
FISCALLY FIT

News from the Controller

June 2007

PAYROLL

Labor Changes for FY07 and FY08

The labor distribution input screens in HRS (UL1, UL2 and UL3) are limited to a single fiscal year. Therefore, departments can make changes to only one fiscal year at any given time. The last FY07 bi-weekly payroll (4R26) will process on the night of **July 5, 2007**. The last FY07 monthly payroll (1X12) will process on **July 9, 2006**. The labor distribution screens will remain "FY07" through **Monday, July 9, 2006**.

On Tuesday morning, **July 10, 2007**, the labor distribution screens will reflect FY08 funding. Do not change any FY08 funding until **July 10, 2007**.

Recasts for FY07 and FY08

Recast transactions for labor and benefit charges occurring in June 2007 will be processed in July only and must be received by Sherry Warden, 409 Whitehurst, no later than **July 13, 2007**. If grant accounts are involved, sufficient time should be allowed for the transaction to be reviewed by Grants and Contracts Financial Administration and forwarded by that date. Recasts for FY07 pay periods that are received after July 13 will be returned to the departments to be rewritten as reallocations. The 4R25, 4R26, and 1X12 payrolls posted in FY08 are not subject to the July 13 deadline. For further information, please contact Sherry Warden at 405 744-6574.

PURCHASING

Dell Quotes

To obtain the best discount pricing for Dell computers:

- Go to the Purchasing web page and click on the link to Contracts/OSHOP.
- Click on the link to Dell.
- Click on the link to the Dell Premier website.
- Configure your computer and get an e-quote number.
- E-mail the e-quote number to Michelle Thomas, OSU's Dell rep, and ask her to give you OSU's discounted pricing.
- Use the pricing and quote number from Michelle Thomas.

Maintenance/Lease Agreements for Copiers, Office Equipment, Scientific Equipment, Etc.

Equipment Lists:

- Towards the end of the fiscal year, you should receive an equipment list from your supplier to renew your lease and/or maintenance agreement.

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- To renew a lease and/or maintenance agreement over \$5,000 for the fiscal year:
 - Create a requisition for the entire amount for the next fiscal year.
 - Include an amount for estimated overages, if appropriate, in the total.
 - Attach the Equipment List to the requisition and have the department head sign it.
 - Process as you would any other requisition
- To renew the lease and/or maintenance agreement for \$5,000 or less for the fiscal year:
 - The department head should sign the Equipment List.
 - Send a signed copy to the vendor with a note that your department wants to renew the lease and/or maintenance for the next fiscal year and that you will be paying with the p/card.
 - Keep the Equipment List on file. This is your quote. You will need to compare your invoices to the Equipment List to verify the pricing.
 - Pay the invoices in arrears.
- If you do not receive an Equipment List from a vendor:
 - Contact the Purchasing Department for a blank Equipment List.
 - Send a copy to the company's campus representative and ask them to complete the form and return to the department.

Important Dates

Board Dates:

Requisitions requiring Board of Regents approval (greater than \$150,000) are due in Purchasing: July 5, 2007, for the July 27, 2007, Board Meeting.

P/card Training – June 26, 2007, 2:00 PM, 408 Student Union.

Purchasing Policies and Procedures Seminar – October 11, 2007, 9:00 AM, 408 Student Union.

You may register for either of these sessions by calling Human Resources at X5374, on the Human Resources web site at http://fp.okstate.edu/hrosu/training_enroll.htm, or by Email: osu-trng@okstate.edu.

The Purchasing Department is available to conduct purchasing training on an as needed basis to departments and colleges. Please contact Purchasing at X5984 to schedule a date.

Purchasing can be contacted at:

Phone: 405-744-5984

Fax: 405-744-5187

Email: purchase@okstate.edu

Website: www.purchasing.okstate.edu

GRANTS & CONTRACTS

Grants and Contracts Financial Administration

Facilities and Administrative Costs

A review of University policy 1-0112 finds that facilities and administrative (F&A) costs are the expenses the University incurs for purposes common to specific projects, programs, or activities of the institution. Often referred to as overhead or indirect costs, F&A costs, unlike direct costs, are not easily identifiable to any one program with any reasonable degree of accuracy without extremely burdened accounting activity. Costs such as utilities, building depreciation, some physical operation services, and administrative services such as human resources and accounting and the library are part of the F&A costs. The F&A rate represents real expenses to the University, and the F&A rate paid by a sponsoring agency represents a reimbursement of those expenses.

On scheduled intervals, OSU proposes an F&A rate that is to be used when the University performs extramural programs sponsored by outside federal agencies or other state, local, or private organizations. The proposed rate is submitted to and approved by the Office of Naval Research (ONR). Referred to as a "cognizant agency," ONR provides oversight to the University's compliance with federal rules and regulations regarding sponsored programs. With the F&A rate, ONR reviews the proposal and makes sure the rate charged to the federal government accurately depicts, in accordance with A-21 and other cost accounting standards, a fair charge for the indirect costs the government pays when sponsoring projects at Oklahoma State University.

