

13.4

Control of Finances

The institution exercises appropriate control over all its financial resources.

Judgment

Compliant Non-Compliant Not Applicable

Narrative

The University of South Carolina entrusts primary responsibility for the institution's control of financial resources with the Division of Administration and Finance. The university satisfies this requirement of exercising appropriate control over all of its financial and physical resources through maintaining a system of strong internal controls; employment of qualified fiscal staff; the use of a robust financial system; enforcement of policies and procedures; budgetary control and management; and annual audits of its physical inventory, fixed assets, and petty cash.

The university maintains a strong level of internal controls through segregation of functions and duties, systematic procedures for verifying information and detecting errors, and ensuring proper authorization of all transactions. The organizational structure of the Division of Administration and Finance in and of itself substantiates adequate segregation of functions and duties - a primary characteristic of strong internal controls. The division comprises six major departments: the Office of the Controller, Bursar's Office, Budget Office, Purchasing, Public Safety and Facilities.

Internal Control and Financial Statements

The University of South Carolina Columbia and regional Palmetto College campuses financial statements are issued separate for accreditation purposes and are included in the university's annual CAFR. For year ending June 30, 2018, the Columbia campus had three management letter findings related to the single audit that were considered significant deficiencies and were identified during the annual audit. The findings were as follows: 1) Capital Assets adjustments led to misclassifications on the face of the financial statements as it related to gain/loss of capital assets, 2) Misstatement of Funds Due From (Held For) Others but did not have an impact on the ending net position and 3) Grants - Revision to the SEFA that led to additional major cluster being audited and timeliness of reconciliations of grants and invoices. These three findings were related to continued improvement in financial reporting following an ERP implementation which began in July 2015. All of these have been addressed by management through adjusting, correcting or revising operational processes as needed to ensure these deficiencies are corrected and addressed. In the university's Uniform Guidance Audit, there was one material weakness regarding reporting student separation dates timely to ECSI, the university's third party loan servicer. This material weakness has been addressed through implementation of an interface from our reporting system to ECSI via the clearinghouse to keep information consistent and reported timely. There were also six significant deficiencies in internal controls over compliance, four within the student financial aid cluster and two within the TRIO cluster. All of these have been addressed by management through adjusting, correcting or revising operational processes as needed to ensure these deficiencies are corrected and addressed. The University of South Carolina Columbia and regional Palmetto College campuses received an unmodified opinion with no findings for FY 2018 as issued by external audit firm of Elliott Davis, LLC. The University of South Carolina Columbia and regional Palmetto College campuses audited financial statements for FY2019 will not be available until October 1, 2019 and will be provided to SACS immediately upon issuance. The October 1st date is the required date for issuance and submission to the State of South Carolina annually.

Responsibilities of Administration and Finance Division

The Administration and Finance Division supports the vision, mission and all goals and initiatives of the University of South Carolina. The division has considerable impact on the university strategic goal to improve the financial health of the university to levels necessary to achieve the status of an excellent comprehensive research institution. Controlling financial resources is a collaborative effort across the finance units and the academic and service units within the university. The university maintains internal controls through separation of duties and detailed policies and procedures.

Office of the Controller

The Office of the Controller is responsible for ensuring proper stewardship of the university's financial resources through effective policies, procedures and internal controls. The Office of the Controller strives to provide excellent customer service and the highest integrity in financial reporting. Departments operating under the Controller are financial reporting, general accounting, payroll, banking and treasury management, tax services, capital finance, grants and funds management and financial ERP system management. The Office of the Controller is responsible to:

- establish and communicate policies and procedures to ensure proper and efficient use of university system resources,
maintain an accurate and effective accounting and financial reporting system,
provide leadership in the development of effective control systems to safeguard university system assets,
ensure the prompt and timely processing of the university system's payroll,
ensure the prompt and proper settlement of amounts owed by the university system,
ensure effective banking and treasury relationships for the university system,
maintain the university system's bond instruments and indebtedness and management of capital project financing and analysis to include computation of debt capacity and analysis of financial ratios and the impact of debt financing on the university's credit ratings,
provide oversight and management to ensure the integrity of all contracts and grants for the university system, and
actively promote and monitor compliance with appropriate federal, state, international and local tax laws and regulations.

