



# Momentum

Quarterly Newsletter for Financial & Business Services at the University of Utah

## NEW EXPENDITURE REGULATIONS



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### New Regulations Governing Expenditures & Reimbursements

April 9, 2013: [New Policy 3-010, Expenditure of University Funds & Personal Reimbursements](#), and [Rule 3-010A Expenditure and Reimbursement Requirements](#) have been approved by the Board of Trustees. Campus departments should communicate new policy requirements to their personnel, and begin to comply with the requirements immediately.

The [Policy](#) and [Rule](#) will help create a basic framework for processing of expenditure transactions, support best practices expenditure behavior and ensure the University follows appropriate expenditure regulations.

The new Policy defines a University business expense and the standards for expenditures of University funds, including personal reimbursements, as well as outlining overall responsibilities. The Policy and Rule will be binding upon all University colleges, departments, and units, including University Hospitals & Clinics. This Policy and Rule will combine to effectively support best practices expenditure behavior.

The Policy establishes clear requirements to help ensure that expenditures further the mission of the University and are necessary, reasonable, prudent, appropriate and transparent. The Policy makes clear that accountability for the funds entrusted to the University, regardless of funding source, extends to all those involved in the expenditure of those funds, including monies from federal contracts and grants. It also makes clear that personal reimbursements are subject to all the requirements of expenditures made directly via University funds. (Continued on Page 2)



# Notable Changes

## **New Regulations Governing Expenditures & Reimbursements** (Continued from cover)

This new Policy suggests that reimbursements should be avoided, since they are far less efficient than direct procurement methods, do not allow the University to maximize the cost benefit of negotiated contracts, and may include the payment of Sales Tax, from which the University is generally exempt.

The Rule establishes minimum documentation requirements for reimbursements:

- o Description of item or services purchased
- o Date of invoice or date of purchase
- o Amount
- o Adequate description of business purpose
- o Appropriate invoice or receipts
- o Appropriate accounting distribution
- o Necessary approvals, including supervisor approval

The Rule provides guidance for appropriate handling and approval of reimbursements below or above certain dollar amounts:

- o Reimbursements below the minimum, currently \$25, should be paid by a departmental Petty Cash fund, if available
- o Reimbursements greater than the maximum, currently \$1,000, require supervisory and director or department chair approval, and an explanation why preferred procurement methods were not used

The Rule clarifies that combining the use of personal funds with the use of the University Sales Tax Exemption Certificate is a violation of state requirements and if documentation suggests misuse of this certificate, the reimbursement will require a letter of justification, including approval of the cognizant Vice President.

The Rule provides that reimbursement requests will not be eligible for expedited processing (Next Day or Same Day) without department Director or Chair approval.

The Policy and Rule do not apply to University Travel.

Please take the time to read and understand the new Policy and Rule. Training for the new Policy and Rule will be incorporated into Accounts Payable and other training classes.



## New Manager of Grants and Contracts Accounting

*Submitted by Laura Howatt, Controller*

Financial and Business Services is pleased to announce that Bob Turner has changed roles in the Controller / Financial Management department. Gary Gledhill has been the Manager of Grants and Contracts Accounting for many years and will be retiring from his duties at the University on June 30, 2013.

Bob will replace Gary as the Manager of Grants and Contracts Accounting. Bob started his new duties in the department, effective March 1, 2013, and the knowledge transfer continues. Bob and Gary report directly to Ken Erickson, Associate Director – Grants and Contracts Accounting.

Bob is a graduate of the University of Utah with a Master of Business Administration degree. Bob also has a Bachelor of Science degree from the University of Utah in Marketing.

Bob was most recently the Manager of the Project Administration and Management (“PAM”) initiative on campus to implement five new grants and contracts-related PeopleSoft modules, to provide high quality support to researchers, facilitate and enable the growth of research, evoke a culture of compliance, and establish means for accurate decision-making.

Please congratulate Bob for his new role and responsibilities, and direct any questions related to Grants and Contracts Accounting to either [Gary Gledhill](#) (until June 30, 2013) or [Bob Turner](#).



