

Ask the Auditor

Wanda Lynn Riley
Chief Audit Executive
September 11, 2013

Bridging the Gap

The purpose of the Bridging the Gap series is to allow UC Berkeley thought leadership, faculty, and staff to excel together by providing a forum to discuss emerging and hot button issues, foster an open exchange, and inform decision-makers.

Visit us at :
611 University Hall
<http://audit.berkeley.edu>
510-642-8292
audit@berkeley.edu



Ask the Auditor

Disclaimer: Advice provided through “Ask the Auditor” is intended for informational purposes and internal use by the University of California, Berkeley. The questions raised and answers provided through “Ask the Auditor” reflect a representative set of circumstances. Your questions may involve a variation of facts which may cause answers/outcomes to be different. Policies and procedures are subject to change and may require interpretation. Where appropriate, campus resources and/or subject matter experts have been engaged. Please feel free to contact Audit and Advisory Services directly at audit@berkeley.edu.

Can I setup a crowdfund to pay for a University project?

Audit and Advisory Services



“Bridging the Gap”

A. Yes

B. No

C. It depends

Can I setup a crowdfund to pay for a University project?

Audit and Advisory Services



“Bridging the Gap”

Let's assume it is a valid University project.

- Are you authorized to solicit gifts on behalf of the University?
- Are receipts deposited in an authorized University bank account?
- Are you authorized to acknowledge gifts?
- Are tax receipts for gifts greater than \$250 issued by University Relations?
- Are pledges accepted?
- Is there a gift agreement?
- Is the arrangement a gift, a loan, a grant, or an equity investment?

Can I setup a crowdfund to pay for a University project?



Let's assume it is a valid University project.

- What are the obligations of the University?
- What are the rights of the donor, lender, sponsor, or investor?
- What happens if the project is not a success?
- Does the gift fee or facilities and administrative charge apply?
- Is a vendor used to host the campaign? If so, was the agreement appropriately vetted and approved?

Can I setup a crowdfund to pay for a University project?

Audit and Advisory Services



"Bridging the Gap"

THE DAILY CALIFORNIAN

[Research & Ideas](#)

Sunday, August 25, 2013 **UC Berkeley professor crowdfunds to develop learning programs**



The screenshot shows a crowdfunding campaign page on the InvestedIn platform. The campaign is titled "Olive Tree Initiative at Berkeley, Israel-Pales Conflict Trip" by Shannon Thomas. The page includes a header with the InvestedIn logo and navigation links. Below the title, there are social media sharing icons, a short URL, and a "Follow Campaign" button. The "About This Campaign" section contains the text: "Hello! My name is Shannon Thomas and I created this project in order to represent and support the 7 Berkeley student leaders (including myself) who are journeying to Israel and the West Bank this summer through the Olive Tree Initiative (OTI) diplomatic and educational program. This year, I became the founding president of a new student group at the University of California, Berkeley called The Olive Tree Initiative at Berkeley, a chapter of OTI which began at UC Irvine in 2007. As an organization, we are working to further multi...". On the right side, there is a progress bar showing 0 investors and \$0 raised, along with a "Campaign E" button.

What is the difference between privacy and information security?



- A. Nothing at all, what’s the fuss about?
- B. Limited to personal vs. all business information
- C. Unregulated vs. regulated



What is the difference between privacy and information security?

Privacy	Information Security
Notice	Confidentiality
Consent	Integrity
Limitation on what is collected	Availability
Limitation of the use to stated purpose	Personal information
Personal information	Business information
Protection (appropriate disclosure)	Disclosure only to those that have a need
Compliance with policies, laws and regulations	Compliance with policies, laws and regulations



What is program income?

If directly generated by a grant supported activity, or earned only as the result of the grant agreement during the grant period, which sources are program income?

- A. Conference fees
- B. Sale of books
- C. Sale of services
- D. Membership fees
- E. All of the above



What is program income?

Program income is defined as “gross income received by the grantee...directly generated by a grant supported activity, or earned only as the result of the grant agreement during the grant period” [CFR §2541.250(b) and §2543.249(a)]. Program income includes fees from services performed under the grant, and income from the sale of commodities or items fabricated under a grant agreement. Revenue you receive from sources to support the program that doesn't directly result from grant activities is not program income.

What is program income?



- Fees charged to register participants for a workshop or conference.
- The sale of commodities, data and information records, services or items fabricated or produced under a sponsored program such as books and publications, software, child care, tutoring, etc., inclusive of license fees, royalties, copyrights and patents.
- Rental or usage fees charged for use of supplies or equipment purchased with grant program funds.
- Revenue realized through the sale of products made under a program involving vocational training.
- Membership fees charged to individuals and organizations for grant related activities.
- Sale of real property, including debt obligations such as mortgages.



As we transition to CSS and fax or scan and forward timesheets to CSS, do we need to keep the original timesheet?

