The Campus Business Officers Group met on Thursday, January 9, 2014, at 8:30 a.m. in the President’s Conference Room, second floor, Sikes Hall. Present: Charles Tegen, Comptroller, presiding; Sarah Reeves for Tony Dickerson, Student Affairs; Christina Bedenbaugh, Engineering & Science; Jimmy Barnes, Business & Behavioral Science; Kathy Gibson & Barbara Bass, Research; Cynthia Barnes for Leigh Dodson, Agriculture, Forestry & Life Sciences; Todd Barnette, Facilities; Jacqui Stephens, Architecture, Arts & Humanities; Regina Carroll, Health, Education & Human Development; Rebecca Trutwin for Melissa Kelley, Public Service Activities; Jane Gilbert and Chris Wood, Academic Affairs; Amanda Powell, CCIT; Tammy Crane, Cooper Library; Erin Thomas, President/Board/Finance; Sharon Littlejohn for Graham Neff, Athletics; and Cathy Tillett, Director Internal Audit. Absent: Mike Sulhan, Advancement.

Staff present: Charles Tegen, Comptroller; Steve Crump, Associate Comptroller; Virginia Baumann, Budget Director; Clint Carlson, Director Related Organizations; Mike Nebesky, Procurement Director; Aubrey Miller, Procurement; Roberta Elrod, Director, Grants & Contract Administration; John Mueller, Customer Service-Human Resources; and Beverly Keeper, Cost Manager.

I. Welcome & Introductions (Charles Tegen)
Charles welcomed business officers and asked those present to introduce themselves to the new faces in the room.

II. Follow-Up Incentive Gift Cards (Charles Tegen)
The Incentive Gift Card Policy and Procedures were presented at the December meeting. The policy and procedures can be found in Attachment 1. Charles asked business officers if they had any questions, concerns or changes to the policy/procedures. Regina Carroll identified several items in the policy that need further discussion and/or changes. 1) The policy’s name. Instead of Incentive Gift Cards rename “Incentive Cards” or something else. Charles noted he would research best practices for naming of the policy. 2) The 30-day deadline to use gift cards or they will be forfeited and turned into Cash & Treasury. 3) Who is going to enforce this policy? 4) Who needs to approve? Mike noted that the user cannot order the cards until they sign the form which acknowledges what they are doing and then cards can be purchased. 5) Will there be a special code for these cards? Yes, a code will be set up. 6) Business officers need to have a hard stop in buyWays in order to know when cards are purchased. Business officers can be notified of the purchase of gift cards (add a work flow in buyWays). 7) If cards are lost? Internal Audit will investigate. Allow another chance, change “cannot” to “may”. 8) Distribution of cards states PI’s cannot designate this role. The PI is not always the one distributing the gift cards. They should be allowed to designate someone else to distribute the cards. 9) Distribution Log should be provided after the cards are distributed not before distribution.
Charles noted that he would incorporate suggestions into the policy. However, business officers should consider the Policy effective as of January 1, 2014.

III. Budget Update (Virginia Baumann)
The Budget Office is working on the 2015 Budget Development. There is a TENTATIVE timeline:
February 21\textsuperscript{st}—Student Fees submission (This is for any new or changes for next year.)
March 5—Permanent Amendments and Reorganizations
February 17—Training for position budgeting
March 10—Training for Budget Development
April 25—Finalized Budgets

Naming Opportunity: The Budget Office is implementing Hyperion (budget solution) and they need to come up with a name. If you have any ideas, let Virginia know by Monday morning.

State Appropriations: Budget Centers need to exhaust state appropriations by the end of the fiscal year. Cindy Long and David Watson will be getting in touch with business officers related to these funds. HR Managers need to be reminded that if a faculty member leaves the University who is coded with the 18 project, another faculty has to be put in the 18 project.

Fund Balance Plans: The Budget Office has reviewed the fund balance plans and will get in touch with business officers next week about adjusting budgets.