Bursar's Office

The Bursar's Office provides financial services support to students, parents, faculty, staff, deans, department heads and the administration. The office functions primarily as the official depository of student tuition and fees and other university funds and is responsible for receipting, disbursing and safeguarding of all funds, which include the fair assessment and collection of proper academic fees as authorized and approved by the university Board of Trustees. The Bursar's Office handles the allocation of special fees, collection of accounts receivable, processing the transfer of electronic funds, disbursement and collection of all student loans, and promissory notes.

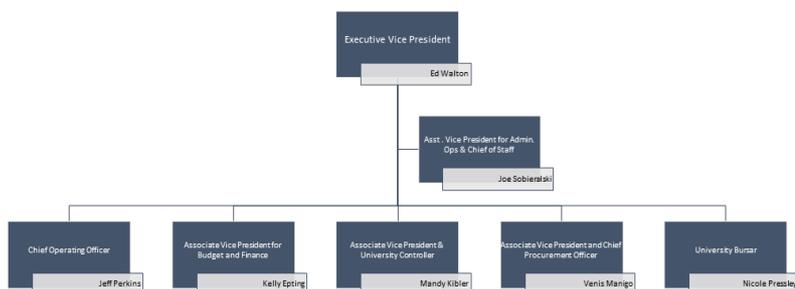
Budget Office

The Budget Office prepares the annual budget document for consideration by the Board of Trustees and prepares and submits the university's state budget to appropriate agencies. The office further assists with the external budget development by assisting legislative contacts with justification for budget requests, through completion of information reports as requested, and insuring that the university operates within the budget limitations established by the General Assembly and the Board of Trustees. Internally, the Budget Office assists unit business officers and administrative heads of colleges, campuses and other university units in executing the Board-approved budget and in maximizing their use of limited resources.

Purchasing

The Purchasing Department is responsible for ensuring procurement of university goods and services are conducted in a legal, ethical and professional manner by abiding by South Carolina Consolidated Procurement Code laws and regulations and university policies and procedures.

