

CAMPUS BUSINESS OFFICERS

June 12, 2014

President's Conference Room

Sikes Hall

The Campus Business Officers Group met on Thursday, June 12, 2014, at 8:30 a.m. in the President's Conference Room, second floor, Sikes Hall. Present: Virginia Baumann, Budget Director, presiding; Tony Dickerson, Student Affairs; Todd Barnette, Facilities; Kelly Collins for Christina Bedenbaugh, Engineering & Science; Jimmy Barnes, Business & Behavioral Science; Stanley Richardson & Kathy Gibson, Research; Cynthia Barnes for Leigh Dodson, Agriculture, Forestry & Life Sciences; Jacqui Stephens, Architecture, Arts & Humanities; Bobbi Curry for Regina Carroll, Health, Education & Human Development; Melissa Kelley, Public Service Activities; Chris Wood, Academic Affairs; Amanda Powell, CCIT; Erin Thomas, President/Board/Finance; Sharon Littlejohn and Graham Neff, Athletics; Jessica Holbrooks for Mike Sulhan, Advancement; and Cathy Tillett, Director Internal Audit.

Absent: Tammy Crane, Cooper Library.

Staff present: Charles Tegen, Associate VP; Steve Crump, Associate VP and University Controller; Sherri Rowland, Director of Financial Reporting; Roberta Elrod, Director, Grants & Contract Administration; Kathy Dively, Office of the VP for Finance and Operations; Stephanie Wald, Cash & Treasury.

I. Welcome & Introductions (Virginia Baumann)

Virginia welcomed business officers. Virginia invited any newcomers to introduce themselves. None were present. Virginia introduced Jacob Repokis with the Pre-Collegiate Programs to present the first item on the agenda.

II. Pre-Collegiate Programs (Jacob Repokis)

Programs undertaking custodial care for children under age 18 are pre-collegiate programs. These are programs that the University is knowingly supervising youth. Clemson has Operating Standards for Youth Programs that apply to all CU pre-collegiate programs. The standards are maintained, reviewed annually, and updated as appropriate by the PcPO. A listing of all pre-collegiate programs will be emailed to business officers for review. Jacob Repokis requested that business officers review the programs and let the PcPO know of any programs they are aware of that are not on the list. Contact email is pcpoffice@clemson.edu.

Item IV-- Payments for UPIC Internship Fees and Other Student Fees was taken out of order.

IV. Payments for UPIC Internship Fees and Other Student Fees (Virginia Baumann)

Virginia introduced Elizabeth Milam (Financial Aid) to address the requests from departments to be able to pay the UPIC fees for students. Elizabeth stated that paying for student fees/tuition is essentially providing financial aid to the student. In order for the University to remain in compliance with federal regulations related to financial aid, the Office of Student Financial Aid must be involved in the process of providing any financial aid to a student. Guidelines must be followed: 1) Only Restricted funds (funds >18) can be used to pay any undergraduate student fees/tuition. 2) The hiring department must send notification to Linda Henderson, that includes

the student's name, CID, term, and account string. Program code must be 801, account code 7501. 3) Student Financial Aid will review the award and adjust other aid if required. Your award may cause the student to be required to return other funds. (Attachment 1)
Virginia also noted that the State has a cap on how much financial aid that the University can provide with Unrestricted funds to undergraduate students, and unauthorized payments of financial aid can result in the University being in violation of that cap.

III. Budget Update (Virginia Baumann)

State Budget: Currently there are no cuts in state appropriations for Clemson, both E&G and PSA. A 2.0% cost of living adjustment and an allocation for increased health insurance costs, with a small, co-pay increase for employees is included. Other allocations now included in the Budget as recurring funds are: E&G - \$1M for Student Career Opportunity Program, \$200K for Focus on Student Success, PSA - \$500K for Agribusiness and Emerging Farmers Extension Program, \$250K for Precision Agriculture and Environmental Technology Research. Current Non Recurring Funding includes E&G- \$1.1M for critical electrical upgrades and PSA - \$3M for agriculture and natural resources research equipment. This version of the budget funded additional dollars for critical equipment repair and replacement for higher education institutions. Clemson's share of this funding is projected to be \$1.6 M.

