Fiscally Fit

News from the Controller

July 2017

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Office of the Associate Vice President and Controller

Oklahoma State University
Each month one person will be randomly selected to spotlight as our WILAM Spotlight Employee. **If you haven’t turned your form in yet, please submit it to Lynette Rhea, lynette.rhea@okstate.edu**. Forms can be found [here](http://controller.okstate.edu/).
How to Avoid Outliving your Retirement Nest Egg

Nearing retirement or already retired? You’re likely wondering how to make sure you don’t outlive your savings.

One rule of thumb says that withdrawing 4% per year from your retirement savings can help minimize the chance you’ll outlive your money. The hope is that the rest of your retirement nest egg will grow in value and/or pay dividends and interest income.

However, there are a few possible flaws in that scenario. First, because interest rates have been low for the last several years, bonds and other fixed-income investments are providing less retirement income than expected. Second, your income needs may fluctuate from year to year if you face unplanned expenses. Third, if you’re investing in stocks or bonds, your savings may decline in value if either of those markets fall. That means a smaller nest egg to draw from.

Finally, inflation will continue to erode the purchasing power of your money over time, forcing you to withdraw larger amounts of money to maintain the same quality of living.

Tapping your Retirement Nest Egg
How do you turn your nest egg into retirement income? Your financial situation in retirement will likely change from year to year and could affect how much money you will need.
How to Avoid Outliving your Retirement Nest Egg -continued

Create an Income Floor
To create a lifetime stream of income, consider taking some of the funds from your nest egg to purchase an immediate fixed annuity, which will pay you a guaranteed stream of income for life. By only taking lifetime income from a portion of your assets, you maintain control of the rest of your money to spend as you want.

How much should you annuitize? Determine how much money you’ll need each year in retirement for fixed expenses like food and shelter. Next, calculate how much yearly income you’ll get from Social Security and any pensions. If Social Security and pension income don’t meet your basic expenses, consider an annuity to bridge the gap.

You don’t have to annuitize all your money at once. You can annuitize chunks of money over time to keep more invested in equities and bonds when early in retirement. This may help reduce interest-rate risk, since annuity payments are based partly on current interest rates.

When to Start getting Social Security
The age at which you first claim Social Security can be a big factor in determining your drawdown strategy. You can elect to start taking benefits as early as age 62, but there may be advantages to waiting until you’d receive full benefits. If you wait until full retirement age (65 to 67), you can receive full benefits. If you wait beyond full retirement age to claim benefits, they increase even more each year until you reach age 70.

Withdrawing your Retirement Savings
For the part of your savings you don’t annuitize, consider making withdrawals based on your income needs for that year, as well as the underlying investment performance of your nest egg. For example, you might postpone a big vacation after a year in which your assets fall in value.
How to Avoid Outliving your Retirement Nest Egg -continued

Planning to leave something behind to heirs or charity? Consider your drawdown strategy. If you’ve created an income floor through an annuity and maxed out Social Security benefits, that helps to minimize what you draw from your nest egg each year, potentially giving you more assets to pass on to heirs.

Determining your retirement income strategy can be complicated. Your TIAA Consultant can help you develop your drawdown strategy for your retirement savings.
Master Equipment Lease Program-Fall 2017 Schedule

The Fall 2017 Master Equipment Lease Program financing will close around October 2017, with funds for approved projects being available at that time. The A&M and OSRHE Boards, and the Council of Bond Oversight must approve any items proposed to be financed by the Master Lease Programs. It is anticipated that the A&M Board will consider any proposed equipment projects at its September 8th meeting.

For OSU or an OSU Branch Campus to submit a project for consideration, please provide the following information:

1) a project description
   a. specific description of the equipment to be purchased,
   b. State Regents’ Campus Master Plan Project Number,
   c. estimated cost,
   d. number or years to finance the equipment,
   e. estimated date funding is needed (mm/dd),
   f. equipment’s estimated useful life in years,
   g. if item is part of an ongoing replacement program, how often this equipment is replaced;

2) project beneficiaries
   a. point of contact (name and phone number),
   b. any third party economic benefit with use of the equipment (i.e. taxable or for-profit entities),
   c. location of equipment use and storage (building and room #);

3) a pro forma showing how your debt service will be paid.

