
FISCALLY FIT

News from the Controller

May 2008

UNIVERSITY ACCOUNTING

Timeline for Processing Payments

All vendor payments (including honorariums) are required to be processed through the Office of State Finance. This process takes three days from the date that the invoice is keyed into the FRS system. It takes an additional two days for processing if the vendor is new and does not already exist in the vendor file. Therefore, please plan appropriately when submitting invoices to allow enough time for the payment to be processed through the state system.

Year-End Processing Schedule/Deadlines

A memo was distributed on April 25, 2008, that provided information in order for departments to coordinate the processing of transactions prior to the closing of the fiscal year-end. All travel vouchers, small order invoices, and receiving reports must be received in University Accounting by 5:00 pm on June 18, 2008, to ensure that claims will be processed prior to the year-end closing. Campus vendor invoices must be received in University Accounting by 9:30 am on June 25, 2008, to ensure processing prior to year-end.

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The year-end closing process will begin at the close of business on Monday, June 30, 2008. Therefore, the FRS system will not be available on July 1 or July 2, 2008. The FRS system should be available for use beginning on Thursday, July 3, 2008.

Reminder:

9 Digit Zip Code Required for Addresses

The Office of State Finance (OSF) requires the nine digit zip code to add a vendor to the OSF vendor database. Failure to provide the nine digit zip code will cause vendors not to load into the OSF vendor database. This failure to load will cause delays in the processing of payments. Departments must provide the nine digit zip codes for all vendors on all payment types submitted for processing. The following websites can be used to find the nine digit zip code.

United States Postal Service website for zip code look up: <http://zip4.usps.com/zip4/welcome.jsp>. University Mailing Service zip+ 4 look up for campus addresses: <http://www.osuums.com/departments/zip4.htm>.

FRAUD DETERRENCE & COMPLIANCE PROGRAM

Fraud Deterrence

What is “fraud deterrence”? According to Harry Cendrowski and James Martin:

Fraud deterrence is the proactive identification and removal of the causal and enabling factors of fraud. Fraud deterrence is based on the premise that fraud is not a random occurrence; fraud occurs where the conditions are right for it to occur. Fraud deterrence attacks the root causes and enablers of fraud; this analysis could reveal potential fraud opportunities in the process, but is performed on the premise that improving organizational procedures to reduce or eliminate the causal factors of fraud is the single best defense against fraud... Deterrence involves an analysis of the conditions and procedures that affect fraud enablers, in essence, looking at what could happen in the future given the process definitions in place and the people operating that process. Deterrence is a preventive measure...

Fraud deterrence can be enhanced through (1) the reduction of existing pressures to commit fraud, (2) the removal of potential opportunities to commit fraud, and (3) the relieving of possible reasons for rationalization of fraud. When was the last time you analyzed and evaluated the conditions and procedures present in your department? Were there any fraud enablers present? What potential and/or perceived fraud opportunities exist in your department? Are conditions right for fraud to occur? Do you have policies, procedures, and controls in place to help deter fraud from occurring in your department?

Reporting Fraudulent Activity

Fraudulent financial activity or suspicion of fraudulent financial activity is to be reported to the Office of the Associate Vice President and Controller (OAVPC). This activity can be reported directly to the OAVPC (207 Whitehurst, 405-744-4188) or reported confidentially through EthicsPoint.

Sources: *2008 Fraud Examiners Manual*
The Handbook of Fraud Deterrence, Harry Cendrowski, James Martin, Louis Petro

Contact Brenna Dixon, CPA, CFE (744-2296, Office of the Associate Vice President and Controller, 207 Whitehurst) for additional information, comments, or questions about fraud deterrence and compliance issues.

FINANCIAL INFORMATION MANAGEMENT

Payment Card Industry Data Security Standards

Accepting credit cards brings benefits to the department and the customer and is fast becoming a requirement to successfully offer goods and services. With these benefits also comes responsibility to protect customer information surrounding a credit card purchase. The Payment Card Industry’s Data Security Standard [PCI-DSS] details 12 requirements over 6 areas of concern. The payment card industry standards can be found at <https://www.pcisecuritystandards.org>.

For departments operating desktop terminals, PCI standards are straightforward and only a portion of the requirements are applicable to the local environment. Protecting cardholder information in an environment where information security is understood and practiced is the ultimate destination. Terminal operators should have little trouble complying with the PCI-DSS.

Merchants accepting credit cards are currently being contacted regarding their PCI compliance activities. Andi Luttrell, Financial Information Management’s e-Commerce/PCI coordinator, is working with these merchants to develop departmental documentation, training, and review processes to assist in any areas of concern. She can be contacted at PCI@okstate.edu.

TRANSPORTATION SERVICES

Need Help with Directions?

Now you can have directions at your fingertip when you request a touch screen GPS unit with a daily vehicle rental from the Motor Pool. The GPS receiver gives street directions by communicating with the Global Positioning System satellites and relaying directions to the user. It is very easy to use and can save time, money, and frustration due to poor directions or adverse traffic conditions. Currently the Motor Pool has only a few of these devices so verifying availability is necessary and there is no additional cost included with the lease.

