
FISCALLY FIT

News from the Controller

October 2008

GRANTS & CONTRACTS

IRS Questionnaire Form 14018

The U.S. Department of the Treasury-Internal Revenue Service is interested in looking at executive compensation, investment, and the use of endowment funds and has compiled a questionnaire with plans to distribute to 400 colleges and universities representing a cross-section of the nation's public and private colleges. The questionnaire asks several questions concerning the type of institution, affiliation, and student demographic information.

The questionnaire contains 74 questions, plus an additional 20 questions for private institutions. The questions are quite probing. A recent article from Jones Day Commentaries (Boyce, Griffith, King, Smith, 2008) believes the questionnaire has a two-prong strategy; impose an excise tax on compensation under the excess benefit transaction rules, and discovery of Unrelated Business Income Tax (UBIT).

The questionnaire follows closely the advent of the new IRS form 990 and could be a method of showing immediate revenue success for the IRS. The questionnaire could also be a self-implicating alert to the IRS for audit.

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FINANCIAL INFORMATION MANAGEMENT

Initiating Requisitions Using AIRS

Beginning November 1, 2008, all requisitions originating from the Stillwater campus will be submitted and processed electronically utilizing the on-line requisition application module in the Administrative Information Resource System (airs.okstate.edu).

This application has been available and tested since July 1st by selected units across campus. The results have been exceptional in time and processing savings.

Submitting a requisition electronically offers the following benefits:

- A quicker approval response rate when compared to paper
- Accountability (location of the requisition while being processed)
- Immediate validation/verification of selected information to reduce rejections
- Policy enforcement
- Common location of requisitions and supporting documents
- A green process to reduce paper usage and the University's carbon footprint

Training on the on-line requisition process and the associated routing hierarchy is being offered by Financial Information Management in October to ease the transition to the paperless process. Interested parties may enroll via the Training Services website located at:

http://hr.okstate.edu/hr/training/staff_dvpt08.htm.

The application of on-line requisitions is part of a larger initiative to increase paperless processing by Oklahoma State University and the OSU System. Continuous process reviews of administrative functions are being conducted to identify likely candidates for conversion to on-line processes. Your suggestions and comments regarding this application or other potential electronic administrative processes are always welcome at FIM@okstate.edu.

Associate Vice President & Controller - 207 Whitehurst, Stillwater, Oklahoma 74078 - (405) 744-4188

PURCHASING

Vehicle Purchases

Requisitions for vehicles to be purchased from the State Contract must include the description with option details, justification for options and the State Contract number. Vehicle purchases should be coordinated with Transportation Services prior to submission of the requisition. In addition, documentation is required as to whether the purchase is a replacement vehicle or an addition to the fleet. All vehicle purchases, whether they are an addition to the fleet or a replacement, must have detailed justification for the purchase attached to the requisition.

Important Purchasing Dates

Board Dates:

- Requisitions requiring Board of Regents approval (greater than \$150,000) were due in Purchasing: October 1, 2008, for the October 24, 2008, Board Meeting.
- Requisitions requiring Board of Regents approval (greater than \$150,000) are due in Purchasing: November 12, 2008, for the December 5, 2008 Board Meeting.

Pcard Training:

- October 22, 2008, 1:30 PM, 412 Student Union.

Purchasing Policies and Procedures Seminar:

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

Purchasing Ethics:

- April 8, 2009, 9:00 AM, 412 Student Union

You may register for any of these sessions by calling Human Resources at 744-5374, 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.

FRAUD DETERRENCE & COMPLIANCE PROGRAM

Behavioral Red Flags Displayed During Fraud Schemes

The Association of Certified Fraud Examiners incorporated behavioral red flag information into their 2008 Report to the Nation. Survey respondents were asked to identify which behavioral warning sign(s), if any, had been displayed by perpetrators prior to the discovery of the occupational fraud scheme. The fraudster living beyond his/her means was the most frequently cited warning sign, present in almost 39% of the cases. The survey also revealed the largest median losses to the victim organization occurred when the perpetrator had an unusually close relationship with a vendor or customer or when the perpetrator displayed a wheeler-dealer attitude – two warning signs most often seen in corruption fraud schemes.

