 3-month maximum. This will need to be reviewed and discussed with the Controller's Office.

D. You have documentation to support the expenses and will submit an expense report to close this spend authorization in Workday. This action can be completed by the department.
E. The department has no supporting documentation and no cards/cash on hand and will need to write-off the balance. **This action can be completed by the department. Controller's Office should be consulted.**

- In instances where a department must recognize a loss for an uncollectible cash advance balance on an open spend authorization, an expense report must be submitted to properly liquidate the commitment and recognize the loss. **EX0242, Losses-Uncollectible Spend Authorization,** must be selected when processing the final expense report to close out the advance. Use of this method and recognizing losses on spend authorizations are expected to be limited and should be done in conjunction with consultation with the Controller’s Office.

- To properly recognize a loss and liquidate the commitment, the department must process an expense report, ensuring that the final expense report box is checked. Reference the workday training guide for details on checking the final expense report. The department must use the **Losses-Uncollectible Spend Authorization** expense item to charge the loss (expense) to the appropriate non-sponsored COA string. Use of this expense item will automatically link to the Losses (SC292) spend category. All expense reports submitted with expense item, EX0242, Losses-Uncollectible Spend Authorization, will automatically be routed directly to the P2P Cost Center Unlimited Approver. In addition, losses >= $50 will be routed to the Controller for approval. (See Clearing Uncollectible Cash Advances from the September 23, 2020 Business Update)

F. Other

- **For example,** remaining spend authorization balance is inaccurate and/or does not match your internal records or accounting. For these you will need to research the history of the outstanding advance and determine what happened. Once that is done, the department can work with a Central Office to determine how to remediate the issue or inaccuracy uncovered during research. Start by emailing YSS.
• Financial Compliance: financial.compliance@yale.edu
• Advance requests and clearances: Yale Shared Services, Accounts Payable: 203-432-5394, sharedservices@yale.edu
• Bank accounts, foreign currency, petty cash: Treasury Manager: 203-432-4474
• Reservations and travel information: Yale Travel Management: 203-432-9962
• Expenses funded by sponsored awards: Office of Sponsored Projects: 203-785-4689
• Interpretation of policy: Office of the Controller: controllers.office@yale.edu