

Fiscally Fit

News from the Controller

April 2018



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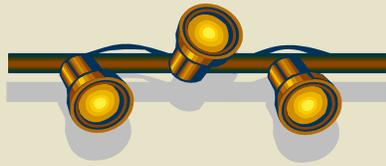
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**Office of the
Associate Vice President
and Controller**



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WILAM Spotlight



SANDY

**Office of the Associate Vice
President & Controller**

NICE TO MEET YOU, SANDY!

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](#).**

Pete's Pet Posse-Oklahoma State Pet Therapy Program

Responsibilities:

- Member of Pete's Pet Posse
- To love unconditionally

Adoptaversary:

- June 25, 2012

Breed:

- Lab/Pit/Whatever/Mix

Education:

- Canine Good Citizen
- Alliance of Therapy Dogs

Favorite Treat:

- Hotdogs

Other Interesting Facts:

- Loves to swim in the creek, chase deer, rabbits and other wildlife – I never catch anything, it's all about the chase!
- My handler and I, Gaylene Hargrove, are a pet therapy team for Pete's Pet Posse.

**Promoting Wellness for
America's Healthiest Campus**



Financial Tip of the Month

Provided by www.irs.gov/newsroom. The material is for informational and educational purposes only and should not be regarded as a recommendation or an offer to buy or sell any product or service to which this information may relate.

IRS Encourages 'Paycheck Checkup' for Taxpayers to Check Their Withholding

IR-2018-73, March 26, 2018

WASHINGTON — Launching a special week of activities, the Internal Revenue Service continued its effort to encourage taxpayers to do a “paycheck checkup” to make sure they have the right amount of tax taken out of their paychecks for their personal situation.

To help taxpayers understand the implications of the Tax Cuts and Jobs Act, the IRS unveiled several new features to help people navigate the issues affecting withholding in their paychecks. The effort includes a new series of plain language Tax Tips, a YouTube video series and other special efforts to help people understand the importance of checking their withholding as soon as possible.

“The IRS is taking special steps to help taxpayers understand these tax law changes,” said Acting IRS Commissioner David Kautter. “We encourage people to do a paycheck checkup to help make sure they’re having the right amount of tax withheld for their unique personal situation. To help with this, the IRS has added and updated a variety of tools and information to help taxpayers.”

The new tax law could affect how much tax someone should have their employer withhold from their paycheck. To help with this, the IRS urged taxpayers to visit the Withholding Calculator on IRS.gov. The Withholding Calculator can help prevent employees from having too little or too much tax withheld from their paycheck.



IRS Encourages 'Paycheck Checkup' for Taxpayers to Check Their Withholding (continued)

Having too little tax withheld can mean an unexpected tax bill or potentially a penalty at tax time in 2019. With the average refund topping \$2,800, some taxpayers might prefer to have less tax withheld up front and receive more in their paychecks.

Taxpayers can use the Withholding Calculator to estimate their 2018 income tax. The Withholding Calculator compares that estimate to the taxpayer's current tax withholding and can help them decide if they need to change their withholding with their employer. When using the calculator, it's helpful to have a completed 2017 tax return available.

Taxpayers who need to adjust their withholding will need to submit a new Form W-4, Employee's Withholding Allowance Certificate, to their employer. If an employee needs to adjust their withholding, doing so as quickly as possible means there's more time for tax withholding to take place evenly during the rest of the year. Waiting until later in the year means there are fewer pay periods to make the tax changes – which could have a bigger impact on each paycheck.

Information on "Paycheck Checkup" Available in Several Ways

The IRS is launching a sweeping effort to advise taxpayers about the importance of doing a "paycheck checkup" as soon as possible. In addition to updating the Withholding Calculator and issuing a new Form W-4, the agency is collaborating with tax professionals, partner organizations, employers, community groups and the tax and payroll industries to educate employers and employees about the importance of checking their withholding.