FY2015 Budget Development: Virginia thanked business officers for their hard work on the FY15 budget development. The Budget office will start loading unrestricted budgets today or tomorrow. Restricted budgets are still being finalized.

Hyperion: The Budget Office is preparing a timeline that will be shared with the business officers by the next business officers meeting for the next phase of Hyperion.

V. Review of Important Fiscal Year End Deadlines (Sherri Rowland)

Sherri reviewed the following important deadlines for 2013-2014 fiscal year.

June 30, last day to receive goods or services for payment to be made in this fiscal year.

July 9, payroll for July 15 will be posted

July 11, last day to enter invoices for goods and services provided by University departments

July 11, last day to enter account numbers and approvals for departmental p-cards

July 14, last day to enter and approval all vouchers for goods and services

July 14, last day to enter journal entries & final approval of corrections for transactions in FY14

July 16, June errors must be cleared by noon

July 17-July 24, Central staff prepares final University level fiscal year end entries & closes

VI. College/Division Fiscal Year End Checklist (Steve Crump)

The Fiscal Year End Checklist (Attachment 2) is a provided to business officers to assist in the Fiscal Year End Closing Review. Areas that may appear problematic should be discussed with the Controller.

VII. DRAFT Copy of Confirmation of Annual Fiscal Year End Review (Steve Crump)

The Annual Fiscal Year End Review memo (Attachment 3) is to be signed by the business officer, dean, or division head. This memo will be dated August 21, 2014.

VIII. Revised Incentive Card Policy (Steve Crump)

Steve Crump noted that this policy was previously brought to the campus business officers. There were a number of questions about the policy. A Research Group was put together with Roberta Elrod's assistance and their input was incorporated in the policy. Steve Crump, Charles Tegen, Mike Nebesky and Cathy Tillett also worked on revisions. Steve Crump outlined some revisions that have been made in the Revised Incentive Card Policy (Attachment 4). The word "gift" was removed making the official name "Incentive Card." Incentive cards must be purchased through buyWays from the National Gift Card Company. Now exemptions may be available in situations in which external funding pre-dated this policy or required purchases cannot be accommodated by the NGC. Instead of 30 days to disburse the cards, the time was changed to 90 days from the time the cards are received to be disbursed.

IX. Revised Incentive Card Procedure (Steve Crump)

A separate expense account has been set up 7312 (Incentive Cards) or 7550 for research projects budgeted as Participant Support Cost (Part Supp Incentive Cards). A Research Participant Incentive Distribution Log must be maintained by the department and it should also be attached to the requisition in buyWays. Social security numbers cannot be included on this list. Business officers will be made aware of the request through the buyWays approvals. See Attachment (5) for all procedures. Responsible parties are accountable to Cash and Treasury for incentive cards on hand after 90 days.

The Incentive Card Policy/Procedures will be effective July 1, 2014.

X. Other Matters

Payroll (Steve Crump): Steve noted that for the June 13 payroll there are 283 lines that are failing. He asked business officers to please correct these errors as soon as possible.

There being no further business, the meeting was declared adjourned at 9:15 AM.

Approved: Virginia Baumann
Budget Director

Attachments:

- College/Division Fiscal Year End Checklist
- Draft Copy of Confirmation of Annual Fiscal Year-End Review
- Revised Incentive Card Policy
- Revised Incentive Card Procedure

DRAFT

TO: All Clemson University Departments
FROM: Chuck Knepfle, Director of Student Financial Aid
RE: Process to waive UPIC Internship Fee
DATE: June 16, 2014

It has come to our attention that departments are asking Student Financial Services to process journals to pay the Internship Fee for UPIC students. What is addressed here will apply not only to the Internship Fee, but to any request for payment of student fees/tuition for undergraduate students. Paying for student fees/tuition is essentially providing financial aid to the student. The Office of Student Financial Aid must be involved in the process of providing any financial aid in order for the University to remain in compliance with federal regulations. The guidelines which must be followed are:

1. The source of funds used to pay any undergraduate student fees/tuition must come from Foundation or other external funding sources. This means that only restrictive funds (funds > 18) can be used.
2. The hiring department must send notification to Student Financial Services (Linda Henderson), that includes the student's name, CID, term, and account string. The account string must use a program code of 801 and the account code of 7501. The department must ensure the SCHOL and STUAID budget categories are budgeted in the paying department so the journal charging the fee to the department will pass budget check.
3. Student Financial Aid will review the award and adjust other aid if required. Please note that your award may cause the student to be required to return other funds.

