



# NEW CHAIRS WORKSHOP

## FINANCIAL MANAGEMENT

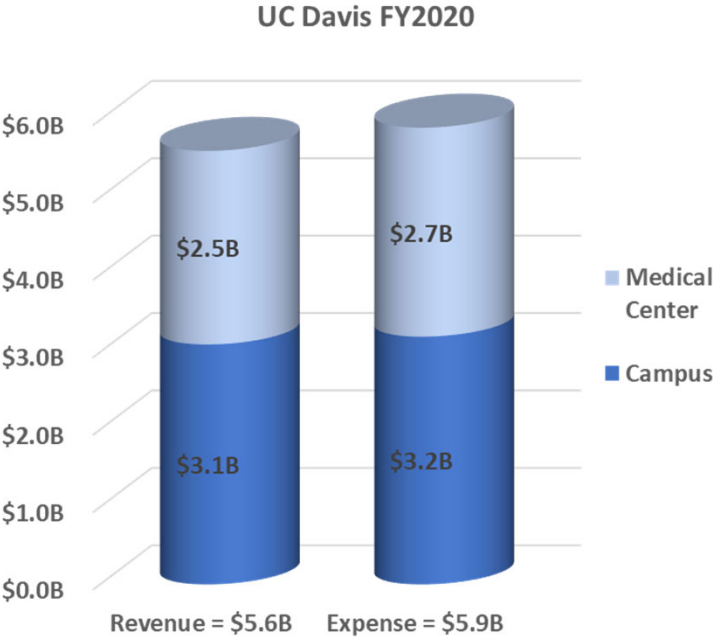
MATT OKAMOTO

ASSISTANT VICE CHANCELLOR, FINANCE

UNIVERSITY CONTROLLER

SEPTEMBER 10, 2021

# Financial Summary



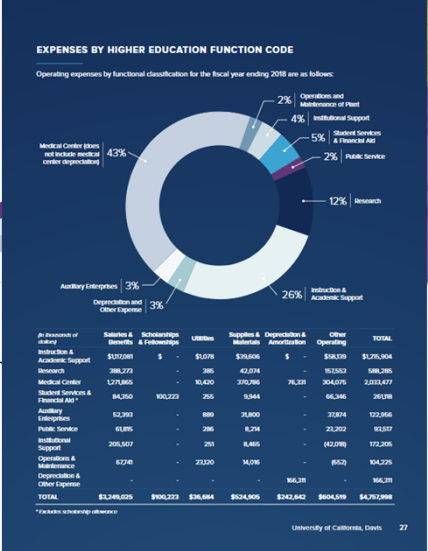
[financeandbusiness.ucdavis.edu](http://financeandbusiness.ucdavis.edu)

**REVENUE SUPPORTING CORE ACTIVITIES**  
Revenues of UC Davis as of and for the years ending June 30 are as follows:

(in thousands of dollars)	2018	Revised 2017	Revised 2016
<b>OPERATING REVENUE</b>			
Medical center, net	\$2,221,696	\$2,181,321	\$1,935,274
Grants and contracts, net	780,050	688,526	682,859
Student tuition and fees, net	662,276	595,240	553,779
Educational activities, net	402,291	445,519	402,867
Auxiliary enterprises, net	16,957	96,246	96,290
Other operating revenues, net	81,004	77,965	75,429
<b>Total operating revenue</b>	<b>\$4,253,774</b>	<b>\$4,090,817</b>	<b>\$3,746,798</b>
<b>NON-OPERATING REVENUE</b>			
State educational appropriations	\$392,281	\$412,263	\$412,356
Private gifts, net	76,588	84,789	74,314
Federal and state grants	14,619	52,088	15,621
Investment income, net	98,967	46,472	46,077
Other non-operating revenue	20,375	20,317	14,894
<b>Total non-operating revenue</b>	<b>\$641,830</b>	<b>\$636,839</b>	<b>\$599,864</b>
<b>TOTAL REVENUE SUPPORTING CORE ACTIVITIES</b>	<b>\$4,901,577</b>	<b>\$4,689,496</b>	<b>\$4,346,662</b>

**SCHOLARSHIP ALLOWANCE**  
(in millions of dollars)

	2018	2017	2016
Student tuition and fees	\$154	\$159	\$150
Auxiliary enterprises	29	27	24
Other operating revenues	2	1	2
<b>TOTAL ALLOWANCES</b>	<b>\$185</b>	<b>\$187</b>	<b>\$176</b>



# Accounting & Fiscal Certification

The University of California maintains comprehensive accounting and reporting systems and processes in order to:

- Meet stewardship responsibilities
- Provide management information to all levels of the University's administration, as well as State and Federal officials.

