FISCALLY FIT

News from the Controller

PAYROLL

New Work Permit Procedures for International Students

The Office of International Students and Scholars (ISS), in cooperation with Payroll Services, is changing the procedures for Work Permits for International Students.

- New students and transfer students will receive an initial paper Work Permit
- Renewals will be completed by the student with an online form through ISS
- When the renewal is approved, ISS will update HRS screen 017 in the field "Authorization Expire Date" in the lower right hand corner.

- Student will receive an email from ISS for the approval and new expiration date
- Hiring departments may check screen 017 for a current date and then proceed with the EA for a period of time no later than the authorization date

Since Work Permits are usually valid through May 31, we hope to have students trained to complete the new electronic form by that time next year. Returning students for this Fall will also receive a paper Work Permit. After the Fall semester, we will change to the electronic version for renewals. This will allow us time to inform the returning students of the new procedures. Remember, however, that each semester **new** students will receive a paper Work Permit.

The ISS Office will also begin completing I-9 forms for foreign nationals who will bring the I-9 to their employer. Hiring departments will be responsible for completing the employment start date in the certification section, since the ISS Office will not know that date. One of the functions of the Work Permit is basically the same as the I-9, so it seems logical that this responsibility will transfer to the ISS Office. One difference is that the expiration date of the I-9 will match the expiration date of the I-20 instead of the Work Permit. We hope the new procedures will provide a more stream-lined process for all involved. Any questions about this new procedure may be directed to Linda Dunbar in the ISS Office at 744-8117.

PURCHASING

Purchasing Services for the Fall Semester

The fall semester starts on Monday, August 20, 2007. Plan ahead for your procurement needs.
Leave sufficient lead time for your order to be processed before you need the supplies/services.

- There is an updated "Commercial Card Cardholder Account Form" (p/card application) on the Purchasing website. The form is interactive. It can be filled out online and then printed for signatures and processing.
- The revised form has a box to check for "Airfare Required" and "Hotel Required".
- There is also a line to enter the name of the approver for airfare/hotel purchases.
- Remember both the cardholder and approver must attend airfare/hotel training and request/receive authorization before airfare or lodging may be purchased with the p/card.
- The purchase of airfare or lodging on the p/card is not mandatory.

Important Dates

Board Dates
Requisitions requiring Board of Regents approval (greater than $150,000) were due in Purchasing: July 5, 2007, for the July 27, 2007, Board Meeting.
Requisitions requiring Board of Regents approval (greater than $150,000) are due in Purchasing: August 22, 2007, for the September 14, 2007 Board Meeting.

P/card Training
July 24, 2007, 9:00 AM, 408 Student Union.

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

GRANTS & CONTRACTS

OMB Adopts SAS 112 for A-133 Audit

OMB Circular A-133, "Audit of State, Local Governments, and Non-Profit Organizations," has been revised to conform to the AICPA Statement of Auditing Standards (SAS) 112, "Communicating Internal Control Related Matters Identified in an Audit." OMB's adoption of SAS 112 has been expected for sometime since the General Accounting Office's recently revised Government Auditing Standards (Yellow Book) included SAS 112 requirements for internal control reporting. According to *NACUBO Business Officer* (April, 2007), SAS 112 does not change the scope of the audit. It changes the auditor's communication requirements for reporting on internal controls issues.

Many analysts' have stated that SAS 112 will "lower the bar" in the reporting of internal control weaknesses as its impact upon the A-133 Audit is a more broadly defined range of significant deficiencies and material weaknesses to the previously narrower view of reportable conditions and material weaknesses. SAS 112 no longer uses the term "reportable condition." The broadening of the range deficiencies will more than likely increase the number of findings written into audit reports as materiality of a control deficiency is determined as what potentially could go wrong, not just upon the amount of the actual misstatements.
Under SAS 112, there are three categories of deficiencies that may be identified during the external audit of the financial statements and subsequently adopted into A-133:

- **Control deficiencies**
- **Significant deficiencies**
- **Material weaknesses**

A **control deficiency** exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A **significant deficiency** is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles (GAAP) such that there is more than a remote likelihood of a misstatement that is more than inconsequential will not be prevented or detected.

A **material weakness** is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement will not be prevented or detected.