Information on “Paycheck Checkup” Available in Several Ways (continued)

The IRS is also taking additional steps:

- Launching a series of Tax Reform Tax Tips, an addition to the IRS’s Tax Tips email-subscription program. These tips will continue through 2018. Written in plain language, they can help taxpayers learn about major tax reform topics in understandable terms. The special series began the week of March 26, 2018 with daily tips covering withholding topics. The series will highlight other law changes in the weeks and months ahead, and taxpayers can subscribe on IRS.gov.
- Issuing a special news release series. During the series, the IRS will focus on some of those groups most likely to be affected by the withholding changes and how the new law may affect their tax situation.
- Sharing new YouTube videos to walk taxpayers through what they need to know about withholding, the Withholding Calculator and filling out a new Form W-4, if needed.
- Using social media to spread the word about #PaycheckCheckup.

Who Needs a Paycheck Checkup

The IRS always recommends employees check their withholding at the beginning of each year or when their personal circumstances change to make sure they’re having the right amount of tax withheld from their paychecks. With the new tax law changes, it’s especially important for certain people to use the Withholding Calculator on IRS.gov to make sure they have the right amount of withholding.



Who Needs a Paycheck Checkup (continued)

Among the groups who should check their withholding are:

- Two-income families.
- People working two or more jobs or who only work for part of the year.
- People with children who claim credits such as the Child Tax Credit.
- People with older dependents, including children age 17 or older.
- People who itemized deductions in 2017.
- People with high incomes and more complex tax returns.
- People with large tax refunds or large tax bills for 2017.

The law increased the standard deduction, removed personal exemptions, increased the child tax credit, limited or discontinued certain deductions and changed the tax rates and brackets.

When personal circumstances change that reduce withholding allowances they are entitled to claim, including divorce, starting a second job, or a child no longer being a dependent, an employee has 10 days to submit a new Form W-4 to their employer claiming the proper number of withholding allowances.

After Using the Withholding Calculator, Change Withholding by Submitting New Form W-4

Taxpayers can use the results from the Withholding Calculator to determine if they should complete a new Form W-4, Employee's Withholding Allowance Certificate, and, if so, what information to put on it.

If changes to withholding should be made, the Withholding Calculator gives employees the information they need to fill out a new Form W-4. Employees will submit the completed Form W-4 to their employer. For more details on withholding issues, taxpayers are encouraged to visit IRS.gov.



How the Tax Cuts and Jobs Act Affects Employees

The enactment of the *Tax Cuts and Jobs Act* (TCJA) affects nearly every U.S. taxpayer. Lower tax rates, expanded deductions and new limitations have taxpayers and their advisors scrambling to determine what exactly the new law means for them. One area of the TCJA that deserves extra attention is its effects on employers and their employees. This article focuses on some of the more significant provisions affecting employees.

Moving Expenses

The new law repealed the deduction (under IRC §217) and income exclusion (under IRC §132(g)) previously allowed for employees with qualified moving expenses. This provision expires December 31, 2025.

Reimbursements received after December 31, 2017, are includible in an employee's gross income, even if the expense was incurred during 2017. This provision applies to all employee reimbursements (including payments an employer makes directly to a third party, *e.g.*, moving company), except for amounts received by an active-duty member of the U.S. armed forces who moves pursuant to a military order and incident to a permanent change of station.

No More Pre-Tax Parking

OSU will no longer be able to provide qualified parking benefits on a pretax basis.



Employee Achievement Awards

Under IRC §274(j), employers are able to deduct (and employees are able to exclude from income) the cost of employee achievement awards, up to a specified limit; however, the award must be of **tangible personal property**. The TCJA made a subtle yet important change to the treatment of these awards by clarifying that the term “**tangible personal property**” **excludes cash, gift cards, vacations, meals, lodging, theater or sporting event tickets, stocks, bonds, other securities and other similar items.**

