Building on Fiscal Foundations

Video Transcript

Let’s get started. It's noon. Hopefully, everybody has a chance to grab a sandwich. My name is Alan Abbott. I'm an organizational development consultant with the Learning and Development department in Central HR, and it's my great pleasure to introduce the Financial Services Fiscal Compliance team, who is going to be presenting Building on Fiscal Foundations. As a central unit, the Fiscal Compliance team works to promote strong financial management in order to avoid missteps that could have a negative impact on CU Anschutz and CU Denver. The team strives to be your go-to resource for all fiscal questions and processes. Here with us today are Holly Day, Senior Fiscal Compliance Auditor, and Carolyn Queen, Associate Director of Fiscal Compliance. As you can imagine, fiscal foundation spans a wide variety of topics, so the team will be focusing on each area at a high level and share opportunities for further training. We'll have a Q&A session at the end, and without further ado, please help me in welcoming Carolyn and Holly. I like the enthusiasm. Right. And then I just hit the arrow. Got it. All right, everybody. Welcome. I'm going to try to stay away from the podium since I'm a little shorter and can't see everybody, but thank you for all being here today. Big space, but I'm excited to see so many familiar faces in the room.

As Alan mentioned, today we're going to be building on fiscal foundations.

So if you've been with us for a while, back in March of 2024, we were invited for the first time to come to the toolbox. And during that presentation, we really focused on getting into the policies and going through specific requirements, talking through those tricky expenses that have a lot of different pieces that you have to navigate. And so in reflecting back on that, some few things have changed. However, the bulk of what we presented on at that time really hasn't been updated all that much. The policies have been pretty steady. Some thresholds may have increased, which is great, but overall, it didn't make a whole lot of sense to go back through that and bore you with all those extra details. So took a step back and thought, "Well, what would be most beneficial to this group?" And so in today's building on that foundation, what we're really going to be looking at is reframing how we're thinking about the compliance environment. Not ignoring the policies, but thinking about how do we use them, how do we work within all the controls that the university has set up and navigate through that. Thinking about it not policy by policy, but rather holistically. And where do we need to be critically thinking about what we're doing and how we work through those policies, and not so focused on the black and white letters written within them. So how are we going to do that? First, we're going to start by doing a little bit of revisit of what we focused on, just to frame up what the rest of today's discussion will look like and will highlight. So we won't ignore some of those key true fiscal compliance elements that should be driving everything that we do in our fiscal responsibility roles. Then we'll do some reflection. And so Holly and I did this together, and we'll share what we've learned in the past two years roughly, and what things have changed how we look at it. And then hopefully share some of our best practices on how we think about fiscal compliance and the responsibility that we all hold. Then recognize. Give you some tips on how do we recognize when risk is showing up, when it's not so obvious that it's just simply, well, this isn't compliant, but there are a lot of underlying factors that you should be thinking about within your different roles. So we want to give you some tools to recognize. And then ultimately, once you recognize it, if you do nothing, then nothing happens. So how do we respond to those risks and make better future decisions? So we would be remiss if we did not at least touch on the actual fiscal roles that are established in our administrative policy statement. We've summarized those. The policy is quite robust, and so we won't walk through all of that. But as a reminder, if you have a fiscal role as defined by the university, you're sitting in one of these categories. So those officers should be looking at things from an organizational accountability perspective. They're not the individuals that we expect that are doing the day-to-day work. However, they should be guiding all the roles beneath them in how are we moving forward with our strategy. Are all of our actions holistically working towards the same goals? Be that your organizational goals. Also, how does that reflect on our campus goals and ultimately the university as a whole? Are we working fiscally toward those milestones? Then you have your fiscal principals. So these could be our principal investigators. These might be the directors in a unit, chairs, and so on. And so this role has a bit more knowledge of some of the day-to-day activity, but again, is not the one doing it all. So they should be leading those managers and the staff in that same direction. If we're not all moving in the same direction, we're already off our path, right? And so the fiscal principals really should also be questioning things, working with their fiscal managers, and holding their