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News from the Controller

July 2009

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GRANTS & CONTRACTS

American Recovery and Reinvestment Act Funding

Since the ARRA's inception in February of this year nearly \$175 billion has been made available to Federal agencies to, in turn, release the funding to various organizations nationally. Of the \$175 billion available, \$60 billion has been released nationwide.

The Federal Agency with the largest funding available is the Department of Education with available funds totaling \$49.9 billion. In comparison, the Department of Defense has \$1.3 billion available in ARRA funds, and the National Science Foundation has \$671 million in available ARRA funding.

Locally, Oklahoma State University has requested \$50 million either directly or indirectly from these agencies. To date, OSU has been awarded \$4.3 million. Most of the OSU funding requests have been directed toward the National Institutes of Health, but the largest funding received has been from the Department of Transportation.

BURSAR

Fall Enrollment Cancellation

Students with outstanding account balances could have Fall semester classes cancelled. Letters and emails were sent as an opportunity for students to take necessary actions to alleviate the situation. If students have been awarded financial aid, please encourage them to accept the aid and turn in all necessary documents to the financial aid office.

Encourage students to visit <http://prodosu.okstate.edu> to check account balances and make online payments. Payments can also be made in person at 113 Student Union (OSU Stillwater Campus) or the 1st floor of Administration Hall (OSU-Tulsa campus).

Payments must be posted to bursar accounts by **July 31, 2009**.

Refer any questions to bursar@okstate.edu or call 405-744-5993. We have a financial counselor available to discuss possible solutions at 113 Student Union, Monday through Friday, between 8:30 and 4:30 or by appointment.

Tuition/Fee Estimator

OSU is pleased to announce that there will be no increase in tuition and mandatory fees for the 2009-2010 school year. If a quick calculation is needed to determine the cost of OSU classes, visit www.bursar.okstate.edu and click 'Tuition / Fees Estimator' located on the left hand side of the screen.

UNIVERSITY ACCOUNTING

Airfare Quotes

When obtaining an airfare quote from International Tours or other state-contracted travel agencies, be sure you obtain the quote at a time reasonably close to the purchase of the ticket so that the cost of the ticket will be comparable to the quote.

PURCHASING

Purchases using Oklahoma State University Foundation (OSUF) Funds

Purchasing with Foundation Funds: Below are excerpts from the guideline for purchasing with Foundation Funds. Please be aware that this guideline has been implemented by the Foundation.

This guideline is to address purchases that can and should be made through an Oklahoma State University (OSU) departmental account, followed by a request for reimbursement from OSUF.

Funding Source: OSUF is a funding source and not a procurement source. All capital purchases, buildings, and renovations must go through the OSU purchasing process. All other purchases should be carefully analyzed, and the most cost effective method of payment should be used in accordance with all applicable OSU and OSUF Policies and Procedures.

Sales Tax Exemption: OSUF is not a Sales Tax Exempt entity. Direct purchases through the Foundation increase the cost of the item purchased due to sales tax requirements.

Capitalization Thresholds: Purchases made directly through OSUF for capital items are not currently being captured in OSU's financial records for capitalization purposes. Departmental purchases meeting the capitalization thresholds listed below should be purchased through OSU departmental or plant fund accounts.

- Land: No threshold on value. All land purchases will be capitalized.
- Building (Purchase): No threshold on value. All purchased buildings will be capitalized.
- Building (Constructed): \$10,000 or greater.
- Major Renovation: Capitalized when (a) the renovation or addition cost is material to the assets, generally 5% of the total cost of the existing asset, AND (b) the renovation extends the useful life of a building or modifies or upgrades a building.
- Infrastructure: \$10,000 or greater.
- Land Improvements (Nonstructural Improvements): \$10,000 or greater.
- Fixed Equipment: Generally all capitalized during construction of a building (such as an HVAC system). Replacements when needed are typically expensed.
- Moveable Equipment: Generally \$5,000, but some high profile items such as laptop computers, flat screen televisions, digital cameras, and fax machines are also tracked as moveable equipment inventory.

Physical Plant Requirements: All alterations, renovations and additions to existing University facilities must be coordinated through the OSU Physical Plant in accordance with Oklahoma State University Policy and Procedures 1-0109, Alterations to Buildings.

Bid Requirements: Purchases to be reimbursed by OSUF have the same bid requirements as OSU purchases. Bid requirements are as follows:

Requisition/Purchase Orders:

- Purchases of over \$5,000 must be processed on a requisition through the Purchasing Department.
- \$5,000.01 to \$35,000: Board policy and OSU policy require the Board's Purchasing Office to obtain quotations.
- Over \$35,000: Board policy requires formal sealed competitive bids.

