

FISCALLY FIT

News from the Controller

March 2008

BURSAR

Bursar News

Enrollment for summer and fall 2008 is here. Remember that bursar accounts must be current to enroll in future semesters and to continue charging items on campus to your account. Please verify that all anticipated financial aid has been disbursed. Pay your account online at <http://prodosu.okstate.edu>. The Bursar Financial Counselor is available to assist with payment arrangements.

Federal regulations encourage contact with the loan recipients as the borrower's last day of attendance approaches. Exit counseling notification materials were sent to loan recipients that dropped below ½ time, or withdrew from the University, or are scheduled to graduate this spring. Borrowers will have an academic record hold and enrollment hold until the exit information is completed.

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FINANCIAL INFORMATION MANAGEMENT

Hierarchy

The University is rapidly progressing towards its goal of becoming less paper dependant. AIRS (www.airs.okstate.edu) contains the hierarchy application which is 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. **We ask that each department go to the AIRS website and update their department hierarchy information.**

Please email comments and suggestions to FIM@okstate.edu

RISK & PROPERTY MANAGEMENT

Property Insurance

Many department heads don't realize the Moveable Equipment Inventory (MEI) Database is very important for insurance purposes. First, if a department owns equipment but the equipment is either not listed in a building, or is not listed in the proper building, there is no insurance coverage. Second, if you have equipment listed on the MEI database that you no longer have, you are billed every year for insurance on the equipment until it is removed from the MEI database. Please check your MEI database information and be sure the information is correct. For example, you may have had equipment in Willham Residence Hall before it was torn down and presumed we would no longer bill after the building was demolished. That assumption is faulty. Since building numbers are reused, we have no way of knowing who has equipment where. Each department must verify their equipment inventory regularly and report all changes to Asset Management.

GRANTS & CONTRACTS

Store Rates

Each Spring many departments develop “Store Rates” as part of the University’s budgeting process. A “store rate” is the cost one University Department charges another University Department for goods and services. It may be called a “recharge,” but the departments providing the good or service do so with the intention of breaking even.

Store rates also provide a methodology for departmental services provided to grants and contracts. Federal rules prohibit a college or university from discriminatory pricing. In other words, the college or university cannot charge the Federal Government one price for the services provided to a federal grant or contract and then, in turn, charge a lower price to a University Department. As an example, if the Motor Pool decides, through a series of calculations, that the cost to use a University Vehicle is \$ 15.00/day, Motor Pool is compelled to charge any department on campus, including those departments using the vehicle in support of a federal grant, \$15.00/day. There are exceptions to store rates practices such as dual rates for internal and external customers, but the premise remains the same—the University must offer the lowest store rate available to federally-supported grants and contracts.

OSU Policy and Procedure 4-0140 “Stores” offers additional information on the rate calculation process.

NSF Funding

The National Science Foundation reported that research and development expenditures for FY06 rose 2.9%. Yet the Federal Government provides the largest contribution to higher education’s research funding.

TABLE 1. Science and engineering R&D expenditures at universities and colleges: FY 2001-06

(Millions of current dollars)

Source of funds and character of work	2001	2002	2003	2004	2005	2006
All R&D expenditures	32,811	36,394	40,087	43,242	45,777	47,760
Source of funds						
Federal government	19,233	21,864	24,759	27,631	29,191	30,033
State and local government	2,321	2,506	2,646	2,879	2,942	3,016
Industry	2,219	2,191	2,162	2,129	2,294	2,428
Institutional funds	6,614	7,133	7,663	7,752	8,258	9,062
All other sources	2,425	2,700	2,857	2,852	3,093	3,221
Character of work						
Basic research	24,387	27,312	29,997	31,947	34,348	36,044
Applied research and development	8,424	9,082	10,090	11,295	11,429	11,717

NOTE: Because of rounding, detail may not add to total.

SOURCE: National Science Foundation, Division of Science Resources Statistics, Survey of Research and Development Expenditures at Universities and Colleges, FY 2006.