managers and their staff accountable for what is within their realm of responsibility. Then we have our fiscal manager group, and these are just such an important group of individuals because this is where you get down to that day-to-day knowledge. They need to understand the strategic pieces and how the day-to-day aligns with that. But then they also need to make sure that everyone in their actions each day in and out are following all the compliance measures that they need to be doing. Be thinking of what are our funding sources are. Am I, as a fiscal manager, reviewing to make sure that activity that has happened aligns with that? Making sure that if something doesn't look quite right, that they're asking questions. It is okay to ask questions, and they should be doing that. Not because it's a gotcha moment, that's certainly nobody's intent. But to make sure that if something isn't clear, that the right judgment, the right thought process, the right steps to get to that end result have all been taken. And so we'll dive into what those steps all might look like. But this fiscal manager group should really have a good pulse on the organization and the areas that they have responsibility over. And then finally, you have your fiscal staff. And this could look like a whole lot of different titles, depending on what area of the university you work within and what org you're set up in. But these are the individuals actually doing those day-to-day transactions. Fiscal managers are likely sitting in that more approved review role. And then this group could be anyone from someone who has the procurement card, someone who's entering that initial journal entry, and so on. And so the fiscal staff absolutely need to be aware of what policies and procedures they should be following to conduct their day-to-day tasks. But also be very comfortable that if a fiscal manager comes and asks a question, that they're prepared to provide the answers to whatever those questions may be and provide the additional support and context for why they took those steps. At the very bottom here, we have just a reminder. Fiscal roles don't change unless we actually change them. So your fiscal responsibility might change, but please make sure that your role also is updated to reflect that. So these are the roles set in our actual system, and they're tied to a speed type. So if you transition to a new set of responsibilities, does it still make sense that you're the fiscal manager on an area you no longer have oversight of? Probably not. And so making sure that true roles are being reviewed regularly and updated appropriately is really critical because the impact that these roles have on our access to other procurement systems, those two things are tied together. So you want to make sure that if one is not aligned, the rest of it downstream also won't be aligned. It can cause future issues. So be thinking about taking a look at these regularly. However, all that to say, fiscal responsibility is not just the title that you hold. And so sit with that. Just because you are a fiscal manager- Doesn't mean, oh, just by title you're on the system, my name is next to that role. It comes with a weight and a responsibility there. However, you may not have your name next to a role at all. That doesn't mean you don't hold a fiscal responsibility. You might be someone who travels, and if you travel, you should know what is allowed and not allowable, what you should be collecting along your travels, the receipts support, making sure you got the right approval to even go in the first place. You have a fiscal responsibility as a university traveler to make sure you're doing all of that. It's just one example. Procurement cardholders, the same thing. Any individual can ask for a reimbursement. And so although that is not our preferred method for procurement, it is an option because there are circumstances where that is the right path for what you're doing, or the circumstances presented itself that that's how it needed to be done to get it done. In that case, you need to follow the right steps to ask and request that reimbursement and make sure that you're aligning that with funds that can support that activity. So although you don't have a role, you do have a responsibility and still need to have awareness around this environment in order to act in the best interest of the university. The next piece I wanted to highlight is that process. I kind of touched on it as far as reconciling and whatnot. So maybe you're not the one traveling, but you're a delegate for someone who does. And you also, in that role, need to understand all these policies and procedures in order to appropriately craft and create that report for someone. It's that person's responsibility to actually validate that everything you prepared is true and submit it, but it's your responsibility to make sure you gathered all the right documents in the first place. And then finally, for someone who is in a role that might be reviewing these items. So again, might not have a fiscal role in review. You oftentimes may have some crossover there. But if you are the first step of a review before it goes to someone else, the way your unit is aligned in an extra step along the way, then you again, need to have an understanding of this in order to make your review really matter and count.