Board Approval: Regardless of funds used, advance approval by the Board of Regents is required for purchases that exceed \$150,000. Purchases that are exempt from Board approval are: food or items for resale; bulk gasoline, oil and fuel; utilities; non-construction sponsored agreement contracts and expenditures; and refunds.

Note: Specific procedures apply to:

Carpeting	Repairs to Buildings
Credit Cards	Repair of Equipment
Emergency Orders	Sole Source Purchases
Insurance	Software License Agreements
Maintenance Agreements	State Contract Purchases
OSU Contract Orders	State Surplus Property
Printing & Duplicating	Used Equipment
Professional Services	Vehicle Supplies/Repairs
Rental/Lease of Equipment	Other

Donor Directed Purchases: For additional information regarding donor directed purchases, see OSU Policy and Procedure 3-0252, Distinguishing Between Gifts, Grants, and Contracts.

Exceptions: Exceptions to this guideline must have **pre-approval** from the Associate Vice President and Controller. Avoidance of OSU Policies and Procedures is not a legitimate reason for an exception.

Important Purchasing Dates

Board Dates:

- Requisitions requiring Board of Regents approval (greater than \$150,000) were due in Purchasing: July 1, 2009, for the July 24, 2009, Board Meeting.
- Requisitions requiring Board of Regents approval (greater than \$150,000) are due in Purchasing: August 19, 2009, for the September 11, 2009, Board Meeting.

Pcard Training:

- July 22, 2009, 8:30 AM, 412 Student Union.

Purchasing Seminars:

- Ethics in Purchasing, October 27, 2009, 2:00 PM, 412 Student Union
- Purchasing Policies and Procedures, August 4, 2009, 9:00 AM, 412 Student Union
- Purchasing and Purchasing Card Refresher, October 13, 2009, 9:00 AM, 412 Student Union

You may register for any of these sessions by calling Human Resources at 405-744-5374, 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.

FINANCIAL INFORMATION MANAGEMENT

AIRS Tip #470

Use the Configure **MyAIRS** link located on the main menu page to customize your menu page. Users can select the menu style, add or remove applications on the menu, and add charts to their main menu page.

FRAUD DETERRENCE & COMPLIANCE PROGRAM

Fraud in Today’s Economy Continued

Three elements are necessary for fraud to be committed – pressure, opportunity, and the ability to rationalize the illegal behavior. During periods of economic hardship, the presence of each of these elements is elevated. Financial pressure is experienced by both individuals and organizations. Organizations that are forced to cut expenditures may run the risk of reducing important internal controls and fraud prevention measures. Hard times lead to people rationalizing what would normally be unacceptable behavior.

According to the responses received and published in ACFE’s report *Occupational Fraud: A Study of the Impact of an Economic Recession*, increased pressure was the most often cited factor contributing to an amplified level of fraud.

Biggest Factor Contributing to Increase in Fraud	Survey Responses
Increased Pressure	49.1%
Increased Opportunity	27.1%
Increased Rationalization	23.7%

As a part of the *Study of the Impact of an Economic Recession*, survey respondents were also asked which categories of fraud have increased over the past 12 months. Responses indicate embezzlement cases are on the rise. In addition, there have been significant increases in frauds committed by unrelated third parties.

Types of Fraud Observed to Have Increased During Past Year	Survey Responses
Employee Embezzlement	48.3%
Frauds by Unrelated Third Parties	36.7%
Frauds by Vendors	19.5%
Financial Statement Fraud	16.8%
Corruption	11.8%

Fraud is pervasive in the current economy. In order to be effective in preventing occupational fraud, supervisors must understand the pressures that arise as a result of the current economic climate. A comprehensive set of anti-fraud controls must be in place, and must be given proper priority.

Source: 2009 ACFE Report *Occupational Fraud: A Study of the Impact of an Economic Recession*

Reporting Fraudulent Activity

Fraudulent financial activity or suspicion of fraudulent financial activity is to be reported directly to the Office of the Associate Vice President & Controller or confidentially through EthicsPoint. A report can be filed through the EthicsPoint website or by calling toll-free 866-294-8692.

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

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: fraud.deterrence@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
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Website: www.purchasing.okstate.edu
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Risk & Property Management

Oklahoma State University
618 North Monroe
Stillwater, OK 74078

Phone: 405.744.7337
Fax: 405.744.7888

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

University Accounting

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304 Whitehurst
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