IV. Procurement Update (Mike Nebesky)
This update is posted at: www.clemson.edu/cfo/procurement under the Announcements section on the left hand side of the screen. The Update includes the following items: 1) Ricoh Print Services—Print Shop on campus. Clemson should no longer be using Ink4 for stationery and business cards. 2) New buyWays Interface coming by end of March. 3) P-card and Personal Charges are considered an Unauthorized Procurement. 4) Listening Tour/Departmental Spend Reviews. 5) Trailer Purchases now require State Fleet Management approval. 6) Requisitioner Certification Training for FY2014 now online. 7) Staples Rebate will be allocated this month. 8) State Vehicle Misuse is reported to Procurement. Business officers should ensure their drivers are aware of and follow the rules when operating a State vehicle. (See Attachment 2)

V. Other Matters
Proposed Pooled Fringe Rates (Charles Tegen)
The proposed FY14-15 (July 1, 2014 to June 30, 2015) pooled rates are posted on the Comptroller’s website for planning purposes. Rates proposed for FY14-15 follow: 9 month employees 28.2\% (9 month faculty); 12 month employees 34.0\% (Federal, temporary, grant and time limited, and 12 month faculty and staff); Students 5.3\% (Undergraduate and graduate students); Part-time 22.8\% (Permanent part-time and temporary employees). Rates increased from FY13-14 by 9.2\%.

iROAR Update (Charles Tegen)
Discussions are ongoing with Barbara Hoskins related to the Banner system and fee distributions. If you have issues, please contact Jane Gilbert and or Charles Tegen.
Correction for December Minutes:
Staples Rebate (Robert Elrod/Steve Crump) In FY13 $5,200 in rebates were attributed to sponsored activity in Fund 20. Since the amount attributed to each project is considered de minimis, the rebates do not have to be allocated back to the fund 20 projects. The rebates can continue to be deposited into the projects that the business officers originally specified.

There being no further business, the meeting was declared adjourned at 9:45 AM.

Approved: Charles Tegen
Comptroller

Attachments
1) Incentive Gift Card Policy
2) Procurement Update
I. Overview

Incentive gift cards may be used as a tool to meet the business purposes of the University. Normally, Incentive gift cards can be used to support research study participants and for awards or prizes to support student activities. As cash-equivalent instruments, incentive gift cards are governed by internal control requirements and may be subject to tax reporting. These requirements must be followed and communicated to those involved before purchase or distribution of any incentive gift cards. When incentive gift cards are distributed, they must be distributed in accordance with the guidelines set forth in this policy.

This policy applies to all University personnel and includes incentive gift cards funded by any source of funds where payments will be made by the University to include a grant or research contract, self-generated, or any other procurement exempt funds. Incentive gift cards are treated as cash and any misuse will be handled as misuse of University cash in accordance with policy. The portions of the policy related to tax reporting are also applicable to distributions of any gifts and awards of non-cash tangible items with a fair market value greater than $50, if funded by the University.

II. Policy

A. General

Incentive gift cards obtained and used for research incentives and awards must be purchased using Buyways. Personal reimbursements and direct purchases outside of the established Buyways process are not allowed. Incentives gift cards must only be requested when disbursement of such funds are expected to occur within thirty (30) days from the time the incentive gift cards are received. If the project or need to distribute continues beyond thirty (30) days, multiple incentive requests must be made in thirty (30) day increments to provide for a reasonable and timely accounting of the funds.

Unused incentives cannot be returned and cannot be used to pay research participants in subsequent, unrelated studies. On the thirty-first (31st) day after purchase, any unused incentive gift cards will be forfeited and turned into University Cash and Treasury.

B. Research Participants

It is common in certain types of research to provide an incentive to individuals participating in research studies. When participants are necessary for the success of the
research project, an incentive may be offered provided they are included as part of the grant proposal and Institutional Review Board (IRB) approval was obtained. These incentives, in the form of incentive gift cards, must be purchased according to procedures outlined by this policy. This policy is intended to provide guidance as to the appropriate acquisition and distribution of research subject incentives.