TABLE 2. Federally financed R&D expenditures at universities and colleges, by science and engineering field and agency: FY 2006

(Millions of current dollars)

Science and engineering field	Federal R&D expenditures	DOD	DOE	HHS	NASA	NSF	USDA	Other*
All science and engineering	30,033	2,718	1,118	17,052	1,047	3,567	869	2,922
Computer sciences	1,015	295	36	47	25	427	2	115
Environmental sciences	1,763	158	91	64	247	566	59	552
Life sciences	18,268	446	153	15,204	103	587	718	1,008
Agricultural sciences	881	16	20	66	13	100	483	181
Biological sciences	6,240	153	66	5,033	44	426	179	306
Medical sciences	10,434	255	48	9,546	41	46	38	449
Life sciences, nec	713	22	19	559	5	16	18	73
Mathematical sciences	373	37	11	79	4	183	3	28
Physical sciences	2,705	324	393	490	326	805	8	241
Psychology	629	33	4	468	12	49	1	58
Social sciences	711	38	13	288	11	100	37	222
Sciences, nec	334	61	12	54	12	79	5	83
Engineering	4,236	1,325	406	357	306	771	37	615

DOD = Department of Defense; DOE = Department of Energy; HHS = Department of Health and Human Services; NASA = National Aeronautics and Space Administration; nec = not elsewhere classified; NSF = National Science Foundation; USDA = U.S. Department of Agriculture.

* Includes all other agencies reported.

NOTES: Not all fields are reported in this table. Agency detail may not add to total because some institutions were unable to provide complete agency data.

SOURCE: National Science Foundation/Division of Science Resources Statistics, Survey of Research and Development Expenditures at Universities and Colleges, FY 2006.

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FRAUD DETERRENCE & COMPLIANCE PROGRAM

Fraud Education / Training

It has been difficult to determine the actual cost of occupational fraud to the economy. Resources of organizations are drained daily as many frauds have not yet been detected. Once detected, organizations may be reluctant to report fraud for fear of bad publicity or other repercussions. If the fraud has gone undetected for years, it may be difficult to trace through years of historical financial data to determine the true cost of the fraud. Based on the professional experience and opinions of those with specific expertise in the prevention and detection of occupational fraud, it is estimated that a typical organization loses 5% of its annual revenues to fraud.

Occupational fraud affects, or has the potential to affect, every organization; therefore, it is important that we try to learn as much about occupational fraud as we can and take steps to reduce the risk of its occurrence. The goals of fraud education and training are to reinforce the University's commitment to compliance with policies, laws, and regulations; to make employees aware of how occupational fraud is committed and the associated risk; to emphasize the importance of effective controls; and to provide information on how to report fraudulent conduct when it is observed or suspected.

There were 73 cases included in the 2006 ACFE Report to the Nation on Occupational Fraud and Abuse in which an educational institution was identified as the victim. There was no fraud training program in place at the time the frauds occurred in 44 of these cases. In a review of all cases included in the Report, the median loss for organizations without fraud awareness training programs was \$200,000, double the loss of those with training programs. In addition, the detection time was significantly shorter in organizations with fraud awareness training programs.

Sources: *2006 ACFE Report to the Nation on Occupational Fraud & Abuse*
 2007 Fraud Examiners Manual
 Executive Roadmap to Fraud Prevention and Internal Controls, M. Biegelman, J. Bartow

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.

ENVIRONMENTAL HEALTH & SAFETY

Preparing for Stormy Weather

In spring and early fall, when tornados are most likely to occur in Oklahoma, be aware of your surroundings and the current environment and the different possibilities that may occur. Then make appropriate decisions based on what is happening or has the potential to happen.

Here is a likely scenario:

- I checked the weather forecast this morning before I left my home to drive to campus. The possibility of severe thunderstorms was mentioned.
- It is a warm and very humid day and there is a strong southerly wind blowing.
- There is occasional static on my radio and there are big, dark clouds in the southwest sky.

