ANNOUNCING THE NEW Controller’s Website

http://www.uri.edu/controller/
Welcome from the Controller

Welcome to the website of the Office of the Controller at the University of Rhode Island. This office serves the University community regarding General Accounting, Accounts Payable, Travel Purchase Card Program, Accounts Receivable, Financial Reporting, PeopleSoft Financial Systems, Grants & Contracts, Payroll and Student Loans.

My staff of professionals have the knowledge, skills and training to assist the University community in the processing of fiscal documents on behalf of the University. This expertise ensures that decisions will be made in the best interest of the University and in compliance with the General Laws of the State of Rhode Island, Board of Governors for Higher Education regulations and University policies.

The Controller’s Office mission is to ensure the integrity, accountability and efficiency of the University by working collaboratively with University departments and other state agencies to provide accurate and timely accounting, auditing, payroll and financial information in a courteous, cooperative and cost-effective manner.

Our intent is to use this website as an information resource to the University community regarding contact information, policies, procedures, forms, financial information, helpful links, etc. Please check the “Communications” section to the left often.

Thank you for visiting the website of the Office of the Controller. We look forward to your feedback about our site. If there is anything you’d like to see on this site or any discrepancies, please feel free to contact Christine Sullivan.

Sincerely,
Sharon B. Bell, CFA
University Controller
CONTROLLER’S FINANCIAL ADMINISTRATION MEETING

Atrium 2 Room in Memorial Union
Wednesday ~ October 31, 2007 9:00 AM

ACCOUNTS PAYABLE – TRISH CASEY
Fly America Act Foreign Travel
Fellowships
WB Mason / Poland Springs – Judy Moore
LVFO – Partial Shipments – Judy Moore

FINANCIAL REPORTING – CINDY MACE
Audited Financial Statements
Fund Balance update
Auxiliary / Enterprise statements update
Receivables / Billing – Cindy Crowe
Financial Relationship Management – Patty Scott & Earl Travers
Imprest Cash Reconciliations – Patty Scott

PAYROLL – JIM CACCIOLA
Payroll Deadlines – hours / approval / jobs
Data Input in PeopleSoft
Department Budget Tables
State RI IRS Audit
Effort Certification Policy
Signature Authorization / Match Accounts
Payroll Distribution Reports

GRANTS – TOM PITASSI
Fund 101 – Survey
Fund 101 – Billing / Rates
Audit – Administration and Clerical Cost
Budget Checking
Cost Transfers

PEOPLESOFT – RON BERNIER
Year End PeopleSoft Reports

OPEN DISCUSSION ON OTHER ISSUES
University of RI

ACCOUNTS PAYABLE – TRISH CASEY
Accounts Payable – Trish Casey

- Fly America Act – Federal Grant Only
- Fellowships/Stipends/Participant Support
- WB Mason / Poland Springs – Judy Moore
- LVPO – Partial Shipments – Judy Moore
Fly America Act

• The Fly America Act, 49 U.S.C. App. 1517, as implemented in the Comptroller's guidelines, Decision B B-138942, March 31, 1981, requires Federal employees and their dependents, consultants, contractors, grantees, and others, performing United States Government financed foreign air travel to travel by

• U.S. flag air carriers
Exceptions to Fly America Act

If a U.S. carrier offers non-stop or direct service from your origin to destination, you must use the U.S. carrier unless:

• Such use would extend your travel time, including delay at origin, by 24 hours or more.
• Increase the number of aircraft changes outside of the U.S. by 2 or more.
• Extend your travel time by at least 6 hours or more.
• Require a connecting time of 4 hours or more at an overseas interchange point.
Fly America Act

- Savings on cost of airline tickets is not an exception to the policy.
Code Sharing Agreement

- Code sharing is a commercial agreement between two airlines that allows an airline to put its two-letter identification code on the flights of another airline as they appear in computerized reservations systems. For example, Delta Airlines might have an agreement to operate flights for Northwest on a route. This flight would be listed under Northwest's identification code (NW) but actually operated by Delta Airlines.
Code Sharing Example