C. Non-Research Participants
It is also common, based on the specific mission and goals of specific areas of the University, to utilize incentives to encourage or award individuals for participating in certain events. These incentives, since not governed by grant proposals and the IRB, require a different level of approval. Further, these incentives, in the form of incentive gift cards, must be purchased according to procedures outlined by this policy. This policy is intended to provide guidance as to the appropriate acquisition and distribution of non-research subject incentives.

III. Allowable Uses and Limits

Incentive gift cards may only be distributed for the following purposes:

- Incentive for Research participants in studies approved by the University’s Institutional Review Board (IRB)

- Prizes, recognition awards or tokens of appreciation for students

- Prizes, recognition awards for volunteers

- Incentive for employees participating as a volunteer in a research study or event unrelated to their job

Incentive gift cards cannot be used as a bonus, awards, honoraria, or other means of compensation to employees. Such payments must be processed through the payroll system. If there is any question about a particular situation, please consult with Human Resources.

Individual incentive gift cards should be valued at $50 or less unless a special exception is approved by University Cash and Treasury.

IV. Internal Controls

Incentive gift cards must be safeguarded at all times and accounted for as if they were cash. The Responsible Employee has primary responsibility for safekeeping, maintenance and proper usage of the incentive gift cards and for advising faculty, staff or students who handle the cards that they must follow this policy. For grants, the PI must
maintain all records regarding the Research participants. The following controls are required at a minimum:

A. Custody

The Responsible Employee holds custody over the cards and should always know where they are located. Custody may be transferred temporarily from the Responsible Employee to other departmental personnel for disbursement purposes, but the Responsible Employee still holds primary responsibility for the safekeeping of the cards.

B. Physical Access

Incentive gift cards must be secured at all times (e.g. in a locked box in a locked cabinet or drawer) with limited access. Incentive gift cards should not be taken home or off campus for safekeeping.

C. Tracking

Gift card disbursements must be documented on the appropriate distribution log, designed to uniquely identify each payment in order to document the use of the card for audit and tax purposes. Because of IRS requirements, a recipient cannot receive the incentive gift cards if he or she refuses to provide the requested information. If the Responsible Employee disburses the card without obtaining this information, he or she may be personally responsible for funding the gift card purchase. Due to the nature of the data collected on the Research Participant Incentive Distribution Log, the Log must be treated as confidential information.

D. Inventory

Departments holding more than one gift card must perform a physical inventory at least on a weekly basis, with the results reconciled to the current distribution log. The inventory should be performed by someone other than the Responsible Employee but in the presence of the Responsible Employee. Any discrepancies must be reported immediately to Cash and Treasury.

V. Tax Reporting

The giving of awards or incentive gift cards may create a tax liability for the recipient. For the purpose of this policy, the University considers incentive gift cards with a face value of $50 or less to be de minimis and no tax reporting will be required on the issuance of a single gift card. This does not release the issuing department from tracking and maintaining reports on the recipients of the cards. For University employees who receive incentive gift cards over $50 either on a single or cumulative basis during a single calendar year, the total value of the card(s) will be reported as income to the recipient. (note – this may not apply if the employee is participating in research dissimilar to their
normal job functions). For students, who receive incentive gift cards over $600 on a single or cumulative basis during a single calendar year, the total of the cards will be reported to the IRS via Form 1099. In any case, records of recipient information are necessary and required for expenditure justification.

VI. Lost Cards

The Responsible Employee will be held responsible for any incentive gift cards in their possession that are lost or misplaced. Any shortage must be reported immediately to Internal Audit.

Internal Audit may investigate the circumstances surrounding the loss. If the investigation findings demonstrate the Responsible Employee did not use adequate internal controls, as defined by this policy, he or she cannot be the Responsible Employee for any future gift card disbursements and may be asked to reimburse the shortfall with personal funds.

If the investigation indicates there might have been an intentional misappropriation of the incentive gift cards, Internal Audit will turn over to proper individuals to determine the next appropriate next steps. Consequences may include termination of employment and referral of the matter to a law enforcement agency.