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## Additional Medicare Tax

*Submitted by Bob Schirmer, Tax Services*



A new Additional Medicare Tax of 0.9 percent went into effect January 1, 2013. The Additional Medicare Tax applies to an individual's wages in excess of \$200,000 in a calendar year and will be withheld through payroll. Additional Medicare Tax is only imposed on the employee; there is no employer share of Additional Medicare Tax.



## Unrelated Business Income Tax

*Submitted by Bob Schirmer, Tax Services*

“Unrelated business income” is defined as gross income derived by an exempt organization, less certain deductions, from an activity which satisfies all of the following criteria:

- The activity is a trade or business (an activity carried on for the production of income)
- The trade or business is not substantially related to the organization’s exempt purpose; and
- The trade or business occurs regularly.

Federal and state income tax is imposed on an exempt organization’s unrelated business income at the corporate tax rate; this tax is referred to as the “unrelated business income tax” (i.e., UBIT).

Examples of activities that may derive unrelated business income include the following:

- Advertising space for commercial businesses on the Internet or in publications.
- Providing rental space, meeting halls, office space or student housing to non-university users.
- Catering (food service, etc.) to non-University users.
- Printing or audio-visual sales and services to non-University users.
- Routine analytical or testing services to non-University users.

Exceptions apply that may exclude income from an otherwise taxable activity from being classified as unrelated business income. These exceptions include: Income derived from an activity that is carried on primarily for the convenience of students, faculty, staff, or income from an activity that is conducted primarily by volunteers.

## *Schedule Training...*

Interested in learning more? The [University Tax Update course](#) will give an overview of common university tax issues that departments may encounter including: sales tax, unrelated business income tax, non-cash employee awards that may be wages such as gift certificates and education, non-resident alien payments, student FICA exemption, tax reportable payments via Payment Requests or other University payments. Questions regarding the tax status of a particular revenue producing activity can be addressed to [Robert Schirmer](#), Manager, Tax Services.

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## Crucial Purchasing Changes - May 1, 2013 Implementation Date

*Submitted by Glendon Mitchell, Purchasing*

As changes to the Procurement Code go into effect on May 1, 2013 we wanted to update you on a few items.



### Crucial Purchasing Changes Video

For those who were not able to attend one of the training sessions on Procurement Code changes or are new to their position, a video of the training has been made. You can access it by going directly to the Financial and Business Services training site under Crucial Purchasing Changes. (*Continued on next page...*)

You can also access it via the Purchasing home page at: [Crucial Purchasing Changes – Video](#). Credit will be recorded for those who participate in this training media along with those who attended the classes. [A copy of the slides](#) used in the training is also available on the Purchasing home page or as a part of the on-line training.

### Utah Correctional Industries (UCI) Office Chairs

UCI has provided the Purchasing Department demo units for some of their most popular office chairs. Catalogs and other information are available based on very competitive contract pricing. UCI's seating is made by a national manufacturer with a 10 year warranty. Purchasing is located in the Annex Building at 1901 E South Campus Drive, Room 151, hours 8:00 to 5:00, Monday through Friday. No appointment is needed to view and inspect the demo chairs. Permit parking for either A or U is onsite as well as parking meters.

### Multi-Stage Bid and Request for Proposal (RFP) Training

Training on writing an exceptional solicitation that meets the new Code requirements for multi-stage bids and RFP's will be presented on two different dates: May 16 or May 22, 2013. Each session will be from 9:30 to 10:30 AM with 30 minutes afterward for questions. The location is the Spencer Fox Eccles Business Building (SFEBB). Permit parking (A & U) and pay lot 12 are just across the street, south of the building. Register for a class via the link on the Purchasing home page at Multi-Stage Bid and Request for Proposal Training, or [Register here](#).