Staff of the Administration and Finance Division



**Senior Administration and Finance Staff Job Duties and Qualifications/Experience:**

<b>Division of Administration and Finance (DAF)</b>		
<b>Senior Leadership Job Duties</b>		
<p><b>Edward Walton, Executive Vice President and Chief Financial Officer</b></p>	<ul style="list-style-type: none"> <li>The Executive Vice President reports to the university President and serves the university providing executive level leadership and guidance to the administration, Board of Trustees, and faculty. Responsible for university system finances and accounting, facilities and construction, law enforcement and safety, communications, business affairs, and governmental affairs. The position is the senior non-academic advisor to the President.</li> <li>Develop along with senior executives the legislative, regulatory, and financial management processes related to university affairs. Provides executive oversight, senior leadership, planning, and execution strategies for major university initiatives including: Master planning; Public private partnerships; Internal service outsourcing; Medical school integrations; Fiscal alignments and prioritizations; System alignments.</li> <li>Develop and direct customer relations with the Division of Administration &amp; Finance, Office of Academic Affairs and Provost, Office of Research, Office of Human Resources, chancellors, and vice presidents to coordinate and resolve financial, infrastructure, and organizational matters of the university.</li> <li>Plan, direct, implement and provide executive oversight for appropriate procedures for university-wide fiscal operations. Provides executive oversight, senior leadership, planning, and reporting guidance for the following university operations:                             <ul style="list-style-type: none"> <li>University system finance and accounting;</li> <li>University facilities planning, operations and maintenance, and construction;</li> <li>University law enforcement and safety;</li> <li>University communications;</li> <li>University governmental and community affairs;</li> <li>University business affairs.</li> </ul> </li> </ul>	<p>Ed Walton is responsible for coordinating the planning and activities of non-academic areas of the University of South Carolina. As leader of the university's Division of Administration and Finance, he oversees finance, facilities and transportation, business affairs, human resources and law enforcement and safety. Mr. Walton has 25 years of financial management experience including 7 years of audit and audit management and 15 years of higher education management. He is a Certified Public Accountant (CPA).</p>
<p><b>Mandy Kibler, Associate Vice President for Administration and Finance &amp; University Controller</b></p>	<ul style="list-style-type: none"> <li>Directs and leads the daily operations of the Office of the Controller management and oversight for all university-wide accounting to included General Ledger, Financial Reporting, Tax, Banking and Treasury, Grants and Funds accounting, Payroll, Capital Projects and Assets, and Capital Financing by ensuring compliance with generally accepted accounting principles and reporting requirements of federal, state and local agencies. University accounting includes management of eight system campuses and total transactions of over \$1.5B annually.</li> <li>Oversees the management of the integrity and accuracy of the financial accounting system and for the preparation and submission of financial reports for both internal and external customers. Ensures the university has the systems and procedures in place to support the preparation of annual financial statements and the university Comprehensive Financial Report (CAFR) in accordance with generally accepted accounting principles and standards.</li> <li>Directs and leads the integration of the university finance system with all financial operations and actively analyzes the financial needs of the university through collaboration with the Budget Office, Bursar's Office, Facilities, Financial Aid, campuses and departments. Develops strategies and initiatives that strengthen the agency's financial functions to ensure efficient use of university resources while providing a high level of customer service.</li> <li>Provides leadership in the interpretation of financial policies and procedures as well as federal, state and local laws and regulations. Oversees the development of operating policies and procedures and reviews, analyzes and evaluates existing policies, and programs, plans, systems, operations, procedures and documents to develop improvements in efficiency, effectiveness and productivity; assists in developing program performance standards.</li> <li>Develops and maintains strong collegial contacts throughout the university and with state and national professional organizations and colleagues and understands how various stakeholders throughout the university value and use the services provided by the Office of the Controller.</li> <li>Provides support to the Vice President for Finance and Chief Financial Officer by preparing, analyzing and interpreting periodic financial reports for management information, control, financial planning and forecasting.</li> </ul>	<p>Mandy Kibler is responsible for leadership, management and integrity of financial reporting, general accounting, payroll, banking and treasury management, tax services, capital finance, grants and funds management and financial ERP system management for the Administration and Finance Division. She has 26 years in management and finance experience in state government and higher education. She served for 6 years as the Vice President for Finance and Government Relations for the South Carolina Technical College System. She has also served as the Chief Finance Officer for South Carolina Department of Commerce and the South Carolina Department of Parks, Recreation and Tourism. Ms. Kibler holds a B.S. in Accounting from Clemson University and a Masters in Higher Education Business Administration from the University of South Carolina along with a Graduate Certificate in Higher Education Leadership from the University of South Carolina. She is a Certified Government Finance Officer (CGFO).</p>