VII. Definitions

A. Incentive Gift Card means a stored-value or similar instrument issued in lieu of cash or check. For purposes of this policy, “incentive gift card” includes gift certificates, cash cards, and online eIncentive gift cards (eCards).

B. Responsible Employee means the faculty or staff member in the department disbursing the incentive gift cards that is responsible for the documentation, internal control and other requirements of this policy. For sponsored projects, the Principal Investigator (PI) is the Responsible Employee and cannot delegate this role.

C. Research Participant means an individual with whom an investigator conducts research and obtains data through intervention or interaction with the individual.
A. GENERAL PROCEDURE

Any Responsible Employee or Researcher wishing to obtain an incentive gift cards must first request access to order incentive gift cards in buyWays by following instructions provided in buyWays. They can do so by clicking on the research incentive gift card order form in buyWays.

To demonstrate additional level of accountability, no more than a thirty (30) day gift card supply should be ordered. Advance planning by the responsible person is necessary to assure that all gift cards have been distributed to the recipients. Accountability for the gift cards will be required by providing a list of recipients or research subjects within a 30 day period.

Unused incentives cannot be returned to the supplier and cannot be used to pay research participants in subsequent, unrelated studies. On the thirty-first (31st) day after purchase, any unused incentive gift cards will need to be forfeited and turned into University Cash and Treasury.

B. RESEARCH SUBJECT INCENTIVE PROCEDURE

Research Subject Incentive Request

Once granted access in buyWays, the researcher must include as an internal attachment to the buyWays requisition the approved Research Subject Incentive Request Form and Incentive Gift Card Statement of Responsibility (http://www.clemson.edu/cfo/cash-treasury/documents/Research-Subject-Incentive-Request-Form.pdf). An authorized approver must sign all forms submitted. Their signature indicates that the appropriate business officer is aware of the request and that documentation has been provided to them. All amounts received must be used for the purpose of providing an incentive to research subjects participating in an approved study and may not be used for any other purpose.

Research subject incentives in the form of incentive gift cards must be purchased through buyWays from the NGC Company-National Gift Card Company provided they are included as part of the grant proposal and IRB approval was obtained. The completed Incentive Gift Card Statement of Responsibility form and the IRB approval letter must be included as an internal attachment to the requisition in BuyWays. An authorized approver must sign all forms submitted. Their signature indicates that the appropriate business officer is aware of the request and that documentation has been provided to them. To allow time for shipping, incentive gift
cards should be ordered 3-4 business days before they are needed. The appropriate account code to use for research incentives on most sponsored research projects is 7032. In cases where projects have participant support costs (PARTSP) specifically budgeted for research participants, the account code is 7552. If you are unsure of which account code to use, please check with your college Post-Award contact.

Incentives must only be requested when disbursement of such funds is expected to be completed within thirty (30) days from the time the incentive gift cards are received. If the project continues beyond thirty (30) days, multiple incentive requests must be made to provide for a reasonable and timely accounting of the funds.

A Research Participant Incentive Distribution Log [http://media.clemson.edu/cfo/cts-manual/research-subject-incentive-log.xlsx] must be maintained by the department for which the study was performed. A copy of the distribution log must also be attached to the requisition in BuyWays. When necessary, the log will maintain subject confidentiality by the use of identifiers. When no supporting documentation exists and the funds were not distributed to participants with a list, a memo of justification is required detailing why this documentation is not available and how the funds were spent. Failure to provide adequate documentation and adhere to this policy will jeopardize the researcher’s ability to use incentives in the future as part of their research projects.

**Incentive Restrictions**

Clemson University has established certain restrictions as to the use of research subject incentives.

1. Under no circumstances are incentives to be used for a purpose other than paying research subjects participating in an approved study outlined in the IRB approval letter.
2. An employee working for the same department that is conducting the research is not allowed to receive incentive gift cards for research incentive participation.
3. Incentive gift cards should be given as an incentive as opposed to other cash-like instruments.
4. Unused incentive gift cards cannot be used to pay research participants in subsequent, unrelated studies.
5. Incentive gift cards are not returnable to the supplier. All sales are final.
6. Incentive gift cards are not to be used to make routine purchases for business needs.