Graduate Research Assistants

Much discussion has been had about the Graduate Research Assistant (GRA) tuition remission program. Thus, below is an article from the May 2007 *GCEA Connection*:

Graduate Research Assistants

Tuition Remission

Oklahoma State University' Graduate College has determined **graduate research assistants** (GRA) are eligible for tuition remission for up to six graduate credit hours during the Fall and Spring semesters in exchange for services provided to research projects. The tuition remission will be provided by the University under certain conditions.

- 1.The GRA is enrolled in an advance degree program.
 - 2.The GRA is participating in a research project sponsored, in whole or in part, by Oklahoma State University, federal, state agency, local agency, private organization, or other outside organization.
 - 3.The tuition remission funding provided by the University is considered GAP funding. The GAP funding remains in place in anticipation of outside sponsorship.
- The GRA, if performing within the guidelines of the program, will receive the tuition remission regardless of whether or not an outside sponsor is secured.

While Oklahoma State University will support a GRA with tuition remission up to six graduate hours with institutional funds, the Vice President of Research and Technology Transfer, through the Dean of the Graduate College has asked all grant and contract writers to include in their proposed budgets to prospective funding sources (regardless of federal, state, private) tuition remission funding for graduate students working in support of the project. However, the request made to the funding source is secondary to the University's commitment to the GRA, and the decision by the sponsor will not affect the GRA's tuition remission funding.

The University has already agreed to fund tuition remissions for all graduate research assistants, and the University will not distinguish between funding sources or indiscriminately penalize a GRA should a sponsor deny tuition remission funding. The University has agreed to provide tuition support. The University will not, upon the finding that a funding source will not offer tuition remission, retract a GRA's tuition remission

GAP Funding

The Graduate College provides GAP funding in anticipation of sponsor support. If and when a GRA is assigned to a specific grant or contract, the research project's College of record should notify the Graduate College via the use of *Exhibit A*. GAP funding will be replaced with sponsorship dollars. This internal process reimburses the GAP funding account with sponsored funding. The *Exhibit A* procedure allows the University to efficiently administer the program with minimal financial impact to the student and provides consistent treatment of the sponsor. The procedure does not circumvent the sponsor's agency authority with the use of the funding, and the reimbursement of the GAP funding will be considered a direct charge. The GAP account will, for all intents and purposes, serve as a clearing account.

OMB Circular A-21 Guidelines

According to A-21, scholarships and student aid costs are allowable only when the purpose of the sponsored agreement is to provide training for the participant and the charge is approved by the sponsoring agency. However, tuition remission and other forms of compensation paid as, or in lieu of, wages to students performing necessary work on externally sponsored grants are allowable provided that:

The individual is conducting activities necessary to the sponsored agreement;
Tuition remission and other support are provided in accordance with established educational institution policy and consistently applied in a like manner to students in return for similar activities conducted in non-sponsored as well as sponsored activities; and
During the academic period the student is enrolled in an advanced degree program at the institution or affiliated institution and the activities of the student in relation to the federally-sponsored research project are related to the degree program;
The tuition or other payments are reasonable compensation for the work performed and are conditioned explicitly upon the performance of necessary work; and
It is the institution's practice to similarly compensate students in non-sponsored as well as sponsored activities.

Unless the grant is expressly deemed a training grant for the participant, a scholarship or tuition remission for the general purposes of paying a student's tuition is not allowed. However, if a student is ac-

tive and performing necessary work on a project, some type of compensation is allowed to be given to the student in direct proportion to the amount and complexity of work performed by the student. This is allowed if the institution treats sponsored projects and non-sponsored research activities the same, an institutional policy is in place, and the compensation is reasonable. The compensation can be in the form of a stipend, tuition remission (scholarship), wages, or some combination thereof.

Each student at Oklahoma State University is charged tuition based upon the course level (graduate or undergraduate) as well as miscellaneous fees associated with attendance. The phrase "tuition" should be understood as tuition and not inclusive of other enrollment fees. The grant writer should only include tuition in the grant's proposed budget. Simply, Oklahoma State University has elected to fund up to six hours of graduate tuition for the graduate research assistant. The University will not pay the miscellaneous fees associated with the course of study. Thus for consistency as defined under A-21, an external sponsor will not be asked to support the charges the University will not pay if the GRA is not sponsored by an outside organization. In some circumstances where full disclosure is made to the sponsor and the sponsor specifically stipulates, additional tuition costs over and above the 6 hours and required enrollment fees may be charged to the sponsor.