A. Yes

B. No

C. It depends

As we transition to CSS and fax or scan and forward timesheets to CSS, do we need to keep the original timesheet?

Audit and Advisory Services



“Bridging the Gap”

There is no legal requirement to maintain the paper timesheet once imaged as the official record. How the image is captured is not a legal matter. So the questions to ask are:

What is most efficient?

What is most user friendly?

What provides the best image quality, as the original will not be available?

What is most cost effective?

There should be a quality control to assure that all documents are scanned, legible, and linked to the appropriate individual.

What controls are in place to ensure appropriate signature authorization over transactions in the shared service environment?



- A. Controls are the same as pre-shared services
- B. Shared services is responsible for all controls
- C. Controls are evolving

What guidelines are in place to ensure appropriate signature authorization over transactions in the shared service environment?

Audit and Advisory Services



“Bridging the Gap”

Signature Authorization: As the campus/university transitions to the shared services environment to streamline processes for faculty, PIs and administration, what guidelines are in place to ensure that signature authorizations can withstand audit by internal and external entities?

What guidelines are in place to ensure appropriate signature authorization over transactions in the shared service environment?



Delegations of authority have not changed as such signature authorizations have not changed. What appears to have changed is how such is documented and who is responsible for validation. Signatures/approvals appear to be obtained offline and verified by CSS prior to creating and approving requisitions and approving vouchers.

Department administrators remain responsible for monthly financial reviews which are asserted to identify significant exceptions.

Can I accept a promotional gift/reward/offer from a vendor?

Audit and Advisory Services



“Bridging the Gap”

A. Yes

B. No

C. It depends

Can I accept a promotional gift/reward/offer from a vendor?

Audit and Advisory Services



“Bridging the Gap”

Conflict of Interest: Please define non-cash gifts valued in excess of \$25 from vendors that do business with the University. For example, if Apple offers a promotional deal that provides a gift card in excess of \$25 for Apple services with the purchase of an Apple product, are there restrictions on who can accept the promotional gift? How does this affect university employees that own stock in Apple and have authority to buy or approve purchases that include such promotional offers? This question applies to all vendors. Apple is just used to illustrate one valid scenario of when this occurs.

Can I accept a promotional gift/reward/offer from a vendor?

Audit and Advisory Services



“Bridging the Gap”

A gift card would be considered a non-cash gift. The gift card should not be used for an employee's personal needs and wants -- the University purchased something that came with a gift card. The gift card should be used for university business.

Employees can own stock in public companies without a problem, unless their ownership is 10% or greater. Then they must disqualify themselves from decisions involving the company. Not many employees will own 10% of Apple. The rules change for non-public companies -- the university can't do business with them if an employee owns 10% or more.

When is it allowable for the University to pay for a “going away” party?



- A. Never
- B. Always
- C. When transferring to a different department
- D. When employed more than five years
- E. None of the above

When is it allowable for the University to pay for a “going away” party?

Audit and Advisory Services



“Bridging the Gap”

Is it allowable for the University to pay for a "going away" party for an employee under the following circumstances:

- The employee has been with the University over 5 years;
- The employee has been with the department or college they are leaving for less than 5 years;
- The employee is transferring to another college on campus - not leaving campus?

When is it allowable for the University to pay for a “going away” party?

Audit and Advisory Services



“Bridging the Gap”

The University may pay for or reimburse costs for meals or light refreshments associated with official employee morale-building and appreciation activities that serve a University business purpose. Examples of such occasions include a gathering to honor a departing employee who is retiring or who is separating from employment with the University after at least 5 years of service, employee recognition receptions, annual faculty/staff picnics, new employee receptions, and holiday gatherings. Under no circumstances may University funds be used for occasions such as employee birthdays, weddings, anniversaries, or other occasions of a personal nature.



What provisions are in place to ensure that operational needs are maintained at an acceptable level during an internal investigation of a whistleblower or other complaint?

Maintaining Operational Needs during the Internal Investigation Process: What provisions are in place to ensure that operational needs are maintained at an acceptable level during an internal investigation of a whistle-blower or other complaint? If key positions are alleged to be in violation of UC policies or outside regulations and it's determined to be necessary to place such employees on investigatory leave in order to eliminate the perception of retaliatory actions against the complainant, what rights does management have to maintain operational needs of their respective unit that does not jeopardize the investigation and/or the rights of the parties involved in the complaint? This is of particular concern in light of the length of time involved in conducting thorough internal investigations.

What provisions are in place to ensure that operational needs are maintained at an acceptable level during an internal investigation of a whistle-blower or other complaint?