Income Tax Withholding for 2018

The IRS recently updated the 2018 federal income tax withholding tables to reflect changes made by the TCJA. The updated withholding information includes the new rates for employers to use during 2018. Employers should begin using the 2018 withholding tables no later than February 15, 2018. The new withholding tables are compatible with existing Forms W-4 employees already furnished their employers; therefore, employees won't need to do anything at this time unless they're claiming exemption from withholding, in which case they'll need to submit a 2018 Form W-4 within 30 days of the release of that form. **The IRS encourages all taxpayers to check their withholding with the new withholding information.**

As provided in IRS Notice 2018-14, the withholding rate under the optional “flat-rate” method for supplemental wages, such as bonuses, commissions or overtime pay, is decreased from 25 percent to 22 percent. Employers must implement this withholding rate decrease for any supplemental wages paid on or after February 15, 2018.

Source: <http://www.bkd.com/articles/2018/the-tax-cuts-and-jobs-acts-effect-on-employers-and-employees.htm>



Year-End Close Procedures

The following information and/or procedures are presented in order to coordinate with departments in planning for the year-end closing of financial records.

Cash On Hand

The last day to make a deposit for fiscal year 2018 will be at 3:00 p.m., **June 29, 2018**. If you have cash and checks on hand in excess of \$500 and are unable to make a deposit on the last day, please contact Wilma White of the Bursar's Office at 744-5122 for special instructions.

Accounts Receivable

If you are not utilizing Banner AR, you must submit an aged listing of accounts receivable to University Accounting, 304 Whitehurst, no later than **July 6, 2018**. You will need to establish an allowance for bad debts based on historical experience. Please contact Lynette Venard at 744-5881 for assistance.

Deferred Revenue

All tuition and student fee revenue related to summer sessions will be split between fiscal years 2018 and 2019 with one-half classified as revenue for each year. Any revenue recorded by billing or deposits prior to **June 29, 2018** will be split between fiscal years 2018 and 2019 with one-half recorded as deferred revenue in fiscal year 2018. The amounts deferred will then be reclassified as revenue after June 30. For further information concerning summer session deferred revenue, please contact Wilma White of the Bursar's Office at 744-5122.



Year-End Close Procedures (continued)

Travel Vouchers/Invoices

Online travel vouchers must have all departmental approvals and be pending University Accounting approval in AIRS by **June 15, 2018**, at 5:00 p.m. to guarantee processing in fiscal year 2018. Invoices must be received in University Accounting by 5:00 p.m., **June 15, 2018** to guarantee processing in fiscal year 2018. Items received after this date will continue to be processed until the deadline that is imposed by the Office of State Finance for submitting claims for payment. For further information, please contact Charles McCoy at 744-5865.

OK Corral Invoices

To guarantee processing in fiscal year 2018, invoices in OK Corral must have a settlement status of 'Fully Matched' and be pending University Accounting approval by **June 15, 2018** at 5:00 p.m. Invoices received for approval after this date will continue to be processed until the deadline that is imposed by the Office of State Finance for submitting claims for payment. For further information, please contact Beth Ward at 744-5865.

Requisitions

Requisitions for fiscal year 2018 that exceed \$25,000 and require formal bids/quotations should be received in the Purchasing Department by **May 1, 2018**. It is possible requisitions received after this date may be processed as fiscal year 2019 purchase orders. Change order requests for fiscal year 2018 should be received in the Purchasing Department by **June 15, 2018**. If you need special handling of a requisition after these dates, please contact the Purchasing Department at 744-5984.



Year-End Close Procedures (continued)

New Year Processing

Requisitions for fiscal year 2019 can be sent to purchasing via the OK Corral beginning **July 2, 2018** or immediately after budgets are loaded into Banner. If this creates a lead-time or supplier issue please contact purchasing at purchasing@okstate.edu and we will work with you to find a resolution.

Campus Vendor Invoices

Campus vendor invoices on the AIRS system must have the status 'Pending for Accounting' by noon on **June 15, 2018** for entry into June business. During the month, please make a special effort to keep campus vendor invoices current to prevent high volume processing on the last day. Campus vendor invoices with the status 'Pending for Accounting' after noon on **June 15, 2018** will not be processed until the new fiscal year 2019. For further assistance, contact Lynette Venard or Janice Brazil, 744-5881.

