MINUTES

TO THE APRIL 26, 2010
QUARTERLY FISCAL AFFAIRS UPDATE MEETING

NOEL SLOAL, TAX COMPLIANCE
Stipend Payments

Stipend is a form of monetary payment. We need to define what type of payment is being made so that it can be taxed correctly (and preferably not use the word "stipend"). Why is this important? IRS is launching 6000 audits (10% in tax-exempt area) on employment tax issues, including worker classification. Improper payment of "stipend" could result in employment taxes, penalties, and interest being owed.

Form a tax perspective, a "stipend" typically falls into one of two types of payments: (1) compensation/wages/salary, or (2) scholarship. Please refer to the new decision tree/guidelines posted on the Tax webpage to assist in properly classifying the payment (www.depts.ttu.edu/taxcompliance/taxmanual/general). In general any payment for past, present or future services is compensation that should be processed through HR/Payroll. Any payment given to a student to aid in the pursuit of their studies with no requirement for services to be performed is a scholarship that should be processed through the Scholarship Office.

Another area where the word "stipend" is commonly used on campus is for fellowship contracts. Please remember that if there is any contractual provision for services (past, present or future) it is compensation that should be processed through HR/Payroll.

In 2010 we will be doing calendar quarter audits of W2/1099s. This means that we will run a report of payments made to the same social security number that are processed through both HR/Payroll and Procurement Service/Accounts Payable. This is an after-the-fact audit, but we will contact departments if a correction in the way the payment was processed needs to be made including covering any applicable employment tax that may be due.

Please feel free to contact either the Tax Office or the Payroll Office if you have any questions before the payment is made so that we can assist you.

LAREE BOMAR, FINANCE SYSTEMS MANAGEMENT
FY 10 Year End and Beginning FY 11 Deadlines and Reminders

Listed below are the critical dates and deadlines for Purchasing transactions in TechBuy for FY10 and FY11, along with instructions for processing FY11 RQ's.

Purchasing FY10 Year End and FY11 Deadlines	
Activity	**Date**
FY10 Funds - Bid/RFP's	6/4/2010
FY10 Funds - Already have Bid/Proposals	7/23/2010
FY10 Funds - Non-Punchout Orders < $5,000	8/20/2010
FY11 Funds - w/Payment due 09/01/2010 w/Bids or RFP's > $25,000	6/4/2010
FY10 Punchout Orders - only for orders actually processed and shipped, no backorders, by 8/27/2009	8/27/2010
FY11 Punchout Orders may not be submitted prior to 9/1/2010	9/1/2010
FY11 Automated/Non-Automated Contracts 07/23/2010	7/23/2010
FY11 Lease/Rentals of Equipment, Maintenance Contracts, and Services requiring Bids	6/25/2010

Fiscal Year 2011 (FY11) Purchase Order Instructions

Accounting:

- The accounting date for FY11 orders must be 9/1/2010. For all other orders, the accounting date must reflect the current date.

- Requisitions will not fully process until around September 1 or later when budgets have been loaded and can be verified.

- Because the initial budget checking process will temporarily be deactivated transactions will not fully process until the budget load has completed. A higher than normal number of POs is likely to fail due to insufficient budget.

- Some state and grant funds will not be immediately available on 09/01/2010. Transactions cannot complete until the budgets are available and may be as late as November.

- Departments needing an order immediately after the start of the fiscal year should use funds that will be available on 09/01/2010.

- For RQs using grant funds, please verify grant funds will be available 9/1/2010 if the order must be placed immediately at the start of the fiscal year.

- Permissions for approving and submitting RQs on a particular fund can be verified at http://team.texastech.edu.

Creating requisitions:

- Some forms have been updated since TechBuy was first introduced; thus it is recommended that a new or, so a good practice is to use a fresh form is used if possible.

- Old requisitions can be copied to a new cart except on punchout and hosted catalog orders. Please review the form that was previously used. If the proper form **was not** used, do NOT copy to a new cart. If uncertain about the forms, please contact Purchasing (i.e. if you used a Standing Order Form previously, you will need to submit a new RQ using the non-catalog form.

