

Fiscal Responsibility Policy

Policy Owner
Vice President and Chief
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Policy Contact
Controller

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Policy Statement

One of Bentley's fundamental internal controls is the proper review and approval of financial transactions. Preparing or approving any part of a transaction is a significant responsibility. This policy defines and codifies the responsibilities of individuals who spend Bentley funds and who prepare and approve transactions. Individuals who spend funds or who prepare or approve expenditures on behalf of the University have a stewardship responsibility to ensure those transactions are reasonable, appropriate, properly supported, and have a proper University business purpose. ***If a transaction has multiple approvers, every approver is accountable for the elements of the transaction that he or she approves.***

Reason for Policy

Bentley has an obligation to safeguard its resources, adhere to donor and sponsor terms, and comply with all internal policies and external regulations.

Who Must Comply

This policy applies to all individuals who make purchases with University funds, or who prepare ***and/or*** approve purchasing card and travel card transactions, and business expense reimbursement requests via Workday.

Procedures

1. **Spend Bentley resources prudently.** Everyone who spends Bentley funds, either directly or via Pcard or Tcard, or indirectly, via personal funds to be reimbursed, has an obligation to spend those funds with

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sound business judgment. Purchasers must ensure that each purchase is Bentley business-related and advances the work of the University, is being spent within budget or other approved funds, and complies with Bentley policies and/or any sponsored or donor restrictions.

2. **Prepare transactions properly.** Employees who prepare a transaction are, at a minimum, responsible for ensuring the business purpose is complete and accurate (if not obvious), proper support is provided, and that the transaction is submitted for approval in a timely manner.
3. **Review and approve transactions in a timely manner.**
 - a. Knowledge of the transaction: ***all transactions must have an authorized approver who has sufficient knowledge to make an informed judgment that the transaction is appropriate.*** Ideally, a Cost Center Manager will have direct knowledge about the transaction or circumstances to validate the expense; if not, they should rely on compensating procedures to gain a reasonable level of assurance that the expense is valid. These compensating procedures should include a periodic review of budget to actual expenditures, a review of activity in certain spend categories, looking for unusual spending patterns, and asking questions about nonstandard expenses.
 - b. Due diligence: Cost Center Managers must perform due diligence if there are questions or concerns about the expenditure; if they have questions or concerns regarding the expense, it is their responsibility to seek help from an appropriate resource until the questions are resolved. While Financial Operations may audit samples of transactions, this audit is not a substitute for a Cost Center Manager's due diligence.
 - c. Multiple approvers: in some cases, there may be more than one approver in an approval hierarchy. For example, a department administrator might approve an expenditure that must be subsequently approved by a sponsored or gift administrator, and then finally approved by the department finance office. Departments must ensure approvers understand which elements

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of a transaction they are responsible for approving. Approving any part of a transaction is a significant responsibility; every individual in an approval chain is accountable for the elements of the transaction that he or she approves. Approvers must also be knowledgeable about applicable department and University policies and external requirements/regulations where relevant (i.e., federal guidelines for sponsored projects, etc.).

- d. Reimbursee responsibility: note that when a reimbursee submits an expense reimbursement within Workday, the reimbursee is certifying that the expenses are accurate and valid University business expenses.
 - e. Responsibilities by role: in addition to validating the underlying expense, a Cost Center Manager should validate the key elements of every transaction, for example, that there are funds for the purchase and that the coding used is correct.
 - f. Separation of duties: it is not a recommended best practice for individuals to approve transactions where they are also the purchaser (“self-approval”); or where their direct or indirect supervisor is the purchaser. In some departments, strict separation of duties may be impractical. In these cases, departments should work with the Controller to assess the risks and if necessary, develop an alternative means of review and approval.
4. **Create evidence of the approval.** Approval in Workday is the evidence of the approval. Any unusual circumstances should be documented in Workday as it is the system of record. This includes attachments and written documentation within Workday (both internal and/or external notes). All available mechanisms in Workday should be used to substantiate the approval.

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Definitions

Approver

Any individual (faculty, staff, etc.) who is authorized to certify that a transaction (or a particular element of a transaction) is correct and appropriate; these certifications may happen online in Workday or on paper.

Business-related

Not a personal expense. Some expenses, while ordinary and necessary for an employee's work, are considered personal, living or family expenses and thus cannot be paid or reimbursed as business expenses. Common examples are regular commuting expenses, repetitive meals and costs for professional attire. Payment of such personal expenses constitutes taxable income to the recipient. The IRS distinction between business and personal expenses can be complex. If you question whether an expense is personal or business in nature, please contact the Controller for clarification.

Compensating procedures

A series of analyses that can help an approver gain a reasonable level of assurance that an expense is valid. These analyses should include a periodic review of budget to actual expenditures, a review of activity in certain object codes, looking for unusual spending patterns, and asking questions about nonstandard expenses.

Preparer

An individual who assembles the information and backup needed for a transaction, keys it into the system and submits it for approval.

Purchaser

An individual who spends University funds, both directly (through use of Pcard or Tcard) or indirectly (through personal funds to be reimbursed).

Reimbursee

An individual who spends personal funds on a University business expense that must be reimbursed.

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Appendix A

Responsibilities of Purchasers and Cost Center Managers checklist

- Purchases are Bentley business-related, benefit Bentley, and advance the work of the University The business purpose is clearly documented, if not obvious from the invoice, receipt, or other documentation, that clearly and completely explains the purchase (i.e., includes the “who, what, why, where, when”)
- The purchaser is authorized to spend the funds
- The purchase is in compliance with established policies and procedures of the Bentley University and any required external regulations
- The transaction complies with University and any applicable external (e.g., grant) conflict of interest policies
- For restricted gift and endowment funds, the charge is in accordance with the terms of the fund; for all sponsored funds, the charge is within the budget and project period and in accordance with terms of the sponsored fund and with applicable external requirements and regulations
- There are sufficient budgeted or other approved funds to cover the expense
- The amount of the purchase is reasonable (i.e., an appropriate level of spending for the circumstances)
- Supporting documentation is provided (e.g., an invoice, receipts, an email with written approval of a purchase, etc.) with sufficient time for processing, review and approval
- The correct Workday expense spend category is used
- The Cost Center Manager has performed reasonable due diligence in addressing any questions about the purchase
- The transaction is prepared and forwarded to an appropriate approver with sufficient time for review and approval before University deadlines
- The purchaser and/or Cost Center Manager should reply promptly to questions from Accounts Payable or Procurement and Campus Services.