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News from the Controller

February 2010

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GRANTS & CONTRACTS

Proposed Fringe Benefit FY 2011

The 2011 Fringe Benefit rate has been proposed to the Office of Naval Research (ONR). ONR will now ask for an audit of the proposed rates before granting final approval. The audit should be conducted within the next several weeks. Though ONR will not approve the rates until the audit is concluded, the proposed. When renewing or proposing a grant or contract budget which continues or begins on or after July 1, 2010, please use FY 2011 rates for planning purposes. https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=10933The FY 2011 PROPOSED RATES can be found at:

<http://vpaf.okstate.edu/BAM/Budget/Fringe/FringeBenefitsFY11.htm>

F&A Rates Proposed

The (FY 2011) Facilities and Administrative (F&A) rates have also been proposed to ONR for an effective date of July 1, 2010. OSU is requesting a two year rate that will expire June 30, 2012. The proposed rates are subject to audit and negotiation. However, principal investigators should use the new rates for grant or contract proposals beginning on or after July 1, 2010.

The FY 2011 Stillwater (on-campus) "proposed" F&A rate for research activity is 43.5%. This is drop from the current rate of 47.7%. A complete listing of the proposed rates for Instruction, Research, and Outreach for all OSU Systems Campus locations will be published at <http://vpaf.okstate.edu/GCFA/Links.htm> by March 1.

Until the rates are approved, we recommend the following footnote for your proposals: "OSU negotiates their F&A rate with the Office of Naval Research. This is a proposed rate to ONR and the final negotiated rate, at the time of award, shall be used if awarded."

PAYROLL

Direct Deposit Forms

Direct deposit forms are being scanned in order to allow for better security and less paper having to be filed. In order to facilitate the scanning process, we are asking departments to help ensure that employees use the following procedures when completing their direct deposit form:

- Do not staple checks to the form – attach checks using tape over the "Attach Check Here" note.
- If the employee has a copy of a check, do not send on a separate sheet of paper. The employee should cut around the check as if it was a real check and attach it to the direct deposit form with tape.
- Letters from banks will be scanned along with direct deposit forms. Be sure the name of the employee is on the letter from the bank.
- If the employee is NOT opting for the paycard, he/she should not sign the bottom left hand corner of the form which is reserved for paycard participants.
- Make sure the form is legible and completely filled out, signed, and dated. This will ensure that direct deposits are set up as quickly as possible.

Associate Vice President & Controller - 207 Whitehurst, Stillwater, Oklahoma 74078 - (405) 744-4188

Spring Break Payroll Processing

This year, Spring Break is scheduled for March 15 – March 19, 2010. It is not unusual for many employees to take that time off while children are out of school. During Spring Break, biweekly EAs will be due on Monday, March 15 and biweekly paper ENPs will be due on Friday, March 19 for the biweekly pay period March 6 – March 19. Payroll will also be processing the March monthly payroll during Spring Break. The 1st and 2nd tests for the monthly payroll are scheduled for March 18 and March 19. It is very important that your department has staff available during Spring Break to process EAs and ENPs for the biweekly payroll and to review the monthly payroll prior to the final. Your cooperation in this matter will ensure timely and accurate processing of pay.

Online EA Routing

As part of internal control, the online EA is set up to limit a user's ability to exercise an action only once per EA form. In other words, a person will not be allowed to originate or approve a form on their own authority and then approve the form again as a delegate of another approver.

The approval routing is the step-by-step routing a form takes from the originator through the various offices/departments/colleges in sequence to receive approvals and notifications. The process routing is automatically generated based on rules defined within the online EA application. An example of a process routing for a new faculty would start after the college has approved the form. The next step would automatically go to Academic Affairs, then HR Partner Services, then to Payroll Services, and then to Benefits.

It is not necessary for originators to add people in the process routing; the online EA will do that automatically. In fact, it causes a problem when departments add people since an individual can only touch the form once.

It is also very important that approvers set up delegates for when they must be out of the office so the online EA can continue to flow. Departments should also have enough staff trained and available to create online EAs.

RISK & PROPERTY MANAGEMENT



TORNADO SEASON

Last year we had our first round of severe weather and threat of tornados in February. It caught a lot of people off guard because we usually associate these storms with spring and summer. So now is the time

to ask yourself: "If there were a tornado warning right now—while I am reading this—where would I go?" If you are lucky enough to be working in a basement, make sure you aren't close to a window well or in the middle of a large room.

Otherwise, your first location choice would be a basement room with no windows, or a windowless room or hallway on the lowest possible level. You have only a few minutes to get to a safe place, so driving or even walking to another building is out of the question.