Below are the behavioral red flags listed in order of frequency seen in the 959 cases included in the study:

- Living beyond means
- Financial difficulties
- Wheeler-dealer attitude
- Control issues, unwillingness to share duties
- Divorce / family problems
- Unusually close association with vendor / customer
- Irritability, suspiciousness, or defensiveness
- Addiction problems
- Past legal problems
- Past employment-related problems
- Complaining about inadequate pay
- Refusal to take vacations
- Excessive pressure from within organization
- Instability in life circumstances
- Excessive family / peer pressure for success
- Complaining about lack of authority

While the presence of any of these behaviors or characteristics does not in and of itself mean a fraud is occurring or will occur, it is important to understand these are warning signs and may be an indicator of employee misconduct or potential fraudulent conduct.

Source: *ACFE 2008 Report to the Nation on Occupational Fraud & Abuse*

Reporting Fraudulent Activity

Tips have been reported to be the most common means of detection of occupational fraud. Fraudulent financial activity or suspicion of fraudulent financial activity is to be reported to the Office of the Associate Vice President and Controller. This activity can be reported directly to the OAVPC (207 Whitehurst, 405-744-4188) or reported confidentially through EthicsPoint.

PAYROLL

Online Form W-2 Available at OSU

Oklahoma State University is required by law to furnish a Form W-2 to any employee who has worked for OSU during any calendar year. The Form W-2 itemizes the employee's taxable compensation and tax withholding amounts and is used to complete the employee's individual tax returns. Other tax-related information, such as amounts contributed for dependent care, the taxable cost of group-term life insurance over \$50,000, and elective deferrals, is also reported on the Form W-2.

In previous years, OSU employees have received paper copies of their Form W-2s. Beginning with calendar year 2008, OSU employees may elect to receive their Form W-2 online (no paper copy) through the Web for Employees portal. If an employee does not elect to receive the online version of the Form W-2, a paper Form W-2 will still be provided.

What are the Advantages of Receiving a Form W-2 Online?

- Employees do not have to wait for their Form W-2s to be printed, sorted, and distributed through the normal W-2 process.
- Employees can view and print their Form W-2s at their convenience; therefore, the possibility of lost or misplaced forms is greatly reduced.
- Employees can review and reprint their Form W-2s at a later date as the Form W-2 information is stored securely on Web for Employees.

The Basics of the Online Form W-2

- The online Form W-2 is accessed through Web for Employees just like an employee's payroll advice.
- The online Form W-2 can be viewed and/or printed and the print option can be changed by using the following two options found under the Payroll Services tab in Web for Employees:
 - *W-2 Wage and Tax Statement* – this option allows employees to view and print their online Form W-2 in IRS format or text format.
 - *W-2 Print/No Print Option Flag* – this option allows employees to change to an online Form W-2 by selecting "No" or revert back to a printed Form W-2 by selecting "Yes".
- The new online method of delivery is very similar to that of the payroll advice. If employees select the "No-do not print and mail W-2" option, they will receive an email notification as soon as their Form W-2 is available on Web for Employees. The employees may then view and print their Form W-2 at their convenience.
- If employees do not select the "No-do not print and mail W-2" option, they will receive a paper Form W-2 at a later date after the forms have been printed, sorted, and distributed just as in the past.

