

Fiscally Fit

Office of the AVPAF

October 2018



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**Office of the
Associate Vice President
for Administration and
Finance**

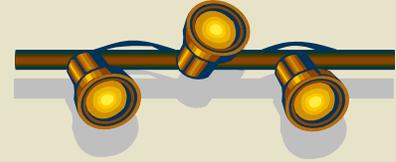


Oklahoma State University

207 Whitehurst
Stillwater, OK 74078
Phone: 405-744-4188
Email: avpaf@okstate.edu
Website: <http://avpaf.okstate.edu/>



WILAM Spotlight



BRAHMANI KANNEDHARA

Web Developer, Financial
Information Management

Nice to meet you Brahmami!

Responsibilities:

- Design and development of web applications for financial and administrative information.

Previous Experience:

- Research Assistant/Programmer
- Student Web Developer

Education:

- Master of Science in Computer Science
- Bachelor of Technology in Computer Science and Engineering

Other Interesting Facts:

- I met my husband at OSU
- My husband is a PhD student at OSU
- Soon to be a Mommy
- My favorite color is orange
- I love nature

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](#).**



Financial Tip of the Month

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The Best Questions to Ask your Financial Advisor

When did you last check in with your financial advisor? Six months ago? A year ago? Longer?

If it's been a while, listen up: Your wealth-building isn't something to put on the back burner! As you prepare for and work toward your dream retirement, regular checkups with your financial advisor are crucial.

Now, I know these conversations can seem intimidating. After all, most of us don't interact with mutual funds and brokerage fees on a daily basis. How do you know what to say?

The great news is that you don't have to understand *everything* about the investing world in order to discuss your financial portfolio. You just need to know what to ask.

To help get you started, here's a list of ongoing questions I recommend asking your financial advisor—along with the answers you're looking for and some red flags to be aware of.

Question #1: How Is My Portfolio Performing?

Notice that I didn't ask how *each fund* or even how an *individual stock* is doing. That's because you're looking at the big picture. How are your investments doing when grouped together? If your portfolio is earning money, that's good. On the whole, your investments should keep up with or even beat the stock market's average over time.



The Best Questions to Ask Your Financial Advisor (continued)

If certain funds are doing well, you need to know why those funds are doing well—and vice versa if funds are *not* doing so well. If your portfolio is consistently losing money even though the market is good, something is wrong. You need to dig deeper with your financial advisor to find out what's going on.

Question #2: Should I Rebalance My Portfolio?

Here's something to think about: Part of your car's maintenance involves getting your tires balanced. That's because over time, your tires hit rocks, potholes and other debris that knock them off-balance. That can make the rubber wear unevenly, the steering wheel shake, and the life of the tires shorten.

Just like your tires, your investment portfolio needs to be rebalanced. Over time, some funds may over-perform and take up more room in your portfolio—which may make it unbalanced. You could discover that one kind of fund makes up 60% of your investments. And that's a bad thing if the market drops for some reason. You want your portfolio balanced evenly across four types of funds:

- 1. Growth and income funds.** These are the most predictable and stable funds in the market.
- 2. Growth funds.** These funds are fairly stable, but they're a little riskier than growth and income funds.
- 3. Aggressive funds.** Think of these as the wild child of funds. You never know what could happen! These stocks could go up or down in value quickly, which is why you don't **ever** want to put **all** your money in aggressive funds.
- 4. International funds.** These funds are made up of companies from around the world and outside your home country.



The Best Questions to Ask Your Financial Advisor (continued)

Maintaining a balance in your portfolio helps you take advantage of the market's growth and keeps you from putting all your financial eggs in one basket. If you don't meet with your advisor to ask questions, you'll never know if your account needs this kind of maintenance.

Question #3: Should I Tweak My Investment Strategy?

Making sure your portfolio is balanced is only one part of keeping your financial plan on target. You also need to make sure your overall strategy is tracking with your age, your income, and when you want to retire. When you're young, you have more time to invest. With a longer time horizon, you could probably afford to invest in funds that carry a little more risk. Why? Because there would be time for the market to recover any losses you might have. But when you're closer to retirement, you want your money to be in less volatile funds. This helps to protect the wealth you've grown over time.

