

# FISCALLY FIT

## News from the Controller

September 2010

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## GRANTS & CONTRACTS

### Conflicts of Interest

Oklahoma State University understands that the integrity of the institution's research and academic standing requires objectivity. In an effort to maintain objectivity, the University developed a "Conflict of Interest" policy in an effort to address situations that could pose a potential issue affecting the institution and the employee.

Conflicts of interest issues could be problematic for the institution and the employee if particular relationships between the University employee and an outside organization appear to compromise the employee's judgment in conducting the business of the institution. Since most conflicts of interest are financial in nature, most instances involve an employee receiving some monetary advantage resulting from the employee's relationship with the outside organization. The

employee's financial advantage could, as a result, harm or disadvantage Oklahoma State University.

A conflict of interest, as stated in the University policy, depends upon the situation and not on the character of the individual. It is also nearly impossible to eliminate all potential conflicts of interest. However, employees are responsible for disclosing significant financial interests that could cast a shadow on the employee's University responsibilities. Once disclosed, the University should determine whether or not the potential conflict of interest requires additional oversight or management to protect both the employee and University. OSU Policy 4-0130 discusses the University's approach to managing conflicts of interest and offers examples or potential conflicts.

References: OSU Policy 4-0139

[http://compliance.vpr.okstate.edu/documents/Conflict\\_of\\_Interest.pdf](http://compliance.vpr.okstate.edu/documents/Conflict_of_Interest.pdf)

## BURSAR

### Billing Statement

The **1st bursar billing statement** for the Fall semester was generated September 1 and included some format improvements and changes:

- Dialog box asks users to open the PDF file or save
- Summary box of charges, credit, balance
- Outreach course enrollment now occurs via SIS with the same tuition/fee cost structure as regular classes. Some distance learning courses receive credits for certain fees. Visit [ocampus.okstate.edu](http://ocampus.okstate.edu) for course details.

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. Since residential life billing charges are **no longer** deferred 50% 25% 25%, the application fee is waived this year for those residents. No finance charges nor enrollment holds are

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associated with the payment option plan if payments are made as promised.

Visit our website link for the POP application:

<http://bursar.okstate.edu/forms/osupop.pdf>

Also available online is the handbook describing bursar information. Check it out:

<http://bursar.okstate.edu/forms/BursarCatalog.pdf>

### **OSU Enrollment Policy**

Enrollment at Oklahoma State University incurs a financial obligation and responsibility of the student to pay all amounts owed in a timely manner. In order to remain in favorable financial standing with the University, and thereby continue to participate in its educational programs, services, and benefits, a student must meet all financial obligations incurred at the University on or before the due date. Any outstanding balance could delay registration for the spring semester. The first<sup>t</sup> spring enrollment holds were placed September 16<sup>th</sup> and email notifications were sent.

To read the entire Contract of Student Financial Responsibility visit:

<http://bursar.okstate.edu/documents/Student%20Financial%20Responsibility.pdf>

✓ ✓ Check enrollment holds via SIS

<http://prodosu.okstate.edu> -- spring registration begins  
October 20<sup>th</sup>

### **Bursar Optional Charge Monitoring Policy**

Optional charges are monitored closely to reduce the bad debt risk to the University, to reduce student/employee exposure to unmanageable bursar balances, and to help students maintain continuous enrollment at OSU by keeping bursar bills low enough to be paid off each semester per University policy.

Automatic holds are placed on accounts with past due balances and email notifications are sent. In order to reinstate charging privileges on campus, the account must be brought current. A message for individuals that should no longer be allowed to charge can be viewed on SIS screen 448 with reason code 0H "Charging Privileges Revoked – Current Term".

A visit with our financial counselor located in 322 Student Union may re-instate charging privileges if there are extenuating circumstances, or documentation provided for scholarships or financial assistance that are not yet processed for the current semester.

The following is emailed to the bursar account holder:

### **Optional Charging Notification**

Oklahoma State University extends bursar optional charging privileges to students in order to facilitate use of campus based services. You have recently charged a substantial amount to your bursar account. In order to maintain charging privileges with the University, a payment to cover these charges must be received by our office within 5 business days or your charging privileges will be revoked.