Each year, Deans and Vice Chancellors are required to certify that:

- They are responsible for applying policies and procedures to ensure effective and efficient use of University resources and prevent and detect fraud
- No material transactions or liabilities are missing from the financials
- Suspicions and/or allegations of fraud are properly reported
- Funds are managed in compliance with laws, regulations and provisions of contract and grant agreements

## Could this happen in your department?

- A former employee purchases over \$250,000 in fraudulent airfare billed directly to the department account
- An employee alters travel receipts and fabricates business conferences to collect fraudulent travel reimbursement
- A vendor's email system was compromised and used to request a change in payment instructions

# Could this happen to you? It happened to me...

Thank You for Joining PenFed  
Please follow the four steps below, as you are required to activate your new account.

1. Review the accuracy of the information on this form.
2. If you did not fund your account by check, please send a check for a minimum of \$5 made payable to PenFed Credit Union.
3. If you are interested in establishing joint ownership, please complete the optional section below.
4. Sign, date, and return this form to PenFed.

**CHCPD MATTHEW OKAMOTO**

**PENFED CREDIT UNION**

**CHCPD MATTHEW OKAMOTO**

000007993749021  
ACCESS AMERICA

Dear Member,

Thank you for choosing to open a Pentagon Federal Credit Union (PenFed) Access America Checking account. It is a pleasure to serve you and your investment needs.

**Account Activation & Check Orders:**

- If you opened your account online or by phone, please sign the back of this letter and return it in the enclosed envelope. Once we receive the signed letter, we will activate your account and place your check order.
- If you opened your account in a branch or by mail, please keep this letter for your records. If you ordered checks, you should receive them in approximately two (2) weeks (overseas members please allow four (4) weeks for delivery).

**Debit Card:** If you would like a debit card and have not ordered one, please complete the appropriate section of the form on the back of this letter. After approximately seven (7) business days, please contact us at 800-247-0026 to choose your four (4)-digit Personal Identification Number (PIN). Your card will then be generated and mailed to you.

**Direct Deposit:** For security and the convenience of accessing your funds as soon as possible, we encourage you to establish direct deposit for your paycheck, Social Security, Veterans Administration, retirement payments, or other recurring electronic payments.

To establish direct deposit for your checking account: Contact your payroll office to receive the appropriate form to initiate direct deposit of your paycheck. You will need your checking account number (see above), the account type (checking), PenFed Routing/ABA number (see below), and PenFed's mailing address (see below).

Direct Deposit Information		Routing/ABA Number: 2560-7544-8	
Financial Institution: Pentagon Federal Credit Union P.O. Box 747008, Omaha, NE 68114-7008		Account Type: Checking Account Number: See above	

**Need additional assistance?**

If you have additional questions regarding your new checking account, please call us at 800-247-5525. If you reside overseas, you can call from an on-base, Class A GSM line at 510-376-7328 or visit us at PenFed.org.

We hope you enjoy the features associated with your new Access America Checking account. We appreciate your business and look forward to serving you through this new account.

Sincerely,  
*Kevin L. Myers*  
Kevin L. Myers  
Executive Vice President

L-571 (05/15) © Pentagon Federal Credit Union, 2015

**Member Information:**

Member Number: \_\_\_\_\_  
Social Security Number: 59457 \_\_\_\_\_  
Date of Birth: \_\_\_\_\_  
Name of Joint Owner: \_\_\_\_\_  
Account Number: \_\_\_\_\_  
Date Opened: 02/19/19

**Initial Deposit:** \$9.00

**If you would like to establish optional joint ownership or beneficiary designation:**

☐ Joint Ownership Designation: Member and joint owner(s) must sign (if this is desired, complete the Joint Ownership Designation section on the back of this letter).

☐ Joint Account with Beneficiary: On the death of a party to the account, the deceased party's interest in the account will pass to the beneficiary named on the account, or to the estate of the deceased party, or to the beneficiary named on the account, or to the estate of the deceased party.

