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News from the Controller

January 2009

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UNIVERSITY ACCOUNTING

9 Digit Zip Codes Required for New Vendors

The Office of State Finance (OSF) requires the nine digit zip code in order to add a vendor to the OSF vendor database. Failure to provide the nine digit zip code will cause the vendors not to load into the OSF database and will cause delays in the processing of payments. Departments must provide the nine digit zip codes for all new 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 lookup:
<http://zip4.usps.com/zip4/welcome.jsp>.

University Mailing Service zip+4 look up for campus addresses: <http://www.osuums.com/departments/zip4.htm>.

Mileage Rate Calculations on Travel Vouchers

In the recent claims audit by the Office of State Finance (OSF), there were several audit findings pertaining to the incorrect map and vicinity mileage shown on the travel claims. It is important that the map and vicinity mileage be correctly separated on the travel voucher. Also, OSF requested that travelers use the Oklahoma Department of Transportation Statewide Mileage Chart which can be found at the following link:
<http://www.okladot.state.ok.us/hqdiv/p-r-div/howfar/okmile.htm>.

Vendor Lookup – Online Requisitions

When creating an online requisition for payment to an existing vendor, it is important to use the vendor lookup table contained in the online requisition system in order to populate the correct address information. Do not manually type the vendor information unless you are using a new vendor.

BURSAR

Red Flag Rules

The Federal Trade Commission (FTC) issued a regulation known as the Red Flag Rule (Sections 114 and 315 of the Fair and Accurate Credit Transactions Act), that is intended to reduce the risk of identity theft. This policy is intended to detect, prevent, and mitigate opportunities for identity theft and must be implemented no later than May 1, 2009. The Red Flag Rule applies to OSU due to our participation in the Perkins Loan program, our small institutional loan programs, our payment plans for bursar accounts, and that we request credit reports for some potential employees. A University committee has been convened to implement a policy to comply with this regulation. The committee is tasked to analyze the type and scope of activity covered in the regulation, and our risk assessment of potential identity theft opportunities on campus. To learn more about this regulation visit:
<http://www.ftc.gov/opa/2007/10/redflag.shtm>

Bursar News

- Collection efforts will begin for non-student bursar accounts after drop/add, which is the latter part of January.
- 1098-T and 1098-E statements will be mailed by January 31, 2009.
- First bursar billing statement for the Spring semester will be generated the evening of January 30th.

Historical Transaction Record Purge

The Financial Information Management (FIM) office purged B/R Transactions from the SIS system the weekend of January 17th. All transactions paid and applied, billed, and fed to accounting through December 31, 2008, were purged from SIS. Purging a large number of records now, eliminates issues with running reports and displaying data on the screens. The purged records cannot be accessed via SIS but are available to view/download to Excel via the Administrative Information Report System (AIRS) at: <http://airs.okstate.edu>. Access to purged records within AIRS can be requested by emailing fim@okstate.edu and will be granted based on current SIS B/R access levels.

Payment Option Plan

In efforts to assist our students in meeting financial obligations, Oklahoma State University offers an in-house administered payment option plan (POP) as an alternative to the traditional lump-sum payment method. This plan provides an opportunity for families and students to pay University-billed expenses in regular monthly payments either by the semester or annually. No finance charges are associated with the payment option plan or enrollment holds if payments are made as promised.

Visit our website link for the POP application:
<http://bursar.okstate.edu/forms/osupop.pdf>

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

GRANTS & CONTRACTS

Statement on Auditing Standard No. 115 Communicating Internal Control Related Matters Identified in an Audit

For financial statement audits ending December 15, 2009, and after, the Auditing Standards Board issued SAS 115, *Communicating Internal Control Related Matters Identified in an Audit*. SAS 115 trumps SAS 112 and brings uniformity in definitions and guidance with AICPA's Audit and Attest Standards (SSAE) 15.

According to AICPA, SAS 115:

1. Contains the following revised definitions of the terms *material weakness* and *significant deficiency*:

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

2. Revises the list of deficiencies in internal control that are indicators of material weaknesses to consist of
 - identification of fraud, whether or not material, on the part of senior management;
 - restatement of previously issued financial statements to reflect the correction of a material misstatement due to error or fraud;
 - identification by the auditor of a material misstatement of the financial statements under audit in circumstances that indicate that the misstatement would not have been detected by the entity's internal control; and
 - ineffective oversight of the entity's financial reporting and internal control by those charged with governance.
3. No longer includes a list of deficiencies that ordinarily would be considered at least significant deficiencies.
4. Contains a revised illustrative written communication to management and those charged with governance of material weaknesses and significant deficiencies.