This ticket identifies "UA" or United Airlines as the air carrier. Because United Airlines is a U.S. carrier, this ticket is in compliance with the Fly American Act.
This Ticket identifies a foreign carrier "KE" or Korean Airlines as the carrier on flights 37 and 16. Because Korean Airlines code shares with United Airlines, "UA" should have been designated next to these flight numbers. Therefore, since this flight is not a US Air Carrier it does not meet the requirements of the Fly America Act. This part of the ticket cannot be charged to federal funds without an acceptable Fly America Act Waiver Checklist.
Fly America Act

• Donovan Travel aware of Fly America Act
• When using exceptions – attach a copy of the Fly America Act Checklist found on Controller’s website
• Only Federal Grants
• Questions??
  – Wendy Asting  874-4438
  – Trish Casey  874-4422
  – Tom Pitassi  874-2353
Fellowships/Stipends/Participant Support

• Non-taxable fellowship – paid to candidate for use towards tuition and required fees of institution. Also considered a scholarship and should go through URI enrollment services for processing.

• Stipend – living allowances, room, board, equipment, incidentals and are paid on invoice vouchers and subject to 1099 reporting at year end. Attach W-9 to invoice voucher.
Fellowships/Stipends/Participant Support

- Taxable Fellowships Grants – payment for services on either past, present or future events.
- Payable to recipient through internal payroll.
- IP-1 is required to be filled out.
- IRS Reporting through W-2 is required.
Teacher stipends

- Treated as honorariums
- Paid using Invoice vouchers – make sure we have an updated W-9 form on file
- We report on 1099’s at year end for total payments that are $600 or more.
Participant Support

- Payment for services usually written into grants
- IP-1 to be filled out completely
- Reported on a W-2 at year end, taxes are withheld
WB Mason

- Effective immediately the “office supply order form” is no longer used to purchase office supplies.
- WB Mason orders up to $5,000 should be processed on LVPO’s.
- Purchases in excess of $5,000 must be processed on a college requisition.
- WB Mason payments will now come from the Kingston office, please forward all paperwork to Room 103 Carlotti Admin.
Poland Springs

- Great difficulties in paying Poland Springs
- Streamlining initiative – sending monthly invoices directly to department by email
- Department responsible for quick review and approval of invoice then submit immediately to AP for payment
- Effective (hopefully) December 1, 2007
LVPO Partial Shipments

- LVPO’s are to be used for one time purchases that cost $5,000 or less.
- Invoices related to LVPO’s are not paid for until all items have been received.
- If an item is ordered on an LVPO and on back order – cancel the item so other invoices can be paid.
- Examples: Apple; Dell; Fisher
Financial Statements - 2007

Controller’s Staff Meeting
October 31, 2007
Financial Statement Audit Highlights

- The University’s financial statements received an unqualified opinion from the independent auditors’. This affects:
  - Accreditation
  - Bond rating

- The University’s financial statements were completed on time - auditors’ report is dated September 28, 2007.

- Complete copy can be found on the controller’s web site – Financial Reporting
### Condensed Statement of Net Assets - 2007

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>$76.94</td>
</tr>
<tr>
<td>Noncurrent assets</td>
<td>401.84</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$478.78</strong></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>44.51</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td>221.21</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>$265.72</strong></td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>$187.62</td>
</tr>
<tr>
<td>Restricted, expendable</td>
<td>5.45</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>19.99</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>$213.06</strong></td>
</tr>
</tbody>
</table>
Total Assets - 2007

Total Assets (in $ Millions)

Capital Assets, Net 79%

Cash 11%

Funds on Deposit with Bond Trustee 2%

Accounts Receivable, Net 6%

Inventory and Other Assets 2%
Total Liabilities - 2007

Total Liabilities (in $ Millions)

- Bonds and Notes Payable, 185.18, 70%
- Capital Leases, 13.21, 5%
- Deferred Revenues, 12.32, 5%
- Funds Held for Others, 0.56, 0%
- Compensated Absences, 18.27, 7%
- Grant Refundable, 11.2, 4%
- Accounts Payable and Accrued Liabilities, 24.98, 9%
### Net Assets - 2007