As your life changes, so does your strategy. Based on your goals and your current financial status, you may need to save more. Or maybe you need to save outside your work retirement plan. Or you might discover that you've reached a milestone sooner than you thought and you need to adjust your strategy to protect your wealth. That's why you need to ask this question on an ongoing basis.

Question #4: What's Missing From My Financial Plan?

Life turns on a dime. One day you're taking your kids to preschool, and the next you're dropping them off at college. You get a different job. Your parents age. Your spouse wants to open a business. As your life changes, so should your financial plan. By talking with an advisor, you can look for gaps in your current plan.



The Best Questions to Ask Your Financial Advisor (continued)

You may discover that you need to set aside more money—or even set aside that money in a different place. You may have built enough wealth that you need to get umbrella insurance to protect yourself against a lawsuit that could threaten your nest egg. Or you may need to talk about setting up a living trust.

But you won't know what's missing from your financial plan unless you're asking this question.

Question #5: How Will My Investments Affect My Taxes?

A financial advisor can do more than just help you pick your investments. They can also give you information and advice about your taxes, especially as you get closer to retirement. You may have several different types of investments, from a 401(k) to a Roth IRA to real estate. And each of those revenue streams (places you'll draw money from in retirement) has different tax rules. For example, you'll pay taxes on money you take out of a 401(k) at retirement, but you won't pay taxes on money you've put into a Roth account (in most cases).

Taxes can be confusing, but I don't want that confusion to cause you to make a mistake. The IRS will slap you with a hefty penalty, and I'd rather you keep your money! By talking with your financial advisor on a regular basis, you can keep track of your tax situation and adjust your financial plan when necessary.

Whether you're new to the investing world or you've built a sizeable nest egg, you need to ask your advisor these questions. It's a checkup you can't afford to skip!



Student Group Initiatives

Student group initiatives are encouraged and supported; however, food, donations/fund raising should be handled as a cash point of sale exchange not as a receivable to collect at a later time.

It could be interpreted using the University receivable system to collect donations is in conflict with P&P 1-0301. OSU donations are handled by the OSU Foundation and deposited directly with the Foundation not directly into University funds. Student organizations cannot use the University Receivable system. Bursar detail codes are not created for student organizations.

There are several reasons student organizations are not allowed to create bursar account charges. There are private identity security processes for the collection of Banner ID's for the charges and the individual's authorization for the charges is needed. There are restrictions on ledger 9 fund usage. The restrictions are because the University can only allow items to be charged (creating receivables) for entities generating revenue to the University financial system. Ledger 9 funds do not generate revenue. There are also expenses for bursar account charges.

An example is the Bad Debt Assessment calculation each semester (3 times/yr.) to set aside enough allowance to cover the anticipated bad debt write-off. The annual bad debt write-off uses the expense recorded from the assessment. Each department/fund is assessed based upon calculations specific to their history and usage. Due to the nature of student group existence, we are unable to assess student groups for those expenses.

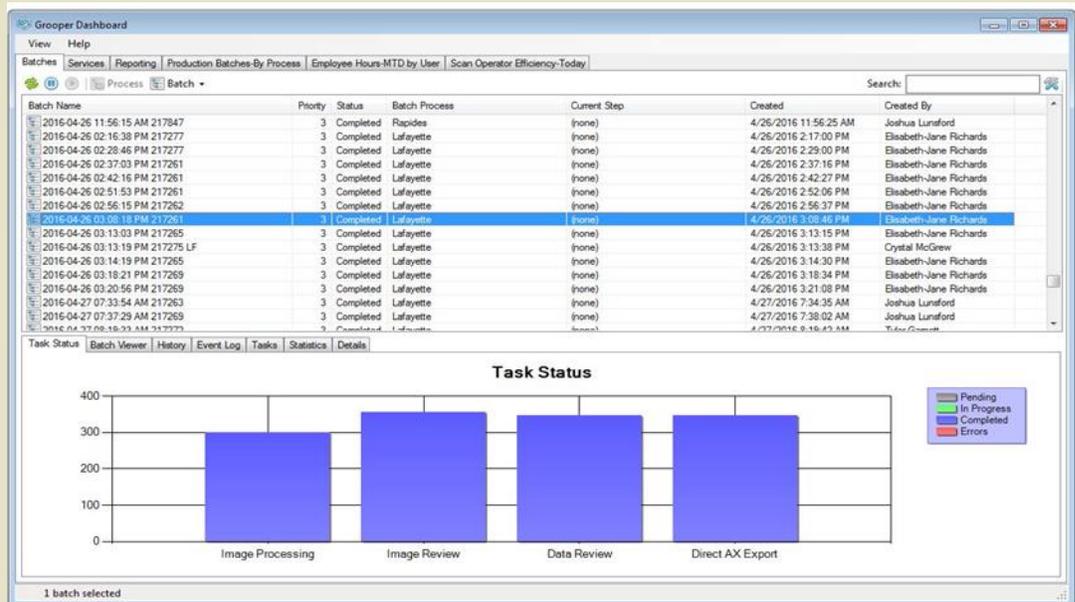
Solutions are being explored for the ability of Student Organizations to have the capability to offer pay online.