Audit and Advisory Services



“Bridging the Gap”

Managers are expected to ensure that the operational needs of their units are met even when there are unforeseen circumstances. The nature of the circumstances will influence the solutions the manager considers, and may include temporary reassignments or other forms of backup. If the individual on leave plays a key role in the unit and has no backup, the manager should discuss this with central HR and whoever is managing the investigation. There may be creative alternatives.

A magnifying glass is held over a document. The document contains the word "fraud" in bold, followed by its phonetic transcription "/frɔ:d/" and a definition: "tended to result or thing intended to result". The magnifying glass is positioned over the word "fraud" and the definition. The background of the slide is a light blue gradient with a faint, large watermark of the word "FRAUD ALERT" in the center.

What is Fraud?

- A. Deception
- B. Stealing
- C. Error
- D. All of the above
- E. None of the above



What is Fraud?

A false representation of a matter of fact—whether by words or by conduct, by false or misleading allegations, or by concealment of what should have been disclosed—that deceives and is intended to deceive another so that the individual will act upon it to her or his legal injury.

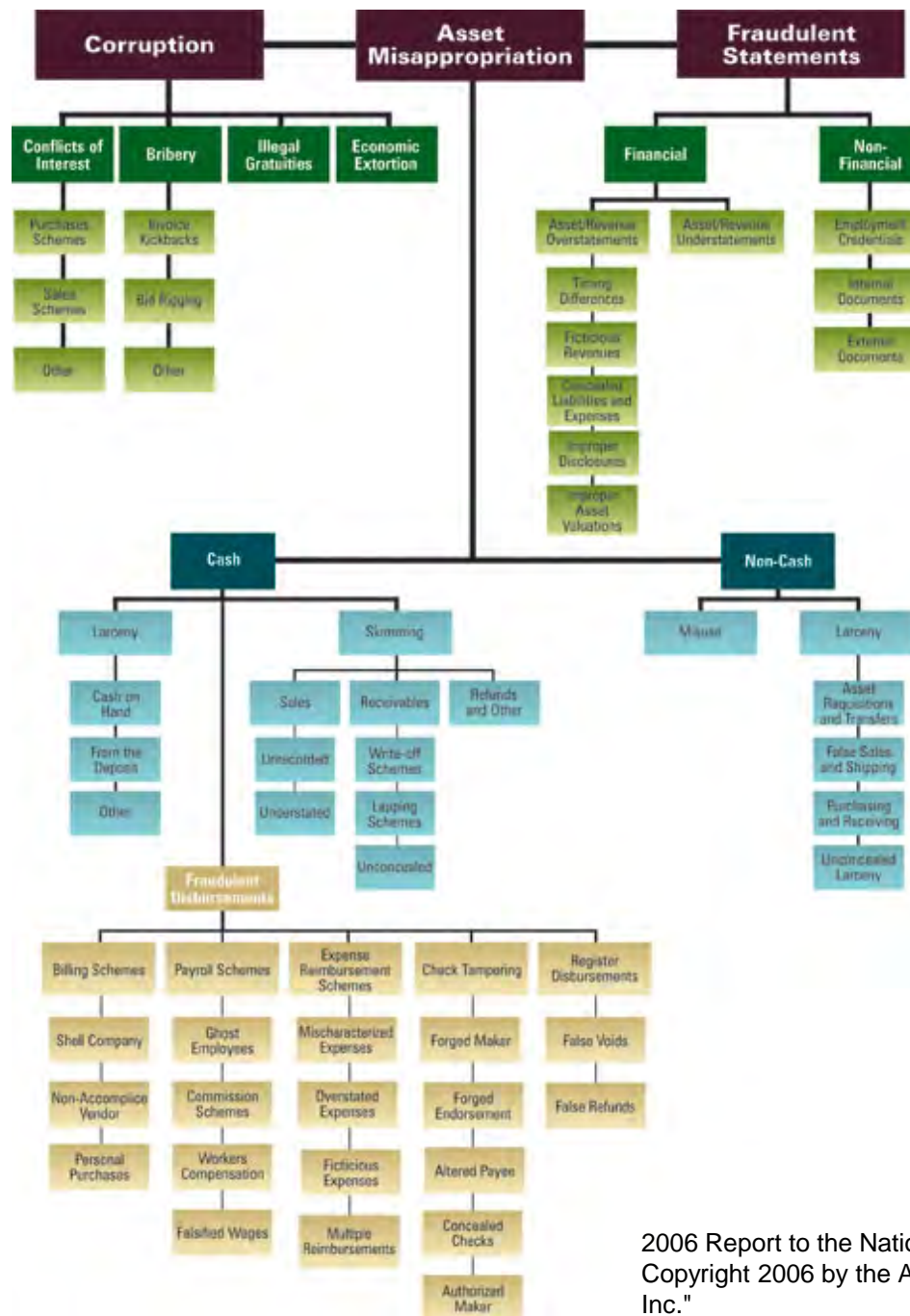


What is Fraud?