- It is imperative that the **previous year's PO number** be provided in each line item of the new RQ along with a realistic estimate of the amount you expect to spend for the entire fiscal year.

- It is possible to copy all line items from a previous RQ to the new cart and if needed, delete individual lines that don't apply for FY11. From the line level drop down menu select "remove selected items."

- It is a good practice to name your cart (example use the vendor name and date). This will assist you when performing history searches.

- The requested delivery must be after 9/1/2010. **Delivery CANNOT occur prior to 9/1/2010**.

- Verify the vendor and the fulfillment center (address) is correct. Most vendors for renewals should be set up now.

- If the vendor does not have an existing record, tax forms will be required. This process can be expedited if submitters obtain and electronically attach the required W-9 form located at http://www.fiscal.ttuhsc.edu/accounting/forms/collateral/Vendor%20Form%20W-9.pdf. This form should be completed and signed by the vendor prior to submitting the order if possible.

- When you copy to new cart, it will carry the previous vendor, but you can open the form on the line level to change the vendor and the distribution method (new fax, emails, etc.)

- Quantities can also be changed after a previous RQ has been copied to a new cart—simply open the form on each line item for any revisions.

- Remove or add any attachments as needed in the header or line levels.

- Review any external or internal notes to make sure they are still relevant and add new notes as needed. Payment instructions should be entered in the header internal note section.

- Thoroughly review the "Line and Header FOAP Summary" tab to ensure the accounting on the line levels is accurate (if you copy to new cart it copies the accounting including the line level accounting from the previous requisition).

- Thoroughly review the Shipping tab as multiple ship-to addresses will create multiple purchase orders.

- You cannot use the punchouts for FY11 orders until September 1, 2010. If you need to place a non-catalog order with a punchout vendor, you may do that. Please contact your purchaser to make sure it is compliant.

- **NEW FOR 2011**: RQs submitted for processing by the TTUHSC Contracting Department **must be submitting using the Non-Catalog Form**.

General:

- At any time, the status of a requisition can be viewed by opening the requisition and clicking on the PR Approval tab (if it is in the requisitions stage) or the PO Approval tab (if it is in the PO approval stage).

- Orders will sit in the PO Hold Folder until the budgets are loaded in late August. In other words, the RQ will reflect a TB number until after funds are verified; a "P" purchase order number will not be assigned until that time.

- It is further recommended that the History tab on each RQ be periodically reviewed for any activities or comments regarding the transaction.

- If you have any additional questions, please email purchasing@ttuhsc.edu.

Year-end Closeout:

- Review the following Cognos reports to see current encumbrances.
  HSC Business Affairs > Departmental Reports > Encumbrances > Encumbrances Open or
  HSC Business Affairs > Departmental Reports > Encumbrances > Open Encumbrances by Department/Fund

- For current orders, submit an email to purchasing@ttuhsc.edu to request a PO to be closed.

- Funds that do not carry over should be closed by early August in order to be used. State funds released after September 1 will not be available.

- Standing orders will need to be closed if the funding does not carry forward and the department needs to release the funds.

- Standing orders with zero (0) balance automatically expire on August 31, 2010. Since there is no encumbrance, there will be no need for any action to be taken by the department.

FY11 Standing Orders:

- Verify encumbrances for any FY10 standing orders. Remember that only $5,000 can be spent with non-contract vendors before bids/quotes are required. If you need to, do renewals now for FY11.

- **You must submit an accurate estimate of the FY11 annual spend for Standing Orders based upon what has been spent year-to-date during FY 2010.**

FISCAL YEAR 2010 PROCESSING DEADLINES
TTUHSC Accounting Services

AUGUST 27th (Friday)
Encumbrance Adjustments
Requests for increases or releases of FY 2010 and prior year encumbrances must be received by Purchasing

Unclaimed Property
All unclaimed property, including stale dated checks with an issue date that is on or before June 30th, 2009 must be submitted to Accounting Services

AUGUST 31st (Tuesday)
Travel Applications
Travel Applications to be applied against FY 2010 funds must be entered by 4:30 pm