So what are some guiding principles around what makes a great fiscal decision? And so oftentimes, and if you've ever been to any presentation Holly and I have done in the past, we will put up the eight tests of propriety. And just because the two of us could recite those number for number doesn't mean we expect all of you to. So we've reframed them here and bucketed them into a few shorter categories of what we would hope you have running through your mind when you're thinking about any sorts of procurement and using university funds in any way. And so that first category is the purpose. If your answer to "Is this for university business?" is no, it should be a full stop. And then you should rethink. Why did I go to that answer first? Should this be a different type of activity? Is this really something that's anything personal gain, we really shouldn't be using university funds for. So start with the purpose, not just university business, but then what's the business related to your area, your unit, and build that case even further, more directly related to you and your role in your area. The value. What's the value of the activity that you're trying to do? So is it reasonable for one? Is it the most expensive way to do something? Could something a little more reasonable still accomplish the end goal for you? The other piece of this, for university's best interest, we shared several examples over different trainings with this one, but if there is another way to do something, and maybe you were asked to do it a specific way, I would encourage you to get with that person and say, "I also thought about this, and here's how it's so much more reasonable or how we could accomplish it faster. It gets us to our end goal all the same, but this might be a better path." If you have fiscal responsibility, I hope that you feel comfortable to bring that up with your peers and have that discussion because maybe that conversation lands on no, this higher cost or this larger activity, the more expensive supplier might be the best fit for what we're trying to do. But at least then when you have to stand behind that decision and say, "No, this is why we did it," you can then say, "We looked at the other alternatives, but here's how we got there." And that's using that judgment and that critical thinking that, yes, we consider things, this is still the right answer, and that's okay too. But if you've never thought through the other possibilities, how can you stand behind that one decision so strongly? The compliance piece is compliance. So this is where those policies and procedures, please make sure you're following those. We'll touch on those in a moment. The benefit, I talked about this already, but does it not just benefit the university as a whole? Does it benefit your individual unit, a collection of units, even better if there's a bigger benefit to that? And then even further past that, does it benefit? How does it benefit those that we serve? So if you're a central unit, how does it benefit all of you in the departments, in the schools and colleges? If you're a school and college, how does it benefit our patients, our study subjects, our students? And thinking through all of that, all of those make that case if it's furthering the overall missions of the university. And then the perspective, could we explain and defend it? I jumped ahead on this, so I didn't do them in order, but that's where that conversation of if you were asked and someone said, "Can you defend this?" It's a little more than the newspaper test. We always reference that, and we don't want it to hit the headlines or go viral nowadays, but whatever it is. But would you feel confident having that conversation if your officer came to you and asked, "Why did we do this?" And if you can stand behind that and say, "Yep," and line that up for them, then you should be okay.

So what have we learned? We've been through a few audits in the past two years, and so if you're a procurement cardholder and AO, you probably sat with Holly and I between December and January of this year for the mandatory webinar and in-person trainings that we did. I'm not going to go through all the audit findings with that. You've already heard that. But we did want to highlight the more high-level lessons that we have learned as a result of those conversations with audit, but then also bringing that back to all of you and seeing how does that real life day-to-day impact what you all are doing. And so for the first piece, we're going to go through kind of categorize these into four buckets. We're going to talk about guidance. And so knowing where to look and when to ask questions is the first step. Then the application of that. So how do you apply those requirements? And the real key word here is consistently. Applying it once and then forgetting that rule because it wasn't convenient perhaps anymore is not how we apply things. We need to be consistent even when it might not be convenient to do so. Then oversight. Holly came up with this, I take no credit, but review is an act of control, and I just think that's just so on the spot, on the mark there. Review is absolutely an act of control. It is not an okay or an approve button that you should just pass by. It is a point where you need to stop and reflect and review and ask, and we'll dive into it in a moment. And then finally, timeliness. I know if you're a part of the procurement world and you're getting the reports from the PSC that tell you, "Here's my aging, and here's how things are going." Normally, you're just trying to beat the 90 days, right? Realistically, like, geez, why is it sitting there? We got to get this through. You should be targeting a lot sooner than that. But the fact that something is sitting is already a flag to tell you they must not have everything they need, or is something missing? Do they not understand? And so timeliness alone is an area that we should focus on.