Based on your assessment of the environment and the possibility of severe weather, here are actions you can take:

- I should take a portable radio with me today, and occasionally listen for weather information.
- When it begins to storm, I must be aware of my immediate shelter options—basement, interior room, ditch, etc. **Remember—you are responsible for finding shelter in the event of a tornado.**
- When the storm sirens begin to sound, or I hear a warning announcement on my radio, I must seek shelter immediately. (NOTE: The storm sirens are mainly designed for outdoor warning. Do not rely on hearing them when you are inside a building—especially one that is large or well-insulated.)

For added safety, several new sirens have been installed on University property; they are located at North Monroe Apartments, the Animal Science Arena, and Lake Carl Blackwell, with another planned at the Seretean Center.

We must all assess for ourselves what our risk is. In this age of increasingly instant communication, it is possible to have enough information to be aware of the presence of severe weather. More tornado safety information can be found at <http://www.pp.okstate.edu/ehs/Weather.htm>.



Campus Tornado Safety Tips

from OSU Risk Management and Environmental Health & Safety

Tornado season in Oklahoma is generally from March through June. (Although tornados can occur at any time of the year, they are more likely to form during the spring months.) Now is the time to decide the best course of action to take in case the tornado warning sirens sound while you are in class, on your job, in University housing or in off-campus housing.

Remember, you are responsible for finding shelter in the event of a tornado.

Persons with disabilities who are mobility impaired must also make plans. If a power outage occurs during severe weather, elevators may not work. Go to a small interior room or closet (or a landing in an interior stairwell); stay away from windows and exterior walls.

If you are on the main campus during a normal workday, the best places to seek shelter are in buildings with basements.

If the building you are in does not have a basement, go to the ground floor and get in an interior (windowless) room or hallway (put as many walls between you and the outside as possible). *It is too risky to go to another building once the storm sirens are sounding.*

These buildings have basements: 4-H Bldg., Ag Hall, Architecture, Bennett Hall, Business, Classroom, Colvin, Cordell, Engineering North & South, Gallagher-Iba, Human Environmental Science, Iba Hall, Library, Life Science East & West, Math Science, Noble, North Murray, Parker Hall, Physical Science, Scott Hall, Seretean Performing Arts Center, Small Grains, Stout Hall, Student Union, Seretean Wellness Center, Wentz Hall, and Willard Hall. (Note that some of these basements are quite small.)

Some places of concern on campus are the glass-walled hallways and lobbies of the Colvin Center, Food & Agricultural Products Center, Wes Watkins CITD Building, the atrium areas of the Noble Research Center and the Student Union, and the Kerr-Drummond mezzanine. It is best to stay away from these areas when looking for shelter.

After hours, Campus Police will open four buildings for general shelter in the event of tornadic weather: 4-H, Ag Hall, Engineering South, and the Student Union. Monitor weather reports and go to these buildings when it begins to storm; if the sirens are sounding, it is too late to seek other shelter.

A good idea would be for your office to have a drill during the next regularly-scheduled storm siren test (1st Tuesday of every month at 11:30 a.m.). The Environmental Health & Safety Department encourages you to take responsibility for plans in your area.

Post this notice (http://www.pp.okstate.edu/ehs/chapters/tornado_info.htm) on bulletin boards in your area. It contains information on after-hour shelter sites and local radio stations.

More information on tornado safety can be found on the EHS web site weather page at
<http://www.pp.okstate.edu/ehs/weather.htm>

Are you Fiscally Fit?

This is a word search puzzle to see how fiscally fit you are. First you must figure out the clues and then you must find the words in the puzzle. Good Luck!