SEPTEMBER 3rd (Friday)
Due to Accounting Services:
Consumable Supplies/Goods for Resale Inventory counts as of August 31st. Form is available online at
http://www.fiscal.ttuhsc.edu/accounting/yep

FY 2010 Funding transfers submitted via Budget Revision

Due to Purchasing:
FY 2010 Direct Pay Transactions

SEPTEMBER 8th (Wednesday)
Due to Accounting Services:
- FY 2010 Internal Purchase Funding & Cost Transfer (IPFTs) requests

- FY 2010 Non-Contract Revenue Accrual Invoice forms (INs) & Expense Accrual Requests

- FY 2010 Contract Revenue Accruals entered into Contracting/Accounts Receivable System

- FY 2010 Intra-Institutional Vouchers (IVs) for service department charges entered online

- Holding Account and unidentified wire claims

- FY 2010 Special Augmentation accruals

- Questions regarding fund balances for FY 2010 transaction detail

Due to Travel:
FY 2010 Travel Vouchers

Due to Accounts Payable:
FY 2010 Invoices & Receiving Reports

SEPTEMBER 9th (Thursday)
Purchasing Card Allocations
All P-card allocations are due in Pathway Net

Statement close date – September 7th

Pathway Net allocations may be made throughout August as purchases are made – there are only 2 business days to make allocations after the statement close date

All charges on the September 7th statement will be applied to FY 2010

SEPTEMBER 10th (Friday)
Month end close for August

SEPTEMBER 15th (Wednesday)

Due to Accounting Services:
Questions regarding fund balances for FY 2010 transaction detail included on Cognos reports after August close. Deficits will be covered from back up accounts unless alternate account information is received by September 17th.

IMPORTANT NOTES

The month of August will be closed on 09/10/2010.
An accrual period for FY2010 will remain open for a period of time after that date. Any entries made during the accrual period will require approval by Accounting Services.

Deficit fund balances existing as of September 15th will be covered from back-up accounts if alternate account is not received by September 17th

Revenue should be recorded in the period that is earned.
Deposits should be recorded as of the bank deposit date

If the amount was earned in FY 2010 but not received in FY 2010, contract revenue should be accrued via the Contracting/Accounts Receivable System located at https://www.fiscal.ttuhsc.edu/contracting prior to September 10, 2010. For non-contract revenue accruals, an invoice (IN) form should be submitted to Accounting Services prior to September 10th. Form is available online at http://www.fiscal.ttuhsc.edu/accounting/forms/.

If the amount was received in FY 2010 but not yet earned in FY 2010, it should be recorded as deferred revenue using the appropriate Balance Sheet account.

An expense should be accrued if an invoice has not yet been received

E & G Funds (100000 - 109999) should be fully expended or encumbered by the end of FY 2010 to avoid recapture

Accounts Payable will record payments as a prepaid asset if applicable

Changes in the reported inventory balance will be reclassified from expense to an asset
http://www.fiscal.ttuhsc.edu/accounting/reports/
Accounting services sends monthly emails to those departments who previously had access to the Unclaimed Wires Database. Please contact accounting services at hscacc@ttuhsc.edu in order to be added to unclaimed wires email distribution list.
Amounts not claimed within 6 months will be swept to a scholarship account per HSC OP 50.35

Unclaimed Wires and Deposits
Review the Holding Account Report at the Accounting Services website.

Property Inventory Certification

Property Inventory Certification will begin on May 1st and will need to be complete by June 30th. Please see the powerpoint presented in the meeting at:

http://www.ttuhsc.edu/budget/quarterly_f_and_a_minutes.aspx

PENNY HARKEY, BUDGET OFFICE
FY 2011 Budget Prep Process

The 2011 Prep Process will occur in May/June. Budgets will be released to departments in mid-May.

The budgets will be due back to the Budget Office on June 18, 2010. The budget will be finalized in early July for presentation to administration and the Board. It will be presented for approval to the Board of Regents in August.

The Budget Office will be working in July and August to produce an LAR for the 2012-2013 biennium.

We do not have information at this time about PPA, Merit, or Budget Reductions at this time.

