FISCALLY FIT

News from the Controller

TRANSPORTATION SERVICES

15 Passenger Bus Leasing

OSU Transportation Services has 15 passenger buses available for daily or monthly lease. All buses are equipped with DVD players and flat screen TVs. An ADA compliant bus is also available equipped with options for two wheelchair positions and 10 seat positions or the standard 15 passenger seating. Daily leasing is also available for an ADA compliant 6 passenger minivan equipped with two wheelchair positions. Drivers are available for these vehicles upon request at an additional hourly rate. The bus rental program is available for University business use only and is paid through departmental recharge.

For more information on vehicle leasing and other services visit our website at http://home.okstate.edu/homepages.nsf/toc/ts or Transportation Services @ 744-7945.

BURSAR

OSU Enrollment Policy

Enrollment at Oklahoma State University incurs a financial obligation and responsibility of the student to pay all amounts owed in a timely manner. In order to remain in favorable financial standing with the University, and thereby continue to participate in its educational programs, services, and benefits, a student must meet all financial obligations incurred at the University on or before the due date. Any outstanding balance could delay your registration for the spring semester. Spring enrollment holds were placed September 18th.

√ Check your enrollment holds, spring registration begins October 17th

Bursar Optional Charge Monitoring Policy

Optional charges are monitored closely to reduce the bad debt risk to the University, to reduce student/employee exposure to unmanageable bursar balances, and to help students maintain continuous enrollment at OSU by keeping bursar bills low enough to be paid off each semester per University policy.

An automatic hold is placed on a bursar account with a past due balance of $500 or greater; email notifications are sent with the automatic hold. In order to reinstate charging privileges on campus, the account must be brought current. A message for individuals that should no longer be allowed to charge can be viewed on screen 448 with reason code 0H "Charging Privileges Revoked – Current Term".

A visit with our financial counselor located in 113 Student Union may re-instate charging privileges if there are extenuating circumstances, or documentation of scholarships or financial assistance for the current semester that has not yet applied to the bursar account.

PURCHASING

Authorized Credit Cards

The OSU MasterCard credit card and the Wright Express Fuel Card are the only two credit cards authorized for use by Oklahoma State University. You may not apply for or use any store credit cards (such as Food Pyramid, Wal-Mart, Hobby Lobby, etc.) or any credit cards or offers received in the mail. OSU does not authorize the use of these credit cards and will not pay the bill.

P/card

Unallowable Purchases:

- The p/card may not be used at the post office to purchase stamps or to mail letters or packages.
- All insurance purchases must be processed on a requisition-not on the p/card.
- Airfare or lodging purchases **may not** be made with the p/card until an application form requesting airfare or lodging authorization has been processed through Purchasing, and Purchasing has notified the cardholder that they have been authorized to make those purchases.
- Remember the p/card is in an individual's name and should only be used by that individual.

Important Dates

Board Dates:
> Requisitions requiring Board of Regents approval (greater than $150,000) are due in Purchasing: October 3, 2007, for the October 26, 2007, Board Meeting.

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

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.

Please email comments and suggestions to FIM@okstate.edu

PAYROLL

Be Prepared for Fall Break

Fall Break is scheduled for Monday and Tuesday, October 8 and 9, 2007. **Tuesday, October 9** is the deadline for the Biweekly Time Input and On-line ENPs for 4R06, which covers September 22 - October 5.

Departments should plan ahead to ensure that they will have adequate staffing to cover payroll processing tasks during this time.

What Payroll Records Not to Keep

Just a reminder: Departments should not keep copies of anything with the employee's social security number or bank information for their files. This includes, but is not limited to, the social security card (or numident), the W-4 form, the I-9 form, and the direct deposit form. The only part of the new hire package that should be retained in the departments is a copy of the EA form.

ENVIRONMENTAL HEALTH & SAFETY

Homeland Security is initiating a nationwide effort to encourage us to take simple steps to prepare for emergencies in our homes, schools and businesses. The goal is to increase public awareness about the importance of being prepared as well as to encourage individuals to take action.

At home, you need a family emergency plan that contains such things as everyone's contact numbers and an out-of-town contact, evacuation plans in case of fire (or shelter plans in case of a tornado), and a designated place for everyone to meet outside of the home. You also need a first aid kit with any necessary medications, along with a flashlight, portable radio, extra batteries, food and water. Families can add extra items according to their needs.

At work, you need a department emergency plan that contains such things as everyone's contact numbers and a couple of main department contacts, evacuation plans in case of fire (or shelter plans in case of a tornado), and a designated place for everyone to meet outside of the building. You can also keep a first aid kit, a flashlight, portable radio, and extra batteries. Departments can make more detailed plans that meet their special needs.

Preparedness at OSU includes such things as Contingency Plans, Chemical Inventory Lists (CILs), and Emergency Notification signs. To help all OSU departments plan for disasters, EHS provides a Contingency Plan Checklist that can be used to collect needed information.

CILs must be updated annually, with a copy sent to Environmental Health & Safety every July. This is an important document that can aid emergency response personnel in the event of a fire or other disaster. No one will rush into a burning lab without knowing what it contains. Injured occupants will receive faster care, important research may be spared, and damage kept to a minimum in the time saved by having an up-to-date CIL on file with EHS.