<table>
<thead>
<tr>
<th>Net Assets</th>
<th>($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>187.62</td>
</tr>
<tr>
<td>2006</td>
<td>187.01</td>
</tr>
<tr>
<td>2005</td>
<td>151.30</td>
</tr>
</tbody>
</table>

The graph shows the distribution of net assets for the years 2007, 2006, and 2005. The categories include:

- **Invested in capital assets, net of debt**
  - 2007: 187.62
  - 2006: 187.01
  - 2005: 151.30

- **Restricted expendable**
  - 2007: 5.45
  - 2006: 6.82
  - 2005: 11.53

- **Unrestricted**
  - 2007: 19.99
  - 2006: 7.50
  - 2005: 6.15
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues:</strong></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees, net of tuition waivers and remissions</td>
<td>$172.61</td>
</tr>
<tr>
<td>Operating grants and contributions</td>
<td>72.01</td>
</tr>
<tr>
<td>Other sources</td>
<td>42.76</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>287.38</td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>236.60</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>47.52</td>
</tr>
<tr>
<td>Scholarships, grants and contracts</td>
<td>10.89</td>
</tr>
<tr>
<td>Auxiliaries</td>
<td>57.43</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>18.65</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>371.09</td>
</tr>
<tr>
<td><strong>Net operating loss</strong></td>
<td>(83.71)</td>
</tr>
<tr>
<td><strong>Nonoperating revenues (expenses):</strong></td>
<td></td>
</tr>
<tr>
<td>State appropriation</td>
<td>83.36</td>
</tr>
<tr>
<td>Net investment income</td>
<td>4.10</td>
</tr>
<tr>
<td>Private gifts</td>
<td>7.78</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(5.90)</td>
</tr>
<tr>
<td><strong>Total nonoperating revenues</strong></td>
<td>89.34</td>
</tr>
<tr>
<td>Income (loss) before other revenues, expenses, gains or losses</td>
<td>5.63</td>
</tr>
<tr>
<td><strong>Capital appropriations</strong></td>
<td>5.19</td>
</tr>
<tr>
<td>State contributed capital</td>
<td>18.97</td>
</tr>
<tr>
<td>Capital gifts</td>
<td>1.94</td>
</tr>
<tr>
<td><strong>Increase in net assets</strong></td>
<td>31.73</td>
</tr>
<tr>
<td><strong>Net assets – beginning of year</strong></td>
<td>181.33</td>
</tr>
<tr>
<td><strong>Net assets – ending of year</strong></td>
<td>$213.06</td>
</tr>
</tbody>
</table>
Sources of Revenues - 2007

- Net Student Fees, 172.61, 42%
- Grants and Contracts, 72.01, 18%
- Other Auxiliary enterprises, 23.91, 6%
- Other Sources, 18.86, 5%
- State Appropriations, 83.36, 20%
- Capital Appropriations, 24.166, 6%
- Private Gifts and interest Income, 11.89, 3%
Operating Expenses - 2007

Operating Expenses (in $ Millions)

- Instruction, 88.86, 25%
- Institutional support, 37.93, 10%
- Auxiliary operations, 57.43, 15%
- Research, 61.12, 17%
- Academic support, 36.18, 10%
- Operation and maintenance of plant, 31.05, 8%
- Depreciation and amortization, 18.65, 5%
- Public service, 5.33, 1%
- Scholarships and fellowships, 10.89, 3%
- Student services, 23.65, 6%
Did you know that the URI Student Loan Office is also the URI Misc. Account Receivables Office?

Send us the completed URI Invoice and we will do the rest.

We will bill and collect NON URI departmental receivables that do not have a General Ledger chartfield string.
Your department completes all information except the URInvoice number and bottom portion “For Accounting Use Only”.

Please use your complete chartfield string as shown on the URInvoice.

URInvoice is available for download on the URI Controller webpage.

URInvoice is in excel format.
The Student Loan Office will bill vendor monthly until payment is made.

- If payment is not made in a timely manner – and with the Department approval – delinquent accounts receivable will be referred to a national collection agency at no cost to your department.

- Vendor is responsible for all costs associated for collection of the debt.
More benefits to your office!