Ref:
NACUBO Business Officer (April 2007)
Federal Auditing News (March 2007)
Charles E. Landes (AICPA) *Understanding SAS 112*
University of California, Berkley Controller's Office

FRAUD DETERRENCE & COMPLIANCE PROGRAM

ACFE 2006 Report to the Nation on Occupational Fraud and Abuse

The term "occupational fraud" may be defined as "the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets." The Association of Certified Fraud Examiners (ACFE) compiled data from 1,134 cases of occupational fraud that were investigated between January 2004 and January 2006. Findings from the 2006 ACFE Report to the Nation on Occupational Fraud and Abuse included the following.

The median loss caused by the occupational frauds in the study was $159,000.
Approximately one-fourth of the fraud cases caused at least $1 million in losses, and 9 cases caused losses of $1 billion or more.

Occupational frauds are most likely to be detected by a tip. Forty-four percent of the million-dollar frauds in the study were detected by tips. This was more than twice the rate of detection by internal audits and three times the rate of detection by external audits.

Organizations that had anonymous fraud hotlines suffered a median loss of $100,000 while organizations without hotlines had a median loss of $200,000. Similar reductions in fraud losses were found in organizations that had internal audit departments, that regularly performed surprise audits, and that conducted anti-fraud training for their employees and managers.

Asset Misappropriations (any scheme that involves the theft or misuse of an organization's assets) were by far the most common type of occupational fraud in the study, occurring in over 90% of all cases.

Nearly 40% of all cases in the study involved some form of collusion – either several employees with the organization, or employees conspiring with one or more outsiders. The data showed that frauds involving collusion tended to be more costly (median loss of $485,000) than those committed by a single individual (median loss of $100,000).

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

EthicsPoint

Oklahoma State University has selected EthicsPoint as a mechanism for the discreet and confidential reporting of activities that may involve criminal, unethical, or otherwise inappropriate behavior in violation of OSU Policies. The EthicsPoint Confidential Reporting link can be found on the OSU home page for various departments, including the Vice President for Administration & Finance, Associate Vice President & Controller, Bursar's Office, Financial Information Management, Grants & Contracts Financial Administration, Human Resources, Payroll Services, Purchasing, Risk & Property Management, and University Accounting. A report can be filed through the EthicsPoint website or by calling toll-free 866-294-8692.

EthicsPoint reporting does not replace existing reporting systems on campus. Individuals are encouraged to bring concerns to their supervisor, Human Resources, Affirmative Action, or other campus entities as appropriate and resolve problems or disputes through established channels whenever possible.

Contact Brenna Dixon, CFE, Fraud & Forensic Accountant (744-2296, Office of the Associate Vice President and Controller, 207 Whitehurst) for additional information, comments, or questions about fraud deterrence and compliance issues.

RISK MANAGEMENT

Fuel Card

Most campus vehicle owners are aware that the Transportation Services fleet fuel card program is available to all department owned vehicles. What does not appear to be commonly known is the availability for the fuel card to be assigned to any department owned piece of equipment or gas can. The fuel card is the same Wright Express card issued to vehicles which can be used off campus as well as throughout the United States. Departments have access to view purchases online and are billed minus Federal excise taxes regardless of fuel location. This removes the burden on departments for filing of excise tax reimbursement and provides for a lower and more consistent price for fuel.

Vehicle Leasing

Transportation Services offers assistance for all University vehicle leasing needs. Departments are encouraged to use University owned vehicles whenever possible, however the motor pool does not always have the right vehicle for the job. When it becomes necessary to rent or lease a vehicle through a local rental agency Transportation Services will coordinate all departmental vehicle requests. Our vehicle leasing representatives will arrange delivery and billing of any available vehicle requested including trucks, u-hauls and golf carts.

FINANCIAL INFORMATION MANAGEMENT

Purge

The Financial Information Management office will be purging B/R Transactions from the SIS system on the evening of 8/4/2007. All transactions paid and applied, billed, and fed to accounting thru 07/31/2007 will be purged from SIS. By purging now, removal of a large number of records eliminates issues with running reports and displaying data on the screens.

The purged records cannot be accessed via SIS but will be available to view/download via the Administrative Information Report System (AIRS) at <http://airs.okstate.edu/> . These records will be available no later than August 10th in AIRS, but likely much sooner. 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.