Ref: AICPA (October 2008)

Single Audit Information Service (December 2008)

PURCHASING

Disaster Recovery Contract

A disaster recovery contract for buildings and grounds is available for the OSU System and the A&M Institutions. Check the Purchasing website at <http://www.purchasing.okstate.edu/Oshop.htm> for details.

Available Contracts

This is a snapshot of contracts posted on the Purchasing website. These contracts satisfy bidding requirements. Remember, purchases over \$5,000 must be processed on a requisition.

- Bus Charters
- Collection Services
- Computers
 - Dell
 - HP (Compaq)
- Copiers
- Disaster Recovery
- Drug Testing, (Athletics)
- Electrical Contractors, Small Jobs
- Furniture
- Gases, Cylinder
- Lab Supplies and Equipment
- Maintenance Supplies
 - Grainger
- Moving Relocation
- Network Cable Installation & Repair
- Office Supplies
 - Office Max Solutions
- Pagers
- Printing Services
- Shredding, Document
- Telecommunications
 - OneNet
- Travel-Student Groups
- Video Tapes
- Other
 - E&I Cooperative
 - Statewide Contracts
 - Oklahoma Correctional Industries (OCI)

Important Purchasing Dates

Board Dates:

- Requisitions requiring Board of Regents approval (greater than \$150,000) are due in Purchasing: February 11, 2009, for the March 6, 2009, Board Meeting.

Peard Training:

- January 21, 2009, 1:30 PM, 416 Student Union
- February 26, 2009, 8:30 AM, 416 Student Union

Purchasing Seminars:

- Purchasing Policies and Procedures, February 4, 2009, 2:00 PM, 416 Student Union
- Ethics in Purchasing, 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 at 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

Impact of Collusion

There are three sides to the fraud triangle – pressure, rationalization, and opportunity. While fraud may be committed because of the pressure and rationalization aspects, it is the control opportunity that provides an individual with the ability to commit the fraud. When designing internal controls, consideration of separation of duties is important to prevent one person from having too much control over a specific business function / transaction. Properly designed controls provide a built-in monitoring system of verification in some manner of one individual's actions by another individual.

Collusion among several employees (or between employees and outside vendors) can allow circumvention of control procedures and can be used to overcome well-designed internal controls. What is the impact when collusion is involved in a fraud scheme? Because the control that would have otherwise detected or limited the impact of a fraud has been circumvented, studies have shown that collusion resulted in a median loss over four times higher than the amount lost in schemes committed by a single perpetrator.

The control environment (one of the five components of internal controls) sets the tone of an organization, influences the control consciousness of an organization, and provides a foundation for the other control components. To counteract frauds involving collusion, the control environment must:

- incorporate and promote a solid segregation of duties;
- address and limit conflicts of interest;
- utilize a strong ethical culture; and
- monitor and review constantly.

Sources: *2008 ACFE Report to the Nation on Occupational Fraud & Abuse*
2008 Fraud Examiners Manual
Corporate Fraud Handbook, Joseph T. Wells
Fraud Risk Assessment, Leonard W. Vona
Fraud Auditing and Forensic Accounting, T. Singleton, A. Singleton, J. Bologna, R. Lindquist

Reporting Fraudulent Activity

Fraudulent financial activity or suspicion of fraudulent financial activity may be reported directly to the Office of the Associate Vice President & Controller or confidentially through EthicsPoint. The EthicsPoint link can be found on the homepage of various departments, including the Vice President for Administration & Finance, Associate Vice President & Controller, Bursar's Office, Financial Information Management, Human Resources, Payroll Services, Purchasing, Risk Management, and University Accounting. A report can be filed through the EthicsPoint website or by calling toll-free 866-294-8692.

ENVIRONMENTAL HEALTH & SAFETY

Storage Problems?

Stuff has to go someplace, but what do you do when you run out of places to put it?

Storage is not permitted in any hallway, corridor, or mechanical space of any building on the OSU campus without the approval of the University Fire Marshal.



If you need to temporarily place furniture, equipment, files, etc. in a mechanical room or hallway, contact Environmental Health & Safety at 744-7241. Approval may be granted after the area has been inspected. Then a permit will be posted stating when the items must be removed.

If EHS personnel discover items improperly stored during a routine inspection, or in the course of their regular duties, the items will be tagged. After 10 working days the items will be moved to Surplus or Storage unless the owner of the items contacts EHS for a permit. If the stored items are blocking an exit or creating an immediate hazard, they will be removed without delay.

We are willing to help anyone with a storage problem find a safe and workable solution. Please don't hesitate to call us if you have any questions. In addition, OSU Rental Property has recently completed the construction of a 20,000 square foot long-term on-campus storage facility. If interested, you may call Mr. Chuck Fleischer at 744-3855.

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/>