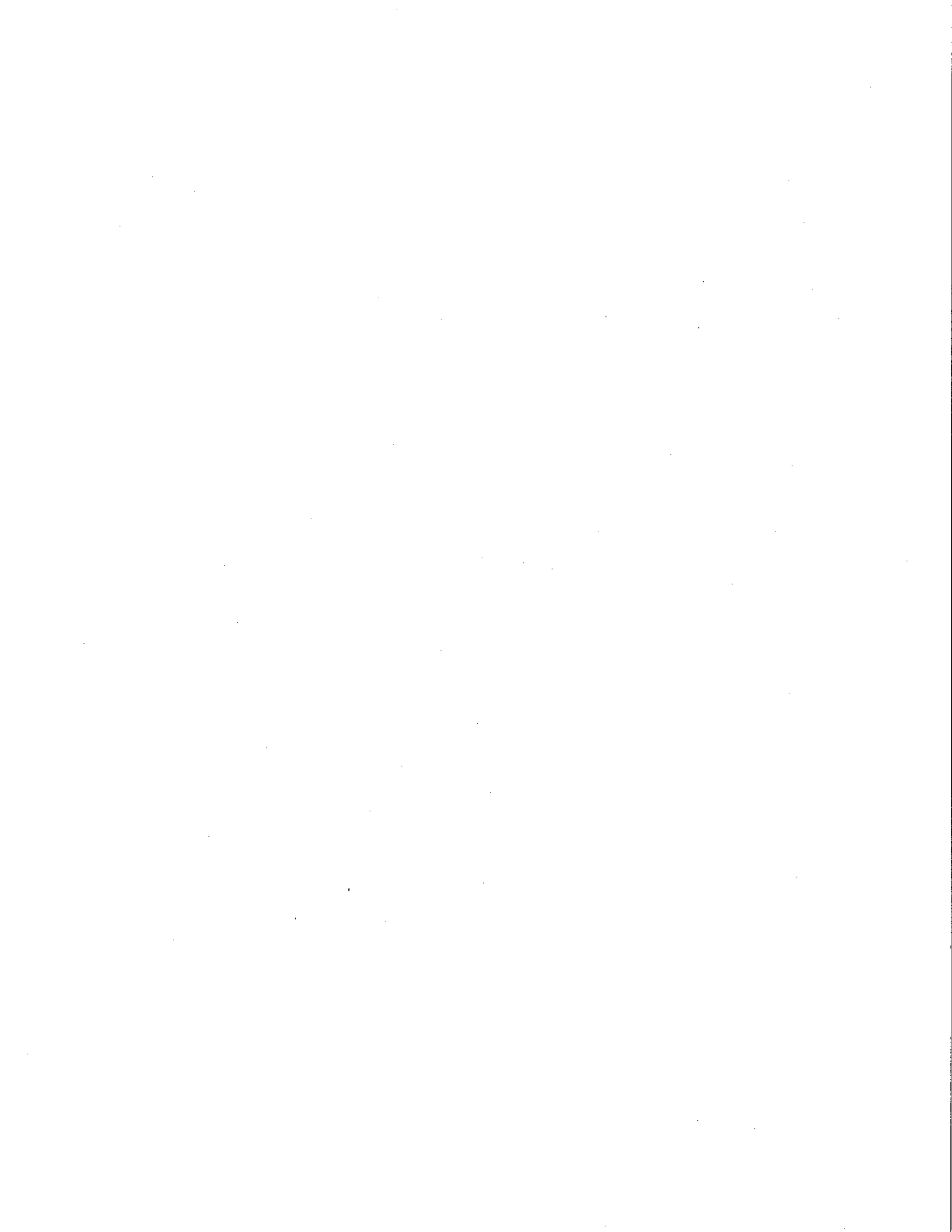
If you have any questions regarding this process please do not hesitate to contact Chuck Knepfle or Elizabeth Milam in the Office of Student Financial Aid.