BURSAR

Fall Enrollment Cancellation

Students who still have an outstanding bursar account balance could have Fall semester classes cancelled. Letters and emails were sent as an opportunity for students to review bursar account balances. 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 must be posted to bursar accounts by July 31, 2007. 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 Estimator

If a quick calculation is needed to determine the cost of OSU classes with the new rates for 2007-08, visit bursar.okstate.edu and click 'Tuition / Fees Estimator' located on the left hand side of the screen.

Fall 2007 Tuition/Fee Calculation

Scheduled for the evening of Wednesday, August 8th; charges will appear on students' bursar accounts Thursday, August 9th and will feed to FRS on Monday, August 13th.

ENVIRONMENTAL HEALTH & SAFETY

Heat & Stress Summer Safety

We've all been spoiled with the cooler temperatures so far this year, but it looks like the summer is finally heating up. Now is a good time to review what we may have forgotten about staying safe and healthy in hot temperatures. For example, do you know what the Heat Index is and how to use this information to keep yourself and others from overheating while outdoors?

The Heat Index calculation is based on how a combination of a certain temperature and relative humidity would affect an "average" healthy person who weighs 147 pounds, is 5' 7" tall, Caucasian, wearing long pants and a short-sleeved shirt, walking 3 mph in the shade in a 6 mph breeze on a day with a temperature of 98.6 degrees, and is not dripping with sweat. If any of these factors change, i.e., more clothing, more exertion, more weight, the heat index will change for that individual.

Briefly, use caution if the Index is above 80 and extreme caution if it's above 90. A Heat Index above 105 is dangerous and if it's above 130 it is extremely dangerous. Local TV weather forecasters usually mention the Heat Index in their broadcasts.

For the recent period of July 12-18, the average high temperature was 90 degrees with an average relative humidity of 80%. The heat index for the person described above would be 113, which could easily lead to muscle cramps, heat exhaustion, or heat stroke. It would be even higher if that person was out in the sun or doing anything more strenuous than walking. (For more information on the heat index, go to http://www.pp.okstate.edu/ehs/heatindx.htm.)

Keep this in mind if you or your department will be hosting any outdoor events on campus this summer. Participants may be of any age or physical condition. Make sure they have the opportunity to drink plenty of water and have ready access to good shade. Keep ice on hand and monitor their behavior for any signs of heat stress. If you are providing them with something to eat, choose a menu with light, cool, easy-to-digest foods such as fruit or salad.

The following is the schedule of dates for the Direct Purchase of Commercial Airfare and Lodging with the Purchasing Card Training with enrollment through the Human Resource Training site:

Tues, August 14, 2007	**2-3 p.m.**	**408 SU**
Wed, August 22, 2007	**2-3 p.m.**	**408 SU**
Wed, September 5, 2007	**9-10 a.m.**	**408 SU**
Wed, September 19, 2007	**9-10 a.m.**	**408 SU**
Thurs, October 11, 2007	**2-3 p.m.**	**416 SU**
Tues, November 13, 2007	**9-10 a.m.**	**408 SU**
Wed, December 5, 2007	**2-3 p.m.**	**408 SU**

UNIVERSITY ACCOUNTING

Direct Purchase of Lodging with Pcard

The payment of lodging with the OSU Purchasing Card, in compliance with State of Oklahoma Travel Policies and Oklahoma State University Policies and Procedures, will be available for cardholders after the completion of training and approval from the OSU Purchasing department. The training will encompass the policy, procedures, and completion of forms regarding the direct purchase of lodging with the purchasing card. If the election is chosen on the Commercial Card Cardholder Account Form to become an authorized direct lodging purchaser or approver, the cardholder and the approver are required to attend training. The training must be completed before using a new or existing purchasing card to purchase lodging. The training will be combined with the training for the purchase of direct commercial airfare with the purchasing card.

The procedures for direct purchase of lodging are available on the University Accounting website (http://vpaf.okstate.edu/UA/Forms/DIRECTLODGINGPROC.DOC). The travel reimbursement forms and the out-of-state travel requisition have been updated to reflect the addition of this procedure and should be downloaded to replace existing forms. The new Direct Purchase of Lodging with Purchasing Card Worksheet and the updated Airfare/Lodging Transaction Log are also available on the University Accounting website.