The deadline for receipt of the above information is August 4, 2017 for the Fall Master Equipment Lease. Submissions and any questions should be directed to the Debt Manager, Mitchell Emig (mitchell.emig@okstate.edu).
Master Equipment Lease Program-Fall 2017 Schedule -continued

Per Oklahoma Statutes, equipment (personal property) projects financed through the Master Equipment Lease program shall have a minimum value of Fifty Thousand Dollars ($50,000.00) and a maximum value of Ten Million Dollars ($10,000,000.00). Such leases shall have a term that is no more than the useful life of the personal property acquired, and, in no event, more than twenty (20) years. The amount of transactions financed in a calendar year through the Master Equipment Lease program shall not exceed Fifty Million Dollars ($50,000,000.00) system wide.
Use of Temporary Staff Employees

Temporary staff employees fill gaps in employee coverage or skills, and are never meant to be employed in a continuous capacity. Due to the nature of temporary staff employees, the following guidelines are in place to ensure proper employment.

Temporary staff employees are generally non-exempt, and must clock-in and out for periods worked. Regardless of the classification, all employees are held to the same threshold of hours or time period worked. If the temporary employee works less than 1.00 FTE, he/she is allowed to work no more than 1040 hours in a fiscal period. If the temporary employee works 1.00 FTE, he/she is allowed to work only for a period of six (6) months. It is important to note that this pertains to OSU as a whole, and not individual departments. An employee may work in two different divisions/colleges and all hours worked are combined as OSU is one employer. Be aware that under the Affordable Care Act, temporary employees often qualify for medical insurance coverage. Adherence to these guidelines is important due to the financial impact to the department and the University.

OSU Human Resources will track the hours worked by each temporary staff employee to ensure guidelines are enforced. Administrative Officers will receive a list of employees within their area that are nearing or have met the threshold described in the guidelines with notes providing action steps. The reports will be emailed to each Administrative Officer impacted at the end of the first quarter of the fiscal year (October), before winter break (December), and then monthly until the end of the fiscal year. Each report will reflect hours worked up to the last time sheet submission of the month prior. For example, the first report will include all hours worked from beginning fiscal year through the last September time sheet submission.
Use of Temporary Staff Employees -continued

Ideally, the employee’s assignment will end prior to exceeding the threshold.

If there is a compelling business need for continued employment, a request for extension may be submitted to Christa Louthan (christa.louthan@okstate.edu) with a copy to Rachel Clary (rclary@okstate.edu). Any request must include the employee’s name, Banner ID, current hours worked, proposed period of extension, proposed number of hours to be worked during the extension, and business justification for an extension. A determination should be expected within five (5) business days.
Updated Paper Travel Vouchers

Many travel vouchers are still being processed using the old FRS account format. This format became invalid two years ago. All paper travel vouchers should be completed on the updated forms.

Beginning August 01, 2017, University Accounting will begin rejecting paper travel vouchers that do not use the correct Banner account format on the updated forms.

If it is rejected for this reason, a new form must be completed with all new signatures.

Please note that the correct website for travel forms is http://travel.okstate.edu/. The old travel forms on the University Accounting page have been removed so there is no confusion.
Changes in P Card Delivery and P Card Applications

Bank of America has been sending replacement cards to any cardholder whose card was involved in a data breach, even though there were no fraud attempts on the card. This is an important preventive measure designed to minimize the possibility of fraud on our pcards. We believe this is a very necessary step to prevent harm to the University.

Since the Bank sees these as “new” cards rather than “reissue” cards, they come to Purchasing for distribution to cardholders. Due to the large number of cards received, we feel it has become burdensome for faculty and staff to make their way to Whitehurst to pick up their card, especially for those who have had more than one compromised card. Some departments have staff in remote areas who need to have their card mailed to them.

For that reason, we have asked the Bank to send all cards directly to the cardholder, effective immediately. This includes new cards as well as compromised cards. If you currently have a card in Whitehurst to be picked up, please do so as soon as possible. On September 1, any cards that have not been picked up will be returned to Purchasing and you will need to make a trip off campus to pick up the card. You would have been notified by email if there was a card for you to pick up.