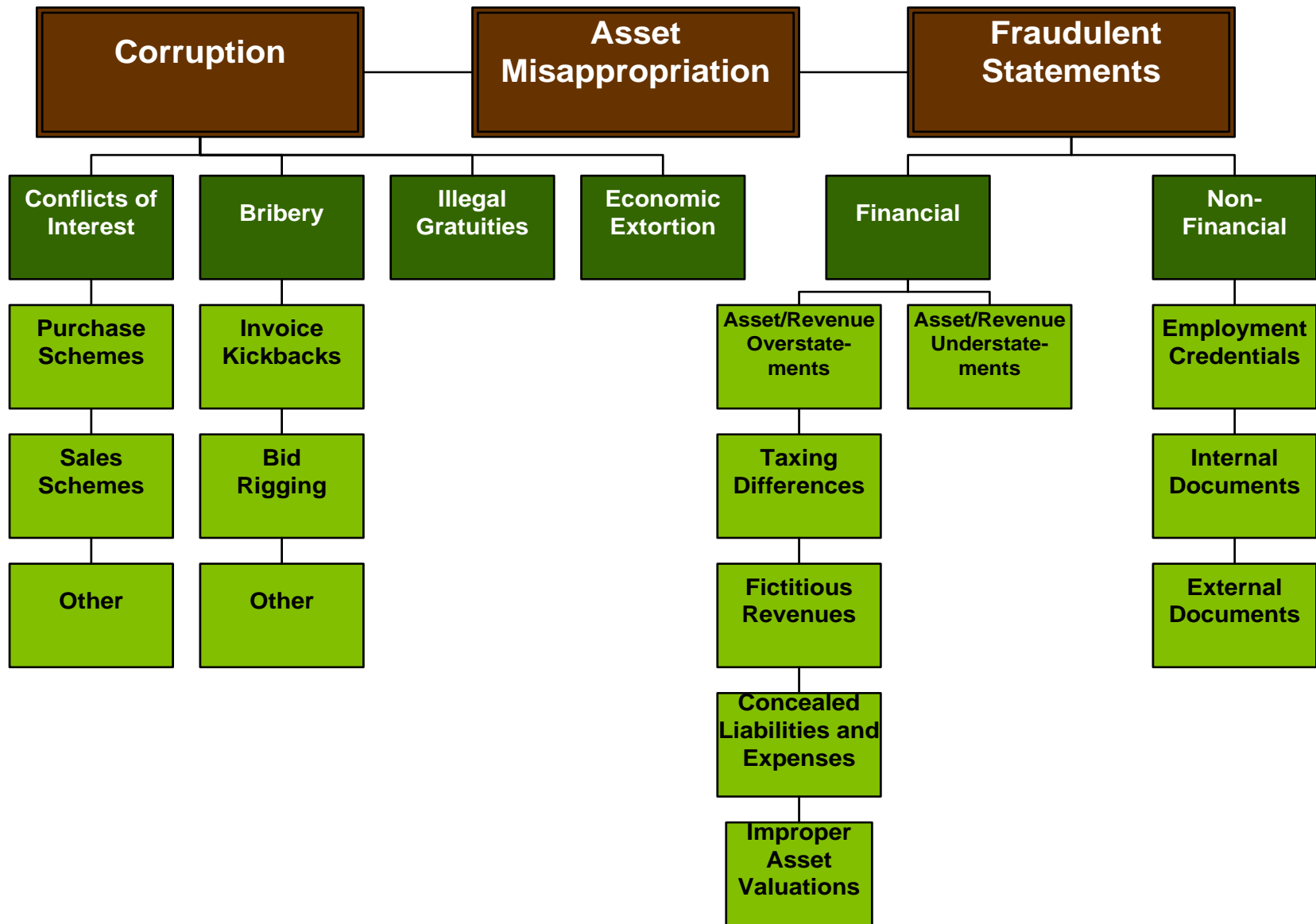
Fraud must be proved by showing that the subject's actions involved five separate elements: (1) a false statement of a material fact, (2) knowledge on the part of the subject that the statement is untrue, (3) intent on the part of the subject to deceive the alleged victim, (4) justifiable reliance by the alleged victim on the statement, and (5) injury to the alleged victim as a result.