Blank forms for Emergency Notification signs, Chemical Inventory Lists, and Contingency Plan Checklists can be found on the EHS website at www.pp.okstate.edu.

October 7-13 is Fire Prevention Week. This year's theme is "Practice Your Escape Plan." That is a good way to get started on your family emergency plan.

UNIVERSITY ACCOUNTING

International Tours – Email Airline Ticket Itinerary Clarification

International Tours is making clarification modifications to the itinerary emails it sends to OSU departments/employees purchasing commercial airline tickets. Most departments/employees receive a **preliminary itinerary** from International Tours for the traveler to use in completing and processing the required out-of-state travel requisition. Effective immediately, the subject line of this email from International Tours will have the traveler's name followed by "travel itinerary", ex: "Johnson travel itinerary". The preliminary itinerary document will have the heading "FOR APPROVAL ONLY – THIS IS NOT A TICKET" followed by a reminder that the "Requisition must be received within 24 hours to purchase the ticket". This language clearly indicates additional action is needed in order to finalize the purchase the airline ticket.

Once International Tours receives the traveler's approved out-of-state travel requisition within the specified 24-hour period, payment is processed and International Tours sends another email with "Johnson e-ticket confirmation" in the subject line. The confirmed itinerary will have the heading "ELECTRONIC TICKET RECEIPT" and the itinerary should show a "zero balance" at its bottom, clearly indicating payment has been made and the ticket is confirmed. This document will be the traveler's **confirmed itinerary/e-ticket**.

Airline Tickets 101

All airline tickets are not created equal! Below is a brief description of the two most common types of airline tickets. **Be sure you know what you are purchasing when you purchase tickets and what you are comparing when obtaining quotes for airline tickets!**

Refundable Ticket: A refundable ticket generally is more expensive initially, but the traveler is ensured of receiving a refund, or credit, if a travel change occurs on the outbound or return trip, or if the traveler is unable to travel at the specified time. "State rate" airline tickets available through state contracted travel agencies are refundable tickets. With a refundable ticket, a credit is issued for the original purchase price of the ticket and the credit can be used on a future ticket purchase. The future ticket will have applicable travel agency fees, but there are no penalties,

Non-Refundable Ticket: A non-refundable ticket is generally less expensive than refundable tickets, but has more restrictions. A non-refundable ticket is a ticket which cannot be returned for cash or credit if unused, but may be changeable for a fee within a specified period of time. The ticket eventually becomes worthless after the specified time period. The vast majority of internet airline tickets are the non-refundable variety.

When obtaining comparison airfare rates from International Tours or another state contracted travel agency, please be sure you compare "apples to apples". Requesting a "State rate" fare from International Tours, which is a refundable ticket, and comparing to a non-refundable ticket fare found on the internet results in an inaccurate comparison.

In this year's Department of Central Services bid for travel agent services, the following is found at §4.1.3: *"The contractor shall make the state agency travel coordinator and/or traveler, aware of the lowest available fare at the initial inquiry and the travel conditions of that fare. Should those conditions not* *meet the travel requirements, the contractor shall also advise the travel coordinator and/or traveler of the lowest available fare which does meet the travel requirements as well as advising of optional travel requirements which would lower the fare".*

This means International Tours and other state contracted travel agencies have the flexibility to work with state agencies in providing the lowest available fare, which may or may not be the "State rate", and which may be either a refundable or a non-refundable ticket. **International Tours has begun to quote the lowest rate available.** The purchaser of the ticket needs to be aware of the difference in ticket types to ensure the desired type of ticket is purchased. The purchaser of the ticket is responsible for obtaining accurate comparative quotes.

If a traveler has the propensity to changing itineraries after tickets are purchased, it may be best for that traveler to purchase refundable tickets in order to avoid as many fees as possible and to ensure that any appropriate amounts are credited upon itinerary changes or trip cancellation. It is the department's responsibility to appropriately use any accumulated credits or unused airline tickets.

FRAUD DETERRENCE & COMPLIANCE PROGRAM

Occupational Fraud in Education

The 2006 Report to the Nation on Occupational Fraud and Abuse identified the victim organizations by industry. The cases were analyzed to determine the most common forms of fraud within each industry. Of the 1,143 cases included in the report, Educational organizations were the victim of 73 (or 6.4%) of the occupational frauds cases.