<p><b>Jeff Perkins, Chief Operating Officer</b></p>	<ul style="list-style-type: none"> <li>Provides management and leadership oversight for the Operations and/or Departments of the Division of Administration &amp; Finance (DAF) to include Facilities Maintenance &amp; Operations, Parking, Transportation, DAF Human Resources, Postal Services, the University of South Carolina Aircraft, and university Risk Management and Insurance. Includes analyzing the operations, and realignment and coordination of the functional operational processes. Oversight and implementation of processes, models or applications for efficient data collection and usage. Includes management of certain operations and operational finance matters, as appropriate.</li> <li>Performs other services and duties associated with and at the direction of the Executive Vice President (EVP). Acts as interim management for units or functions, assessing risk management and conflict of interest management, and communicating with deans, chairs and leadership.</li> <li>Includes serving on behalf of or at the request of the EVP as his or the university representative member of operational committees for the University of South Carolina and or in one of its affiliated partners, for special projects and other activities as assigned. Assesses and identifies relevant operational matters and solutions, such as participation in management projects, team benchmarking and performance management actions.</li> <li>Serves as the Executive Vice President's as a researcher or point person for issues regarding comprehensive analysis, presentations and reports on the operational or finance matters for university facilities and Office of DAF operations, as well as, those related to medical and health sciences including for the Health Affairs Committee, Buildings and Grounds and other committees or projects associated with the University of South Carolina Board of Trustees.</li> <li>Acts as an advisor and liaison to the EVP on Office of Administration and Finance on matters related to the preparation of certain internal operational budgets and general budgetary matters including acting on behalf of the EVP in management of the Central Office and the operations within the DAF and for the University of South Carolina Columbia campus and Schools of Medicine. Advises key financial &amp; operational staff, as well as key staff in other Departments, on a variety of budgetary, accounting and administrative matters relative to annualized expenditures, patterns, and forecasts.</li> <li>Provides technical assistance to the Executive Vice President on operational and or financial matters relating to university operations and or compliance with state and federal regulations, as well as internal policies and procedures.</li> </ul>	<p>Jeff Perkins is responsible for leadership, financial and operational management, and active roles in the coordinating of business and other operational activities for the university. He has 29 years of operational and financial management in private industry and higher education. At the University of South Carolina he has served as an Associate Vice President in the Division for Administration and Finance for over a decade, and has also served as the Associate Dean for Administration and Finance and Chief of Staff for the University of South Carolina School of Medicine. Other past experiences include being the Secretary/Treasurer for the University of South Carolina School of Medicine Educational Trust, Director of Administration and Business Operations for Scott &amp; White Healthcare System, Controller for Preferred Healthcare Business Services (a "PPM") and a Senior Manager in Audit &amp; Assurance for PricewaterhouseCoopers. He is a Certified Internal Auditor, Certified Public Accountant, and a Certified Healthcare Financial Professional.</p>
<p><b>Nicole Pressley, University Bursar</b></p>	<ul style="list-style-type: none"> <li>Manage a combined operating budget of approximately \$2M. Ensure that tuition and fees in excess of \$700M are accurately billed and reported for all university system campuses. Responsible for coordinating the receipt and disbursement of more than \$400M in financial aid. Authorize tuition and fee refunds in excess of \$164M.</li> <li>Provide customer service to students, parents, faculty, and staff in all areas of the Bursar's Office. Provide information and training opportunities for Bursar and system campus staff.</li> <li>Direct and manager the daily operations of all areas of the Bursar's Office. Maintain accountability and responsibility for all cash and receivable accounting functions. Collaborate with Bursar's Office directors to create goals, objectives, policies and procedures. Communicate with system campuses to coordinate dates for fee payment and drop for non-payment.</li> <li>Provide leadership and direction to university divisions regarding internal and accounting controls, legal liabilities, risk exposures, fraud prevention and detection, best practices and development of policies and procedures. Ensure that transactions are made in accordance with Generally Accepted Accounting Principles. Ensure that proper accounting controls are in place. Ensure that audit exceptions are corrected in a timely manner. Coordinate with key offices to collaborate on system implementations, upgrades and decommissions. Prepare routine and ad hoc reports for administration and external entities as needed.</li> </ul>	<p>Kristie 'Nicole' Pressley is responsible for the implementation of policies and procedures for the assessment, collection, disbursement, deposit and monitoring of tuition and fees for the University of South Carolina system. Prior to serving as university bursar, Ms. Pressley held the roles of Manager of Fee Assessment and Refunds, Manager of Bursar Operations and Director of Student Services Support, all within the Bursar's Office. Ms. Pressley started her career in Accounting at her alma mater, Francis Marion University, where she received her B.A. in Accounting and Masters in Business Administration.</p>

