University of Rhode Island
Office of the Controller
Controller’s Financial Administration Meeting
March 27, 2019
Welcome & Reminders

• Business Meals
• **Cash Advance Research Participants**
• Audit Updates
• Purchasing Deadlines
Staff Updates

• Accounting:
  – Kevin Caswell, Manager, PCard, Travel & Misc. Disbursements
  – Jessica Vescera, Senior Business Analyst, Payment Distribution & Vendor Maintenance
  – Garrett Matteo, PCard Administrator
  – Shelley-Ann Palmer, Higher Ed Pre-Audit Clerk, Accounts Payable
  – Lisa Tremblay, Higher Ed Pre-Audit Clerk, Accounts Payable

• Financial Reporting:
  – Andrea Portukalian, Accountant, Cash Reconciliation

• Payroll:
  – Tracy Cardillo, Assistant Manager

• PeopleSoft Financial Systems:
  – Paul McCarty, Financial Functional Support Specialist
Financial Reporting
Cindy Mace, Associate Controller
Unrelated Business Income Tax (UBIT)

- URI is exempt from taxation under Section 115 of the Internal Revenue Code.
- URI is required to pay Federal income tax on net income from activities unrelated to the exempt mission of the University:
  - Education
  - Research
  - Public Service
Unrelated Business Income Tax - UBIT

• Unrelated business income is defined as a gross income derived by an exempt organization from any unrelated trade or business that is regularly carried on.
  – Trade or Business; and
  – Regularly Carried On; and
  – Not substantially related to tax exempt purpose
Trade or Business

• Trade or business includes any activity which is carried on for the production of income from selling goods or performing services.
  – Profit motive
Regularly Carried On

• Business activity that is regularly carried on
  – Not sporadic or infrequent

• IRS compares to a similar activity conducted by a for-profit business (taxed).
Not Substantially Related

• The activity must not be substantially related to the exempt mission of University (Education, Research, and Public Service).
Examples of Unrelated Business

- Bookstore and gift shop sales to the public
- Catering and food service sales to the public
- Commercially sponsored research
- Dormitory rentals to the public
- Entertainment events (public)
- On-line stores
- Summer sports camps
- Fitness center selling memberships to the general public
Questionnaire

• Due back April 12th

• Questions - contact Mary Stiller 874-2305
UNRELATED BUSINESS INCOME (UBI) CERTIFICATION
FISCAL YEAR 2017-2018

Must be signed and sent in to Mary Stillier mstillier@uri.edu no later than 4/12/19

<table>
<thead>
<tr>
<th>College/Department/Center or Institute:</th>
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<tbody>
<tr>
<td>Contact Person/Preparer:</td>
<td></td>
</tr>
<tr>
<td>Telephone Number/Email:</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Activity Description</th>
<th>Fund</th>
<th>Department</th>
<th>Program</th>
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<tbody>
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UBI Certification Instructions:

a) Provide the Department ID and Fund where revenue was recorded for all unrelated business activities.
b) If you are uncertain about an activity, list it and place a question mark next to it.
c) Complete a separate UBI Questionnaire for each business activity of your college, department, center or institute.
d) Use the enclosed UBI Guidelines to determine if your business activity is unrelated and must be reported.
e) Based on your responses to the UBI Questionnaire, if there are no activities to report for your department, specify "NONE" in the Activity Description field on the UBI Certification form.
f) Only one certification needs to be signed for all of the unrelated business activities conducted by the department.

