



# KENTUCKY STATE UNIVERSITY POLICIES AND PROCEDURES

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**POLICY TITLE:**

**Management and Financial Reporting Policy**

**VOLUME, SECTION & NUMBER:****ENTITIES AFFECTED:**

**Finance and Administration**

**ADMINISTRATIVE AUTHORITY:**

**Finance and Administration**

**APPROVED BY:**

**Kentucky State University Board of Regents**

**EFFECTIVE DATE:**

**August 9, 2024**

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**POLICY STATEMENT:**

Preparing financial statements and communicating key financial information are necessary accounting functions. Statements are management tools used in making decisions, in monitoring the success of financial objectives, and as a standard method for providing information to interested parties external to Kentucky State University (KSU).

These unaudited statements are used by the Board of Regents and internal management. The financial statements may reflect year-to-year historical comparisons or the current year's budget to actual comparisons.

The statement of revenues, expenses, and changes in net position (income statement) presented according to program revenue and cost centers reflects the financial activities of a given period. Another view of financial activities is through a detail of each cost center by line items. A statement of net position (balance sheet) presenting assets, liabilities, and net assets provides a financial picture of KSU as of a particular date.

In designing and distributing statements and reports some items to consider are:

- Confidentiality;
- Purpose to serve - internal or external;
- Amount of detail and technical data to include;

- Frequency of distribution;
- Usage of variances, footnotes, and graphics; and
- Status of grants, projects, or contracts

### **PROCESS:**

KSU prepares accurate monthly financial reports in accordance with GAAP and distributes them promptly to management. These statements will summarize all expenditures and receipts for the period covered and compare them to the approved budget.

The Finance and Audit Committee of the Board of Regents meets quarterly to review financial reports and monitor the fiscal operations of KSU. The Finance and Audit Committee includes the most current financial reports in its report during, or prior to, each Board Meeting.

### **RELATED POLICIES:**

The Gold Book

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