This will also affect how we process new pcard applications. In order to process an application for a new pcard, the cardholder must have already completed pcard training and the Conflict of Interest Form and Employee Agreement Form must be attached to the Application Form. We will not accept or process applications without all forms and completed training. Make sure the address on the Application Form is the address the card should be mailed to.

Forms can be found at https://purchasing.okstate.edu/pcard. Please use the current forms found on the website.

This is a big change but we believe it will be more efficient and beneficial to all parties involved. Please contact Billie Watt with any questions.
Recently Awarded Contracts

**Executive Search**
Purchasing has awarded a new contract to three (3) suppliers to be used when an executive search is required by administration. Awarding to three suppliers will provide the flexibility to select a consultant which will best fit the needs and budget at any given time. The contract is renewable through June 20, 2022, upon mutual agreement. It is a system wide contract and may be used by administration across the system.

We have placed a link to the contract highlights on the Purchasing website under OSHOP. The link below will take you to the contract information page. On that page you will find that each supplier has three (3) links to other documents. These documents provide information related to the following:

- Services offered (executive summary)
- Action Plan (the steps involved in a search undertaken by the firm)
- Fees (the fee structure offered under the contract by the supplier)
- Additionally, all contact information is listed

[http://purchasing.okstate.edu/contracts/executive-search](http://purchasing.okstate.edu/contracts/executive-search)

The link should provide the core information needed to select the best supplier for future searches.

**Audio Video and Web Conferencing Services**

A new competitively bid contract was recently awarded to LogMeIn (fka Citrix) for audio visual and web conferencing services.

This contract offers:
- GoToMeeting Starter, Pro and Plus
- GoToWebinar Starter, Pro and Plus
- GoToTraining Starter, Pro and Plus
Audio Video and Web Conferencing Services, continued

A pricing outline will be provided on the Purchasing website under OSHOP, however additional discounts may be available for larger deployments within a particular school or department. Multi-product purchases may also be eligible for further discounts.

This is a system wide contract and is renewable through June 13, 2023, upon mutual agreement. Please visit the Purchasing website under OSHOP for additional contract details.

Furniture Procurement Process

The purchasing guidelines for furniture have been recently updated. As per past practice, all furniture orders are to be submitted on a requisition through the OK Corral as outlined in purchasing procedures.

- Up to $5,000.00 - Process following standard purchasing policy.
- $5,000.01 to $24,999.99 - Departments may obtain a quote or multiple quotes, if desired, from any contracted supplier(s) and process the order following standard purchasing policy. If utilizing a non-contracted supplier/product line then 3 quotes would be required.
- $25,000.00 to $249,999.99 - The OSU Central Purchasing Department will conduct an electronic bid process through the OK Corral soliciting all contracted suppliers and others, as applicable.
- $250,000.00 and up - The OSU Central Purchasing Department will conduct a formal sealed bid through the OK Corral soliciting all contracted suppliers and others, as applicable, with the assistance of LRFP.

Departments should provide for a minimum lead time of eight (8) weeks for furniture orders to be processed and delivered.

A list of competitively bid contracts available for use by the OSU and the A&M Systems can be found on the Purchasing Department’s website at https://purchasing.okstate.edu/contracts/furniture. Please direct questions to Marty Casteel, OSU Central Purchasing Department, at 405-744-5984.
Purchasing Training Opportunities

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<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Course</th>
<th>Location</th>
</tr>
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<tbody>
<tr>
<td>July 17, 2017</td>
<td>1:30 PM - 3:30 PM</td>
<td>OK Corral New User Training</td>
<td>403 CLB</td>
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<tr>
<td>July 18, 2017</td>
<td>1:30 PM - 4:30 PM</td>
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<td>September 18, 2017</td>
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<td>403 CLB</td>
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2017 OK Corral Supplier Round-Up – Save The Date

