Financial Review Checklist (FRC)
Table of Contents

- Financial Review Checklist (FRC) - Why is it important?
- How to Access the FRC
- FRC Components
- Key Points and Responsibilities in 1101 PR.02 Financial Transaction Review and Budget Monitoring
- Activity Training
- Contact Page
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.
How to Access the FRC

1) Go to It’s Your Yale (your.yale.edu).

2) Hover over the Policies & Procedures tab at the top of the page, then click on the University Policies, Procedures, Forms, and Guides link from the dropdown.

3) From this main University Policies, Procedures, Forms, and Guides page, click on Forms.

### 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**

#### Table:

<table>
<thead>
<tr>
<th>Area</th>
<th>Subarea</th>
<th>Pre/Post Close</th>
<th>Period</th>
<th>Activity Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement of Financial Position</td>
<td>Assets and Liabilities</td>
<td>Pre</td>
<td>1</td>
<td>Review Open Advances and Spend Authorization balances to ensure they are accurate and cleared in a timely manner.</td>
</tr>
<tr>
<td></td>
<td>Advances and Internal Controls</td>
<td>Post</td>
<td>2</td>
<td>Perform Reconciliation For All Balance Sheet Ledger Accounts in a timely manner. Monthly reconciliations should be completed within 10 days of month-end close.</td>
</tr>
</tbody>
</table>
FRC Components Continued...

- **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)

<table>
<thead>
<tr>
<th>Focus on</th>
<th>Related Resources</th>
<th>Compliance Topic Area</th>
<th>Recommended Workday Reports &amp; Other Tools</th>
<th>Dept. Specific Procedural Comments</th>
<th>Current Month Review Comments</th>
<th>Activity is N/A</th>
<th>Completed By (initials and date)</th>
</tr>
</thead>
</table>
Key Points and Responsibilities in 1101 PR.02 Financial Transaction Review and Budget Monitoring

The FRC (Financial Review Checklist) details the minimum required financial review activities that must be performed.

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).

The Controller’s Office:
- compiles the requirements and activities for the FRC;
- publishes the current version;
- monitors completion of the FRC certification process; and
- assesses the FRC’s effectiveness.
Key Points and Responsibilities in 1101 PR.02 Financial Transaction Review and Budget Monitoring

Continued...

Departmental Business Offices (“DBOs”) are responsible for:
- completing and maintaining signed FRCs.

Lead Administrators must
- certify the completion of the FRC and its activities for their respective organizational units on a **quarterly basis**.

The Controller’s Office is responsible for
- launching and monitoring the FRC certification process.
- May also conduct independent reviews of FRCs at its discretion.

See Financial Review Checklist Certification – Salesforce Training Document
Training videos have been created to help walk through particular FRC activities. Highlighting 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. |
Financial Compliance
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Controllers Office
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