
FISCALLY FIT

News from the Controller

October 2007

TRANSPORTATION SERVICES

State Vehicle Contract

The 2008 State of Oklahoma vehicle contract became available October 1, 2007 and will extend through September 30, 2008. Departments interested in purchasing a new vehicle on state contract can contact Transportation Services at 744-7945. We also have a link to the state vehicle contract on our website @ <http://home.okstate.edu/homepages.nsf/toc/ts>.

UNIVERSITY ACCOUNTING

Federal Lodging Rate Increases

The federal lodging rates used for travel have increased. The Standard CONUS lodging rate increased from \$60 to \$70 and many of the “higher rate” locations have also increased. All three rates within Oklahoma increased – the standard lodging rate, the special Oklahoma City rate increased from \$73 to \$81, and the Tulsa rate increased from \$68 to \$73. (The Oklahoma City rate includes locations within Oklahoma County and the Tulsa rate includes locations in Tulsa, Creek, Osage, and Rogers Counties.) Also, appropriate tax is reimbursed in addition to the above rates.

These changes are effective October 1, 2007 (this is Federal FY2008) and can be viewed or downloaded at the GSA website: www.gsa.gov/perdiem.

Note: The six tiers rates for Per Diem-Meals and Incidentals did not change.

Payment Processing - State CORE System Upgrade

The Office of State Finance will be upgrading their financial system in November. The current timetable for the upgrade indicates that the system will be unavailable from Thursday, November 8 through Friday, November 16.

Therefore, all small order invoices, receiving reports, requisitions, and travel vouchers must be submitted to University Accounting for processing by November 2 if a check is needed during the time that the state’s system is down. Requisitions must already have Purchasing approval when submitted to Accounting. If the vendor does not exist in the vendor database, then the payment must be submitted to University Accounting by October 31 in order for the vendor to be added to the state’s vendor database before the payment is processed.

The state system should be available for processing again on Monday, November 19. Thank you for your patience.

INSIDE THIS ISSUE

- 1 State Vehicle Contract
Federal Lodging Rate Increases
Payment Processing - State CORE System Upgrade
- 2 Internal Controls
Creating New Bursar Accounts
Collecting Past Due Accounts
AIRS Departmental Deposit
Plan Ahead for the Holiday
Contracts
- 3 Purchasing Important Dates
Hierarchy & Paperless Requisitions
HB1804 & E~Verify
Program Income
Contracting Officer

FRAUD DETERRENCE & COMPLIANCE PROGRAM

Internal Controls

Internal Control – Integrated Framework, issued by the Committee on Sponsored Organizations (COSO), provided the following definition:

“Internal control is a broadly defined process ... designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Reliability of financial reporting
- Effectiveness and efficiency of operations
- Compliance with applicable laws and regulations”

COSO also identified five interrelated components of internal control that when combined form an integrated system of controls.

1. Control Environment – sets the tone of an organization, influencing the control consciousness of the organization and providing a foundation for all other control components
2. Risk Assessment – an entity’s identification and assessment of risks relevant to achieving control objectives
3. Control Activities – an entity’s control policies and procedures
4. Information and Communication – the exchange of information in a way that allows employees to carry out their responsibilities
5. Monitoring – the process that assesses the control environment over time.

Opportunities to commit fraud may be created by deficient or missing internal controls, while well-designed internal controls can be fundamental to detecting and preventing fraud.

Sources: *2007 Fraud Examiners Manual*, Association of Certified Fraud Examiners *Corporate Fraud Handbook*, Joseph T. Wells

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.

BURSAR

Creating New Bursar Accounts

Employees do NOT automatically have a bursar account since less than 30% of the Stillwater campus staff charge items. Please email alisa.fry@okstate.edu to request the creation of a new bursar account and include employee’s CWID.

Collecting Past Due Accounts

Collection efforts began for non-student bursar accounts after drop/add. Faculty/Staff are also being contacted via phone and letter to discuss payroll deductions.

Administrative Information Report System (AIRS) Department Deposit

Advantages to AIRS Departmental Deposits at <http://airs.okstate.edu> :

- Electronic archival of deposits
- Faster processing
- Fewer errors
- Less duplication of work
- Ability to search by receipt number, total amount of deposit or amount of tender within a deposit
- FRS templates available

Email fm@okstate.edu to request access to departmental deposit module

PURCHASING

Plan Ahead for the Holidays

The holidays are just around the corner. Remember to allow adequate time to process requisitions for your purchasing needs.