Payments are accepted at 113 Student Union by cash, check, cashier's check, or money order. Payments may also be mailed to P.O. Box 1583, Stillwater, OK 74076. For your convenience, credit card payments and electronic checks are accepted at <http://prodosu.okstate.edu>.

If there are extenuating circumstances or you have documentation of scholarships or financial assistance for the current semester that have not been applied to your account, please contact our office to visit with a financial counselor by calling (405) 744-6472 or visit our office in 322 Student Union.

This is the only notice you will receive pertaining to your charging privileges; therefore, not responding will result in you no longer being allowed to charge optional items/services to your bursar account.

## **FINANCIAL INFORMATION MANAGEMENT**

### **Password Security**

One of the most important topics for any computer user is that of password security. Here are some helpful tips to follow when dealing with computer-related passwords.

- Do not write your password down and leave it unsecured. Instead use a password vault program if you have difficulty remembering all of your passwords to different systems. Your PC support group can recommend one that will fulfill your needs and assist with its installation and configuration.
- Never share your passwords with anyone. If a co-worker or supervisor needs access to files that you use, store them on a network drive that can be accessed from their own account. If someone needs access to your e-mail, you can grant that access through Outlook, without sharing any passwords.
- Do not use personal information in your password, such as names of children, significant others, or pets. A person who knows you well can often guess your password easily.
- Use different passwords for the different systems and websites that you use. If your password for one site was to be compromised, the person would then not be able to use it to access other services like your online banking account or your email account.

- Use complex passwords, made up of capital and lowercase letters, numbers, and symbols. Make sure that it is at least eight characters long. Avoid the use of dictionary words, as they are easily cracked.
- Do not reply to e-mail messages requesting that you verify your account name and password, even if they seem legitimate. No reputable site will request you to confirm your account information in this manner.

For further reading view this link:

<http://onemansblog.com/2007/03/26/how-id-hack-your-weak-passwords/>

## RISK & PROPERTY MANAGEMENT

### International Travel

Oklahoma State University has entered exciting times in regard to global contacts and international involvement. A positive result of increased international involvement is an increase in number of university sponsored trips abroad.

It is very important as departments begin to make international travel plans to review the OSU International Travel policy, 1-0132.

<https://stillwater.sharepoint.okstate.edu/Policies/Shared%20Documents/Oklahoma%20State%20University%20International%20Travel%20Policy.pdf>

Requirements of the international travel policy make it necessary for travelers and departments considering programs requiring international travel to make preparations well in advance of their expected travel dates. Many of these requirements should be reviewed and approvals obtained as early as the program development stage. For instance, travel to countries listed on the State Department's Travel warning list is restricted by OSU policy. Any variance requires a vigorous trip review by the OSU Risk Assessment Committee.

If your department is considering programs involving International Travel please review the OSU International Travel Policy.

### Fire Prevention Week



Fire Prevention Week is October 3-9, 2010. This year's theme is, "Smoke Alarms: A sound you can live with."

It is easy to forget about smoke alarms because they don't seem to do anything—but they are constantly

working. A photoelectric smoke alarm has a light that operates 24 hours-a-day to check for smoke particles in the air. An ionization smoke alarm goes through 3.5 million monitoring cycles in 10 years.

Smoke alarms should be tested once a month. Their batteries should be changed every 6 months. If it keeps making a chirping sound, the battery is low—replace the battery right away.

According to the National Fire Protection Association, working smoke alarms cut the risk of dying in a reported fire in half. Interconnected smoke alarms on all floors increase safety—if one alarm detects smoke, all the smoke alarms are activated.

Both battery-operated and hard-wired smoke alarms are affected by age and should be replaced every 10 years. Replacing them also lets you take advantage of improved technology for greater safety.

For more information on Fire Prevention Week and its significance, go to the Environmental Health & Safety website at <http://ehs.okstate.edu>.