So starting with guidance. You might be used to seeing the policy hierarchy with the three circles at the top and then all the rectangles down below. This is just a shortened version of that. So the external factors have not changed. We still have our federal, our state, and our sponsor influences. They're external from what we have created and crafted for the university. Then you come down to our university policies. So the laws, policies of the regents, and our administrative policy statements, or APSs. These cover more than just fiscal, and so we won't be focusing on the wider scope of what those policies cover. Any APS that starts with a four That's your fiscal policy grouping. And that's where, at least for the context of this presentation, the resources that you would be focusing on. All system-wide. Doesn't matter what campus you sit at, those apply. Then you get down to your more procedural statements. So Office of University Controller and the Procurement Service Center both have procedural statements, and so these get into more specific topics. If there could be an exception, what that process might look like, who do you need to go to? If there are thresholds, if there are funding restrictions and what can and can't be used. Procedural statements help give you that bit more detailed guidance there. However, that's not where you should stop, because then there's still the campus and potentially your unit, school, college guidance. And so for campus level guidance, this again normally gets more prescriptive in what CU Anshutz intends for you to do around that type of activity, and then how you need to perhaps go about doing that. What approvals do you need in advance? What's okay to go move forward with without additional approval? The individual unit guidance, if you're thinking, "I don't know if we have that," I would encourage you to go back and ask today. Some units have it on certain topics. It's not a requirement, but if they have a specific process, we typically see this procedurally, a specific process that they would like to follow, that they may merge things centrally, it might be oftentimes. That's most of the time sitting on an intranet. That isn't something that fiscal compliance has visibility into. And so making sure you're taking those steps as well, because that won't get caught in higher level reviews, but could really throw off what your unit's trying to accomplish and any tracking or trending that they might be doing if you're not following those procedures as well. As you go down these, though, never should it get less restrictive. So if ever two policies are in conflict with each other, and we would really see this most often if it's in external influence versus all the internal, if two policies conflict, the more restrictive wins. If you really feel like, "I don't know about that," that's when you ask a question. And you go and you start to talk, and you escalate that, and you have a conversation about it to determine, does this apply to our situation? Should it? Does it make sense? Maybe you have something really unique because there's always that one thing that maybe we should stop and think about this, but these are the different policies, guidance that to kind of work your way through. If you only look at one set of these, you're not getting the full story. As far as how to navigate, start with the requirements. Consider what else could affect the decision. I want to touch on this very briefly, but this could be not policy related, but do we have the money? That would affect your decision. Even if you can do it, it's not going to work if you can't pay for it. Other things, is somebody else already doing it? Can we join them? Can we join forces? Can we share this? Knowing what your peers are doing as well, and maybe asking another unit a question about how do you do this? So then you can make a better decision. How do you get around this? How are you working with people? Getting contacts, all those extra things. They're not policy driven, but are things that you could ask yourself, do they have an impact on what I'm trying to do? And then ask if it's not clear. So we came up with, once you know the requirements, that's all well and good. How do I document it all? And so we came up with TRACE, and we presented this one other time before, and it just should be something, how do you really support the activity that you're doing? And so the first one, the T, is your transaction details. So who, what, where, when. That should be reflected in your receipt. And so a lot of that should already be there for you. The supporting documentation piece of that receipt piece. The receipt on how did you make your decision is also important, not just the itemized list of what might have been purchased. So receipt kind of has a double meaning there on what's the story, what's the background, what do we think about together? That's important to have as well. Then the approvals. Some things need approval in advance. Some things you have autonomy to go forward, and it gets the approval on the back end in the review. Knowing the difference between those and making sure that, one, you get the prior approval if needed, but two, you have it documented and include it with that expense, in most cases, is important, because we don't know you did it if you don't show us that you did it. Then the compliance piece, so making sure that it aligns with all the policies. And then finally, the expense justification piece. So does it explain why that was necessary? And so if you bought paper, you don't need to tell me that over the last month you had to print two notebooks worth of this and all of this extra detail. That's not what we're getting at to justify that you need more paper for the copier. Those are the easier things, the simpler things. However, if you have an expense that looks really unusual, and we're a medical campus, so we have a lot of, on the surface, they could look really unusual types of purchases. Explaining why you needed that. What program or project did it support? What work moving forward will it help with? Why do you need it at this cadence, at this timing? Any of those details are important to have. Doesn't have to fit in the comment, and I'm not just talking about the 64-digit business justification, business purpose piece, but giving that background maybe in your support and email, that conversation tells the tale. The note, critical thinking at the bottom. This comes from the auditors, but Holly and I sit in this role often too. If we're looking at a report and we can't put the pieces of the puzzle together from what has been provided, then there's not enough provided. And so it would be helpful as you're creating it, or if you're sitting in the role of an approver, to look at what you're reviewing from the lens of, if I had no clue what this group did, would I understand why this was necessary? And if you can't, then work to better substantiate what that expense is.