UBI Questionnaire (provide dept. comments, if desired):
Describe the business activity:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
<th>Dept. Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Are you selling goods or providing services that generate revenue?</td>
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Human Resources
Sponsored & Cost Accounting
Michele Wood, Associate Controller
F&A (Indirect) Cost Rate

• US Dept of Health & Human Services site visit 4/2/19 – 4/4/19

• Impacted departments and staff have been notified
F&A (Indirect) Cost Rate continued

F&A Rate - Update
- F&A rate proposal package submitted December 2017
- Preliminary review questions October 2018
- Site visit some time in November 2018
- Some departments impacted; will notify once it is known
- Once approved rates approved, new rates will be prospective and will go a few years into future

F&A Rate - Proposed

<table>
<thead>
<tr>
<th>Rate Component</th>
<th>FY 16 Base Year - Proposed</th>
<th>FY 09/Current Negotiated</th>
<th>FY 09 Rate Proposed</th>
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</thead>
<tbody>
<tr>
<td>1. Depreciation - Buildings and improvements</td>
<td>5.52%</td>
<td>3.00%</td>
<td>3.78%</td>
</tr>
<tr>
<td>2. Depreciation - Equipment</td>
<td>1.95%</td>
<td>1.00%</td>
<td>1.20%</td>
</tr>
<tr>
<td>3. Operation &amp; Maintenance</td>
<td>22.10%</td>
<td>22.30%</td>
<td>23.48%</td>
</tr>
<tr>
<td>4. Interest</td>
<td>0.04%</td>
<td>0.20%</td>
<td>0.19%</td>
</tr>
<tr>
<td>5. Library</td>
<td>3.25%</td>
<td>1.00%</td>
<td>1.04%</td>
</tr>
<tr>
<td>6. General Administration</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>7. Departmental Administration</td>
<td>26.00%</td>
<td>26.00%</td>
<td>26.00%</td>
</tr>
<tr>
<td>8. Sponsored Projects Administration</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>9. Utility Cost Adjustment</td>
<td>1.30%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>On-Campus Rate</td>
<td>60.16%</td>
<td>53.50%</td>
<td>55.66%</td>
</tr>
</tbody>
</table>
Issues & Trends in Sponsored Projects

Invoicing

• Grants with one project number and/or one award number and no automatic carryover from one year to the next
• Transactions after end date
• Final invoice/reporting
Issues & Trends - Cost Transfers

• URI Policy “Cost Transfers”; last updated 7/31/18. See Controller’s Website
• What applies?
  – cost transfer = moving an expenditure from one project/account to another whereby the correction is 90 days or more from the date of the original transaction
• Key policy requirements:
  – correction documentation must include a reason for the correction/transfer, remedy for future prevention, supporting calculations
  – must be approved by department, OSP, payroll (if payroll), a/p for non payroll transfers
• For payroll, if payroll in question has already been certified, then another correction is not permitted
Grants Portal

• Provides a summary of budget and expenditures by award and drill to project
• A/R and billing data
• Personnel data
• Training available
Service Centers

• Annual rate renewal coming up in June
• Please review your centers to ensure billing and costs are up to date
• Any issues with rate calculations please email Ann Cannon acannon@uri.edu
Agency Audits/Reviews

• FY 16
  – US DoJ; no findings
  – US DoJ OIG audit (no final report yet)
  – US SBA bi-annual desk review; recommendations only

• FY 18
  – NSF desk review; recommendations only
  – US SBA bi-annual desk review; no final report

• FY 19
  – US DoJ review (to be conducted in May 2019)
  – NSF OIG audit (timing to be determined)

If you or someone in your department (PI) receives any notification of an agency visit, forward immediately to Controller, SCA and OSP
Accounting
Doreen Bolster, Associate Controller
Purchase Card / Travel Card Agreements

• New this year – The 2019 Annual PCard and Dept. Administrator Agreements and Annual Travel Cardholder Agreements completed via on-line Google Doc.
• Very successful!
• Active PCards – 470 & Active Travel Cards - 845
• Remember to send all requests (limit changes, MCC code changes, card cancellations, etc.) to pcard@etal.uri.edu
Payments to International Students, Travelers and Guest Speakers

- Any payments to international students, travelers and guest speakers will be made via a wire transfer.
- Payments include honorariums, travel reimbursements, housing deposit refunds, etc.
- Wiring Instructions form to be posted on the Controller’s website.
- Reminder to see Tracy Cardillo in Payroll for Foreign Tax Compliance prior to commitment.
Invoice Voucher Reminders