- The online Form W-2 will be made available to all employees through Web for Employees; however, only those who select the "No – do not print and mail my W-2" option will receive an email notification.
- All online Form W-2s will be available on Web for Employees for ten years. Current and former employees will be able to view and reprint their W-2s anytime at their convenience.
- Payroll Services will still provide Form W-2 reprints to employees upon requests. However, because employees have the ability to reprint their own Form W-2s through Web for Employees, Payroll Services will limit the processing of reprints to Fridays beginning February 6, 2009. Computers and printers are available in all buildings around campus for employees to view and reprint their own Form W-2, just as they do their payroll advices.
- The following disclosures apply to the "No – do not print and mail my W-2" option only:
 - The consent to receive the online version of the Form W-2 will remain in effect until (1) it is withdrawn by the employee through Web for Employees or via a written request to Payroll Services, (2) the employee requests a paper statement implying that the online delivery method is no longer preferred, (3) the employee completely separates from OSU employment, or (4) the employee does not have an active assignment for January of the current year at the time the Form W-2 process begins. The Form W-2 printing, sorting, and distributing process begins January 10 and continues through January 31.
 - The Form W-2 may still need to be printed and attached to an employee's individual federal, state, and/or local income tax returns. IRS guidelines require the Form W-2 to be printed in black ink on white paper stock with a minimum weight of 9 lbs. All hardware and software requirements are listed in the *Disclosures* section on the print option page in Web for Employees.
 - Employees may select or deselect the no print option at anytime except during the W-2 process when this feature will be disabled.
 - Employees will receive a confirmation email anytime their print/no print options are changed.
 - If a corrected Form W-2 is required for an employee, the online Form W-2 will be taken offline for that year as special handling is required. The employee will need to contact Payroll Services and a paper W-2C will be provided.
 - Employees may also contact Payroll Services with any questions regarding their Form W-2 elections. Phone calls and faxes should be directed to 405.744.6372 and 405.744.4149 respectively. Written requests should be addressed to OSU Payroll Services, 409 Whitehurst, Stillwater, OK 74078 or payroll.services@okstate.edu.

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BURSAR

OSU Enrollment Policy

The Office of the Bursar would like to remind you that University policy requires a student's bursar account be cleared before enrolling in upcoming semesters. Any outstanding balance could delay class registration for the spring semester. Encourage students to check their bursar accounts to ensure that choices for spring semester classes may be processed when enrollment time opens up for them. **Enrollment holds were placed October 10th and email notifications were sent.**

√ **Check enrollment holds; spring registration begins October 15th.**

Collecting Past Due Accounts

Letters have been mailed to faculty/staff and past student accounts that have a past due bursar account balance. OSU faculty/staff may enroll in the payroll deduction program to pay their bursar accounts. If a payroll deduction is elected, it will be applied directly to the bursar account and will appear on the payroll advice.

Accounts must be brought current or a payment plan arranged to avoid the account being referred to an external collection agency. Any charges (up to 33% of the original debt), and in some cases, court costs and attorney's fees incurred by the University in efforts to collect on delinquent accounts will be assessed. Those costs associated with collection may then become the responsibility of the account holder. Delinquent account information will be disclosed to credit reporting agencies, which could endanger a credit rating on a local and/or national level.

Credit Card Convenience Fees

Many public universities find it cost prohibitive to accept credit cards for bursar account payments. Oklahoma State University is no different since budget challenges continue to significantly impact operations. In continuing efforts to control costs, OSU must change the way credit card payments are accepted for bursar accounts. Currently, the University incurs a fee for each credit card payment received. This equates to over \$1.5 million per year in fees, and costs continue to rise.

Beginning January 1, 2009:

- A 2.5% convenience fee will be added to all credit card bursar account payments (MasterCard, Discover, or American Express).
- **Visa cards will no longer be accepted for bursar account payments**, as they are unwilling to participate at this time.
- Credit card payments can only be made via the web at <http://prodosu.okstate.edu/> (no longer in person at the teller stations).

Bursar payment options with no additional cost to the payor:

- **Online by Web Check/ACH.** You can pay via Web Check/ACH free of charge via SIS.
- **Mail checks, cashier checks or money orders:**
OSU Office of the Bursar
PO Box 1583
Stillwater, Oklahoma 74076-1583
- **In person by check, money order, or cash** at the Office of the Bursar, 113 Student Union. Hours 8:00 a.m. – 5:00 p.m. Monday –Friday. After-hour payments can also be placed in the secure depository slot adjacent to the Bursar Office Windows.

OSU works diligently to keep costs down while maintaining high quality academic programs and services. Changing the way credit card payments are accepted allows us to significantly reduce our costs. Understanding and cooperation during this transition is greatly appreciated as we strive to provide a number of payment options to meet your individual needs. This cost savings will be funneled directly back to our students to help negate future tuition and fee increases.

UNIVERSITY ACCOUNTING

Payments for Services (including expenses) to Non-employees

In the event that a U.S. citizen 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 notarized claim form is used in lieu of an invoice.) The entire amount of the contract is subject to 1099 reporting to the Internal Revenue Service. If the individual performs a service for the University for no fee, but is to be reimbursed for expenses only, the appropriate method of reimbursement is a State of Oklahoma Travel Voucher.