**Payment to Participants**

Researchers are required to keep a Research Subject Incentive Distribution Log for all amounts disbursed. This log will maintain subject confidentiality by the use of identifiers. This log should be included as an internal attachment to the original requisition in BuyWays. The Internal Revenue Service (IRS) requires Research Subject Incentives aggregating $600 or more paid to an individual during a calendar year to be reported on IRS Form 1099-MISC, Miscellaneous
Income. If this should occur an additional reporting requirement is necessary. The subject’s name, address, social security number, and payment amount must be sent to University Disbursements no later than January 15th of the subsequent calendar year. All personal identifying information should be kept secure and should not be emailed or sent via interoffice mail. (How do we send) email?

Substantiation Process

A copy of the Research Subject Incentive Distribution Log along with all supporting documents should be maintained by the department for which the study was performed. When no supporting documentation exists and the funds were not distributed to participants with a list, a memo of justification is required detailing why this documentation is not available and how the funds were spent. This memo must be included as an internal attachment to the original requisition in BuyWays or no later than January 15th if the study exceeds one calendar year. Failure to provide adequate documentation and adhere to this policy will jeopardize the researcher’s ability to use incentives in the future as part of their research projects.

C. NON-RESEARCH SUBJECT INCENTIVE PROCEDURE

Non-Research Subject Incentive Request

Once granted access in buyWays, they can order their incentive gift cards. Their buyWays requisition must include a completed Incentive gift card Statement of Responsibility form [provide link – attached separately for now until finalized and posted]. An authorized approver must sign all forms submitted. Their signature indicates that the appropriate business officer is aware of the request and that documentation has been provided to them. To allow time for shipping, incentive gift cards should be ordered 3-4 business days before they are needed. The appropriate account code to use non-research incentive gift cards is 7xxx.

Incentives must only be requested when disbursement of such funds is expected to be completed within thirty (30) days from the time the incentive gift cards are received. If the project continues beyond thirty (30) days, multiple incentive requests must be made to provide for a reasonable and timely accounting of the funds.

A Non-Research Participant Incentive Distribution Log provide link – attached separately for now until finalized and posted] along with all supporting documents must be maintained by the department that disbursed the incentive gift cards. A copy of the distribution log must also be attached to the requisition in no later than January 15th if the study exceeds one calendar year. When no supporting documentation exists and the funds were not distributed to participants with a list, a memo of justification is required detailing why this documentation is not available and how the funds were spent. Failure to provide adequate documentation and adhere to this policy will jeopardize the researcher’s ability to use incentives in the future as part of their research projects.
Incentive Restrictions

Clemson University has established certain restrictions as to the use of incentive gift cards.

1. Incentive gift cards should be given as an incentive as opposed to other cash-like instruments.
2. Incentive gift cards must not be used in place of bonuses or awards for employees.
3. Incentive gift cards are not returnable. All sales are final.
4. Incentive gift cards are not to be used to make routine purchases for business needs.

D. TAX REPORTING

In addition to annual W-2 reporting for all payments to employees in a given year, the Internal Revenue Service (IRS) requires Research Subject Incentives aggregating $600 or more paid to an individual during a calendar year to be reported on IRS Form 1099-MISC, Miscellaneous Income. If this should occur, an additional reporting requirement is necessary. The subject’s name, address, social security number, date of payment, and payment amount must be sent to University Disbursements, ASB, 108 Perimeter Rd. in University Disbursements no later than January 15th of the subsequent calendar year. All personal identifying information should be kept secure and should not be emailed or sent via interoffice mail.

The IRS considers incentive gift cards to be tax reportable as compensation when issued or awarded to the recipient, regardless of value. Gifts (regardless of the source of funds) to employees must be taxed as ordinary income to the employee. Gifts, rewards, and gestures of appreciation cannot be provided to employees as disguised compensation. The value of the incentive gift cards (or reportable non-cash tangible gifts) will be included on an employee’s annual W-2 in taxable income. The employee’s earnings will be reduced by FICA and Medicare taxes, as applicable, at the next pay period after the gift earnings are applied.