Contracts

For student study trips, hotel agreements and any other contracts must be signed by the Director of Purchasing. If there is a possibility the total cost will be greater than \$5,000, a requisition must be processed and a purchase order issued prior to the trip.

Important Dates

Board Dates:

- Requisitions requiring Board of Regents approval (greater than \$150,000) were due in Purchasing: October 3, 2007, for the October 26, 2007, Board Meeting.
- Requisitions requiring Board of Regents approval (greater than \$150,000) are due in Purchasing: November 14, 2007, for the December 7, 2007, Board Meeting

P/card Training:

- October 23, 2007, 2:00 PM, 408 Student Union.

Purchasing Policies and Procedures Seminar:

- January 24, 2007, 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 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

FINANCIAL INFORMATION MANAGEMENT

Hierarchy and paperless requisitions

The University is rapidly progressing towards its goal of becoming less paper dependant and one of the associated initiatives is on-line requisitions. AIRS (www.airs.okstate.edu) now contains the test on-line requisition and production hierarchy applications. Both are now available for review and use.

The on-line requisition application is designed to eliminate the need for multiple paper copies, validation routing, approval signatures, data entry, and the increasing cost of physical storage. The university is in the testing phase of this application and is requesting assistance in reviewing the processes involved with the electronic versions of requisitions.

The hierarchy is a workflow application designed to route electronic documents for review, approval, and processing. This application requires all departments to populate their reporting structure - employees and organizational relationships. A properly populated workflow application is the core behind any routable electronic document. The on-line requisition is a routable document and will utilize the departmentally populated hierarchy. Instructions for completing the Hierarchy are located at <https://vpaf.okstate.edu/DW/Hierarchy/Hierarchy.pdf>.

Please email comments and suggestions to

FIM@okstate.edu

PAYROLL

HB1804 and E~Verify

HB1804, the Oklahoma Taxpayer and Citizen Protection Act, requires all new hires of all agencies within the State of Oklahoma to be verified through the electronic verification of work authorization program operated by the US Citizenship and Immigration Service (USCIS), Verification Division (E-Verify). This act is effective November 1, 2007.

Employment eligibility verification will be performed at the College/Division level. Each college dean and division vice president will appoint a "key user" who will be responsible for ensuring that all Form I-9 documentation is completed appropriately. The key user will be responsible for ensuring that verifications in the college/division are completed in a timely manner and in accordance with federal, state, and OSU procedures. The college/division may specify additional users to assist in the completion of I-9 documentation and E-verification. OSU Human Resources will provide guidance, training, and oversight of ensuring that new hires are able to work at OSU. In addition to penalties and possible legal actions, failure to comply with OSU policies and procedures may result in disciplinary action which could include termination of employment.

GRANTS & CONTRACTS

Program Income

According to Federal definitions (A110, 45 CFR 74) If an institution earns income that is directly generated by a sponsored activity or as the result of an award it is considered program income. Some examples are:

- Fees for service performed (Example: lab tests).
- Money for the sale, use, or rental of equipment purchased with sponsored project funds.
- Sale of supplies or equipment purchased or fabricated with sponsored project funds.
- Sale of software, tapes, or other publication.
- Sale of research materials.
- Fees from participates (conference fees).
- Royalties from patents and copyrights. (Schumo)

Exclusions:

- Patient care credits
- Interest earned on advances of federal funds
- Receipt of principal on loans, credits, discounts or interest earned

Program income funds are dollars generated during the course of a sponsored program. If a service or product is developed during the course of a sponsored project and that product or service was funded by a sponsoring agency, then the income received is considered program income (Schumo).

In most cases, program income becomes part of the project's available funding. This can be done in any number of ways; by increasing available funding by the amount of the program income; deducting the amount of reimbursement requested from the agency by the amount of the program income recovered; or use the program income as part of the institutional match. The terms and conditions of the award and A-21 determine which of these are applicable to the program income.

Reference: Schumo, W.A. "Program Income-An Interesting Topic in Grants Management" NCURA
 OMB Circular A110
 45 CFR 74
 OMB Circular A-21

Contracting Officer

From time to time agreements are presented to GCFA where a department head or other official has signed an agreement binding Oklahoma State University into a contract or agreement. OSU policy and procedures precludes anyone other than the President or properly designated official from binding the University. While the President has authority to sign agreements and contracts on behalf of Oklahoma State University, the Vice President for Research and Technology Transfer has been delegated the signature authority for contracts and agreements.



© Mark Parisi, Permission required for use.