The 2017 OK Corral Supplier Round-up will be held on October 12, 2017 in the OSU Student Union Ballroom. The Round-up will begin at 10:00 am with opening remarks and conclude at 2:00 pm. This event will feature OK Corral contracted suppliers and provide them an opportunity to showcase their products while allowing them to meet members of the OSU staff, faculty, and administration. MARK YOUR CALENDARS! More details will be forthcoming.
Document Imaging

Document Imaging is converting documents to electronic files. University Imaging has the staff, equipment and software needed to image your records. By using our resources, your department can eliminate the cost of staff, equipment, software and related maintenance fees. Imaging has many benefits:

- Reduces cost – filing staff, storage rent and printing/copying/faxing costs are all eliminated
- Allows for more office space where filing cabinets were housed
- Captures documents quickly using indexing and/or OCR from a central repository.
- Simultaneous viewing capabilities offers record sharing from different sites.
- Enhanced security of documents – Imaging uses a secure and password protected site
- Integrity of document is virtually eternal and not degraded by environment or natural disasters
- “Green” Campus – less paper and more electronic files is good for the environment

We offer document-imaging services for physical paper as well as electronic file storage as follows:

- $0.10/image for physical paper*
- $0.05/image for electronic*
- $0.03/image for validation services*

*These prices may be reduced based on volume and preparation requirements.

All services are available for all sites (CHS, CSC, LU, NEO, OKC, OKM, OPSU, & OSU/Tulsa).
Document Imaging - continued

Services we provide included in cost/image:

Creating Application - Specific filing needs identified. The application will be set up and imaging will communicate with the IT department to add it to the campus system. Log in would be your Okey account. Access Rights assigned per department head authorization.

Preparing Documents - This includes pulling staples, paper clips, etc. This part of our service may add to the price per image.

Imaging - Scan documents into the imaging system verifying each page is a true copy of the original sent to imaging.

Test Run - Test run of batch process and repository storage. The department will be given time at this point to review and make changes if needed.

Document Destruction – We follow State of Oklahoma Records Retention Guidelines and process the required authorization paperwork. We destroy (crosscut shred) the documents once we have authorization.

For more information, please contact us, university.imaging@okstate.edu http://imaging.okstate.edu/ or 405) 744-7183.
**Fringe Benefit Rate 2018**

The Office of Naval Research (ONR) has approved Oklahoma State University Stillwater, OSUIT, OSU-OKC, OSU-Tulsa, and CHS Fringe Benefit rates for Fiscal years 2018. The rates may be found at:

http://gcfa.okstate.edu/sites/default/files/documents/Fringe_Benefit/FY18%20Negotiated%20Fringe%20Benefits%20Rate%20Agreement.pdf

This agreement is fully negotiated and became effective July 1, 2017 and will remain in effect through June 30, 2018.
Making an Award to a Subrecipient

A Sponsoring agency may approve OSU’s selection of a sub-awardee by 1) naming the Subrecipient in the reward, or; 2) approving the subawardee post-award. The College Research Office (or appropriate departmental personnel) must also make sure the subaward meets OSU procurement rule prior to finalizing the sub-award.

As part of the process of selecting and awarding a sub-award, the College Research Office must convey and document the following information to the Subrecipient:

1. Prime Award Identification.
2. Subrecipient’s name (must be registered name in DUNS).
3. Subrecipient’s DUNS number.
4. Prime Award Date.
5. Sub-award’s period of Performance Start and End dates.
6. Amount of Funds Obligated by this action.
7. Total Amount of Funds obligated to the Subrecipient.
8. Total Amount of Prime Award
10. Federal Award Project Description as required to be responsive to the Federal Funding Accountability and transparency Act (FFATA).
12. CFDA Number; the Pass-Thru Agency must identify the dollar amount made available under each Federal Award and the CFDA Number at the time of disbursement.
13. Any and all requirements imposed by the Pass-Thru Entity on the Subrecipient so that the Prime Award is used in accordance with applicable statues, regulations, and the terms and conditions of the Prime Award.
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Stillwater, OK 74078  
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Website: http://gcfa.okstate.edu/

Payroll Services  
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Stillwater, OK 74078  
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Fax: 405-744-4149  
Website: http://payroll.okstate.edu/

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