### Gifts from Suppliers

The new legislation makes it unlawful and imposes criminal penalties for a University employee who is involved in the procurement process to request or accept gifts from a University vendor. In other words, an employee who administers, conducts or makes decisions regarding a procurement process, makes recommendations or decisions to obtain an item or service from a particular supplier may not accept items of value from the supplier. This prohibition also applies to contract administrators including persons who administer or manage the resulting PO or contract. The unlawful nature of the conduct runs not only to the employee, but also to the supplier who is giving the gift.

The new legislation is broad and prohibits gifts such as meals and entertainment tickets regardless of their value. There is a limited exception for giving or receiving a hospitality item such as a trinket, snack or non-alcoholic beverage as long as the value is less than \$10 and the person does not receive more than \$50 worth of the hospitality items from a supplier in one year. The unlawful conduct does not include charitable donations given to the University as long as the charitable donation is not given to induce a person to make a procurement decision. A complete copy of the statute governing this conduct can be requested from Purchasing. If you have suppliers that regularly or annually provide gifts to employees involved in procurement, we recommend proactively contacting those suppliers to inform them of the new legislation so that you and the supplier can avoid engaging in unlawful conduct. Individual departments may choose to implement more conservative policies such as a total ban on gifts. Purchasing plans to send a letter to the University's larger suppliers in the near future and it will also be made available to departments for distribution to their suppliers. Details will be given via FBS News.

One frequently asked question with regard to this statute centers on meals provided by suppliers. Free meals from suppliers are prohibited under the new legislation. If you pay to attend a conference and the meal is included in the conference fee, it is permissible to accept the meal. (*Continued on next page...*)



(Continued from previous page) If you have not paid for the meal and it is provided by a supplier at an event, options include bringing your own meal with you, paying for the meal, or not eating the meal. With additional questions about Gifts from Suppliers, please contact [Glendon Mitchell](#), Associate Director, Purchasing.

# PAM Update

## Project Administration & Management (PAM) Update



We are pleased to announce that the Self Service application to update the Liaison for Projects is back in service! After searching for a Project or Projects in Project Lookup, in the upper left, you will see the “Change Liaison/Phone” button reactivated. Clicking on that button will take you to the Self Service App. Thank you for your patience while this issue was resolved.



### **Known System Issues Under Review:**

We feel it’s important to inform you of any errors that exist in the Financial System. There are projects that have a NEGATIVE ENCUMBRANCE(s) on the Management Reports and all other reports that reflect encumbrances. This error is limited to non-payroll encumbrances and only to Projects. This error is a result of the recent PAM implementation of the new Grants modules.

Please take extra care in looking for any negative encumbrances and reduce the Budget Balance Available by the negative encumbrance(s) amount to obtain the correct amount available on the award. There is currently no resolution to the problem, but we are investigating the problem.

We are also having issues with the F&A Encumbrance calculation. The F&A Encumbrance was incorrect on several Projects on the January 2013 Management report. We have posted the F&A Encumbrance in time for the March 2013 Month End Close. We are committed to posting this at least once a month (at month end) and in the near future posting on a daily basis. We do not currently have a resolution to this problem and we do not have an ETA for the resolution, but we expect it to be corrected in the next few months.

For more information, view the [Latest PAM Updates](#)

# Process Spotlight

## **Paper Savings: Georgia Pacific Spectrum paper at \$2.67/ream** *Submitted by Katie Fotsch, General Stores*

PAPER TRIVA: Did you know a truckload of paper weights around 46,000 lbs.? The University is proud to be striving toward a greener and more sustainable future. However, there are times when things just have to be printed. The University uses truckloads of paper each year - thank goodness for the campus wide recycling programs!

### Recycling at the U



While the University works at “going green,”  
General Stores works toward “saving the U some green.”

As part of this endeavor, we are pleased to announce we are carrying a new paper product: Georgia Pacific Spectrum copy paper (General Stores Item # 519600) is available at \$2.67 per ream – offering substantial savings to University departments. In comparison, Office Depot currently offers their house brand paper for \$3.42 per Ream. Purchasing just one case (10 reams per case) of paper from the University’s General Stores will save your department \$7.50. Multiply this savings by the truckloads of paper used by the University, and we are really getting somewhere!