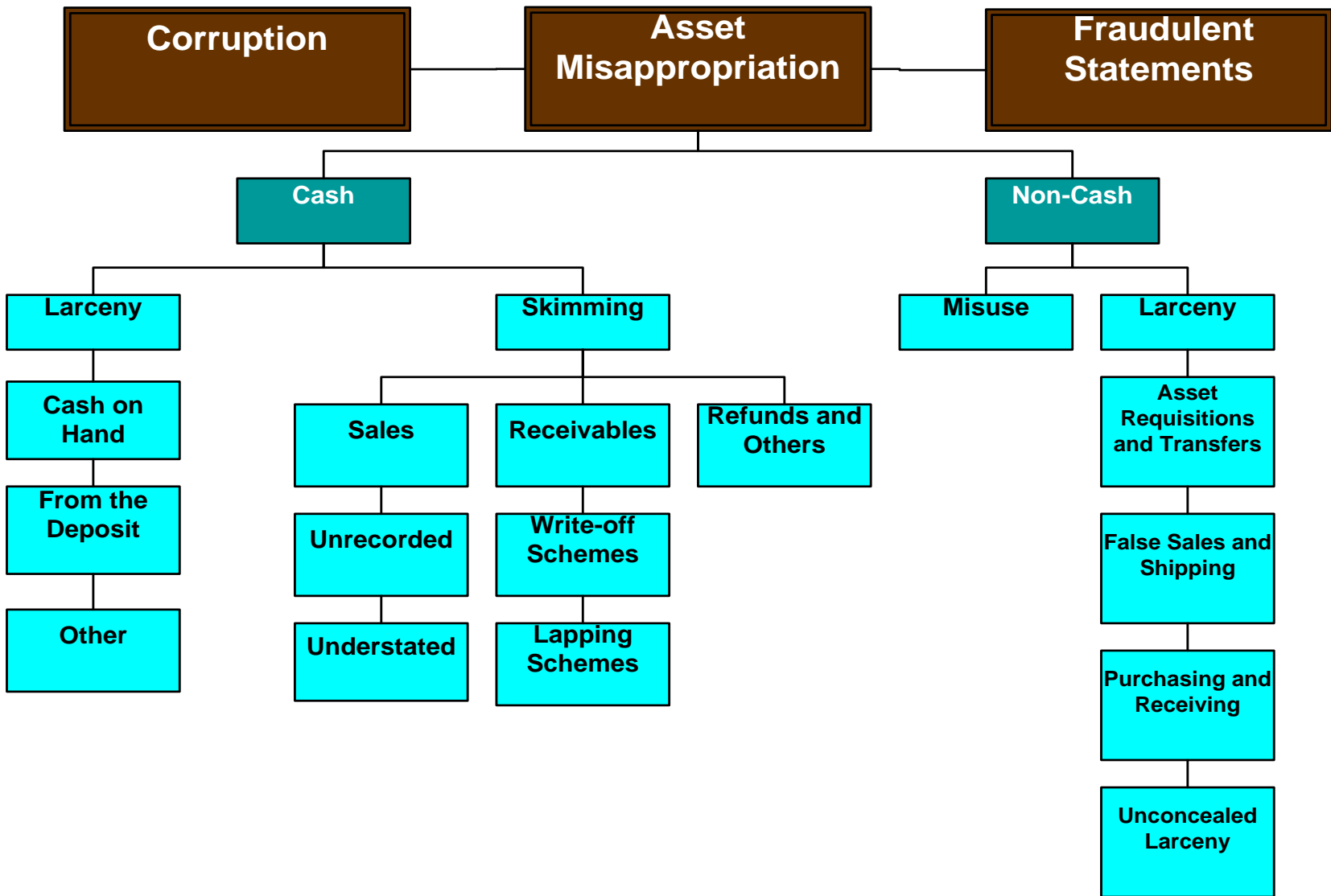
What Actions Constitute Fraud

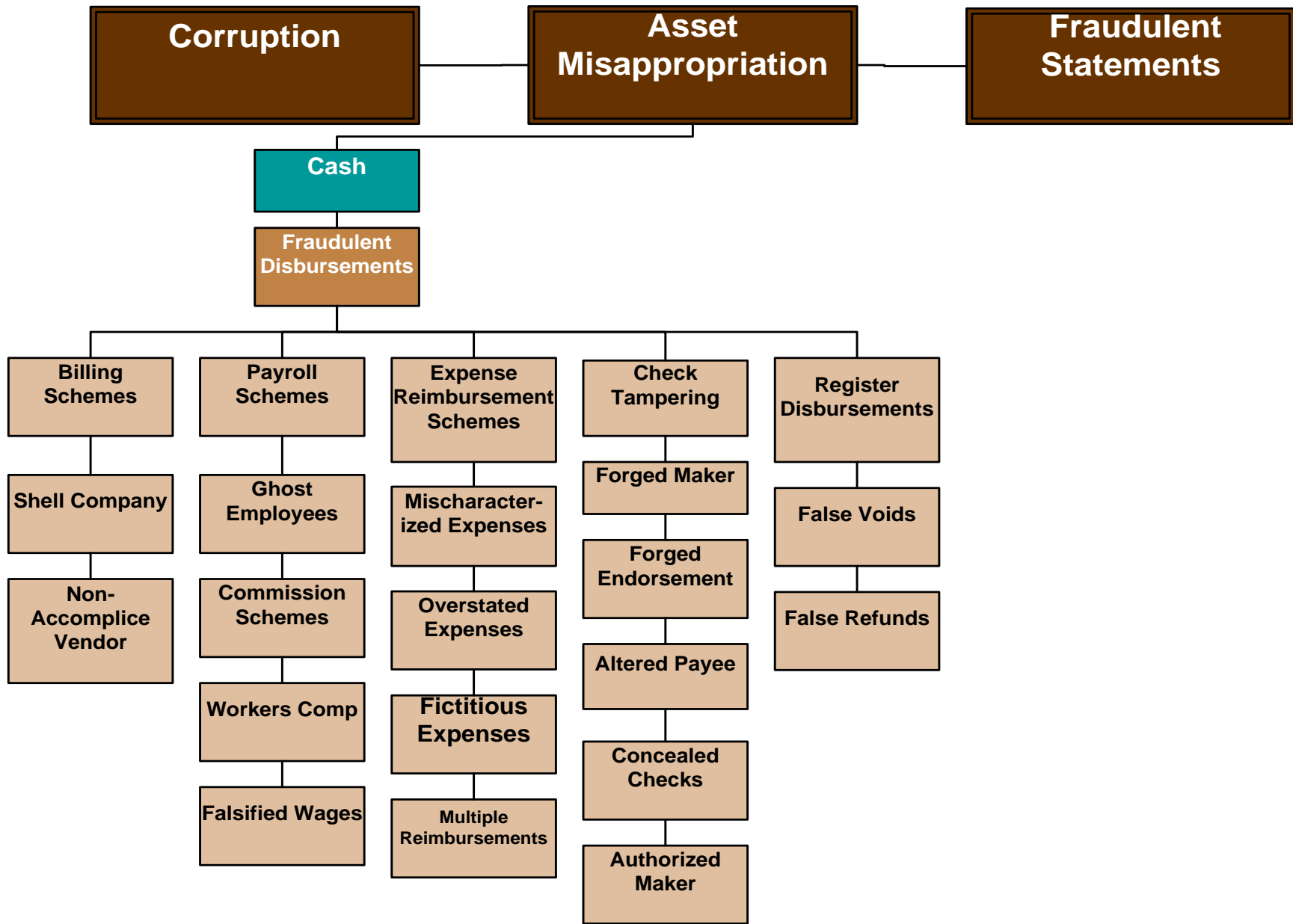
Type of Occupational Fraud & Abuse		
Category	Description	Examples
Asset Misappropriations	Any scheme that involves the theft or misuse of an organization's assets.	<ul style="list-style-type: none"> •Fraudulent invoicing •Payroll fraud •Skimming revenues
Corruption	Any scheme in which a person uses his or her influence in a business transaction to obtain an unauthorized benefit contrary to that person's duty to his or her employer.	<ul style="list-style-type: none"> •Accepting or paying a bribe •Engaging in a business transaction where there is an undisclosed conflict of interest
Fraudulent Statements	Falsification of an organization's financial statements to make it appear more or less profitable.	<ul style="list-style-type: none"> •Booking fictitious sales •Recording expenses in the wrong period



2006 Report to the Nation on Occupational Fraud and Abuse.