And then approval is an act of control. And so for this one, I've touched on a lot of these points, but if you are speaking to the approvers in the room, if you are looking at any sort of type of transaction, be this in the CU Marketplace system or it hits your desk from Concur for travel or anything like that, look at it through the lens I just discussed. But also, please feel empowered to ask questions. And not because you're questioning what they're doing, but to get an understanding. I said that fiscal manager role is often sitting in this approver role, and so you have the authority, but you have the responsibility to ask those questions. Make sure that everything is documented there. Make sure that if something's missing, it just gets added. Keep that conversation in the system so we see it in the audit trail. Make sure that it's also clear to read, and that just physically we can see what it is. And then ultimately act on that. So if everything is good, go ahead and approve. Return it if you need adjustments made to it. There's no shame in that game. To return it, ask for a few adjustments, and send it right back on through. But also feel okay rejecting it. You can say no sometimes. You may not feel like you can say no, and I get that. But you can say no, and we expect you to. If you hold that role and you hold that authority, it's okay to say no. And maybe another conversation needs to happen, and maybe it comes back around. That's okay. But if we're not communicating with each other and you don't stand by, I know the policy, I know this doesn't feel right, and you don't say no, I would really hate for audit to come back and be looking at a transaction and then come to you as the approver and ask, "Why did you approve this? This doesn't make sense to us, but why did you?" Going back to where you can stand behind that decision, you just say, "You know, that looked weird to me too, and I didn't understand it, so I just approved it." That's worse than if you had that conversation in real time. So feel comfortable to really push back and question. And then finally, to the timeliness as a control. And so I mentioned the aging reports We should be reconciling transactions on that 30-day cadence from when we incurred them. For travel, it's once you return, and that clock starts. If something is sitting, is it because we're trying to get a receipt? Is it because we're like, "Oh, we don't have that." Or, "Geez, this hit my profile and I have no idea what this is, so I'm just going to ignore it because it must not be me." There are instances where it was just erroneously allocated to your profile, and the best thing to do is let the POC know right away, and they can move it right off, and then it's not your problem at all anymore. And so, if you are the recipient of those aging reports, making sure that you're reviewing them. Does somebody consistently always hit that 60-plus mark? Is that your first sign that they're not taking their fiscal responsibility seriously? Should they really have that responsibility in the first place then? And then start to question that. Have a conversation. Maybe they just feel like, "Gosh, I have no clue what I'm doing. I need support, and then I can be better." And then they improve and they're never on that list again. Great. Then we've done exactly what we want to do. So using just timing to help also gauge how are we doing fiscally is a great tool and very simple to use. And so with that, I'm going to pass it over to Holly. Is this one on? Test. Okay. Hi, everybody. So Caroline talked us through the piece that we wanted to review, policies, procedures, all the fun fiscal stuff there. We're now moving into recognizing some of those fiscal risks. It's not always going to be really obvious with a big red flag that says, "I'm committing fraud, look over here." And so we've put together some buckets of transaction ideas, concepts, and things that we want to just kind of get out there and in your minds and get people thinking. So this slide is entitled, what should make you pause? Just because there may be a concern or question that you need to ask about a transaction does not automatically mean that something is wrong, right? A lot of times, we just need to clarify something, document something better. And so risk can show up in the transaction itself or in the process around the transaction. And so we've kind of bucketed these high-level concepts into six different categories. So I'll talk through those. First, the story not being clear. Documentation or details don't fully explain what happened. Caroline talked through business purpose, right? If you're buying paper, we don't need to have a whole long essay about why we're buying the paper, but saying what it's for. Is it for the shared printer in the office space? Those types of things. Giving more of that background so that an outside reviewer can understand what the activity is, how it supports official university business, and that it wasn't an accidental personal purchase or some fraudulent activity there. Second, the activity doesn't fit. This could look a lot of different ways. We've highlighted a few items. The vendor. Is it a vendor we've worked with before? Does the vendor seem appropriate for the type of business that this individual or this unit is completing? Amount. Maybe an individual normally only handles certain levels of procurement, and then the next month, their procurement has quadrupled. That could be because activity in the unit has increased, and that is a reasonable thing, but understanding that and getting a better understanding