Inventory For Resale

University Accounting, 304 Whitehurst, will be responsible for collecting year-end inventory data. While we will not be auditing accounts ourselves, we will assist the external auditors in scheduling the inventory counts they wish to observe. As requested in past years, please provide a listing of all inventories for resale and/or livestock/feed inventories under your control as of close of business, **June 29, 2018**. We will be sending each area (that has received such in the past) an inventory questionnaire due with your inventory listing by **July 6, 2018**. In addition, please provide by **July 6, 2018** an explanation of any significant dollar increases or decreases to your total June 30, 2018 inventory value from the June 30, 2017 inventory values. For further information, please contact Lynette Venard at 744-5881.



Year-End Close Procedures (continued)

Campus Vendor Batch Processing

The final datasets to record the campus vendor transactions will be posted to Banner Finance on **June 22, 2018** in order to allow time for any correcting entries that will be necessary prior to the fiscal year-end closing on June 30.

Payroll Processing

The JB13 biweekly wage period ending **June 16, 2018** will be recorded in June activity. The JB14 biweekly wage period ending **June 30, 2018** will be recorded in July activity and will be accrued in fiscal year 2018. For further information, please contact Tammie Lowe at 744-8497.

Banner HR Redistributions

To provide for timely processing of all labor redistributions before year end, all Banner HR Redistribution Transaction forms must be received by OSU Payroll Services, 409 Whitehurst, by Friday, **June 8, 2018**. If grant funds are involved, sufficient time should be allowed for the forms to be reviewed by Grants and Contracts Financial Administration (GCFA) and forwarded by that date. For further assistance, please contact Tammie Lowe at 744-8497.

Grants And Contracts

In order to have a smooth year-end closing for the fiscal year 2018, the deadline for the creation of new grant fund codes for fiscal year 2018 will be **June 27, 2018**. Requests for retroactive cost transfers and transfers of over-expenditures and unallowable charges will be accepted for the months through June and are due to GCFA by **June 14, 2018**. If you foresee a problem with these deadlines, please contact GCFA in advance so individual needs may be addressed.

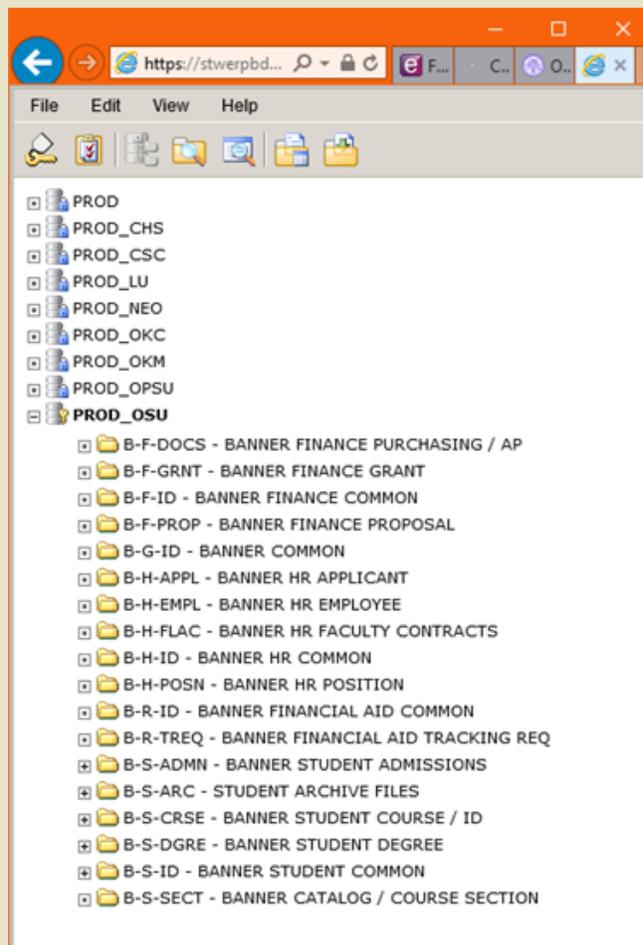


University Imaging

University Imaging has the ability to scan documents into Banner Document Management (BDM). Records tied to a specific Banner page can be routed to the BDM system rather than AppXtender. This would allow a user to open BDM from the Banner screen versus opening AppXtender in a separate window. We would just need to know the context (repository) that ties to it.