It is everyone's responsibility to find their own shelter in the event of a tornado. If you are a supervisor, you need to help your staff find shelter. If your building has no suitable place to hide from the storm, traveling to a better location would be your best option. You must monitor the weather reports and begin your journey when the storm is still several miles away. If you wait until the warning sirens are sounded, it's too late to leave the building.

Everyone needs to be aware of what to look for (and what to avoid) when seeking shelter. Look for the lowest level, avoid windows, sky lights and glass walls, avoid large span roofs. After you have put as many walls between you and the outside as possible, get under heavy furniture and protect your head from flying debris. Even in a weak tornado you could expect furniture, splinters and glass shards to hit you at 80 mph.

If you are driving, **DO NOT** look for shelter under an overpass—for you or your car. The overpass can create a windtunnel effect and actually speed up the tornadic winds. And with nothing to hold on to, you would be at the mercy of the storm while your car is blocking the path of would-be rescuers. It is safer to pull to the side of the road and lie flat in a ditch (away from your car).

Large campus buildings are generally too dense to allow the sound of tornado sirens to be heard by their occupants. Monitor weather forecasts and reports at least several times a week from now through summer and more often when storms are forecast. If there is a warning, the "All Clear" will be announced by emergency management on local radio stations and cable tv.

More information can be found on the [Environmental Health & Safety](#) website.

UNIVERSITY ACCOUNTING

Payments to International Visitors

If a department is contracting with an international visitor (not a U.S. citizen) to perform a service, the department must contact the Office of International Students and Scholars (ISS) prior to making any arrangements with the individual or submitting any paperwork to University Accounting for payment.

ISS handles the withholding and reporting for international visitors and should be contacted in advance of the scheduled service. In most cases, ISS will need to see the visitor to get signatures on IRS forms and to make copies of the visitor's travel documents. In some cases, there is withholding tax. Additionally, some types of visas do not allow for any kind of payment, including providing room and board. Therefore, advance planning is important with any international visitor.

BURSAR

- Priority enrollment for Summer and/or Fall begins **March 4th**. Enrollment hold notification emails (February 17th) provide sufficient time to clear financial holds prior to enrolling.

**Enrollment Policy Reminder:
Bursar accounts must be cleared
before enrolling in future semesters.**

- ✓ Any outstanding balance could delay registration for the Summer and/or Fall Semester. If a student encounters enrollment difficulties, please direct him/her to check his/her bursar account for any outstanding charges. Confirm all scholarships, financial aid, and payments have been received. To check account balances online, visit the Student Information System (SIS) website at <http://prodosu.okstate.edu/>.
- ✓ **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 placed if payments are made as promised. Access the POP application: <http://bursar.okstate.edu/forms/osupop.pdf>.
- ✓ Collection efforts commence for non-student bursar accounts after drop/add, which is the latter part of January. The first letters were mailed February 12.
- Laurie Beets is a new member of the Board of Directors for the Coalition of Higher Education Assistance Organization (COHEAO). COHEAO is a partnership of more than 300 educational and commercial members promoting access to post secondary education. The focus is on legislative and regulatory advocacy for Federal Perkins loans and other campus-based student loan programs. COHEAO is committed to keeping its members informed and up-to-date on important education issues.
- Census – please encourage staff and students to register. If Stillwater reaches 50,000 people, it could mean a lot for our town's economical growth
 - Census forms will be delivered to every address in the U.S. and Puerto Rico. The deadline to mail the census is midnight April 1. The official census web address is <http://2010.census.gov>.

FINANCIAL INFORMATION MANAGEMENT

Volunteers needed!

Financial Information Management is establishing a committee to assist in electronic initiatives for administrative processes. The purpose of this committee is to identify process improvements; the committee will analyze current applications, suggest administrative processes eligible for electronic application conversion, and be involved in business process reviews.

This committee will also test applications prior to being brought on-line to allow participants input in the look, feel, and processing before these applications are rolled out university wide.

The makeup of this group will ideally be a cross section of campus – with both faculty and staff members from administrative departments, colleges, and individual academic departments. It is anticipated this committee will meet once a quarter with more frequent individual interaction on an as-needed basis.

Please consider offering your name as a committee member. Nominations will be accepted through FIM@okstate.edu.

Thanks for your consideration.