of that, and it wasn't truly an oversight or the card being stolen off the Internet or something like that. If the expense type seems unusual too. Should this person be making these purchases? And just checking out that context and getting an understanding. Three, something not adding up. Distinguishing between the activity not fitting and something not adding up here. I really put bucket three into information conflicting a pattern. If you see something once, it definitely could have been, we're going to have a conversation. We're going to talk about this. Please don't do it again. Here's the right path forward. If they're doing it consistently over and over again, those patterns are things we need to be looking out for as well. And asking questions, making sure people have the right training and that they're in the right roles for the capacity that they're acting in. Small purchases versus big purchases, kind of checking out what's happening in that activity. On the other side, here we have in the process itself. So Caroline talked through different approvals that we need to have for various things at the university, gift cards, alcohol, events with alcohol, those types of things. Including those with your expense reports is important, right? You went through the timing of getting six different people to sign off on something, document that within your request. The other piece I want to talk about here is expected procurement methods. Should this transaction have taken place on a procurement card or as an out-of-pocket reimbursement? Is it appropriate for university business? A legitimate business purpose does not cure a process problem. So just being mindful there. Just because it might have been allowable for university business doesn't mean that we don't have to do it in the right manner. So, making sure that the process is appropriate, steps weren't bypassed or missed. Sometimes, I know we have time-sensitive urgencies, right? And something drops the ball, and we need to get things through. That shouldn't be all the time. If somebody's coming to you urgently for every single request, I would have a conversation about that. That's a process issue as well. And see what steps we could implement. A control can exist on paper, but if it's not being implemented, then it's not a control at that point. So just being mindful there. Number five, the transaction isn't moving. Caroline talked through the timeliness as a control. The piece that I want to highlight is just because you've submitted your report within 30 days and your approver sent it back, doesn't mean don't resubmit it with comments or have that conversation. We need to be keeping a pulse and getting these expenses through. Not only is it good fiscal oversight, right? None of those expenses are going to be on your speed type. And it's not good proper fiscal management, if you have all these outstanding expenses that haven't been reconciled. We want to get it in the right budget year. We want to get it on the right project, those types of things as well. Reports that are returned and then never looked at again sometimes are for a reason. Sometimes people don't want you to look at these expenses in more detail. There could be a concern there. So reaching out, not just sending the report back, but sending an email, getting on the phone with the individual if they're harder to get in touch with. But we need to make sure that these transactions are getting through timely. And then number six here, the control isn't working. Caroline talked through making sure that as a reviewer and approver, somebody that's providing guidance to somebody in your unit, that you are doing your job basically in that capacity. We can see in the system if you've opened receipts, and we can see how long you had the report for. That doesn't mean open the receipt, and so we can see that the audit trail was completed, but actually review. The thing I like to say is it is your signature. You are signing off that you reviewed this, you understand this, you're comfortable with it. It's not an autograph. "Hi, I'm Holly, here's my signature. Have fun." So just being mindful there. If you do not have capacity to review reports or you don't feel that you have, what Caroline said, the ability to ask questions or say no, then talking with your department and making sure that somebody who is in that role can do the job there. We have a lot of oversight in some of the systems already. You can't approve your own report. Shouldn't be approving for your supervisor where there may be a conflict there. But sometimes there's oversights on that or a system change or somebody transferred departments. So just being very mindful, keeping a pulse on who has access, who has a procurement card. Do they still need a procurement card, a travel card? Those types of things. If it's still open and the numbers exist somewhere on the Internet, fraud happens occasionally, and so keeping a pulse on it. If you see a transaction that's popping up on the aging report, pause, ask questions, reach out to the team, and we'll give you some resources on that later this afternoon. And then again, the signal doesn't automatically mean that something's a big fraud risk, but definitely something we need to take a closer look into. So I'm going to pull in an example that we'll walk through. So this is putting those six risk signals into practice. So I have the six pictured at the bottom here, and I've kind of put a high-level summary of those six that we just covered, the story, the activity, the pattern, the process, the timing, and the control.