 Copyright 2006 by the Association of Certified Fraud Examiners, Inc."







Hilton Garden Inn Chicago Downtown/Magnificent Mile

10 E. Grand Avenue, Chicago, Illinois, United States 60611
Tel: +1-312-595-0000 Fax: +1-312-527-1989



University California Berkeley

Room No. : 606
Arrival : 02/21/07
Departure: 02/27/07

STATEMENT

Hilton Garden Inn Chicago Downtown, 02/21/07/8:33 PM/47 RY/2



Date	Reference	Charge
------	-----------	--------

02/21	Room Charges	189.00
02/21	Service Charge	28.35
02/22	Room Charges	189.00
02/22	Service Charge	28.35
02/23	Room Charges	189.00
02/23	Service Charge	28.35
02/24	Room Charges	189.00
02/24	Service Charge	28.35
02/25	Room Charges	189.00
02/25	Service Charge	28.35
02/26	Room Charges	189.00
02/26	Service Charge	28.35
02/27	Master Card	1304.10
	Total	1304.10
	Balance	0.00



Room > \$217.35 x 6

 **Castle Resorts & Hotels**
Resort & Hotel Management

Hilo Hawaiian

→ University California Berkeley
Space Laboratory

Room : H422 HDLX
Arrival: 04/19/07
Departure: 04/26/07
of Guest(s): 1
Rate: → \$155.00

