OUS Fiscal Policy Manual Preface

Background

In 2001 the Board of Higher Education authorized the Chancellor's Office to undertake a project to design a Fiscal Accountability Framework (FAF) which would establish a management structure, controls, and guidance that assist the Oregon University System (OUS) Board, Chancellor's Office, and institutions in setting fiscal-related goals and monitoring the performance of those goals. The project Steering Committee was chaired by the Controller and included representation from Vice Presidents from Finance and Administration, Provosts, Directors of Business Affairs, Budget Officers, and Chancellor's staff. Business Process Work Groups, consisting of campus and Chancellor's Office functional experts, were formed to evaluate a wide range of fiscal policy areas.

The final report of the Fiscal Accountability Framework project was presented and accepted by the Budget and Finance Committee of the Board of Higher Education in February, 2002. Two significant action items were 1) the formalization of a policy to address future formulation, issuance, and revision of System fiscal policies, and 2) development of an on-line System fiscal policy library (to be managed within the context of this process for System fiscal policy changes) to assure compliance, to support fiscal policy objectives, and to establish accountability. To meet these objectives, the Board approved the policy "Formulation, Issuance, & Revision of System Fiscal Policies" and the Controller's Division has established this OUS Fiscal Policy Manual.

Scope

The OUS Fiscal Policy Manual is made up of System fiscal policies that meet established criteria. There are many other important institutional policies that do not meet the criteria; therefore, they are not considered to be System fiscal policies and are not governed by this document. For purposes of this manual, a System fiscal policy is defined by all of the following criteria:

- It has broad application throughout the System
- It is under the authority of the Senior Vice Chancellor for Finance and Administration
- It helps ensure compliance with applicable laws and regulations, promotes operational efficiencies, supports the System's mission, and/or reduces System risks
- It mandates actions or constraints and contains specific procedures for compliance
The subject matter requires review and approval by the Board, the Budget and Finance Committee of the Board, the Investment Committee of the Board, or the Senior Vice Chancellor for Finance and Administration (or designee), depending upon delegated authority, for policy issuance.

The graphic below shows the relationship of OUS fiscal policies to other laws, rules, and regulations which govern and guide financial administration within the Oregon University System.

Authority and responsibility for the Oregon University System is given to the Oregon State Board of Higher Education by the Legislature. Approved legislation is signed by the Governor and documented in the form of Oregon Revised Statutes (ORSs) and Session Law. The Board may adopt policies and procedures consistent with its authority and responsibilities either by adopting Oregon administrative Rules (OARs), Internal Management Directives (IMDs) or adoption of form Board policies. Policies and procedures in matters that generally affect the interests of the public must be adopted as OARs. Policies approved for the Board's internal operations or its relations with other state agencies may be adopted as OARs, IMDs or Board policies.

Within this context, the Controller's Division is responsible for developing and maintaining the OUS Fiscal Policy Manual which is directed primarily to university business and financial administration.

**Format**

OUS seeks to ensure that all official System fiscal policies are in a consistent format. To meet this objective, the policy "Formulation, Issuance, & Revision of System Fiscal Policies" establishes the following format:

- Policy Statement
- Policy Rationale
- Authority
- Approval and Effective Date of Policy
- Knowledge of this Policy
- Definitions
- Responsibilities
- Other sections unique to the policy (as applicable)
Contact Information

History

In addition, an appendix section may be included, as applicable. The appendix includes a variety of information integral to the policy (e.g., procedures, forms, processing calendars, and flowcharts).

Policies Pending Review

As new policies are developed and existing policies are revised, review and comment is an important step in the process. The policy topic, functional area, and delegated authority determine the notification, review, and approval process. To facilitate this process, the OUS Fiscal Policy Manual provides a website to review proposed changes and provide comment -- /cont-div/fpm/pending.php

Notification of Policy Changes

When policy changes are approved, notification is provided to the Directors of Business Affairs and other appropriate personnel, depending on the topic and functional area.

Summary of Policy Changes

The OUS Fiscal Policy Manual provides a website that summarizes by fiscal year the additions, deletions, and changes made to fiscal policies -- /cont-div/fpm/changes.toc.php

Transition of Policies from FASOM

Prior to the adoption of the standardized format, OUS maintained a body of fiscal policies and procedures -- Financial Administration Standard Operating Manual (FASOM). As time and resources permit, applicable sections of existing FASOM policies are being transitioned to the new Fiscal Policy format. During this transitionary period the OUS Fiscal Policy Manual will provide links to FASOM policies, as indicated on the index.