

**Council of the University of Idaho Business Officers  
Summary Notes  
April 9, 2015**

**Purchasing Card Compliance and Consequences- Kent Nelson, General Counsel**

In 2009, the State increased the consequences of liability for misuse of a pcard. Memorandum from 2009 is still available on the Pcard website. Pcards are the same as university money and are viewed the same way. The University of Idaho pays for all purchases absent of fraud.

If it is knowingly used for personal purchases, the use is a crime. Purpose or intent to repay does not matter. If an employee is convicted of criminal misuse, the statute requires the UI to fire the user. By statute, you are not able to work for another state entity in any position charged with the receipt, safekeeping or disbursement of public funds.

Travel is still a problem regarding authorized and unauthorized use. This frequently happens during split business and personal trips (i.e. go for business Wed-Friday, stay through Sunday). You must split the charges up front. You may not put the entire charge on the pcard. Ask the hotel to split the charges and *check the bill before you leave.*

If you will be reimbursed from an outside organization for business or personal purposes you cannot use university funds to front the expense unless the unit will be receiving the reimbursement. This situation needs to be approved by the unit before the travel or expense occurs.

If the user makes a mistake, they need to report it immediately and take appropriate actions to correct the charges. For something that is not a genuine mistake, the employee will be turned over to a prosecutor. Reporting misuse should be first the chain of command. If a direct supervisor is misusing the pcard, reports can also be made to General Counsel, Internal Audit, or Accounts Payable. There is also an anonymous hotline.

Alcohol is not an authorized use of the pcard, but it is a reimbursable expense if it meets certain entertainment criteria.

It was suggested that more training and regular updates be provided due to the changes, habits, and turnover that occur in this position and add information to the user agreement. Educate the users and processors to immediately report and correct any mistakes.

Aside from misuse of charges, is mismanagement of statements and documentation. Charges should be processed timely and accurately the first time.

Dan Stephens included that more investigation is happening to supply a second "entertainment" card to provide more flexibility outside of pcard limits. This may not be feasible but we are looking into this option. More information will be provided as this process continues.

## **Budget Updates- Trina Mahoney, Budget Office**

Student fees go to the SBOE next week. Once that is approved and finalized we can move forward with finalizing estimated income and the General Education budget.

Preliminary CEC information went out but the Executive Leadership team continues working on scenarios. Increases will apply to vacant positions but it has not been finalized. TAs will receive 3%. Misc. groups will get the same treatment as vacant PCNs. The state did not fully fund the increases. Approximately 50% comes from the State and 50% from tuition and fees.

As information becomes available, the budget office will pass it on.

Updates on consolidated fringe benefit rates include final stages of approval – this process allocates the same amount of money only differently. Under the current process there is a base dollar amount for health insurance plus a percentage of salary for other fringes, but under the new consolidated rate it will be only a percentage of the individual employee's salary. Percentages are broken down by Faculty, Staff, and Student. A new addition is terminal leave (when people leave with vacation time on the books). This is currently a problem with grants so the consolidated rate will address this issue.

Huron has supplied communication materials. We still have to wait for the Feds to approve the rate. The Feds have asked for clarification as to why we are requesting different rates for staff versus faculty since they both receive the same benefits so there is still some limbo on where the decision will end up/whether we will have two rates for faculty and staff or a single rate for both. We are not the first organization to do a consolidated rate.

It shifts the accounting and reconciliation from upfront to the backend. We end up with a large reconciliation process at the end of the year.

Communication will go out, but for now, for non Gen Ed budgets, continue your budget proposals like business as usual.

Still working on salary encumbrances. Programmers are still building the Banner report. Hopefully, this will be active before the end of the fiscal year.

## **Updates-**

Asset Accounting- No report

Student Accounts- Summer fees will be assessed the first week of May. Fee distribution will not happen until after July 1.

General Accounting- Moss Adams will be here late this month for the internal financial audit. They will be here in July for the A133 audit. The FY End Calendar is available on our website.

Accounts Payable- Lacey Weidner took a position in Lewiston. Please be processing your pcard charges. Currently there are approximately 800,000 unresolved charges. Clean up the pcard transactions.

OSP- A new director has been hired, she will start June 8.