1. Billing of receivables is the responsibility of the Office of the _____.
2. Pay information is presented to employees on their _____ / _____. (2 words).
3. _____ is the data warehouse used to download FRS information.
4. A _____ is issued to selected OSU employees to facilitate the acquisition of lower dollar goods and services needed for conducting OSU business.
5. _____ / _____ / _____ (3 words) means performance by an employee acting in good faith within the duties of his office or employment (See Feb 08 Fiscally Fit).
6. The _____ / _____ / _____ (3 words) is 50.5 cents per business mile for 2008.
7. _____ / _____ (2 words) is when pay is deducted from faculty salary and paid back during summer months.
8. _____ is when paid and applied items are removed from Bursar accounts.
9. _____ / _____ (2 words) include any plan 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 (see Jan 08 Fiscally Fit).
10. The _____ / _____ (2 words) is a document describing the methods by which the University manages their accounting practices (see Dec 07 Fiscally Fit).
11. _____ and lodging are the only two forms of travel that can be purchased using a Pcard.
12. _____ / _____ (2 words) assessment is a calculation the Office of the Bursar performs periodically as it relates to a department's receivables.
13. _____ (hyphenated word) consists of buying and selling of products or services over electronic systems such as the Internet.
14. ___ = Exception to Normal Pay
15. _____ is an online repository designed for the permanent storage of HRS, FRS, SIS reports.
16. _____ / _____ (2 words) are also known as property, plant, and equipment (PP&E).
17. ___ = Budget Development System.
18. _____ / _____ (2 words) is a small amount of discretionary funds for expenditures where it is not practical to make the disbursement by check.
19. _____ is OSU's confidential reporting system to report activities that may involve criminal, unethical, or otherwise inappropriate behavior.
20. ___ is the monthly accounting report.
21. _____ is the science of designing the job to fit the worker, not forcing the worker to fit the job.
22. ___ = Student Information System.
23. _____ / _____ (2 words) is what you are getting while working this puzzle.
24. ___ = Oklahoma Association of College and University Business Officers.
25. ___ is no accident.

A	B	D	G	S	S	R	P	J	M	M	E	F	G	S	X	E	X	L	B
D	A	D	S	T	C	L	K	A	S	E	C	O	M	M	E	R	C	E	I
I	J	P	A	A	I	K	J	J	Y	P	L	Q	X	H	M	P	T	P	L
S	B	C	O	N	M	U	H	U	G	R	F	A	P	P	U	J	R	K	L
C	V	A	F	D	O	T	F	B	M	I	O	U	S	I	S	U	F	I	I
L	M	R	I	A	N	B	M	O	S	N	P	L	A	L	F	I	E	J	N
O	H	D	X	R	O	E	T	P	A	T	A	X	L	L	G	O	M	F	G
S	S	J	E	D	G	D	R	K	N	H	Y	Z	A	A	I	R	S	D	S
U	A	E	D	M	R	D	F	J	G	E	T	P	R	Y	D	O	N	E	C
R	C	T	A	I	E	A	E	U	G	I	Y	U	Y	H	W	V	H	G	H
E	Y	H	S	L	E	B	U	R	S	A	R	I	D	G	P	K	I	Q	E
S	T	I	S	E	W	T	W	Y	O	P	O	M	E	E	S	K	U	C	M
T	T	C	E	A	R	R	Y	T	E	F	A	S	F	W	D	F	I	Z	E
A	E	S	T	G	P	G	D	D	G	I	J	T	E	D	B	O	U	D	S
T	P	P	S	E	E	R	A	F	R	I	A	R	R	S	F	B	Y	F	B
E	T	O	X	R	B	F	C	O	U	U	L	E	R	T	D	U	I	V	V
M	J	I	N	A	U	V	C	I	P	Y	M	E	A	G	S	C	D	K	R
E	E	N	U	T	I	C	D	U	P	T	N	L	L	C	A	A	F	J	T
N	P	T	N	E	M	Y	O	L	P	M	E	F	O	E	P	O	C	S	U
T	J	M	P	L	O	C	T	I	F	Y	L	L	A	C	S	I	F	U	P

UNIVERSITY ACCOUNTING

Pcard Default Account Numbers in PVS Net

Please review the default account numbers that are stored in PVS Net for your cardholders. When a new cardholder applies for a pcard, they must provide a default account number that is stored in PVS Net. If the approver does not change the account number, this default account is downloaded into FRS to record the charge. Some of the default account numbers were provided to PVS Net long ago and have now been deleted. This causes difficulty because these transactions are rejected when they are downloaded to FRS and must be researched and corrected.