## ACCOUNTING

### Master Real Property Lease Program

The Master Real Property Lease program allows University colleges and departments to finance the acquisition of real property including land, buildings, and other improvements. Renovation and upgrading of real property is also allowed. The next round of Master Real Property Lease is set to begin the approval process in November with funding available around August, 2011. If interested in participating in the Master Real Property Lease program, please contact Jim Joseph (405-744-5671) or Susan Rackley (405-744-5886) as soon as possible for more details.

### Campus Vendor Invoices

Since July 2009, any CVI originating from the Stillwater, Oklahoma City, and Tulsa campuses are being submitted and processed electronically utilizing the on-line CVI application module in the Administrative Information Resource System (AIRS). The conversion to the on line system has produced exceptional results with quicker turn around and fewer errors.

Based on feedback from users, Financial Information Management has made some changes to the on-line CVI application module. These changes include:

- Allowing the submitter to enter multiple revenue and expense accounts
- Creating pre-routes
- The ability to reverse one line on the CVI rather than the entire CVI will be effect October 4, 2010

- Sending e-mail notifications to the customer when the account is charged or when if the CVI is reversed

Training on the changes to the on-line CVI process is being offered by University Accounting on the following dates:

- Tuesday, September 28<sup>th</sup> 9:00-10:30  
270 Student Union
- Tuesday, September 28<sup>th</sup> 1:00-2:30  
106B Whitehurst
- Monday, October 4<sup>th</sup> 1:00-2:30  
106B Whitehurst

Interested parties may enroll via the Training Services website located at [http://hr.okstate.edu/hr/training/staff\\_dvpt10.php](http://hr.okstate.edu/hr/training/staff_dvpt10.php).

The application of on-line CVIs is part of a larger initiative to increase paperless processing by Oklahoma State University and the OSU System. Continuous process reviews of administrative functions are being conducted to identify likely candidates for conversion to on-line processes. Your suggestions and comments regarding this application or other potential electronic administrative processes are always welcome at [FIM@okstate.edu](mailto:FIM@okstate.edu).

Thank you for your support of another “Going Green” project.

## PURCHASING

### Retirement Celebration

Tom Yant, Sr. Buyer, is retiring on September 30, 2010, after eighteen years of dedicated service to Oklahoma State University and The Oklahoma Agricultural and Mechanical Colleges. Please join us as we celebrate Tom’s retirement on September 29, 2010, from 2:00 – 4:00pm in the Willard Hall Living Room.

### Important Dates

#### Board Dates:

- Requisitions requiring Board of Regents approval (greater than \$150,000) are due in Purchasing September 29, 2010, 5:00pm, for the October 22, 2010, Board Meeting.

#### Purchasing Policies and Procedures Seminar:

- November 3, 2010, 9:00-11:00 PM, TBA

#### Ethics in Purchasing

- October 27, 2010, 2:00-4:00 PM, 103 ATRC

You may register for either of these sessions by calling Human Resources at X5374, on the Human Resources website at [http://fp.okstate.edu/hrosu/training\\_enroll.htm](http://fp.okstate.edu/hrosu/training_enroll.htm), or by email: [osu-trng@okstate.edu](mailto: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](mailto:purchase@okstate.edu)  
Website: [www.purchasing.okstate.edu](http://www.purchasing.okstate.edu)*

## FISCAL & ADMINISTRATIVE COMPLIANCE

### FRAUD DETERRENCE AND COMPLIANCE PROGRAM

#### Findings from ACFE's 2010 Report to the Nations on Occupational Fraud and Abuse

The Association of Certified Fraud Examiners compiled the 2010 Report to the Nations from data provided by the Certified Fraud Examiners who investigated the fraud cases. The study included 1,843 cases of occupational fraud that occurred worldwide between January 2008 and December 2009. Some of the findings from the study are listed below.

- It was estimated by survey participants that the typical organization loses 5% of its annual revenues to fraud.
- The median loss caused by the occupational frauds in the study was \$160,000; however, almost 24% of the frauds involved losses of at least \$1 million.
- Asset misappropriation schemes (schemes in which the perpetrator steals or misuses an organization's resources) were the most common form of fraud in the study and were found in almost 90% of the cases.
- Occupational frauds are much more likely to be detected by tip than by any other means.
- Victim organizations that had anti-fraud controls in place had significantly lower losses and time-to-detection than organizations without the controls.
- More than 85% of the fraudsters in the study had never been previously charged or convicted for a fraud-related offense.
- Fraud perpetrators often display warning signs that they are engaging in illicit activity, with living beyond their means and experiencing financial difficulties being the most common behavioral red flags.