- No more waiting in line at Enrollment Services.
  - Payments will be sent to us.
  - We will deposit for you and send you the yellow copy of the deposit slip for your records.
  - Upon request – monthly collections and/or aging reports can be generated for your review.
Additional benefits to your Department include:

- Revenue is at your disposal once the account receivables are loaded to the general ledger (usually weekly).

- At year-end, an allowance for bad debts expense is applied for all invoices over 90 days past due.

- Referral and follow-up of delinquent receivables to collection agency for recovery.
Account Receivable Process

- **Initial journal entry:**
  - Debit  - 1300-xxx-xxxx-xxxx  $50.00
  - Credit  - 4504-xxx-xxxx-xxxx  ($50.00)

- **Closing journal entry:**
  - Debit  - Cash  $50.00
  - Credit  - 1300-xxx-xxxx-xxxx  ($50.00)
Payment methods

- Cash
- Checks
- URI College Requisitions
- ACH – wire transfer
- RIPAY
- Foundation Requisitions
Restrictions

- We will only collect and deposit those receivables billed through the URI Student Loan & Misc. Receivable Office.

- URInvoice must be completed, in full, by the billing department, except the URInvoice number (assigned by Student Loan Office).
Questions?

Trick or Treat!!!!
Trick or Treat

University of Rhode Island

Treasury Office
In order to preserve fiscal responsibility and assist the University community in cash handling activities, our office provides guidance in the form of Policies & Procedures, Cash Management Forms, Useful Links, FAQ’s and Contact Information:
Policies and Procedures

- Credit Card Acceptance
- Cash/Check Acceptance
- Returned Check Processing
- Banking  *(Note: Accts, Duns #’s, Cage Codes)*
- Imprest/Petty Cash Update
- International Payments
- International Receipts
Effective July 2007: The Treasury Office recently renegotiated with Bank of America to have interest bearing Imprest Checking accounts.

Interest income must be reported as credit and posted to your General Ledger Account 4500 on an Imprest Reimbursement Voucher.
## Who’s Affected

<table>
<thead>
<tr>
<th>Fund.Dept.Prog.Proj - Department</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>101.4002.0000.0000 - Admissions</td>
<td></td>
</tr>
<tr>
<td>300.4025.0000.0000 - W Alton Jones</td>
<td></td>
</tr>
<tr>
<td>100.2900.0000.0000 - CCE</td>
<td></td>
</tr>
<tr>
<td>100.3301.0000.0000 - Library</td>
<td></td>
</tr>
<tr>
<td>100.2800.0000.0000 - Oceanography</td>
<td></td>
</tr>
<tr>
<td>100.3216.0000.0000 - Cooperative Extension</td>
<td></td>
</tr>
<tr>
<td>100.5020.0000.0000 - Athletics</td>
<td></td>
</tr>
<tr>
<td>240.5500.0000.0000 - Memorial Union</td>
<td></td>
</tr>
<tr>
<td>100.0000.0000.0000 - Advancement</td>
<td></td>
</tr>
</tbody>
</table>
Procedure

- Complete your Imprest Reimbursement Voucher as normal.
- Subtotal your list of expenses.
- Reduce this subtotal by the earned interest income.
- The final total will reflect the net amount of your reimbursement.

**Note:** Reducing your reimbursement by the amount of interest earned on your account will insure that your Imprest account balance stays at the amount originally authorized by Treasury.
Authorized Balance: $500.00

- Less Cashed Checks: (100.00)
- Plus Earned Interest: 10.00

Ending Balance per Bank: 410.00

- Net Reimbursement amount: 90.00

Ending Checkbook Balance $500.00
Contact Information

If you have any questions regarding the change in imprest policy earned interest income please feel free to contact Patty Scott  874-2891 or pscott@uri.edu
Payroll
PAYROLL

- PS Payroll Deadlines – hours/approval/jobs
- Data Input in PeopleSoft
- Department Budget Tables
- State RI IRS Audit
- Effort Certification Policy
- Signature Authorization/Match Accounts
- Payroll Distribution Reports
PS Payroll Deadlines