Reminder:

Payment of Registration on Small Order

Payment for registration up to \$1,000 can be processed through the small order system if the vendor does not accept the pcard as a form of payment. Registration payments can be processed on any ledger; however, payments on ledger 5 accounts will need Grants and Contracts approval before being processed by University Accounting. Multiple registrations may be processed on the same small order number as long as the per-person price is less than, or equal to, \$1,000. Direct payments to vendors for registration over \$1,000 must be processed on a requisition.

The payment of registration up to \$1,000 is an exception to the general rule that the small order system may only be used for purchases of \$500, or less, from vendors who do not accept the pcard.

OSUF/OSRHE Endowment Policy

The following information is presented as a refresher for departments assigned the responsibility of overseeing endowed chairs, professorships and/or lectureships established in the Oklahoma State Regents Endowed Chair and Professorship Program.

Endowments are initially created by donations to the OSU Foundation and by making application to the State Regents for the establishment of an endowment account. Upon reaching funding levels set by the State Regents, the donated funds are matched dollar for dollar with public monies. After an endowment is matched by the State Regents, earnings from both funding entities (OSU Foundation and the State Regents) are available for reimbursement of eligible expenses.

According to Oklahoma State Regents policy, earnings are to be used specifically for the activities associated with the endowment and must not be used for the general operations and programs of the university. To guarantee compliance with the State Regents policy, Oklahoma State University established the following guidelines:

- Endowment accounts are included in the Educational and General Budget, Part I.
- It is the University's intent to be able to state that all funds, whether donated or appropriated, are spent consistent with Oklahoma State Regents for Higher Education policy.
- Any expense is considered to be the expenditure of state funds. Expenditures are to comply with the state rules and regulations pertaining to all state funded accounts.
- Invoices for payment are to be processed directly through the OSU Accounting System (OSU Policy and Procedure 3-0201, Section 3.05) to assure the State Regents of centralized, accurate reporting of all chair related expenses and to insure that expenditures are consistent with program guidelines and established state regulations.
- Prohibitions of expenditures are outlined in the Oklahoma Constitution, Art. X, Sec. 15 and the Office of State Finance Procedures Manual 1/91, Chapter 300.

At fiscal year end, University Accounting will invoice the funding entities (OSU Foundation and the Oklahoma State Regents) for reimbursement of expenses incurred during the fiscal year.

For a complete copy of the policy, see Oklahoma State University Policy and Procedure 3-0260.

Contact Sherri Cochran in University Accounting, 744-5885, for questions or additional information.

PURCHASING

Supplier Contact During the Bid Process

The purpose of all competitive bids is to grant suppliers equal consideration insofar as state or federal statutes and institutional policy permit. This means that:

- The department submitting a requisition for bidding should cease all contact with suppliers who may be involved in the bid from the time the requisition leaves the department through bid award.
- If the department is contacted directly by any suppliers that may be involved in the bid, the supplier

should be referred to the Purchasing Department. The department should have no discussion with the supplier.

- If departmental staff attends a professional conference involving a similar type of product, the staff should not fraternize with any potential bidders.

Board Approval Dates

When processing requisitions that may require Board approval, departments must be aware of the deadlines for submitting those requisitions to Purchasing.

The Board dates and deadlines for submitting requisitions may be found on the Purchasing website at www.purchasing.okstate.edu. Click on the link “Dates for Board Approval.”

If a requisition requiring Board approval must be submitted late or may not make it through the signature process before the deadline, contact Purchasing directly. You may e-mail Purchasing or fax a copy of the requisition along with an explanation to the Purchasing Department.

Important Purchasing Dates

Board Dates:

- Requisitions requiring Board of Regents approval (greater than \$150,000) are due in Purchasing: March 26, 2008, for the April 18, 2008, Board Meeting.
- Requisitions requiring Board of Regents approval (greater than \$150,000) are due in Purchasing: May 28, 2008, for the June 20, 2008, Board Meeting.

Pcard Training:

- March 19, 2008, 8:30 AM, 412 Student Union.

Purchasing Policies and Procedures Seminar:

- October 23, 2008, 9:00 AM, 412 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 to schedule a date.

Purchasing can be contacted at
Phone: 744-5984, Fax: 744-5187,
email: purchase@okstate.edu ,
web: www.purchasing.okstate.edu