Date	Description	Charge	Payment	Balance
→ 04/19	Room Charges ASTRO	→ 150.00		150.00
→ 04/19	Accommodation Tax	10.50		160.50
→ 04/19	G.E. Tax	6.00		166.50
04/20	Room Charges ASTRO DAYS	150.00		316.50
04/20	Accommodation Tax	10.50		327.00
04/20	G.E. Tax	6.00		333.00
04/21	Room Charges ASTRO DAYS	150.00		483.00
04/21	Accommodation Tax	10.50		493.50
04/21	G.E. Tax	6.00		499.50
04/22	Room Charges ASTRO DAYS	150.00		649.50
04/22	Accommodation Tax	10.50		660.00
04/22	G.E. Tax	6.00		666.00
04/23	Room Charges ASTRO DAYS	150.00		816.00
04/23	Accommodation Tax	10.50		826.50
04/23	G.E. Tax	6.00		832.50
04/24	Room Charges ASTRO DAYS	150.00		982.50
04/24	Accommodation Tax	10.50		993.00
04/24	G.E. Tax	6.00		999.00
04/25	Room Charges ASTRO DAYS	150.00		1149.00
04/25	Accommodation Tax	10.50		1159.50
04/25	G.E. Tax	6.00		1165.50
→ 04/26	CASH		1165.50	0.00
→	1304.10			

Subtotals 1165.50 1165.50 0.00

→
PAID IN FULL --- THANK YOU!

Room > \$166.50 x 7

 **Castle Resorts & Hotels**
Resort & Hotel Management

Page: 1 JB

Hilo Hawaiian

→ 754 Las Trakuper Rd
Lafayette, CA 94549

Account: 31D3EL
Unit: H422 HDLX
Arrival: 04/19/07
Departure: 04/22/07
of Guest(s): 2
Rate: → 72.42

Date	Description	Charge	Payment	Balance
*** PRINTED FROM HISTORY FILES ***				
04/19/07	ROOMD *ASTRO DAY	65.00		65.00
04/19/07	TAT Accommodation Tax	4.71		69.71
04/19/07	GET G.E. Tax	2.71		72.42
04/20/07	BKFST Breakfast #352	20.63		93.05
04/20/07	PDOUT Paid Out tip #352	2.00		95.05
04/20/07	ROOMD *ASTRO DAY	65.00		160.05
04/20/07	TAT Accommodation Tax	4.71		164.76
04/20/07	GET G.E. Tax	2.71		167.47
04/21/07	BKFST Breakfast/642	20.63		188.10
04/21/07	PDOUT Bkfst Tip/642	2.00		190.10
04/21/07	ROOMD *ASTRO DAY	65.00		255.10
04/21/07	TAT Accommodation Tax	4.71		259.81
04/21/07	GET G.E. Tax	2.71		262.52
04/22/07	MC XXXXXXXXXXXX6305 0609		262.52	0.00
Subtotals		\$ 262.52	262.52	


PAID IN FULL --- THANK YOU!

3 Waterfront Plaza, 500 Ala Moana Blvd., Suite 555, Honolulu, HI 96813 • Phone (808) 524-0900 • Fax (808) 521-9994
Reservations: Toll Free (800) 367-5004 • On Oahu (808) 545-3510 • Fax (808) 545-2163 • www.castleresorts.com



Solar Soler Bed & Breakfast
 Calle Soler 5676 - Palermo Viejo
 Buenos Aires
 Argentina

UC Berkeley
 Estados Unidos

Fecha	Descripción	Precio	Crédito	Saldo
24-09-07	Habitación	510.00		
24-09-07	IVA	Incl.		
25-09-07	Habitación	510.00		
25-09-07	IVA	Incl.		
26-09-07	Habitación	510.00		
26-09-07	IVA	Incl.		
 27-09-07	CASH/EFFECTIVO		1530.00	0.00
Total			1530.00	0.00

Room > 510 peso = \$162.18 x 3

TIENDA DE ROPAS
"BARBARA"
MARIA ANASTACIA GIL DE RODRIGUEZ
R.F. 270000000000000000
CALLE 14 N. CAJUPAN, DEPARTAMENTO DE CAJUPAN
MAYAGÜEZ, HONDURAS

NOTA DE VENTA
Nº 1102
MAYAGÜEZ, HONDURAS

CLIENTE: _____
DESTINO: _____
FECHA: _____

CANTIDAD	DESCRIPCION	PRECIO	IMPORTE
2	Marcadas redes Maya		
① 2	ternos	4000	8000
② 1	terno	3250	3250
③ 2	Rebozo	595	1190
			11490
CANONAL CON LETRAS Schmidell			TOTAL \$11490

Terno - Wearing apparel, dress, rich clothes

Rebozo - shawl

- ① 3 DRESSES - CUSTOM MADE
- ② 2 marcadura shawls

USD
\$1034.10



Page: 1
 Invoice Date: 03/05/2008
 Invoice No: 20967627 A
 Customer Number: 00340-003542-000
 Fed Tax ID: 94-1648752