For more information, or to reserve a motor pool vehicle, visit our website @ <http://home.okstate.edu/homepages.nsf/toc/ts>. Or you can request a reservation by phone at (405) 744-7945.

PURCHASING

FY08 Year End

Requisitions that exceed \$5,000 and require formal bids/quotations were to be received in the Purchasing Department by **May 16, 2008, 5:00 p.m.** All other FY08 requisitions must be received by the Purchasing Department by **June 13, 2008, 5:00 p.m.** Requisitions received after these dates will be entered as fiscal year 2009 requisitions.

FY09 Processing

Requisitions against FY09 funds may be submitted at this time.

If an FY09 purchase order must be issued prior to July 1, 2008, please attach a note to the requisition to request early processing.

Receiving Reports for FY09 will be mailed to departments on July 1, 2008.

Maintenance Agreements

Equipment Lists (EL) for FY09 lease and maintenance agreements have been sent to vendors.

- Vendors will send completed EL's to departments for processing.
- Process EL's only if maintenance is desired by the department.
- If the total is less than \$5,000 per year, the department head may sign EL and departments may process invoices in arrears on their Pcard.
- If the total is more than \$5,000 per year, a requisition must be processed through the Purchasing Department.

Purchasing from Employees

Purchasing from current employees or employee owned businesses without a competitive bid is strictly forbidden and is a violation of OSU policies, regardless of the amount of the purchase.

Per policy, purchases of this nature require the processing of a requisition through the Purchasing Department; the solicitation of formal, competitive bids; and issuance of a purchase order prior to the purchase.

Pcard – Year End Expenditures

As the fiscal year ends, departments may try to ensure they have spent all available funds. Be aware that any purchase or combination of purchases that total more than \$5,000 must be processed on a requisition.

Pcard – Grant Accounts

Many grant accounts expire at the end of the fiscal year. Remember to change the account number on pcards that have an expired grant account as the default. Process a Commercial Card Cardholder Account Form marked "Change" through the Purchasing Department to change the default account number.

Important Purchasing Dates

Board Dates:

- Requisitions requiring Board of Regents approval (greater than \$150,000) are due in Purchasing May 28, 2008, for the June 20, 2008, Board Meeting

Pcard Training:

- May 20, 2008, 1:30 PM, 412 Student Union.

Purchasing Policies and Procedures Seminar:

- October 23, 2008, 9:00 AM, 412 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 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

BURSAR

Bursar News

All summer classes for enrolled students will be billed **June 1, 2008**, and are due **June 15, 2008**.

Excitement is in the air. Students and families will be here for New Student Orientation beginning May 12th throughout the summer. Wear **Orange** and a welcoming smile...show your spirit!!

Bursar accounts without charges or payments for a period of three years are written off each May. Departments are notified of annual bad debts charged to their allowance or revenue accounts. In addition, bad debts are written off periodically throughout the year as situations require (bankruptcies, death, etc.). Every attempt to collect the account prior to the write off is made and collection efforts continue even after the account has been written off. Bad debt write off memos should be noted before a department engages in future business with the customer. Academic holds (i.e., transcript release, diploma release, enrollment etc.) are also in place.

GRANTS & CONTRACTS

Tax Increase Prevention and Reconciliation Act of 2005

On January 1, 2011, section 511 of the Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA) will go into effect. Section 511 will require all governmental agencies to withhold 3% on payments for goods and services. Governmental agencies include public colleges and universities. When section 511 becomes active, Oklahoma State University will face a sizeable increase in workload both in preliminary measures to implement the mandate and in the ongoing recordkeeping and withholding requirements.

The National Association of College and University Business Officers (NACUBO) gathered information and concerns from many institutions, including Oklahoma State University, and summarized those issues in a letter to the IRS. NACUBO was kind enough to share their draft with OSU before its submission, and a copy of the final letter is included below. Five other higher education advocacy groups have voiced their support for NACUBO's stand on the matter.

http://www.nacubo.org/documents/business_topics/irscomments.pdf

PAYROLL

Fiscal Year-End Recast Transactions Due by June 6

Recast transactions allow departments to transfer labor and average fringe benefit costs between accounts. The recast program is able to transfer these costs by reversing, and then reposting, the labor and benefit transactions recorded in labor history. Recasts are processed individually by employee and position number.

To provide for timely processing of recast transactions at the end of FY08, all recast transactions occurring before June 1, 2008 must be received by Sherry Warden, 409 Whitehurst, by **Friday, June 6, 2008**. If grant accounts are involved in the recast, please allow sufficient time for the transactions to be reviewed by Grants and Contracts Financial Administration prior to the due date.

Recast transactions for charges occurring in June will be processed in July **only** and must be received no later than **July 11, 2008**. Recasts for FY08 pay periods that are received after July 11 will be returned to the department to be rewritten as reallocations.

If you have any questions, contact Sherry Warden at 405-744-6574.

Address Changes for Employees Moving On

As the school year comes to a close, many employees will be leaving OSU. Please remind these employees that they need to change their address in **all** OSU systems (HRS and SIS) in order to receive important, future mailings, like their W-2 forms. Employees should also be reminded to update their addresses with any retirement plans they may have participated in during their employment at OSU.