<p><b>Kelly Epting, Associate Vice President Finance and Budgets</b></p>	<ul style="list-style-type: none"> <li>Integrates with Finance Division by reviewing annual operations and current organization through senior Finance leadership. Reviews and recommends management reporting by participating in development of management data with both PeopleSoft and Banner resources. Provides support to senior Finance leadership to fully integrate financial plans into operations. Works on special projects that promote improved efficiencies.</li> <li>Conducts high level research and analysis of technical and financial issues. Develops proforma analyses and multiple scenarios to describe options for operating and capital project proposals. Develops short and long range financial plans for operations and capital projects at unit, campus and system levels. Consults with units as necessary. Identify and resolve fiscal problems. Prepare complex and detailed financial and budgetary analyses, develop and revise methodology for forecasting.</li> <li>Assists the Vice President for Finance &amp; Chief Financial Officer with legislative and internal budget analysis and communications. Makes presentations on behalf of university Administration and the Finance Division and represents the VP &amp; CFO at institutional events and committees, state-level meetings as well as regional and national conferences.</li> <li>Directs the South Carolina Research Foundation (SCRF) including preparation of the annual Uniform Guidance audit, annual consolidated financial statements and IRS Form 990. Manages budget for the Office of Research. Coordinates budgeting, actual to budget review, and annual budget and audit for the SmartState Centers.</li> <li>Serves on the university policies committee representing Administration and Finance. Reviews and revises university policies as required. Researches and develops new policies as requested. Increases familiarity with all university policies and procedures.</li> </ul>	<p>Kelly Morgan Epting is responsible for the day-to-day and long-term budget planning for the university. Prior to joining Administration and Finance, Ms. Epting worked in other financial roles in the Office of Research, the Darla Moore School of Business, and the School of Medicine. Her experiences have ranged from daily operations and planning to in-depth financial modeling and reporting of tuition, research, endowment, and clinical dollars. She also spent several years with the University of Alabama at Birmingham School of Medicine as an Administrative Projects Specialist. Ms. Epting began her accounting career in auditing with Deloitte. She has a B.A. in Accounting from Furman University and an MBA from the Darla Moore School of Business. She is a licensed Certified Public Accountant (CPA).</p>
<p><b>Venis Manigo, Associate Vice President &amp; Chief Procurement Officer</b></p>	<ul style="list-style-type: none"> <li>The Associate Vice President for Procurement and Business Services assists the Executive Vice President by overseeing and implementing policies, procedures, business processes and systems that assure the integrity of procurement and strategic sourcing for an 8 campus system. This position also ensures that the university is in compliance with procurement law as well as all other applicable laws, policies and regulations for higher education and the University of South Carolina. This position will lead a team providing services and support to ensure the university obtains the best value in procuring the goods and services it needs, while lowering the total cost of ownership. Represents the university in matters related to Minority business initiatives.</li> <li>Management oversight of all Purchasing for the university system.</li> <li>Advise the university administration and customers on interpretation and application of procurement law, State and Federal regulations, business practices and contract interpretation.</li> <li>Manage the development and implementation of complex RFP's.</li> <li>Issue appropriate contracting approaches and methods in order to meet mission, program goals, requirements and time frames.</li> <li>Develop and implement metrics to measure the department's performance toward university goals and benchmarks with peer institutions.</li> <li>Manage complex contract and procurement issues as needed and delegate procurement authority within the campus system as deemed appropriate.</li> <li>Direct the development of new procurement programs, systems and processes to improve efficiency, quality and customer responsiveness.</li> <li>Represent the university in solving problems and explaining acquisition requirements.</li> <li>Establish and enforce appropriate internal controls.</li> <li>Promote outreach to small women-owned and minority businesses as necessary to achieve goals.</li> </ul>	<p>Venis Manigo is responsible for overseeing and implementing policies, procedures, business processes and systems that assure the integrity of procurement and strategic sourcing for an 8 campus system. She began working for the university's Purchasing Department as an Information Technology Manager in 1992 and served in several capacities in purchasing since to include Information Technology buyer, the Assistant Director of Purchasing, and Director of Purchasing/Minority Business Liaison. Prior to joining the university, Ms. Manigo worked at the South Carolina Budget and Control Board's Information Technology Management Office as a Procurement Specialist from 1988-1991. Ms. Manigo holds a B.A. in Business Administration from Furman University.</p>
<p><b>Joe Sobieralski, Assistant Vice President for Administration Operations</b></p>	<ul style="list-style-type: none"> <li>Act as Chief of Staff for the Division of Administration and Finance. Requiring a high degree of discretion and commitment to confidentiality, be a dependable resource and advisor for the Executive Vice President (EVP). Regularly attend meetings, perform research, and conduct timely analyses as needed by the EVP to be responsive to requests from the Board of Trustees, senior leadership or other groups.</li> <li>Assist the EVP in the oversight accounts under the direct supervision of the President and EVP. Develop reports, research and resolve issues and provide recommendations to the EVP as required. Accounts include the Division of Administration and Finance and President's Office. This position also is expected to advise the EVP as required on strategic financial and operational matters related to system institutions (in consultation with the system affairs liaison).</li> <li>Under the direction of the EVP oversee governance aspects of the newly redesigned budget model. This will include making sure key groups and committees of such as the support unit allocation committee and policy committee are meeting. Also, this position will chair the budget model governance committee that assists in arbitrating issues that arise related to the design of the budget model, and collaborating with the AVP for Budget and Finance/Budget Office as it relates to strategic communications and future decision points related to the budget model.</li> </ul>	<p>Joseph "Joe" Sobieralski is responsible for assisting executive leadership with finance and operational support for the division and Executive Affairs. Prior to this, Mr. Sobieralski served as the university budget director for the Columbia Campus and served as the Vice Chancellor for Finance and Administration for the Aiken campus. He has nearly 20 years of experience in financial and administration in higher education. Mr. Sobieralski holds B.S. degree in sports and entertainment management and business administration as well as a Master of Accountancy from the University of South Carolina. He is a Certified Management Accountant (CMA), Certified Financial Manager (CFM), Certified Internal Auditor (CIA), Certified Auxiliary Services Professional (CASP) and Facilities Management Professional (FMP).</p>

