I. PURPOSE
This policy defines month-end/quarterly process and financial statement preparation for the Faculty Practice Plan in the School of Nursing.

II. ACCOUNTABILITY
Under the direction of the Dean or designee, the Business Administrator shall implement this policy.

III. BACKGROUND
All full-time faculty of the School of Nursing may elect to participate in the Faculty Practice Plan as a regular component of their faculty effort. Based on the mutually agreed upon set of goals and objectives for each year, the degree, manner and number of hours of participation in the Plan are matters of negotiation between each faculty member and the appropriate faculty administrator, the Dean and the affiliating institution prior to the beginning of the academic year. A Faculty Practice Agreement for each participating faculty must be prepared and approved by the RBHS and the affiliating institution which specifies the terms and conditions of the anticipated faculty practice activity.

On a quarterly basis, FPP faculty submit their times/days worked to their respective affiliate. All faculty practice receipts from participating affiliates are received via checks from external agencies and via funding transfers from internal schools/units. All income derived from the participation in the faculty practice plan is deposited/transfered to the FPP fund. On a monthly basis, the School of Nursing shall prepare and submit its monthly financial statements including the Faculty Practice Plan to the RBHS Finance Office for consolidation, review and approval.

IV. POLICY
The SN Business Office on a monthly basis shall prepare the FPP financial statement to be consolidated into the School’s overall financial statement. Prior to preparing the FPP financial statement, the SN Business Office shall adhere to the month-end process to ensure that all financial functions including monthly FPP receipts review, journal voucher entries preparation, revenue and distribution analysis and account reconciliation with supporting documentation are completed in accordance with RBHS financial policies and procedures.
V. PROCEDURE

A. Faculty Practice Receipts – Checks:
   1. Checks are processed by the FPP affiliates and sent directly to the attention of the School of Nursing’s Business Administrator prior to the fiscal year’s pre-established due dates.
   2. The checks are given to SN’s financial coordinator to complete the required deposit form.
   3. The deposit form and check are hand-delivered to SSB’s cashier’s office located on the building’s GA level.
   4. The cashier processes the deposit and a receipt is given to the depositor.
   5. Copies of the deposit transaction are then given to SN’s senior financial analyst for reconciliation and analytical purposes in addition for the preparation of future disbursement of the FPP funds.

B. Faculty Practice Receipts – Funding Transfers:
   1. FPP faculty submit their times/dates worked to their applicable affiliate Finance Office.
   2. The Finance Office prepares the invoice/billing memo along with the cost transfer form to be submitted to the grant department for the processing of the transfer into Banner system.
   3. Follow-up is necessary to ensure that all procedural transactions have been completed.

C. Month-End//Quarterly Process --
   SN Business Office maintains a “Monthly Financial Check List” by user which indicates the assigned tasks for the designated financial staff for the FPP activities. The Check List with the completion dates and the related reconciliations/analysis are required to be filed in the SN Business Office shared drive after the month-end process is completed.

Based on the monthly/yearly closing schedules provided by the CA Finance Office, the SN Business Office staff shall perform the month-end/quarterly activities as follows:

1. **Review of FPP receipts** – Ensure that all collections are received and deposited through the SSB cashier’s office and all transfers are posted in Banner Finance system. All checks received after the monthly/quarterly close should be accrued as revenue/accounts receivable and reversed in the following month.

2. **Journal entry preparation** – Prior to the month-end close, an entry is prepared to accrue any outstanding FPP revenue, salary and non-salary expenditures in accordance with the procedures established by the Controller’s Office and Data Control. All entries must be approved by the SN Business Administrator prior to submission to CA Data Control Office for input into the Banner system.

3. **Monthly Account Reconciliations** – Analyze and reconcile FPP account receivable and account payable accounts with the inclusion of supporting documentation. All reconciliations must tie in with the final close Banner results and approved by the Business Administrator.

4. **Monthly/Quarterly Analysis** – Analyze FPP collections, salary and non-salary expenditures, transfers and distributions. On a quarterly basis, distributions of the FPP
collections to faculty, faculty administrators and the Dean are calculated based on percentages in accordance to FPP policy. A journal entry is posted for the distributions to faculty administrators and the Dean and recorded to their respective indices.

A distribution schedule is also forwarded via e-mail to the Payroll Department for the processing of payment to the participating FPP faculty. The due date for this schedule is the Monday prior to the following payroll date. Follow-up is necessary to ensure that payment has been processed.

5. **Monthly Financial Statement preparation** – The preparation and analysis of the FPP’s financial reporting function commences with the month-end journal entry submission and a preliminary Profit and Loss statement. The primary e-print Banner reports that are utilized for the review and reporting process are as follows:

- **FYRFSMR** – Financial Statement Management Report
- **FYRRVTB** – Revenue Trial Balance Report
- **FYRTBAL** – Trial Balance Report
- **FYRREOB2** – Statement of Revenue and Expenditures

The review of all reports is crucial in determining the validity and accuracy of all information posted into Banner and adjustments, if necessary, are made accordingly. After the month-end close, a final Profit and Loss statement is prepared, tied in with the final Banner report results and submitted to be included in SN’s consolidated Profit and Loss statements.

By Direction of the Dean:

SIGNATURE ON FILE

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Dean of the School of Nursing