

THE HEALTH SCIENCE CENTER AT BROOKLYN FOUNDATION, INC.

POLICIES & PROCEDURES

	No. <u>HSCBF-0001</u>
Title: Agency Accounts	Original Issue Date: <u>03/2005</u>
Reviewed by: Foundation Management	Revised Date: <u>03/2018</u>
Approved by: HSCBF Board	SUNY Policy Ref. No. <u>7000</u>

I. Summary

This document outlines the policies and procedures to be followed by the Health Science Center at Brooklyn Foundation, Inc. (HSCBF) staff regarding the administration of the CAO Fund to insure compliance with SUNY Procedure #9960 (“Chief Administrative Officer Fund Requirements”).

II. Policy

In accordance with SUNY Procedure #9960, the 5% of gross clinical income that HSCBF receives from University Physicians of Brooklyn, Inc. (UPB) will be maintained as a fund separate and distinct from HSCBF operations and will be used for activity for the benefit of the College of Medicine at the discretion of SUNY Downstate Medical Center’s President (CAO). This fund will be referred to as the CAO Fund.

To ensure adequate controls over this Fund,

- 1) A separate bank account will be maintained;
- 2) An annual budget and 3-5-year spending plan will be prepared by the CAO, and reviewed with the SUNY Downstate Medical Center Chief Financial Officer (CFO) and the Dean of the College of Medicine;
- 3) Disbursements of this money must be clearly identified on the Payment Voucher as a CAO disbursement, and approved by either the CAO or both the Dean of the College of Medicine and the CFO to enable a payment to be processed by HSCBF; and
- 4) All documentation supporting CAO related receipts and expenditures must be maintained by HSCBF for presentation during audits by an independent audit firm or by SUNY.

Accounting for CAO Fund Activity

- 1) HSCBF Finance staff will account for CAO Fund transactions separate from HSCBF Operations.
- 2) HSCBF will record CAO Fund transactions on an accrual basis.

3) CAO Fund transactions will not be consolidated with HSCBF for financial reporting.

However, in functioning as the cash manager of the CAO Fund, HSCBF will report the cash balance of the CAO Fund as restricted cash (“Cash Held for Others”) on the Balance Sheet. HSCBF will also report a corresponding liability (“Due to Agency Funds”) on its Balance Sheet.

Asset, liabilities, fund balance, revenues, and expenses will be reported on the financial statements of the CAO Fund.

Reporting of CAO Fund Activity

HSCBF will generate monthly CAO disbursement reports and/or Budget vs Actual reports to the CFO, CAO, and the Dean of the College of Medicine. These reports will also be available to the New York State Chancellor or designee upon request.

HSCBF will issue independent audited annual financial statements for the CAO Fund in conformity with U.S. generally accepted accounting principles. Such audited financial statements must be provided to the SUNY Controller’s Office within four months of the financial statement date.