## Administration and Finance Systems

Oracle PeopleSoft Finance (PS Finance) is the university's ERP system that is used to account for and monitor the general accounting, accounts payable, purchasing, grants and contracts, capital assets, receivables, capital projects, banking and treasury, and financial reporting functions for the university. The Oracle PeopleSoft Human Capital Management (HCM) maintains the human resources and payroll accounting function for the university. The Ellucian Banner system tracks and maintains student accounting information through assessment, collection, disbursement, deposit and monitoring of tuition and fees for the University of South Carolina System. System access and security are managed by the PS Finance IT Support, PS HCM Support, Banner Support Team and the Division of Information Technology. The university has [policies](#) in place to guide the manage, protect, secure and control all official university data.

## Policies and Procedures

The Administration and Finance Division has the responsibility for ensuring compliance with State and Federal laws as well as [university policies and procedures](#). Departmental staff develops, promulgates and enforces various financial and administrative policies and procedures and other information for the university system. Policies and procedures for Administration and Finance cover an array of topics including Purchasing, Payment/Reimbursement for Personal Consumption Items, Travel, Accounts Payable, Acquisition and Payment of Goods and Services, Petty Cash, Cash Advances, Contracts and Grants, Contracts and Grants Personnel Activity Reporting System, Receipt and Handling of University Payments, Credit/Debit Card Processing and Security, Accounts Receivable, Asset Management, Payroll Authorizations, Payroll Checks – Items Withheld, Distribution of Payroll Checks and Direct Deposit Requirements, Capital Planning Policy, Payroll Authorizations for International Employees, Cost Accounting Standards, Data Information and Governance and University Administration.

Each department within the [Administration and Finance Division](#) provides training on policies and operating procedures throughout the year. This training is delivered in various mediums such as in person training, webinars, one-on-one training, ready rooms and email distribution of information. All training is posted on departmental websites for future references.

The university Board of Trustees assumes responsibility for additional financial control policies to include: [BTRU 1.04 Authority to Sign Contracts](#), [BTRU 1.06 Audit and Advisory Services](#), [BTRU 1.15 University Personnel Expenditures](#), [BTRU 1.18 Conflict of Interest](#), [BTRU 1.20 Dishonest Acts and Fraud](#), [BTRU 1.22 Reporting of Violations of State and Federal Laws and Regulations](#) and [BTRU 1.24 Internal Control](#).

## Monitoring and Oversight

### Financial Compliance:

The Office of the Controller's Compliance section, manages and leads the Office of the Controller and university in the areas of regulatory compliance and policy adherence. This section is responsible for assisting the departments in the Office of the Controller with the development and maintenance of policies and procedures, managing Time and Effort collection and reporting, and managing grant subrecipient contracts in accordance with Uniform Guidance. These policies and procedures will be the basis for university department communication and training, compliance with Federal and State laws and regulations, and GASB and auditing standards.

### Budget:

Budget management and control is accomplished through both centralized and decentralized levels. For budgetary control and accountability at the centralized level, the staff of the Budget Office of the Administration and Finance Division analyzes, and reviews selected financial data at least quarterly comparing actual revenue and expenditures to the approved budget. They provide significant information of any budget adjustments or revisions to executive management and the board of trustees as well as to the respective budget managers. Furthermore, South Carolina State law mandates the university, as a state-supported institution, to submit an annual budget that must receive the approval of the State Legislature. At the state level, it is monitored by the Offices of the State Comptroller General, State Treasurer and State Budget Office.

At the decentralized point, departmental chairpersons have the responsibility for monitoring their respective budgets. Each budget manager receives electronic monthly financial reports that provide sufficient detail including outstanding encumbrances to prevent over- or under- expenditure of their budgets. In addition, each budgetary unit has on-line, real-time access to its budgetary status as presented on the daily ledger screen to ensure budgets are not exceeded. Budget variances require the approval of the executive management.

