

**UNIVERSITY OF SOUTH FLORIDA**  
**CONSTRUCTION ACCOUNTING AND CONTROL STRUCTURE**  
RECOMMENDATION STATUS  
AUGUST 2019

	<u>Statement of Risk</u>	<u>Recommendation</u>	<u>Status</u>	<u>Comments</u>
1	Further guidance was needed regarding the allowable uses of Education & General (E&G) funds on construction projects.	The university should seek formal written clarification from the Board of Governors (BOG) as to exactly what types of E&G carryforward expenditures, and in what amounts, are viewed as allowable on construction projects by both the BOG and the legislature, and develop and implement procedures accordingly so that the university can ensure strict compliance with all requirements.	In Progress 10/1/19	The Chief Financial Officer has requested formal written clarification from the BOG and is awaiting finalization of an update to BOG regulation <u>9.007 State University Operating Budgets</u> . This update is expected to provide more guidance and clarity as to what types and amounts of E&G carryforward expenditures are viewed as allowable on construction projects by both the BOG and the legislature. Upon finalization of the updated regulation, the university will develop and implement procedures accordingly to ensure compliance with all requirements.
2	Financial Accounting System (FAST) functionality was not being utilized to associate related projects in the project costing (PC) module.	The university should implement a means of identifying and tracking all of a construction project's financial transactions within FAST.	Complete 7/1/19	All new capital projects are established using a singular FAST PC Project ID to associate related appropriations and alternate funding sources.
3	Tracking of costs by Activity ID and fund needs to be improved.	The university should develop and implement procedures for budget to actual tracking of all construction costs by both Activity ID and funding source.	Complete 7/1/19	Procedures for budget to actual tracking of all construction costs by both Activity ID and funding source have been developed and implemented.
4	Monitoring authorization of expenditure transfers, subject to USF System Policy 0-100, needs to be improved.	The university should ensure all expenditure transfers are subject to BOT approvals consistent with the intent of USF System Policy 0-100.	Complete 7/1/19	Procedures have been established and implemented to ensure expenditure transfers are subject to approvals consistent with the intent of USF System Policy 0-100.
5	Monitoring of expenditures outside of the Construction Fund should be performed to ensure a Project ID is associated with all construction expenditures.	The university should develop and implement procedures which require that all construction costs, regardless of funding source, be associated with an appropriate FAST PC Project ID.  Monitor for compliance with this procedure.	Complete 7/1/19	The university has procedures that require all construction costs, regardless of funding source, be associated with an appropriate FAST PC Project ID.  Compliance monitoring protocols have been developed.
6	There was no formal communication of roles and responsibilities for construction projects accounting among the various decentralized facilities units.	The university should establish a consistent control structure for construction accounting activities throughout the USF System.	Complete 5/1/19	The university has established a consistent control structure for construction accounting activities throughout the USF System. Each decentralized construction administration unit is responsible to ensure fiscal control in accordance with the established structure.
7	Financial controls over projects being managed by USF Health (USFH) Operations and Facilities Management needs to be improved.	The university should enhance the College of Medicine Business Office construction accounting control structure, or else transfer USFH construction accounting functions to ASBC.	Complete 5/1/19	Training on the consistent control structure referenced in recommendation 6 above was provided to the College of Medicine Business Office and other decentralized construction administration units in March, 2019.  The College of Medicine Business Office will ensure fiscal control in accordance with the established structure.