Request for Additional Sponsor Support

GAP funding is provided by the Graduate College and covers up to 6 hours of tuition. Tuition support received from the sponsor will be used to substitute (reimburse) institutional funds previously granted to the GRA. Secondly, Oklahoma State University will not provide GAP funding for fee remission. If the University will not financially support fee remission with GAP funding, consistency suggests that Oklahoma State University should not ask an external sponsor to subsidize GRA tuition support at a rate greater than University is willing to provide. Current grants or contracts whereby the sponsor has agreed to pay fees in addition to tuition will be grandfathered. After July 1, 2007, the request for "fees" to be paid by the granting agency must be explicitly stated in the grant or contract award.

Not merely an exception

As mentioned previously Federal rules are specific and clear that unless the grant is expressly deemed a training grant for the participant, a scholarship or tuition remission for the general purposes of paying a student's tuition is not allowed. If a sponsor will pay costs of attendance over and above the cost of six hours of tuition and the University expressly requests the additional support and fully discloses the University's normal policy of tuition support to the sponsor, the GRA's support can include fees and the University will seek reimbursement from the sponsor. This request; however, is more than a mere exception. It is traditionally an unallowable charge to federal/federal flow-through grants or contracts, and a full disclosure to the sponsor is expected. This disclosure includes providing budget lines for tuition and fees independently of one another in the proposal. The following is representative of narrative language offering full disclosure and should be provided in the proposal:

"Graduate Research Assistants at Oklahoma State University are generally provided tuition remission only. In this project, Oklahoma State University is requesting the sponsor to provide student support for required enrollment fees in addition to the cost of tuition."

Should the sponsor refuse to pay the required enrollment fees, the researcher, through coordination with the Dean, may use discretionary funds to pay for the enrollment fees over and above the cost of tuition. However, state appropriations may not be used to cover a GRA's cost of attendance.

General Grant Tuition Funding/Training Grant Tuition Funding

Projects specifically written as training grants for graduate/undergraduate students (not including GRA's) may include costs over and above tuition. These costs may include mandatory fees, books, housing, board, supplies, or other costs typically not borne by performance type grants. In these cases, the sponsoring agency traditionally and specifically outlines the costs the agency is willing to pay on the student's behalf. However, the agency must specifically identify the amount and type of costs the agency is willing to pay. No assumption is made by the University. If the agency identifies that tuition will be paid, Oklahoma State University will seek reimbursement for tuition only. The grant writer must be specific in the budget request submitted to the sponsoring agency, and the agency must specifically agree to the budget.

Exhibit A, and the Payment of Tuition

Exhibit A is the process Oklahoma State University uses to facilitate the payment of tuition for graduate research assistants and the payment of miscellaneous costs incurred by students on general grant funding, training grant programs, or departmental support. *Exhibit A* is initiated by the department of record (sponsoring department) of the student. Whether initiated by the department's fiscal officer, administrative assistant, or principal investigator, information pertaining to the graduate student is entered on *Exhibit A*. This information should include the amount of tuition (or other pertinent costs) to be paid in support of the student's costs of attendance. If the student is a graduate research assistant, the GRA may not receive remission of education costs above the tuition rate (unless specifically identified in the project proposal and expressly approved by the sponsoring agency). Also, the total amount of compensation for the GRA, inclusive of tuition remission, stipend, or salary, must be considered. A GRA may not be compensated at a rate that is unreasonable for the work required by the grant.

Sponsored Programs

Tuition only

Upon completion of the *Exhibit A*, the department/college of record will electronically forward the *Exhibit A* (GRA's and Graduate Training Grant Recipients) to the Graduate College email address gad-i@okstate.edu. The Graduate College will complete a *campus vendor invoice (CVI)*, forward the CVI to the College of Record, GCFA for final approval, and then it is forwarded Accounting Services in order to reimburse the GAP funding (tuition only) originally provided by the Graduate College with sponsored program dollars.

Other Sponsored Support

Should the sponsor agree to pay other cost of education (fees, books, housing, board), the *Exhibit A* will be forwarded to GCFA for concurrence. If the sponsored agreement allows for the payment of the requested costs of attendance, the department's fiscal officer or research administrator should include the amounts of appropriate fees on *Exhibit A* and will be forwarded electronically to the Bursar's Office for processing. The Bursar's Office will pay the student's account with approved credits, and Financial Aid will be notified of the additional support. The CVI will also be forwarded to the College of Record.

All *Exhibit A* forms, with the exception of departmental tuition remission requests, should be forwarded to the Graduate College. For departmental tuition remission, *Exhibit A* should be forwarded to the bursar email address of bursarpop@okstate.edu. If the originator of any *Exhibit A* wishes to receive a copy of the CVI, this request for copy should be noted on *Exhibit A* when submitted.