In addition, if your department needs Appxtender updated, i.e. CWIDS changed to Banner ID's, please contact University Imaging.

If this is something your department is interested in, please contact University Imaging 744-7183.



Financial Information Management

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Tax Reform Act, Exempt Organizations, and Unrelated Business Income

The Tax Reform Act (signed into law December 22, 2017) included several changes that affects tax exempt organizations to include colleges and universities. One of the key changes require organizations to calculate separately the net Unrelated Business Income (UBI) for each unrelated trade or business. In this change, “any losses in one unrelated trade or business cannot be used to offset income in another unrelated trade or business, and the net operating loss deductions are allowed only with respect to the trade or business from which the loss arose.” (KPMG 2018).

OSU is not prohibited from engaging in activities which generate unrelated business income, but the IRS requires that we report net operating results, including net losses, from each unrelated activity.

In past years, OSU has been able to use losses in one area as an offset to UBI in another, and this successfully mitigated our tax liabilities. As we go forward, this change in law could now create a tax liability for some departments.

It is incumbent on departments to make sure all UBI activities under their purview are reported and the appropriate costs/expenses associated with the operation of their unrelated business or trade are accounted.

-Unrelated Business Income Potential and Considerations

As you consider the possibility that your department may be participating in revenue producing activities and has potential UBI, please review the information below. Only consider revenue produced from sources outside OSU; do not consider revenue produced from sales of goods and services to other OSU departments. For purposes of UBIT, sales of goods and services to alumni are considered unrelated and an outside source of revenue.



Tax Reform Act, Exempt Organizations, and Unrelated Business Income (continued)

- Non-educationally-related items sold through the University's "Marketplace;"
- Advertising in print publications, on tv/radio broadcasts, billboards, scoreboards, internet or in other printed materials;
- Affinity (credit/debit card) programs where a service is provided to a card vendor;
- Athletic facility use for non-OSU events or recreational facility use by the public;
- Sales of bikes and bike parts to the public;
- Rental, sales or providing repair services, to the public or on non-University owned bicycles;
- Providing vehicle repair services to non-University-owned vehicles;
- Providing rental or rental services of vehicles to the general public;
- Rental of buses to non-OSU entities or rental of advertising space on buses or other OSU property;
- Bookstore and gift shop sales to the public by OSU owned and operated facilities;
- Career services provided to alumni or other outside parties, for a fee;
- Catering and food service sales to the public by OSU owned and operated food service departments;
- Computing resource leasing – software maintenance and support or server space rental;
- Commercially sponsored scientific research if the results are not made available to the public or directed toward benefiting the public;
- Sales of publications;
- Conference registration fees and conference supplies and/or memorabilia for the event;
- Sales of non-educational or promotional miscellaneous items (clothing, cups, etc) to the general public;
- Dormitory rentals to the public;
- Professional entertainment events operated in a commercial manner and not part of an educational program;
- Exclusive provider and sponsor agreements;



Tax Reform Act, Exempt Organizations, and Unrelated Business Income (continued)