- Include PS Supplier ID # (for students make sure it is their Supplier ID and not Student ID)
- Include Dept Contact Name and Tel #
- Complete section on whether Supplier is a current/former employee and/or student
- Include Honorarium/Guest Speaker form where applicable
- Attach original and copy of remittance advice (license renewals, signed agreements, applications, etc.)
- Dues and Subscriptions - consider using PCard
Travel & Expenses

• ER’s should be completed no later than 10 days after travel completed
• Please remember to submit hard copies of Expense Report
  • Ensures compliance with federal and state reporting requirements & multiple ongoing audits
• Reminder to refer to the Travel Policy for compliance for airline travel using the State’s Approved Travel Agency – Short’s Travel
Travel & Expense Module

• Currently working on the following process improvements
  • Approval Workflow – looking at options to limit the # of times an ER is sent back for revision
  • Establish method to ensure approved TA’s are associated with the ER’s
    • Pop up reminder to associate the TA when ER is submitted
  • Travel and Expense Taskforce
    • Looking for a group of users to meet periodically to identify issues and possible improvements – Looking towards FY20 to establish
Travel Authorizations

• Encumbrances – Please review your encumbrances in KK for TA’s where the travel has been completed and the ER paid.
  • If the TA was not associated it is a manual process to close that TA and it could still be encumbered
  • Please send a list of TA’s to close to Kevin Caswell
Payroll
Jim Cacciola, Assistant Controller
2018 Duplicate W-2 Requests

• BOTH State and In-house Payrolls
  Requests by email through link on University Controller’s web page

Requests for years prior to 2018 will be processed after April 15th
2018 Duplicate W-2 Requests continued

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 web site as an information resource to the University community regarding contact information, policies, procedures, forms, financial information, helpful links, etc. Please check the “News & Updates” section often.

Thank you for visiting the web site 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...

Helpful Links

Upcoming dates for Controller’s Financial Administration meetings:

- 9/27/2019
- 10/29/2019

W-2 | 1099 | 1098-T info

URI Division of Administration & Finance

URI Budget & Financial Planning Office
TOP 7 Areas for Improvement

1. Student time entry and approval
   - Too many submissions after the fact
   - Too many students not being paid on time
TOP 7 Areas for Improvement

2. Department Budget Tables

   Too many retroactive adjustments

   Enter DBTs immediately after job data
TOP 7 Areas for Improvement

3. Job and/or Contract data corrections

Changes create errors

Check data before hitting “Enter”
TOP 7 Areas for Improvement

4. Direct Deposit

Too many lost checks

Timely and expensive process to resolve
TOP 7 Areas for Improvement

5. Student checks at Departments

Maintenance problems

Do not hold for long periods of time

Paycheck Distribution Procedure
TOP 7 Areas for Improvement

6. State payroll time and approval

We struggle to complete payroll processing due to unapproved time
TOP 7 Areas for Improvement

7. Employee Action Forms

Late requests

Large number of retroactive charges that have a negative impact during audits
Introductions

• Paul McCarty, Functional Financials Specialist
  – pmccarty@uri.edu
  – 874.4428
HR Supervisor - Travel Approvals

• Changed program from Time Card Approver to HR Manager
  – If State employee also has Internal job as well, program will default to Primary position
  – If Internal Employee with multiple jobs, program will select most recent job.
International Travel

- Export Control - Paper form eliminated
- Using Summary and Submit Page on Travel Authorization

**International Travel Export Control Document**

All URI International Travelers should review the Export Controls: International Travel page at the link shown above to review important information about the risks of traveling outside the United States and the recommended precautions. Submitting this Travel Authorization for approval will be confirmation that the Traveler has read and understands the International Travel Export Control document. If you have any questions please contact the URI Export Control officer at ross_levine@uri.edu or at 401-874-5343.
Future Enhancements

• August 2019 Tools Upgrade
  – From 8.55.14 To 8.56.XX

• TBD – Fluid Implementations – T&E
  – Allow for Mobile Submittals and Approvals
  – Browser Agnostic