LESLEY WILMETH, BUDGET OFFICE
FY 2011 Budget Prep Process – What can you do now?
Budget Prep Security
Organization managers can go into the TEAM application and run reports to see who has access to the Budget Prep System. The Budget Office suggests that all organization managers run these reports and adjust security to the Budget Prep System as necessary.

For screen shots of the TEAM application please view the powerpoint located at:

http://www.ttuhsc.edu/budget/quarterly_f_and_a_minutes.aspx

CHUCK RISLEY, HUMAN RESOURCES
Staff Performance Evaluation Review

TTUHSC Human Resources is initiating an institutional review of the Performance Management (PM) process for staff personnel (HSC OP 70.12). The goal of the review is to enhance the overall effectiveness of the PM process.

This review will take place over the next several months and begins with a survey that will be available on the Announcement Page beginning 4/27/10 that will run for two weeks. ALL employees are highly encouraged to complete the survey! The survey will be followed by focus groups held at various HSC locations.

It is anticipated that by June, a task force will be assembled with representation from all HSC campuses. The task force will:
- Evaluate the current PM process
- Assess survey/focus group feedback
- Research other PM processes (especially in higher education) and (if applicable based on findings)
- Revise the current process or develop a new process for TTUHSC

The entire evaluation of the PM process at is expected to be completed by the end of 2010 with implementation of any changes effective immediately <u>following</u> administration of 2010 evaluations (to be completed by 2/28/2011).

Questions or comments can be directed to Chuck Risley, Managing Director for Employee Relations and Development at 806-743-2865 or chuck.risley@ttuhsc.edu.

RICK MARTINEZ, HUMAN RESOURCES
Standardized Patients
The Wage & Salary Section is reviewing the job classification of Standardized Patient to determine the correct employer-employee relationship.   This review comes as part of being compliant with the IRS in withholding proper employment taxes.

More information will be available on or about August 1. There are no changes at this time to the way pay is being delivered to the Standardized Patients.

GENA JONES, HUMAN RESOURCES
Confidentiality Statement
All departments will be notified that new confidentiality statements will need to be reviewed and signed by every employee. Department managers will need to collect these from all employees and submit them to HR as a packet for the entire department. More information will be provided to department managers at a later date.

DEBBIE CATE, GENERAL SERVICES
PrinTech

Texas Tech University has decided to close University Printing and Design Services, formerly known as PrinTech and CopyTech, effective July 15th. The closure does not apply to Swift Print or the Printing Center @ HSC. The TTU services and the HSC services have always been separate entities, although a competitive environment existed and departments were allowed to use either service without obtaining bids or purchase orders.

If you have used PrinTech for photographs, graphic design or printing and plan to reuse the graphics or forms, either as is or with revisions, I recommend that you contact PrinTech and have your graphic files, photographs, or other data returned to you or transferred to us. If you need assistance or would prefer that we handle it for you, please contact the Printing Center at 806.743.2016.

If you have been using General Services for your printing and copying needs - thank you. Our focus has always been on high quality, multi color printing in quantities of less than 50,000. We offer a turn-key service from graphic design to mailing. We have state-of-the-art technology and equipment and a staff with over 250 years of combined experience in the printing and mailing industries. Our bulk mail division is extremely strong with a six station inserter, tabbers, an ink jet addressing system, and the most advanced mailing software available.

With the closure of PrinTech, the Printing Center @ HSC will be the only authorized printer for Texas Tech Letterhead. We are already experiencing an increase in work for TTU, but I can assure you that we will adjust as necessary without losing our focus of high quality and fast turn-around. If you have the opportunity, I invite you to tour our facilities or call for more information.

As you may be aware, Ryan Klemer, the Unit Manager of the Printing Center and Swift Print, has been out for the past couple of weeks. He returned to work on Friday, wheelchair bound with two broken ankles. He will be a captive audience to listen to your printing needs and I invite you to take advantage of the situation. Also be sure to ask him about his accident.

And on a side note, General Services has worked with Purchasing and is offering an expanded shredding and recycling service. Please visit our web site or contact Karl Cox at 806.743.4719.