- Hotel and restaurant services provided to the public;
- Hospital non-patient sales such as a pharmacy or medical equipment supplies for sale to the general public;
- Leasing and rental activities, such as rental of conference/meeting rooms or other facilities for private events;
- Licensing agreements where services are provided to the licensee;
- Merchandising operations, including mail-order sales;
- Direct operation of parking lots;
- Participation or ownership in a partnership or joint venture with a non-OSU entity;
- Pet boarding and grooming services for the general public;
- Travel tour programs that are not authentic educational activities;
- Broadcast rights;
- Sale of recreational memberships to dependents and guests of University members, alumni or the general public;
- Rental of equipment (e.g. outside recreation equipment, scientific instruments, etc.) to Non-University members;
- Royalties from oil and/or gas rights;
- Rental payments for the lease of space on antenna towers and transmission facilities;
- Rental payments for placement of cell towers on buildings;
- Mailing list rental or purchase;
- Credit card promotions – fees received for allowing advertising flyers to be included in a University mailer;
- Power generation produced by a OSU facility;
- Summer sports camps that are not part of the educational programs offered by the University.

Sources: KPMG 2018 Tax Briefing, OSU Annual Unrelated Business Income Questionnaire



New OK Corral Punch-Out – Sigma Aldrich

Sigma Aldrich is a long-trusted manufacturer of chemicals, compounds, and reagents used by many of the researchers, educational labs, and facilities across the A&M System. We are pleased to announce a new discounted pricing agreement with Sigma and the activation of their punch-out in OK Corral. Per the terms of our agreement, both Sigma and the Purchasing Department request that **all future purchases be made through the punch-out (instead of by p-card)**, now that this agreement and punch-out are in place. By using the punch-out, you will be getting the most competitive pricing on the entire Sigma catalog of products.

OK Corral Notice-Electronic Invoicing

For punch-out suppliers that provide electronic invoicing, you must **create a receipt** on your purchase order once you have received your item(s). Accounting cannot process the invoice until a receipt has been created. Please refer to the How-to-Guides for creating receipts.

My Resources
OKCorral@okstate.edu | Phone: +1 405-744-5985
[How-To Guides](#) | [Site Map](#)

Have you checked out our **OK Corral How-To Guides**? If not, check out how to fill out a change order form, create an invoice, guides for punch-out users, plus many others.

Important Updates:

How-To-Guides are available by clicking on the link at the bottom of the homepage of OK Corral, above Important Updates on the OK Corral homepage or by visiting <https://purchasing.okstate.edu/okcorral-guides>.

How-To-Guides have also been added for “How To Fill Out a Change Order Form” and “How To Request Closing of a Purchase Order”.

Requesting

- [Requester Quick Guide](#)
- [Copying a Requisition to a New Cart](#)
- [How To Fill Out A Change Order Form](#)
- [How To Request Closing A Purchase Order](#)
- [How To View Supplier Remit Addresses](#)

Purchasing

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Contracts for Signature

Contracts for signature being sent through email to the Purchasing Department should include what the agreement/contract is for, the amount and how it will be paid. If a contract/agreement will be paid for by using OSU Foundation funds, then the contract/agreement will need to be sent to the OSU Foundation for signature.

Methods of Payment

There are two methods for making payments to suppliers, P-Card or purchase order. A requisition should not be submitted if you will be using your P-Card for payment.

Purchasing Training Opportunities

| Date | Time | Course | Location |
|--------------------|--------------------|---|----------|
| May 21, 2018 | 1:30 PM – 4:30 PM | OK Corral New User Training | 403 CLB |
| May 22, 2018 | 9:00 AM – 12:00 PM | Procurement Basics | 126 ITLE |
| June 19, 2018 | 1:30 PM – 4:30 PM | Building a Better Bid (Best Value Bid & Specifications) | 126 ITLE |
| July 16, 2018 | 1:30 PM – 4:30 PM | OK Corral New User Training | 403 CLB |
| July 17, 2018 | 9:00 AM – 12:00 PM | Procurement Basics | 126 ITLE |
| August 20, 2018 | 1:30 PM – 4:30 PM | OK Corral New User Training | 403 CLB |
| September 17, 2018 | 1:30 PM – 4:30 PM | OK Corral New User Training | 403 CLB |
| November 19, 2018 | 1:30 PM – 4:30 PM | OK Corral New User Training | 403 CLB |

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Payroll Services

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Office of the Bursar

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