University Imaging – Grooper Dashboard

The end users use AppXtender to view documents that we have scanned and processed. The software we use in University Imaging to actually scan and export the documents to AppXtender is Grooper and we are currently running on version 2.6.

Below is a screenshot of the Grooper Dashboard similar to what we use.



Grooper Dashboard provides batch management and reporting capabilities for production batches. We use the dashboard to:

- Monitor system throughput and user productivity
- Create, edit or delete batches
- Import batches of documents into Grooper using Import Provider (e-files)
- View reports and analytics
- Identify and resolve batch-processing errors
- Start, stop or edit Grooper services

Please contact us if you have any questions or comments at:
University.imaging@okstate.edu or 405-744-7183



Effort Certification for Grants/Contracts

Effort Certification Report for September 2018 is available for review and Certification:

The report may be found in:

- FINANCE 1 Eprint repository
- PZREFRM "Effort Certification Report"

For Access to the report:

Use the Banner Access Request Application

1. Select Campus OSU/Tulsa
2. Select Module FINANCE
3. Select Eprint Reports for Grants Principal Investigators---
4. IN COMMENTS : Restate "PZREFRM-Effort Reporting". "Eprint FINANCE 1" "USR_FI_PI_EPRINT_OSU_G" , "Charts 1-9"

Fly America Act

As new faculty arrive, it may be helpful to revisit *Fly America Act*. Generally, all flights charged to federal projects must be taken on U.S. flag air carriers or on foreign air carriers that code share with a U.S. flag carrier on the flight taken. The Fly America Act also includes flights within the U.S.

Compliance is signified by the United States Flag Air Carrier's code which must be noted as part of the flight number on the airline ticket or passenger receipt. Each airline has a two letter alpha code. For example, United Airlines has a code of "UA". On an airline ticket or passenger receipt, this two digit code is designated just to the left of the flight number (e.g. UA 10). From the list of U.S. Flag Air Carriers below, you will be able to compare airline codes on the ticket with those on the list and ascertain whether or not the flight is on a U.S. Flag Air Carrier. When booking a flight for international travel, please advise that the flight must conform to "fly America," and the boarding pass and/or itinerary must reference the US flag air carrier.



Fly America Act (continued)

If there is no U.S. carrier to the destination, travel must be on a U.S. carrier as far as possible. By law, additional cost for a U.S. carrier flight is not a sufficient justification to fly on foreign carriers.

Should Oklahoma State University pay for a visitor's flight via federal funds, this travel is also subject to Fly America.

Current listing of U.S. Flag Air Carrier and Code Share Alliances:

U.S. Carriers and their foreign Code Share partners providing services to major cities in Africa, Asia, Australia, Europe, and South America:

- | | |
|------------------------|---------------------|
| Alaska Airlines (AS) | Continental (CO) |
| American Airlines (AA) | Northwest |
| United Airlines (UA) | Southwest (SW) |
| Airtran (AS) | Spirit (NK) |
| America West | US Airways (US) |
| ATA | Delta Airlines (DL) |
| Frontier (F9) | |

Star Alliance –(US Airways and United)

- | | |
|-------------------|-----------------------|
| Aoria | Croatia Airline |
| Aegean | Egyptair |
| Air Canada | Ethiopian Air |
| Air China | EVA Air |
| Air India | Lot Polish Airlines |
| Air New Zealand | Lufthansa |
| ANA | Scandinavian Airlines |
| Asiana Airlines | Shenzhen Airlines |
| Austrian | Singapore Airlines |
| Avianca | South African Airways |
| Brussels Airlines | Swiss |
| Copa Airlines | Air Portugal |