RISK MANAGEMENT

OSU Property Insurance

OSU Risk Management attempts to insure all OSU property and contents for replacement value. Building values are updated periodically based on national standards for construction within the Oklahoma City region. Moveable equipment values are reported at purchase price for items with original costs over \$5,000 and are only covered by insurance if listed on the Moveable Equipment Inventory (MEI) in the proper building. Because of this, moveable equipment inventories must be updated regularly.

OSU insures property valued at over \$1 billion. To reduce the premium, we accept a rather hefty retention/deductible of \$500,000 per incident. The first \$50,000 of each loss is the responsibility of the department who experienced the loss and the remainder is funded by OSU Risk Management. This coverage is intended for catastrophic losses. Some departmental budgets may not withstand a \$50,000 deductible to replace a critical piece of equipment, yet could not afford to replace the equipment either. OSU Risk Management provides an alternative method for insuring these critical items at a minimal departmental cost and reduces the deductible to \$1,000. If your department is interested in the optional coverage, you may contact Margaret Stone, OSU Risk Management for additional information.

FINANCIAL INFORMATION MANAGEMENT

AIRS Tip # 470

Use the Configure **MyAIRS** link located on the main menu page to customize your menu page. Users can select the menu style, add or remove applications on the menu, and add charts to their main menu page.

BURSAR

Available online is the updated handbook describing bursar information. Check it out: <http://bursar.okstate.edu/forms/BursarCatalog.pdf>

Payment Option Plan

OSU offers a **Payment Option Plan (OSU POP)** as an alternative to standard bursar account lump-sum payments. The **OSU POP** enables families and students to pay University-billed expenses in regular monthly installments. This affords the ability to budget semester costs to best fit your individual needs. Our program provides all of the benefits of a monthly payment plan without incurring interest. By making monthly payments affordable, the **OSU POP** will help you avoid accumulating additional debt. To cover administrative expenses the **OSU POP** carries an application fee of \$40.00 (annual) or \$25 (semester).

Call 405-744-5996 or e-mail us at bursar-pop@okstate.edu or visit our website <http://bursar.okstate.edu/forms/osupop.pdf> for more information.

Bursar Refunds

The final FY2007 bursar refunds (including direct deposits), short term emergency loan checks, and assignment checks will process **Thursday, June 28th** in order to meet the State's transmittal deadline.

Year End Deposits

Please make sure all FY07 departmental deposits are brought to the cashiers by **noon on Friday, June 29th** to ensure year-end deadlines are met. Don't forget that online departmental deposit entry is available. Please contact Cindy Buford for instructions (cindy.buford@okstate.edu or 405-744-7790).

ENVIRONMENTAL HEALTH & SAFETY

Safety Training Classes

EHS offers a wide variety of safety training programs, classes and other resources for the OSU community. Topics range from Asbestos Awareness to Winter Safety and include such subjects as ergonomics, CPR & first aid, heat stress, hand & power tool safety, general office safety, mower

safety and hands-on fire extinguisher training. These classes are conducted at a time and place that is convenient to the department that requests them.

Best of all, there is no charge for most of these courses. The Red Cross-certified CPR & first aid course requires the purchase of manuals and other materials, but the time and excellent teaching skills of Safety Trainer Greg Hogan come at no extra expense.

These classes are another way to help departments meet their Quarterly Safety Training requirements. For a more complete list of available training courses, go to the EHS webpage at <http://www.pp.okstate.edu/ehs/training/classes.htm>, or call Greg Hogan at 744-6537.

UNIVERSITY ACCOUNTING

FRS System Availability

The FRS system will be unavailable on July 2, 2007 while we complete the year-end closing process. Please discourage individuals in your department from trying to log in so that closing process is not delayed. The system will be available again on July 3, 2007 at which time we will resume the processing of claims.

Payments for Services (including expenses) to Non-employees – Exception for International Visitors

In the May edition of the newsletter, there was a reminder about the appropriate method for handling payments to independent contractors. In the event that an individual contracts to perform a service for the University, the fee should include any travel expenses, and the entire amount of the contract fee should be submitted on a requisition along with a notarized claim form, if applicable. The entire amount of the contract is subject to 1099 reporting to the Internal Revenue Service.

Please be aware that the method of payment for international visitors is handled differently than for U.S. citizens. In the event that an international visitor contracts to perform a service for the University, the travel expenses may be reimbursed separately from the contract fee in some cases since the withholding and reporting requirements are different for these individuals. The appropriate method of reimbursement for the travel expenses is a State of Oklahoma Travel Voucher. The amount of the contract fee should be submitted on a requisition

along with a notarized claim form, if applicable. The Office of International Students and Scholars handles the withholding and reporting for international visitors. Please contact Linda Dunbar in the Office of International Students and Scholars at 744-8117 in advance of the scheduled performance of a service by an international visitor. In most cases, she will need to see the visitor to get signatures on IRS forms and to make copies of the visitor's travel documents.