Some form of corruption (i.e. conflicts of interest, bribery, illegal gratuities, and extortion) was involved in 24 (or 32.9%) of the 73 cases in the Education industry, while financial statement fraud (i.e. concealed liabilities, fictitious revenues, improper asset valuations, improper disclosures, and timing differences) was involved in 3 (or 4.1%) of the 73 cases. The asset misappropriation schemes identified for Educational organizations included the following:

Scheme	Description	# of Cases	%
Billing	Any scheme in which a person causes his or her employer to issue a payment by submitting invoices for fictitious goods or services, inflated invoices, or invoices for personal purchases	26	35.6%
Non-Cash	Any scheme involving the theft or misappropriation of physical, non-cash assets such as inventory, equipment, or supplies; any scheme in which an employee steals or otherwise misappropriates proprietary confidential information or trade secrets; any scheme involving the theft or misappropriation of stocks, bonds, or other securities	16	21.9%

Expense Reimbursements	Any scheme in which an employee makes a claim for reimbursement of fictitious or inflated business expenses	15	20.5%
Skimming	Any scheme in which cash is stolen from an organization **before** it is recorded on the organization's books and records	15	20.5%
Payroll	Any scheme in which an employee causes his or her employer to issue a payment by making false claims for compensation	13	17.8%
Cash Larceny	Any scheme in which cash is stolen from an organization **after** it has been recorded on the organization's books and records	11	15.1%
Check Tampering	Any scheme in which a person steals his or her employers' funds by forging or altering a check on one of the organization's bank accounts, or steals a check the organization has legitimately issued to another payee	9	12.3%
Wire Transfers	Any scheme in which a person steals his or her employer's funds by fraudulently wire transferring them out of the employer's bank accounts	1	1.4%
Register Disbursements	Any scheme in which an employee makes false entries on a cash register to conceal the fraudulent removal of cash	1	1.4%

(Note – It was not uncommon for cases in the study to involve more than one category of fraud.)

In the Education industry, 73.5% of the cases were referred for prosecution.

Source: *2006 ACFE Report to the Nation on Occupational Fraud & Abuse*

A proactive fraud prevention program requires that actions be taken to minimize the likelihood of fraud occurring and to maximize the possibility of detection of any fraudulent activity. Internal controls are one of the most important aspects of a fraud prevention program. Departments need to be aware of the areas of fraud to which they are susceptible and procedures need to be reviewed periodically to make certain adequate controls and reviews are in place to deter occupational fraud.

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.

GRANTS & CONTRACTS

Items that Catch the Federal Auditor's Attention

Thompson Publishing interviewed various federal agency officials in an effort to "find" the ten most common red flags in grant management.

1. Inadequate documentation of cost transfers between federal grants. Federal rules state that cost of one federal grant should not be shifted from one federal award to another in an effort to overcome shortfalls in recovery. In the rare cases where a cost transfer from one agency to another is required, it should be fully documented and efforts should be made to minimize the chances of a second occurrence.
2. Failing to receive official prior approval from the granting agency before incurring costs not covered in the grant or contract award.
3. Failure to justify a sole-source purchase. The grant recipient must document and justify non-competitive expenditures.
4. Late reporting. Repeated occurrences of late reporting to the granting agency may cause the agency to believe problems in the management of the grant exist.
5. Overvaluing third-party in-kind contributions. Since in-kind contributions are frequently a source used to meet federal matching requirements, overvaluation makes the match easier. However, overvaluation places an unfair burden on the federal sponsor.
6. Incomplete documentation. "Federal auditors require documentation that is contemporaneous, complete, confirmable, and is generated in a controlled environment."
7. Failure to communicate significant developments in a timely manner. Bad news does not get better with age. If the institution has an issue that affects their ability to perform work, the federal agency should be promptly notified.
8. Incomplete property records.
9. Untimely or no periodic inventory. Asset inventories should be made every two years as well as reconcile inventory records and file claims for missing assets as necessary.
10. Failure to apply applicable credits to allowable cost principals.

Ref: Robert Lloyd. Federal Grants Management September 2007. Thompson Publ.

Training Session

"Documenting Grant Transactions-Building and Retaining Adequate Documentary Support for your Charges (1.5 CPE credits)
Thursday October 4, 2007
1:00 – 3:00
103 ATRC – OSU Stillwater Campus
Sponsored by GCFA – Free to attendees
Registration pgreer@okepscor.org

Proposed Department of Defense Cuts in F&A Recovery

The U.S. House of Representatives approved (H.R. 3222) for FY 2008. One of the provisions (section 8105) states:

> *"Notwithstanding any other provision of law, none of the funds made available in this Act may be used to pay negotiated indirect costs rates on a contract, grant, or cooperative agreement (or similar arrangement) entered into by the Department of Defense and an entity in excess of 20 percent of the total direct cost of the contract, grant, or agreement (or similar arrangement) if the purpose of such contract, grant, or agreement (or similar arrangement) is to carry out a program or programs of mutual interest between the two parties: Provided, That this limitation shall apply only to funds made available in this Act for basic research."*

Reducing the F&A recovery from OSU's current provisional research rate of 47.7% to 20% will be significant as the Department of Defense is one of the top sponsors of extramural programs at Oklahoma State University. Many higher education advocacy groups are calling the House to task on this matter, and OSU will support challenges to the proposed legislation as the proposed reduction of the overhead recovery will be debated this fall. However, colleges heavily invested in Defense grants and contracts focusing on basic research may consider the issues posed by cuts in overhead recovery. Based on internal calculations of past year's DOD, basic research awards, this reduction in the F&A rate would cost OSU approximately $600,000 annually in unrecovered indirect costs.

References: Council on Governmental Relations
NACUBO
Chronicle of Higher Education
Reprint: GCFA Connection September 2007