The Finance Flash: JUSTIFICATIONS

FINANCE POLICIES AND PROCEDURES REVIEWED IN A FLASH
FOD ADMIN CENTER 2016
The audience for a justification is an auditor from an external firm. They know very little of what we do nor how we do it.

Their job is to scrutinize and the justification’s job is to prove allowability. Think of a jury or judge; the auditors need all the facts before they make their ruling of allowability.
Justifications are required for all financial transactions. If a justification is not included when submitted to Finance, processing will stop until the required justification is submitted.

The 5W’s need to be answered somewhere within all documentation:

- The what, where and when can all be answered with the receipt or invoice (typically)
- The who is who initiated the purchase
- The why...
• “Why” is always required; even on the most common purchases

• “Why” should answer:
  ▪ Why was this needed/what is the business purpose?
  ▪ How does it benefit the program/employee/University?

• “Why” does not need to be lengthy. It should include enough detail as appropriate to the situation.

• “Why” must be included in the “Detailed Expense Justification” section of employee reimbursement worksheets.
Minnesota Board of Medical Practice License for Dr. Goldy Gopher to cover 1/1/16 – 12/31/16.

This license is required to practice medicine in the state of Minnesota; Dr. Gopher is a practicing MD with the UMN Department of Family Medicine.

• Who • What • Where • When • Why •
Registration for Dr. Goldy Gopher to attend the ABC Conference in Washington D.C. from July 1-4, 2016.

Attendance was for professional development purposes; the conference provided Dr. Gopher, a UMN Family Medicine Faculty member, the opportunity for CME credits and professional development.

- **Who**
- **What**
- **Where**
- **When**
- **Why**
If you receive a request for additional justification, this is not an indication of payment/reimbursement denial but instead, a request to gather all the information that is necessary per policy and auditing standards.

Justification details beyond the 5W’s may be required for certain expenses, such as travel and hospitality meals. These will be addressed in other presentations.

Resources:
- Justification Standards Job Aid
- Documenting Financial/Accounting Transaction Policy
- FOD Admin Center Expense Reimbursement Policy

Contact fmfinanc@umn.edu with questions.