PO # 1270168
 line # 3

Labor Invoice - DUE UPON RECEIPT

PERSONAL & CONFIDENTIAL

Please Remit To:
 Robert Half Management Resources
 FILE 73484
 P.O. BOX 60000
 San Francisco CA 94160-3484

UC BERKELEY
 2080 Adfison Street
 Berkeley CA 94720-4200

Line	Employee Name	Wk-Ended	Report-To* Supervisor	Qty	UCM	Bill Rate	Amount
1	Professional Services Rendered						\$ 5,720.00
2							\$ 71.50
Subtotal for Week-Ended: 02/29/2008							\$ 5,791.50

Invoice Subtotal: \$ 5,791.50

TOTAL AMOUNT DUE : \$ 5,791.50

Approved: [Signature]

We provide more timely and accurate information to the business community by sharing our accounts receivable information with National Credit Reporting Agencies.
 Any questions regarding this invoice please call: (800) 359-1994 For senior accounting and finance project professionals please call (510) 839-1425

Please detach and return this remittance stub with your payment.

Thank you for choosing Robert Half Management Resources!

Robert Half Management Resources
 FILE 73484
 P.O. BOX 60000
 San Francisco CA 94160-3484

Customer Number	Invoice Number	Total Amount
00340-003542-000	20967627	\$ 5,791.50

0034000354200020967627005791501

INVOICE

Please Remit To:
Lab Accounts
6228 494223
Doc. Invt. Ac. 90014-4111

Page: 1
Invoice No: OAI-1111205
Invoice Date: 12/17/2023
Customer Number: 89523
Payment Terms: 15DayTerms
D. e. Date: 01/01/2024

Bill To:
UCLA ELECTRICAL ENG. DEPT.
MARIE CELIS
420 WESTWOOD PLAZA
RM 56-125FF
LOS ANGELES, CA 90095-1594

AMOUNT DUE: 1,499.70 USD

PO# 0160VEE15100

For billing questions, please call 877-407-2006

Line	Name	Qty	Unit	Price	Amount	Net Amt
1	Research Analysis Simulation & Documentation	12/17/2023	Reg	124.98	1,499.70	1,499.70
Service Fee SUBTOTAL:						1,499.70

TOTAL AMOUNT DUE: 1,499.70

0160VEE15100

On Assignment

healthcare staffing
lab support

ORIGINAL

A





INVOICE

Phone Number (818) 979-3113

SOLD TO: UCLA ELECTRICAL ENG. DEPT.
DR. ELLIOT BROWN
429 WESTWOOD PLAZA
RM 6731-K BOELTER HALL
L.A., CA 90095-1594

INVOICE NUMBER 1605177
INVOICE DATE 07/24/02
YOUR ORDER NUMBER 19422
YOUR ORDER NUMBER 0190VGF67000
TERMS DUE UPON RECEIPT
SALES REF
SHIPPED VIA
F.O.B.
PREPAID or COLLECT

SHIPPED TO:

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
0.00	SERVICE FEE RESEARCH ANALYSIS SIMULATION & DOCUMENTATION	WE 07/14 \$0.00	\$749.60
SUBTOTAL			\$749.60
TAX			0.00
FREIGHT			

PLEASE INDICATE YOUR CUSTOMER NUMBER ON YOUR CHECK
THANK YOU

(B)

Questions concerning this invoice?
Call:

(818) 979-3113
INVOICE # 1605177
CUSTOMER # 19422

MAKE ALL CHECKS PAYABLE TO:
LAB SUPPORT
FILE #64318

LOS ANGELES, CA 90072-4318

\$749.60
PAY THIS

Phone Number:
(818) 979-3113

Are signature stamps or electronic signatures a good control?

- A. Yes
- B. No
- C. It depends





Are signature stamps or electronic signatures a good control?

On the Entertainment Purchase Order and Event Planner Card Expenses form could we use a stamp or electronic signature to sign as the:

Host

Department Approver OR

Exceptional Approver

Are signature stamps or electronic signatures a good control?

Audit and Advisory Services



“Bridging the Gap”

I advise against using a signature stamp due to the lack of control around them and the inference that someone other than the signatory is affixing the stamp. Regarding electronic signatures, it depends on what you mean by electronic signature; an email or signature block graphic. For these I advise against signature blocks for the reasons noted above. Emails raise the questions of authenticity and what was actually approved. Logging on to campus systems as the host or approver is ideal as access is authenticated and the opportunity for discrepancies between what is requested or approved and what is paid is reduced.



Ask the Auditor

Wanda Lynn Riley
Chief Audit Executive
September 11, 2013

Bridging the Gap

The purpose of the Bridging the Gap series is to allow UC Berkeley thought leadership, faculty, and staff to excel together by providing a forum to discuss emerging and hot button issues, foster an open exchange, and inform decision-makers.