Member Name	Signature	Printed Name
Joint Owner		
Joint Owner		
Joint Owner		
Joint Owner		
Joint Owner		

**Beneficiary Designation:** All beneficiaries will have an equal share. Upon our death, the account will be distributed to the beneficiary named below.

**Signature:** \_\_\_\_\_

Return this signature card to PenFed, Box 1432, Alliance, NE 68101.

**PENFED CREDIT UNION**

02/22  
MATTHEW OKAMOTO

4626

DEBIT VISA

To activate your card  
Call 1-800-562-1341  
Need to change your PIN?  
Log in to PenFed.org  
Select Account Actions - Update Profile



<https://fraudprevention.ucdavis.edu/>

The screenshot shows the UC Davis Fraud Prevention website. The browser address bar displays 'fraudprevention.ucdavis.edu'. The page title is 'Fraud Prevention' with the subtitle 'Protecting our university through fraud awareness, detection, and prevention'. The navigation menu includes 'Prevention & Detection', 'Reporting Fraud', 'Fraud Cases at UC Davis', 'Resources & Training', and 'Contact'. A search icon and 'Quick Links' are also present. An overlay image shows a person at a desk with two monitors; one monitor displays a table of data. The person is holding a black UC Davis Visa card. The text 'Protecting our university through fraud awareness, detection and prevention.' is overlaid on the bottom of the image.

**Fraud Prevention**  
Protecting our university through fraud awareness, detection, and prevention

Prevention & Detection   Reporting Fraud   Fraud Cases at UC Davis   Resources & Training   Contact   Quick Links

Protecting our university through fraud awareness, detection and prevention.

FINANCE

# Control Responsibilities

## What are Internal Controls?

- Internal controls are an integral part of the University's operations and are the responsibility of all faculty and staff. Core internal control objectives include:
  - Effectiveness and efficiency of operations.
  - Ensure reliability of financial reporting.
  - Compliance with applicable laws and regulations.

Internal control website is a great resource for additional information:

<https://financeandbusiness.ucdavis.edu/finance/controls-accountability>



## Controls & Accountability

- › [Administrator's Responsibilities Handbook](#)
- › [Internal Controls](#)
- › [Ledger Review](#)
- › [Common Approval Types & Policies](#)
- › [Security & Passwords](#)
- › [Separation of Duties](#)
- › [Help & Resources](#)
- › [Our Staff](#)

In an organization with an effective control environment, people understand their responsibilities, limits of their authority, and are knowledgeable, mindful, and committed to doing what is right.

The information below was designed to help you understand the requirements to achieve high standards of business and ethical practices:

### Establishing an ethical environment

Establishing an ethical environment and setting the tone at the top of the organization is the most important element of the accountability and control environment. Each of the components work together to create a comprehensive system capable of deterring fraud, and preventing, detecting, and correcting problems based on an overall assessment of risk and exposure.

The university has adopted an internal control methodology developed by the Committee of Sponsoring Organizations (COSO), in which internal control is defined as a process implemented by management that provides reasonable assurance that:

- A. Operations are effective and efficient.
- B. Financial and operational reports are reliable.
- C. Compliance with applicable laws, regulations, and internal policies and procedures has been achieved.



# Components of Internal Control

(in order of importance)

- **The control environment** sets the tone for the organization
- **Risk assessments** identifies and analyzes relevant risks
- **Control activities** are policies and procedures that ensure compliance
- **Information and communication** provide meaningful data to the right people
- **Monitoring activities** assure processes are working

# Resources

- Finance
  - <https://financeandbusiness.ucdavis.edu/finance>
- Fraud Awareness & Prevention
  - <https://fraudprevention.ucdavis.edu/>
- Fiscal Officer Resources
  - <https://financeandbusiness.ucdavis.edu/finance/accounting-financial-reporting/fiscal-officer>
- Guide to Research Compliance *For Principal Investigators and Department Administrators*
  - [https://research.ucdavis.edu/wp-content/uploads/UCDavis\\_Guide\\_to\\_Research\\_Compliance\\_-\\_20132.pdf](https://research.ucdavis.edu/wp-content/uploads/UCDavis_Guide_to_Research_Compliance_-_20132.pdf)
- Administrator's Responsibilities & Resources Handbook
  - <https://financeandbusiness.ucdavis.edu/finance/controls-accountability/admin-handbook>
- Travel & Entertainment
  - <https://supplychain.ucdavis.edu/travel-entertainment>

# Contacts

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