General Stores also offers: Premium Boise X-9 copy paper, both 30% and 100% recycled copy papers, legal and ledger size paper, pastel copy paper, tissue paper, paper napkins, paper towels, and many other types of products.

We hope to help your department start saving soon.  
[Visit our web page](#) for more details on the products we stock.

If you have any questions, we will be happy to walk you through our products and ordering process. Our goal is to “... provide the highest quality material support at the lowest attainable cost...” to you, our customers throughout the University. If you don’t see an item you looking for, give us a call at (801) 581-8671. We are happy to provide a quote on special order items.



# Income Accounting

## Changes To Discover Credit Card Deposits

*Submitted by Lisa Zaelit, Income Accounting*

Beginning April 1, 2013, the Discover credit card settlement is combined with the Visa and Mastercard settlement, to make one deposit to the bank. You will need to combine the Discover settlement total with the Visa and Mastercard settlement total, to make one total amount to book your deposit.



Our bank will now provide all merchant services for the Discover credit card, the same as they do for Visa and Mastercard, due to changes with Discover. Discover has made the decision to discontinue offering merchant services, and only have a credit card service. The bank will be funding our credit card deposits, rather than Discover. These funds will be combined with the Visa and Mastercard deposit, to make one deposit. The bank will also be our point of contact for any issue with a Discover transaction.

If you have any questions or concerns, please contact Lisa Zaelit at (801)581-3968, or Kim Stringham at (801)585-5686, from Income Accounting and Student Loan Services.



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## So You Think You Know How To Handle Your Cash?

*Submitted by Lisa Zaelit, Income Accounting*



There is a new online training available to learn and review the best practices for accepting and handling cash. Whether an employee is new or has been accepting and handling cash for a while, the “Best Practices for Cash Control” training will provide and reaffirm, that the best and most basic controls are being followed. Handling and Safeguarding Cash, Accepting

Payments, and Petty Cash, are among the topics covered. The training provides basic and simple guidelines that if followed, will provide accurate and timely deposit and booking of all types of money, plus ensure that all internal controls are addressed and followed.



We strongly recommended that anyone handling cash should review this training annually. This training can be found on Income Accounting and Student Loan Services website under “Training.” More detailed information on preparing departmental deposits is also located on this page:

[Training To Ensure Best Practices For Cash Control](#)



# Small Business Spotlight

## University of Utah Small Business Program

*Submitted by Randi Ruff, Small Business Liaison*

*The Small Business Reform Act in 1978 (Public Law 95-507) requires the University to provide maximum practicable opportunities in its acquisitions to small disadvantaged businesses. The University is required to comply with this federal law in order to maintain our status as a Federal Prime Contractor. Failure to comply would result in millions of dollars in lost contracts to the University.*

Since 1981, the Small Business Program ensures compliance with federal law campus wide, increases procurement of good/services from small businesses, and instills awareness of the Small Business Program University-wide. Another main objective of the Small Business Program is to provide the small businesses the maximum practicable opportunity to compete for procurements of goods and services on campus.



All contracts over \$650,000 are required to have a Small Business Subcontracting plan. Every contract has to meet minimum small business requirements. Federal Reports are submitted to the Federal Government and the Small Business Administration twice a year. For questions about the small business program at the University, please contact [Randi Ruff](#) 1-7450.

### To be considered a Small Disadvantaged Business (SDB), the company would have to:

- Employ less than 500 employees, or
- Be minority-owned, women-owned, or veteran-owned, or
- Be considered a HUBZone businesses, or
- Be at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged.

*SDB status makes a company eligible for bidding and contracting benefit programs involved with federal government.*

**CommGap**  
International Language Services

### CommGap

CommGap provides language services for a variety of settings, topics, and group sizes. CommGap has been a leader in the language industry for over twenty years. With a strong emphasis on medical interpreting and translation,

CommGap offers on-site, over the phone, and video interpretation services for doctors, hospitals, clinics, conferences, depositions, conventions, meetings, statements, calls, etc.