The method of payment for international visitors may be 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 (ISS) handles the withholding and reporting for international visitors and should be contacted in advance of the scheduled service. In most cases, ISS will need to see the visitor to get signatures on IRS forms and to make copies of the visitor's travel documents.

ENVIRONMENTAL HEALTH & SAFETY

Before you use a door stop...Stop!

Do you know that doors are an important part of a building's fire protection system? A fire needs air to keep burning, and the more air that's available, the bigger a fire can become. Open doors in hallways and stairwells throughout a building provide the perfect path for more air (causing bigger fires).



Many of the doors in OSU's buildings are linked to the fire alarm system and will close automatically when the alarm goes off. But if they are held open by a doorstop, they will stay open and possibly turn a small smoldering fire into a bigger, more dangerous one. Even more importantly, failure of doors to close could permit fire and smoke to spread to exit hallways and corridors rendering them unusable. As a result, occupants may well become trapped and perish needlessly.

If the closer on your office door will not hold your door open, instead of using a doorstop, report it to the Physical Plant Action Desk (744-7154) for repair. Some doors are not meant to be held open unless special automatic releasing devices are in place. EHS Inspectors will remove doorstops they find during their regular building inspections if that is the case.

Some things to keep in mind when the fire alarm sounds:

- Evacuate the building—it's campus policy, state law, and the right thing to do.
- As you leave, (if it hasn't closed already) close your office door behind you—don't rely on someone else to do it for you.
- Use the stairs—not the elevator.
- If you can't use the stairs, stay on the landing and tell someone to let the fire department know you're there (or call 911 on your cell phone).
- Don't go back in the building until EHS or the fire department says it's OK (even if the alarm has been turned off).

Change your bookmarks! The EHS website has moved! The new address is <http://ehs.okstate.edu>. If you'd like to see a list of all EHS articles that have appeared in Fiscally Fit, you'll find them at <http://ehs.okstate.edu/news/safetymatters>.

Office of the Bursar

Oklahoma State University
113 Student Union
Stillwater, OK 74078

Phone: 405.744.5993
Fax: 405.744.8098

Website: <http://bursar.okstate.edu/>
Email: bursar@okstate.edu

Environmental Health & Safety

Oklahoma State University
120 Physical Plant Services Bldg.
Stillwater, OK 74078

Phone: 405.744.7241
Fax: 405.744.7148

Website: <http://ehs.okstate.edu/>

Financial Information Management

Oklahoma State University
334 & 335 Student Union
Stillwater, OK 74078

Phone: 405.744.7457
Fax: 405.744.7872

Website: <http://www.vpaf.okstate.edu/fim/>
Email: fim@okstate.edu

Fraud Deterrence & Compliance Program

Oklahoma State University
207 Whitehurst
Stillwater, OK 74078

Phone: 405.744.2296
Fax: 405.744.6404

Email: brenna.dixon@okstate.edu

Grants & Contracts

Oklahoma State University
401 Whitehurst
Stillwater, OK 74078

Phone: 405.744.8239
Fax: 405.744.7487

Website: <http://vpaf.okstate.edu/gcfa/>

Payroll Services

Oklahoma State University
409 Whitehurst
Stillwater, OK 74078

Phone: 405.744.6372
Fax: 405.744.4149

Website: <http://vpaf.okstate.edu/payrollservices/index.htm>
Email: payroll.services@okstate.edu

Purchasing

Oklahoma State University
1224 North Boomer Road
Stillwater, OK 74078

Phone: 405.744.5984
Fax: 405.744.5187

Website: www.purchasing.okstate.edu
Email: purchase@okstate.edu

Risk & Property Management

Oklahoma State University
C070A Bennett Hall
Stillwater, OK 74078

Phone: 405.744.7337
Fax: 405.744.7888

Website: <http://vpaf.okstate.edu/rpm/index.htm>

University Accounting

Oklahoma State University
304 Whitehurst
Stillwater, OK 74078

Phone: 405.744.5865
Fax: 405.744.1832

Website: <http://www.vpaf.okstate.edu/ua/>