Star Alliance –(US Airways and United) (continued)

THAI
Turkish Airlines
United

One World Alliance (American Airlines)

Airbelin	Latam
American Airlines	Qatar Airways
British Airways	Malaysia Airlines
Cathay Pacific	Qantas
Finnair	Srilankan
Iberia	Royal Jordanian
Japan Airlines	S7 Airlines

SkyTeam Alliance (Delta Airlines, Northwest, and Continental)

Aeroflot	Delta
Aerilineas Argentinas	Garuda Indonesia
AeroMexico	Kenya Airways
Air Europe	KLM
Air France	Korean Air
Alitalia	MEA
China Airlines	Saudia
China Eastern	Tarom
China Southern	Vietnam Airlines
Czech Airlines	Xiamenair

For Domestic Travel and Travel to Canada

Airtran Airways (FL)	American Trans Air (TZ)
Alaska Airlines (AS)	Delta Airlines (DL)
America West Airlines (HP)	Frontier Airlines (F9)
American Airlines (AA)	



For Domestic Travel and Travel to Canada (continued)

- | | |
|----------------------------|-------------------------|
| Airtran Airways (FL) | Jet Blue (B6) |
| Alaska Airlines (AS) | Midwest Express (YX) |
| America West Airlines (HP) | Southwest Airlines (WN) |
| American Airlines (AA) | Spirit Airlines (NK) |
| American Trans Air (TZ) | United Airlines (UA) |
| Delta Airlines (DL) | US Airways (US) |
| Frontier Airlines (F9) | Virgin America |
| Hawaiian Airlines (HA) | |

Open Skies Exceptions

The biggest exception to the Fly America Act is the Open Skies Agreement. The United States and other Countries have entered into the "Open Skies Agreement. In this agreement, qualifying travelers, whose travel is paid by federal funds, may travel on airlines based in countries where the US and that country has an Open Skies agreement as well as U.S. flag air carriers as published by the U.S. General Services Administration providing full explanation of the multilateral agreement in place so that qualifying travelers, whose travel is supported by federal funds, may travel on airlines as well as U.S. flag air carriers.

Important Note: The Open Skies Agreements do not apply if travel is funded by the Department of Defense (DOD) or by a department of the U.S. Military. Travel funded by the DOD or by a U.S. military department must be on a U.S. flag air carrier.



Social Security Wage Base Increases

The Social Security Administration (SSA) announced on Thursday, October 11, 2018, that the 2019 social security wage base will be \$132,900, which is an increase of \$4,500 from \$128,400 in 2018 (**[view the SSA Fact Sheet](#)**).

As in prior years, there is no limit to the wages subject to the Medicare tax; therefore all covered wages are still subject to the 1.45% tax. As in 2018, wages paid in excess of \$200,000 in 2019 will be subject to an extra 0.9% Medicare tax that will be withheld only from employees' wages. Employers will not pay the extra tax.

The FICA tax rate, which is the combined social security tax rate of 6.2% and the Medicare tax rate of 1.45%, will be 7.65% for 2019 up to the social security wage base. The maximum social security tax employees and employers will each pay in 2019 is \$8,239.80, an increase of \$279.00 from \$7,960.80 in 2018.

The social security wage base for self-employed individuals in 2019 will also be \$132,900. There is no limit on covered self-employment income that will be subject to the Medicare tax. The self-employment tax rate will be 15.3% (combined social security tax rate of 12.4% and Medicare tax rate of 2.9%) up to the social security wage base. In 2019, the maximum social security tax for a self-employed individual will be \$16,479.60.



Medline – New OK Corral Punch-out!



The Purchasing Department is pleased to announce Medline as a new punch-out supplier in the OK Corral. As an OK Corral Punch-Out supplier, Medline offers you a wide product assortment, quick availability, and significant cost savings. You'll easily find the supplies you need for the school of nursing, vet teaching hospital, vet diagnostics lab, lab animal research, student health center, athletics, and more. By using the punch-out catalog, you will be getting the most competitive pricing on the entire Medline product catalog.