For non-employees, the University will file a Form 1099-MISC to report the awards when the value of total payments is are more than the designated 1099-MISC threshold in a calendar year.

It is the Responsible Employee’s duty to make the employee aware of the tax implications of the gift.
Procurement Services Information
CBOG January 9, 2014

This update is posted at: www.clemson.edu/cfo/procurement under the Announcements section on left hand side of screen.

Old Information:
1. **Ricoh Print Services – Print Shop:** As part of the contract for mail services on campus, and in conjunction with the Managed Print contract, Ricoh has opened an on campus print shop for all your digital printing needs. Since Clemson closed our on-campus print shop back in 2007, there has been a need to have printing expertise on campus and an option for low-cost, quick turnaround, high quality printing on campus. Effective immediately, Ricoh will fill this need. Ricoh has the contract for all digital printing and should be your first call. Ricoh also has the contract for stationery and business cards (replacing Ink4 on this contract). You can find more information about this contract / service here - http://www.clemson.edu/campus-life/campus-services/print-smart/documents/announcement093013.pdf  Clemson should no longer be using Ink4 for stationery and business cards!!!

2. **New buyWays Interface Coming Soon:** And end of March 2014, buyWays will have a new look and feel. At that time, the new interface will be automatically updated in your User Profile. More than a look, the changes will provide customers with many new tools, features and capabilities. The new interface is a result of enduser feedback over the past 5-6 years to make buyWays more “user friendly.” Yes, it is a change, but it is definitely a change for the positive. New training guides, quick reference guides and other materials are being added to the Procurement training site and will be distributed to various listservs is coming weeks. Before the change automatically takes place, users can choose to test drive the new interface. More details on how to change over and what it will look like can be found here – http://www.clemson.edu/finance/procurement/buyWays/bwdocs/buyWayphoenixnavguide.pdf.

3. **P-Card and Personal Charges:** Accidental personal charges on p-cards that occur when using a PayPal or Amazon account for both business and personal purchases is still an Unauthorized Procurement under SC law. Please see December CBOG notes for further information and tips to avoid these situations.

New Information:
4. **Listening Tour / Departmental Spend Reviews:** In 2013 Procurement began conducting spend reviews with select departments. We are now planning to expand this program to more departments in 2014. The goal of the program is to review with departments and users how you purchase and to identify areas where Procurement can better serve you. We call it a “listening” tour because there is no hidden agenda other than to seek your feedback on what we can do for you. The spend data helps the conversation. Aubrey Miller, our Spend Management Analyst, or Jenni Tonkin will be reaching out to departments to set up reviews. Please contact them directly if you are interested in setting a date/time for your review!

5. **Trailer Purchases:** The purchase of any trailer that will be travel on public roads, regardless of size or cost, must be treated the same as a vehicle purchase, meaning it requires State Fleet Management approval. Please utilize the Vehicle Purchase form in buyWays when purchasing a trailer so the proper approvals can be met.

6. **Requisitioner Certification Training FY2014:** This required annual certification is available online for all Clemson University employees with the role of Requisitioner in buyWays. Click here and follow the link under the Training Guides for Requisitioners and Invoice Handlers section.

7. **Staples Rebate:** Staples Rebate for July – September 2013 will be allocated in January 2014. A notice will be sent to business officers.

8. **State Vehicle Misuse:** We are seeing an increase in notifications from the State of reported misuse of State vehicles. The public can simply send an email with the Tag # to State Fleet Management and Clemson gets a letter notifying us of a reported misuse. Reports we are getting range from speeding, text while driving, to teenagers driving a state vehicle to McDonalds late on a Saturday night. We also receive notifications of unpaid tolls which come from the appropriate state or toll collection agency. Please ensure your drivers are aware of and follow the rules when operating a State vehicle.