So, we're going to look in this transaction together, at these six types of signals and talk about which ones might apply here. So, this is a nice little screenshot of a purchase from Target for $1,800. for business purpose department supplies. They coded these as lab and tech shop supplies. A receipt was attached, and it was submitted for approval. This is loosely based on real reports that I've seen, but it is not a real person. Nobody's called out here. Okay? So if this rang a bell for you, please take some notes. Okay. So for our pause, one of the signals that we want to look at first, the story. So our business purpose here is listed as department supplies. Doesn't really tell me a lot, right? We have approvers that do not open receipts. If you looked at this and saw department supplies from Target and hit approve, could you answer what was bought here? I hope you answer no, because I am going to surprise you with what the purchase is here shortly. But this is definitely one where you would want to stop and reflect and ask questions. Probably send this report back. Definitely send this report back. So next, we know there's a receipt attached, so a little cute picture of a receipt. Oh, here's what we bought. A laptop, keyboard, some AirPod headphones, and a USB hub. That is our second signal here. Right? We open the receipt. Are these supplies that we might need in a department? Probably, maybe. But are they coded correctly? No. And were they purchased correctly if they were on a procurement card? Definitely not. We have contracted suppliers, Dell, we have Apple, C marketplace, making sure it goes through all the IT review and is compliant for the university and our network and all of those things. And so going to Target with your P card for a good chunk of this IT-related equipment would not have been the appropriate process here. We should definitely verify what happened, follow up with the individual, and have a conversation here. This is already charged to the university the minute you swipe that P card. It just hasn't hit your speed type until this report gets approved. But the university has paid for it, and you as the cardholder have said, "I'm using this for university business. I know the rules." All of those things that Caroline mentioned. So just being mindful there. And then as we dig one more layer into this report, you can see that there is a history of purchases with the same vendor, significant amounts. I know it's a little small, but we have a couple April purchases and then a May purchase. They're all like $1,800 purchases. What I would pull in here is the pattern, repeated purchases from the same vendor. We don't know, in this high level example, that these were all computers and headphones and those types of things. It would be very concerning if they all were. If all of these reports, expenses were very closely together and have not been reconciled yet, and each of these had computers or different types of things that they're going to throw all together on different reports to see if they can work around the system. Just being mindful there. This pattern definitely changes how you want to look at things. Maybe in the past, one of these transactions from Target has already been reconciled. You already had a conversation with them and said, "You need to be going through the university's contracted vendors through C marketplace. Don't do this again." Now they're doing it again. That's definitely a different conversation now. Right? We've talked about this and it's a problem. There's a pattern here. We didn't talk about activity per se in this example, but should this person be buying computers and headphones and if it was multiple sessions of them, are they in charge of purchasing for the department, or were these, I'm going to go buy as many laptops as I can to spend down this budget that I have? So just being mindful there, getting an understanding. But just to show you the six risk signals, they're high level buckets, but you can put them to work in this fashion, and if we truly just looked at the surface level, might have been fine, but it was not. So please don't approve this report. We're going to talk through the first glance to question to action, and then now we're going to talk about good fiscal judgment.