**Procurement to Accounts Payable:**

The Procurement Department and the Accounts Payable section in the Office of the Controller monitors and manages all procurement and payments through a procure to pay policy. This includes the Procurement Department ensuring compliance with South Carolina Consolidated Procurement Code and the Accounts Payable Department reviewing payments and ensuring compliance with university policies and procedures, Internal Revenue Service for 1099 reporting and sales and use tax review and reporting.

**Facilities - Capital and Maintenance Projects:**

The Capital Assets and Debt section in the Office of the Controller monitors the appropriation balances and project account totals as well as the cash balances for all capital projects for the university. The university's Facilities Department works in partnership with Capital Assets and Debt to oversee all capital and major facilities maintenance projects. An added level of accountability exists at the state level through the State Fiscal and Accountability Authority of State Permanent Improvements Reporting System (SPIRS) which is a reporting requirement of state institutions.

**Contracts and Grants:**

The Grants and Funds Management Department in the Office of the Controller monitors and manages all sponsored program accounts to ensure compliance with Uniform Guidance, individual grant awards and university policies and procedures. The monitoring and management include monthly invoicing/billing, financial reporting and AR collection and management.

**Banking and Treasury:**

The Banking and Treasury Management Department in the Office of the Controller manages daily cash management and ensures all banking accounts are managed and reconciled each month.

**Tax and Supplier Management:**

The Tax section in the Office of the Controller ensures university compliance with all tax rules and regulations to ensure timely and accurate remittance of payroll taxes, sales and use tax returns and the annual 990 filing and unrelated business income tax. In addition, Tax oversees the setup and management of all university suppliers to include verification of tax information and set up of banking. The supplier set up also includes monitoring conflicts of interest in coordination with Audit and Advisory Services and to ensure compliance with university policy on conflict of interest.

**Capital Assets:**

The Capital Asset and Debt section in the Office of the Controller is responsible for the tracking fixed asset purchases and deletions. As for the university's capital asset system, the university records all assets costing \$5,000 or more and having a useful life of at least one year in the PS Finance Asset Management module. This section also performs an annual physical review of the capital assets as required by South Carolina law. Disposal of all university property is handled in coordination with the Purchasing Department and requires external approval of the state's South Carolina General Services Division-Surplus Property Management. Checks and balances of the capital assets are achieved through the Office of the Controller staff reconciling the general ledger accounts to subsidiary ledgers in Asset Management. Assets are depreciated using the straight-line method and class life schedules set by the Internal Revenue Service, the State and industry standards; the depreciable amounts are tracked in Asset Management and reported in the university's CAFR.

**Audit and Advisory Services**

Audit and Advisory Services (AAS) serves as the internal audit function for the university and reports directly to the Board of Trustees. AAS functions as an independent appraiser of university activities and uses a systematic, disciplined approach to evaluate and improve effectiveness of governance, risk management and control processes. The staff is committed to assisting the University of South Carolina in functioning at the highest level possible regarding compliance with regulations and university policies, financial stewardship, ethics and internal controls. Key responsibilities include:

- Assessing financial and operational processes to determine if they will produce accurate, reliable and timely information consistent with the university's mission and in compliance with relevant regulations, laws, contracts, policies, plans and procedures.
- Verifying that assets are appropriately safeguarded.
- Working in partnership with management to ensure policies and processes are effective and efficient.
- Serving as a resource for the university community in identifying the need for and developing adequate systems of internal control, governance and risk management.

**Sources**

 Audit & Advisory Services
 BTRU 1.04 Authority to Sign Contracts
 BTRU 1.06 Audit & Advisory Services
 BTRU 1.15 University Personnel Expenditure Policy
 BTRU 1.18 Conflict of Interest
 BTRU 1.20 Dishonest Acts and FraUD
 BTRU 1.22 Reporting Violations of State and Federal Laws or Regulations
 BTRU 1.24 Internal Control Policy
 Budget Office
 Bursar's Office
 Cola Regionals FY17-18
 Comprehensive Annual FR AY17-18
 Division of Administration and Finance
 Office of the Controller
 Policies and Procedures Manual
 Purchasing Department
 USC Columbia Organizational Chart
 University Policies