- Hours – Significant number of hours reported on In-House Correction Forms

- Creates additional work for department and payroll personnel

- Creates rejected time in certain situations

- Delay in students’ pay
PS Payroll Deadlines

- Time Approval
  - Best practice – approve at least weekly
  - Last chance – Monday during pay week
  - Tuesday A.M. approvals are risky
PS Payroll Deadlines

- **Job**
  - Job data
    - Before effective date of job
  - Time reporter data
    - Before beginning of first pay period
- Department Budget Table (if appointment level)
  - Before beginning of first pay period
PS Payroll Deadlines

- Job (continued)
  - Late submission/entry of job data produces:
    - Late payments
    - Incorrect encumbrances
    - Incorrect distribution of wages
Department Budget Tables

- For all appointments chargeable to chart field strings other than the default
  - Produces inaccurate charges
  - Budget must be available (Tom Pitassi)
State RI IRS Audit

- 941 tax reporting issues
- Non resident alien taxation
Effort Certification Policy

- New policy document (on Controllers website)
  - Effort certification policies and practices being audited by Federal government
- Policy itself
- Accuracy of effort certification reports
- Timing of effort certification reports returned
Signature Authorization/Match Accounts

- State Payroll

- The signature authorization form is used to determine responsible person and department of responsible person
Signature Authorization/Match Accounts

- State Payroll Distribution Reports cannot be distributed by Payroll Accounting when authorizations have not been created.

- Match accounts
  - Submit signature authorization requests immediately after receiving notification of the creation of match account.
QUESTIONS ??
Happy Halloween

Tom Pitassi
Fund 101 Survey

Purpose

• To take an inventory of the kinds of accounts that exist and gather some basic information

- Information requested:
  • Description of services provided
  • Are specific rates charged?
  • What kind of expenses are recovered?
  • Who are the customers?
  • How are services requested?
Fund 101 Survey cont.

• How are customers billed?
• Are invoices sent via Accounting Office and receivables recorded?
• Do payments come to your department?
  – Cash
  – Checks
  – Wires
Fund 101 Survey cont.

- Surveys distributed to Business Managers
- Completed by departments and returned to Business Managers by 11-16-2007
- Returned to:
  - Tom Pitassi, Grant & Contract Accounting
  - 70 Lower College Rd
Fund 101 Survey cont.

• Surveys will be reviewed
• Suggestions made:
  – Procedures/Training
  – Rates
  – Collections
  – Deposits

• Questions?
Administrative/Clerical Costs Audit

• Why a post-audit now?
  – DHHS Office of Inspector General has targeted University Administrative and Clerical Cost as one of their audit initiatives in the coming year.
  • Be proactive rather than reactive
Administrative/Clerical Costs Audit

- Charge administrative and clerical salaries directly when:
  1. There is a “major project or activity”
  2. The charge is explicitly budgeted and approved by the sponsor
  3. The effort can be specifically identified with the project with a high degree of accuracy.
Major Project:

- Is defined as a project that requires an extensive amount of administrative or clerical support, which is significantly greater than the routine level of such services provided by academic departments.
Administrative/Clerical Costs Audit

• In the next couple of weeks we will begin auditing Administrative/Clerical costs charged to research projects (Fund 500)
  – Check projects for:
    • Costs were budgeted/approved by sponsor
    • Is project a “Major Project”/explained in proposal
  – Interview personnel
    • Is effort identified with project charged
    • Worked performed
Administrative/Clerical Costs Audit

• Report will be submitted to Controller
  – If problems exist, they need to be addressed:
    • They will be discussed with the PI
    • Discussed with Pre-Award/Post-Award
    • Changes might have to be made
Future Post Audits

- Administrative/Clerical Costs Charged on Internal Payroll
- Normal Indirect Costs charged directly to Sponsored Projects

Questions?
Cost Transfers

• Transfers between unrelated projects could be an indication of poor internal control
  – Make transfers in a timely manner
    • Provide an explanation
  – Why transfer is necessary (look at transfer policy)
    • If over 90 days:
      – Memo to controller explaining what the circumstances are and what kind of steps you are taking to prevent this in the future
Budget Checking

– Be sure to check budgets:
  • Before appointing personnel to internal payroll
  • Submitting requisitions, limited value purchase orders, USP-2s etc.

  • Questions????

  • Thank You !!