So good fiscal judgment, to take some pressure off of you, does not mean that you are superhuman who knows every single answer to everything. I know a lot of us do know a lot of things, and that's awesome, but knowing where to look, who to ask, and having those conversations is just as important. So we're going to talk through if you do come across some of these, what you should do. Not every issue needs the same response. Good fiscal judgment is taking what you know, seeing what you still need to know, and then making your decision from there. So starting with clarification. If information is incomplete or unclear, definitely want to ask questions. You want to know, right? If audit came to me two years from now and said, "Why did you approve this report two years ago?" My memory is not that good. Right? But it should be documented in the report itself, so I could look at it and say, "Oh, we had this conversation about XYZ, and then she changed the business purpose, and it was more clear about what was purchased and how it was for project XYZ." Get that context, make sure you understand, and then the example we gave is an unclear business purpose, but that doesn't always mean that that's the only thing you can clarify, right? Maybe a receipt that's attached looks off from what you put in the report. Maybe it was a dinner where you said there were five attendees, but then on the receipt, there were actually 12 attendees and the cost is substantial. If those things do not line up, get clarification. Next, we have correction. If something can be fixed, return the report, have it revised, recoded, get the right documentation. Maybe they attached the wrong receipt to the report and they didn't realize that. We definitely should not be just hitting approve because we didn't know what was going on and somebody will fix it down the line. That is not the goal here. We want to fix it up front, and the example that we just gave, that report hasn't been approved yet. So we want to fix it before it posts on our financials to the wrong code and all of those things. And make sure that the required support is attached. Next, seeking guidance if the answer isn't clear. I know we gave you some really good APS policy statements to reference. Shout out test of propriety. But also making sure you have those bookmarked. Things change. I wouldn't download the policy and reference it six years from now and say, "Well, the downloaded copy I have says that this was allowed." Because you need to be referencing the current policy. So making sure that you have those bookmarked is important. Google and internet searches can be a helpful friend, but also using our critical thinking, right? Sometimes those AI answers do not always take into account some of these other policies, or when two policies and procedures conflict or something specific in your department that's not on the internet, it's just on your intranet behind the scenes. So just being mindful there as well. And then also talking with people in your department, right? There's probably people in your department that have been here longer, might have been in that position before you, have some experience with different transactions. Asking questions, and then subject matter expertise we'll go over on the next slide as well.

And then last but definitely not least, escalating and reporting. Definitely potential fraud, misuse, misconduct, raising questions, right? Talk with your supervisor, talk with fiscal compliance. We have an ethics hotline that is anonymous through SU system and an outside party. If it needed to get to that level, I would not say they coded this as the wrong account code, let's report them for fraudulent activity. But there are definitely cases where bringing in an outside set of eyes even can just be helpful to get a second opinion there. And these are typically where activity is going to be something more than just an isolated mistake. And then the takeaway that we want to share, you don't have to navigate it alone. Being a good-- Fiscal judgment, good critical thinking is knowing your resources. And so starting with the policy procedure. You don't want to have to ask your fiscal manager every single question that you ever have probably, but you can ask them questions if you're unsure. But starting with the requirement and saying, "Hey, this situation came up. I looked at policy XYZ. This is how I interpret it. Can we talk about this? Do you interpret it that way as well?" And getting consensus there. Using your fiscal resources, connecting with those various people in your department in the fiscal roles Caroline mentioned earlier, department administrators, your DFA, your fiscal manager on the grant that you oversee. Talking with them to make sure that you're in line with those expectations as well. Some things do require a subject matter expert. And so there are many, many offices on campus that have that expertise. In the example, we had some IT supplies, talking with the IT team. It could be something HR related, wonderful HR team, fiscal compliance, shout out Holly and Caroline. And Office of Grants and Contracts, if you're on a sponsored project and you need to know, this sponsor has this ask of me, what does this mean in the larger scheme of things? And then, yes, please escalate and report when necessary, knowing when to ask questions.

Want to give you a few resources to stay connected with our team. We have a beautiful website that has a ton of different policies, procedures, forms, resources. We post some best practices, some "Did you know?" type, critical thinking thoughts occasionally, news articles, and so bookmark that for sure. One of the newer things that we've implemented in the last year is virtual office hours. We offer them twice a month over Zoom on the first and third Monday of each month. They're informal, just drop in if it lines up with your time. And there are multiple team members, even more than Caroline and myself. So you can come and get your questions answered if the time lines up for you. This QR code will take you to the website. To bookmark those office hours, we have our upcoming dates and then the Zoom link, and just drop in during the time if it works for you. Our fiscal compliance email address is up there for general support. Training, we have a ton of different training programs, and those are ever evolving, so keep an eye out for that. And then as Caroline mentioned, we did our original toolbox presentation in 2024. We did cover a little more in-depth on some of these policies and procedures, and this is really the more like now you know, let's talk about the critical thinking side of things. But that recording is on the HR website and the PowerPoint, so if you need to refer back to that or you were not there, it's a good presentation by Caroline and myself as well.

And with that said, the biggest takeaway today is just to be engaged in the process. Keep asking questions, have your critical thinking hats on, and just that individual decisions are what turn our fiscal foundations into good fiscal stewardship. So being mindful there. And that's all we have for you today. We will open it up for any questions, and there's also the attendance code if you needed it again. Perfect. Thanks everybody.