As a part of the study, the length of time a scheme lasted before being detected was analyzed. The median duration of the fraud scheme before being discovered was 18 months. Financial statement frauds (the most costly form of fraud) were determined to last the longest before detection.

Scheme Type	Median Months to Detection
Financial Statement Fraud ( <i>schemes involving the intentional misstatement or omission of material information in the organization's financial reports</i> )	27 Months
Check Tampering ( <i>any scheme in which a person steals his / her employer's funds by intercepting, forging, or altering a check drawn on one of the organization's bank accounts</i> )	24 Months
Expense Reimbursements ( <i>any scheme in which an employee makes a claim for reimbursement of fictitious or inflated business expenses</i> )	24 Months
Payroll ( <i>any scheme in which an employee causes his / her employer to issue a payment by making false claims for compensation</i> )	24 Months
Billing ( <i>any scheme in which a person causes his / her employer to issue a payment by submitting invoices for fictitious goods or services, inflated invoices, or invoices for personal purchases</i> )	24 Months
Corruption ( <i>schemes involving the employee's use of his / her influence in business transactions in a way that violates his / her duty to the employer for the purpose of obtaining a benefit for himself / herself or someone else</i> )	18 Months
Cash on Hand ( <i>any scheme in which the perpetrator misappropriates cash kept on hand at the victim organization's premises</i> )	18 Months
Skimming ( <i>any scheme in which cash is stolen from an organization before it is recorded on the organization's books and records</i> )	18 Months
Larceny ( <i>any scheme in which cash is stolen from an organization after it is recorded on the organization's books and records</i> )	18 Months
Non-Cash ( <i>any scheme in which an employee steals or misuses non-cash assets of the victim organization</i> )	15 Months
Register Disbursement ( <i>any scheme in which an employee makes false entries on a cash register to conceal the fraudulent removal of cash</i> )	12 Months

Source: ACFE 2010 Report to the Nation on Occupational Fraud & Abuse

### Reporting Fraudulent Activity

ALL 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 through the EthicsPoint website or by calling toll-free 866-294-8692.

The EthicsPoint website can be found at :  
[https://secure.ethicspoint.com/domain/en/report\\_custom.asp?cli](https://secure.ethicspoint.com/domain/en/report_custom.asp?cli)  
 entid=10933.

### PCARD ADMINISTRATION AND COMPLIANCE

#### New Pcard Contract

The Pcard contract with JPMorgan Chase will expire on December 31. Migration to Bank of America, the new State contract vendor, is currently under way. The pilot "test" group is nearing the end of their first month using the new Pcard, and migration of the first group of departments will be taking place on/around September 21. The Pcard Administrator will continue to work with the Fiscal Officers to set up implementation meetings and training in their areas for the new program.

Early detection can have a significant impact in limiting losses.

**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](mailto: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: [www.fim.okstate.edu](http://www.fim.okstate.edu)  
Email: [fim@okstate.edu](mailto: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](mailto:fraud.deterrence@okstate.edu)  
Website: <http://faac.okstate.edu/>

**Grants & Contracts**

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Stillwater, OK 74078

Phone: 405.744.8239  
Fax: 405.744.7487

Website: <http://vpaf.okstate.edu/gcfa/>

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Website: <http://controller.okstate.edu/>

**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](mailto:payroll.services@okstate.edu)

**Purchasing**

Oklahoma State University  
1224 North Boomer Road  
Stillwater, OK 74078

Phone: 405.744.5984  
Fax: 405.744.5187

Website: [www.purchasing.okstate.edu](http://www.purchasing.okstate.edu)  
Email: [purchase@okstate.edu](mailto:purchase@okstate.edu)

**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**

Oklahoma State University  
304 Whitehurst  
Stillwater, OK 74078

Phone: 405.744.5865  
Fax: 405.744.1832

Website: <http://www.vpaf.okstate.edu/ua/>