PURCHASING

Qualified Printers

- Through a competitive solicitation process conducted by the Purchasing Department, University Marketing has qualified a list of printers for standard items (business cards, letterhead, and envelopes) and general purpose printing (brochures, newsletters, pamphlets, magazines, etc). Purchases over \$5,000 must be processed on a requisition prior to any purchase being made. The Purchasing Department will obtain quotes/bids from the list of qualified printers. Just a reminder: regardless of the dollar amount, only qualified printers shall be used for University printing needs.
- Use the Purchasing Department website, www.purchasing.okstate.edu, to view the list of approved University printers. Click on Contracts/OShop and then Printing Services (OS-081710-LKJ). Click on the link to University Marketing and then University Printers. A complete list of Official University Printers is provided.

Important Dates

Board Dates:

- Requisitions requiring Board of Regents approval (greater than \$150,000) were due in Purchasing: February 10, 2010, for the March 4, 2010, Board Meeting.
- Requisitions requiring Board of Regents approval (greater than \$150,000) are due in Purchasing: March 31, 2010, for the April 23, 2010, Board Meeting.

Purchasing Seminars:

- Purchasing Policies and Procedures, March 2, 2010, 9:00 AM, 412 Student Union
- Ethics in Purchasing, March 23, 2010, 9:00 AM, 412 Student Union

You may register for any 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

FISCAL & ADMINISTRATIVE COMPLIANCE

FRAUD DETERRENCE AND COMPLIANCE PROGRAM

Importance of Controls in Detecting or Limiting Fraud

Survey respondents of ACFE's 2008 Report to the Nation on Occupational Fraud and Abuse reported on the importance of controls in detecting or limiting losses in the cases they investigated. The respondents were asked to rank the controls in place at the time of the frauds on a scale of one (not at all important) to five (very important). The following controls received the top ranking scores.

Control	Average Score
Internal Audit or Fraud Examination Department	3.81
Surprise Audits	3.51
Management Review of Internal Controls	3.17
Fraud Hotline	3.03
Mandatory Job Rotation / Vacations	3.02
Rewards for Whistleblowers	2.86
Audit of Internal Controls over Financial Reporting	2.65
Audit of Financial Statements	2.53

It follows that over 75% of the victim organizations from ACFE's study altered their existing internal control system in response to the discovery of the frauds. The controls most often modified or implemented in response to the frauds were:

- Management Review of Internal Controls
- Surprise Audits
- Fraud Training for Managers / Executives
- Fraud Training for Employees
- Job Rotation / Mandatory Vacation
- Anti-Fraud Policy
- Internal Audit or Fraud Examination Department

What internal controls are in place in your department? When was the last time the controls were reviewed? Are the controls effective and operating as intended? Remember - - - Opportunities to commit fraud may be created by deficient or missing internal controls, while well-designed internal controls can be fundamental to detecting and preventing fraud.

Source: *ACFE 2008 Report to the Nation on Occupational Fraud & Abuse*
2009 Fraud Examiners Manual

Reporting Fraudulent Activity

Fraudulent financial activity or suspicion of fraudulent financial activity is to be reported directly to the Fiscal and Administrative Compliance section of the Office of the Associate Vice President & Controller or confidentially through EthicsPoint. A report can be filed by accessing the EthicsPoint website (https://secure.ethicspoint.com/domain/en/report_custom.asp?clid=10933) or by calling toll-free 866-294-8692.

PCARD ADMINISTRATION AND COMPLIANCE

Update on Pcard Contract

The State went out for bid on the pcard contract and is currently in the evaluation and negotiation phase of the new contract. At a minimum, we will have new software to track our pcard purchases. Changes can be expected in the near future.

Pcard Transactions to be Posted on Oklahoma's OpenBooks Website

Oklahoma's OpenBooks website was developed as a transparency tool to facilitate financial accountability. The website is available to the public, and no fee or password is required to access the site. All purchases made by State employees with State pcards are required to be posted to the OpenBooks website for the public to review. It is anticipated this requirement will soon be expanded to include the posting of OSU's pcard transactions. Anyone will be able to look at where we are using the pcard, how much we are spending, and in some cases, exactly what items we have purchased. When you are making purchases with your pcard, please be aware of how your purchase might appear to the general public in addition to the appropriateness of your purchase and compliance with State statutes and University policies and procedures.

Office of the Bursar

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113 Student Union
Stillwater, OK 74078

Phone: 405.744.5993
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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

Fiscal & Administrative Compliance

Oklahoma State University
306 Whitehurst
Stillwater, OK 74078

Phone: 405.744.2296 (Fraud Deterrence)
405-744-8408 (PCard Administration)
Fax: 405.744.6404

Email: fraud.deterrence@okstate.edu

Grants & Contracts

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Payroll Services

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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

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1224 North Boomer Road
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Risk & Property Management

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University Accounting

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