For additional information regarding Medline products or services, please contact Matt Wessel at matt.wessel@okstate.edu or (405)744-6657.

New Contract - E&I UPS - Express Package and Delivery Related Services

The University has switched from using the State of Oklahoma NASPO contract to the E&I contract based on additional benefits to the University. Benefits include:

- Industry Competitive Rates
- Customized Express Envelope Program – Straighten your brand further with customized UPS Express envelopes (ordering restrictions apply)
- Fuel Surcharge capped at 7% and discounted at 35% for Air and Ground
- One Driver Advantage – One reliable UPS driver for air, ground, and international services designed to reduce your carbon footprint and increase efficiency
- Pickups – UPS offers a number of environmentally sustainable pickup options



- **New Contract - E&I UPS - Express Package and Delivery Related Services** (continued)
- UPS Returns Services – Gain greater control and visibility of incoming return shipments
- 20% Discount at The UPS Store
- The UPS Access Point Network – Convenient alternative delivery locations to help reduce the frustration associated with missed deliveries
- UPS Freight: up to 84% discount on Less than Truckload (LTL)
- UPS Dangerous Goods (Including Category A) – A contract to help move your hazardous materials in a compliant manner
- UPS Customer Solutions – Solutions designed for the education arena (contact your UPS Representative for more details) Erik Rowley, UPS|Government Sales at 612-655-6228 or erowley@ups.com

For additional information regarding UPS Express Package and Delivery Related Services, please contact Brandon Cook at brandon.w.cook@okstate.edu or (405)744-6657.

OKCorral Notice – Receipting Items

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.

Purchasing

Oklahoma State University
1224 North Boomer Road
Stillwater, OK 74078

Phone: 405-744-5984

Fax: 405-744-5187

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



Purchasing Training Opportunities

Date	Time	Course	Location
October 16, 2018	1:30 PM – 4:30 PM	Building a Better Bid	126 ITLE
November 19, 2018	1:30 PM – 4:30 PM	OK Corral New User Training	403 CLB
November 20, 2018	9:00 AM – 12:00 PM	Procurement Basics	126 ITLE
December 18, 2018	1:30 PM – 4:30 PM	Building a Better Bid	126 ITLE

Board Dates

Requisitions requiring Board of Regents approval (greater than \$250,000) are due in Purchasing by November 14, 2018, 5:00pm, for the December 7, 2018 Board Meeting.

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Oklahoma State University
 1224 North Boomer Road
 Stillwater, OK 74078

Phone: 405-744-5984

Fax: 405-744-5187

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



FOR MORE INFORMATION

Associate Vice President for Administration & Finance

Oklahoma State University
207 Whitehurst
Stillwater, OK 74078

Phone: 405-744-4188
Email: avpaf@okstate.edu
Website: <http://avpaf.okstate.edu/>

Financial Information Management

Oklahoma State University
1202 W. McElroy
Stillwater, OK 74078

Phone: 405-744-7457
Fax: 405-744-0034
Email: fim@okstate.edu
Website: <http://fim.okstate.edu>

Grants & Contracts

Oklahoma State University
401 Whitehurst
Stillwater, OK 74078

Phone: 405-744-8239
Fax: 405-744-7487
Email: gca.okstate.edu
Website: <http://gca.okstate.edu/>

Payroll Services

Oklahoma State University
409 Whitehurst
Stillwater, OK 74078

Phone: 405-744-6372
Fax: 405-744-4149
Email: payroll.services@okstate.edu
Website: <http://payroll.okstate.edu/>

Office of the Bursar

Oklahoma State University
113 Student Union
Stillwater, OK 74078

Phone: 405-744-5993
Fax: 405-744-8098
Email: bursar@okstate.edu
Website: <http://bursar.okstate.edu/>

Purchasing

Oklahoma State University
1224 North Boomer Road
Stillwater, OK 74078

Phone: 405-744-5984
Fax: 405-744-5187
Email: purchase@okstate.edu
Website: <http://purchasing.okstate.edu>

University Accounting & Controller

Oklahoma State University
304 Whitehurst
Stillwater, OK 74078

Phone: 405-744-5865
Fax: 405-744-1832
Website: <http://uac.okstate.edu>