*(Continued on next page)*



CommGap's turnkey approach provides complete language services including our on-going Quality Assurance Process. CommGap offers native speakers who are certified and trained professional linguists. CommGap offers over 140 languages and Desk Top Publishing into a variety of formats.

- Spoken word interpretation – on site, over the phone, and through video
- Document translation, editing, and proofreading
- Voice-over and subtitles for all languages
- Website translation and cultural review
- Language Classes
- Cultural Consulting
- Localization services
- DTP or Desktop Publishing Services
- Staffing Services

CommGap is certified by the Small Business Administration as a small, disadvantaged business, and as a woman and minority owned business.



### **ROSI Office Products - Utah's Friendliest and Fastest Service**

**Products & Services:** Office products, technology supplies, breakroom, furniture, janitorial, promotional products.

Get the tools you need to meet every business goal, large and small, from ROSI Office Products, Utah's largest independent dealer of business necessities. We offer over 40,000 items from 8 product categories through our user-friendly online catalog.

At ROSI, we are genuinely committed to finding the right solution to your supply needs and reducing your overall procurement money.

This commitment starts with our Customer Service Reps who are trained to help you find what you need to run your business. On top of that, you can always expect personable drivers who deliver your product anywhere inside your office. No more heavy lifting.

We pride ourselves on the fact that our tenured service staff is nearby, and not in some far away call center. Your questions are always answered, and if needed we'll even come out and meet you in person. We guarantee you'll find this a refreshing change from 1-800 call centers.

ROSI Office Products is a Certified Women-owned Business

**Please join us in congratulating the following FBS employees  
for their length of service:**

**5 Years**

**Joni Wigger** (May 12); Grants Accounting Officer, *Grants and Contracts Accounting*

**Rhett Jones** (May 16); Accounting Specialist, *Payables Production*

**Jolene Snyder** (July 1); Buyer, *Purchasing*

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**15 Years**

**Lorrie MacGregor** (May 7); Associate Accountant, *Income Accounting*

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**25 Years**

**Sonya Sullivan** (June 1); Senior Buyer, *Purchasing*

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**30 Years**

**Susan Dudley** (May 25); Grants Accounting Officer, *Grants and Contracts Accounting*

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**Upcoming WACUBO Professional Development**

Anchorage, AK	<u><a href="#">Annual Conference</a></u>	June 2-5
Santa Barbara, CA	<u><a href="#">Business Management Institute (BMI)</a></u>	August 4-8

**Who should attend the 4 year curriculum offered by BMI?**

**Years 1 & 2 –**

• High-potential individuals in the earlier stages of their career. The curriculum includes skills-based courses in accounting, budgeting, and presenting financial information, as well as courses related to working with others, and career strategies.

**Years 2 & 3 –**

• Those who are seeking to increase their knowledge of working across the whole university system. The curriculum includes lessons in leadership, organizational development, building high-performance teams, strategic planning and budgeting, faculty relations, and university advancement.



# DISTRICT STAFF EXCELLENCE AWARDS

Nominations are now being accepted for the 2013 District Staff Excellence Awards. This prestigious awards program recognizes superior service and ongoing contributions by the University's full-time staff. Nominees from Administrative Services will attend a luncheon hosted by Vice President Combe, where four winners will be announced. We encourage that you be specific and use examples while filling out the nomination forms to ensure consideration from the selection committee.

**NOMINATION FORMS CAN BE FOUND AT**  
[hr.utah.edu/etc/usea](http://hr.utah.edu/etc/usea)

**DEADLINE FOR SUBMISSIONS: JUNE 10 - 5:00 P.M.**

SEND COMPLETED ADMINISTRATIVE SERVICES NOMINATION FORMS TO JEANNETTE TAYLOR

Fax: 801.585.5257 | [jeannette.taylor@utah.edu](mailto:jeannette.taylor@utah.edu) | 408 Park



## Communicating with U



## FBS Serves U

- Commitment to Communication
- FBS Training
- FBS Regulations
- Mission, Vision & Values
- Momentum Newsletter
- Org Chart

## Tools for U