STUDENT FINANCIAL AID

G01 Sikes Hall Box 345123 Clemson, SC 29634-5123

864.656.2280 FAX 864.656.1831



**Fiscal Year End Closing Review
College / Division Checklist
For the Fiscal Year Ending June 30, 2014**

Preparer _____
College / Division _____
Date _____

Please review the following questions related to the fiscal year end closing process. Each Business Officer should review the following questions with individual's assigned responsibility in the related areas. Answer each question to the best of your current knowledge. Areas that may appear problematic should be discussed with the Comptroller.

Year End Cutoff Issues

Disbursements

Have you informed those that have responsibility to prepare disbursement documents that disbursements for goods and services acquired and received prior and on June 30, 2014 must be charged to the FY 2014?

Have you or your staff reviewed the disbursement process in your college/division to assure there has been an adequate yearend cutoff (charges assigned to the proper fiscal year)?

Do you believe that there are adequate measures within your college/division so that all significant outstanding invoices related to FY 2014 activity are recorded in the CUBS financial records?

Receipts/Billing

Have you informed those that have responsibility for billing and receiving cash for goods and services provided prior and on June 30, 2013 must be recorded to the FY 2014?

Have you or your staff reviewed the receipting/billing process in your college/division to assure there has been an adequate yearend cutoff (receipts assigned to the proper fiscal year end)?

Have you informed your college/division that all payments and receipts must be made on a timely basis?

Are you aware of any cash receipts not deposited at June 30, 2014?

Do you believe that there are adequate measures within your college/division so that all cash receipts and uncollected billings related to FY 2014 are recorded in the CUBS financial records?

Asset / Liabilities

Accounts Receivable

Have all bills for goods or services sold at June 30, 2014 been recorded on the CUBS financial system? Have you reviewed the aging report for your area of responsibility? Are past due bills collectible?

Accounts Payable / Accrued Liabilities

Are you aware of any outstanding invoices that have not been entered in the CUBS financial system?

Deferred Revenues

Have all significant receipts received prior to July 1, 2014 for activities occurring after June 30, 2014 been classified as deferred revenues on the CUBS financial system?

Prepaid Expenses

Has significant activity related to goods or services received after July 1, 2014 that required an advance payment been classified as prepaid expenses on the CUBS financial system?

Do you have a monitoring system in place to review your CUBS prepaid accounts for your college/division to assure only FY 2014 activity has been classified in the prepaid expense accounts?

Reconciliation of Accounts

A listing of all assets and liabilities belonging to your college / division can be established by using a query specific to your college / division. Each asset and liability should be reviewed monthly. Answer the following questions related to these accounts at June 30, 2014.

Assets**Petty Cash**

Are the balances on the CUBS financial system for the petty cash at June 30, 2014 correct?

Are you aware of any unrecorded cash in your area of responsibility at June 30, 2014?

Bank Accounts

Have the month end balances been reconciled to the bank statements at June 30, 2014?

Have all reconciling items been resolved and appropriate actions been taken to resolve differences?

Accounts Receivable

Have the CUBS financial system month end balances been reconciled to a listing of unpaid billings?

Have all reconciling items been resolved and appropriate actions been taken to resolve differences?

Do you have a list of all outstanding billings by the date they were billed?

Do any of the billings appear to be uncollectible?

Inventory

Has a physical count and pricing of inventories recorded on the CUBS financial system occurred and reconciled to the June 30th CUBS balance?

Have you provided Accounting Services fiscal year end inventory closing information?

Revenues

Are the departmental revenue accounts assigned to your college/division being reconciled monthly?

Expenditures

Are the departmental expense accounts assigned to your college/division being reconciled monthly within the guidance of the reconciliation policy?

Documentation

Is the supporting documentation for all receipts and expenditures retained in the college/division to support all transactions?

Is the documentation stored and retained in a format where it is readily available for audit purposes?

Financial Overview

Look at your College / Division financial information for reasonableness of revenues and expenditures at a departmental and college / division level. Identify any significant differences or unusual patterns.

Compared to the previous year, is the financial information approximately the same? Identify differences?

Do you believe the expenditures have been properly classified at the major program level (Instruction, Research, Public Service, etc.)?

Other

Do you believe that the responsible staff is aware of current University policies and procedures?

Do you believe that to the best of your knowledge that responsible staff in your college/division has followed university policies and procedures?

Are you aware of any violation of University policies and procedures that may contribute to a fraudulent situation?

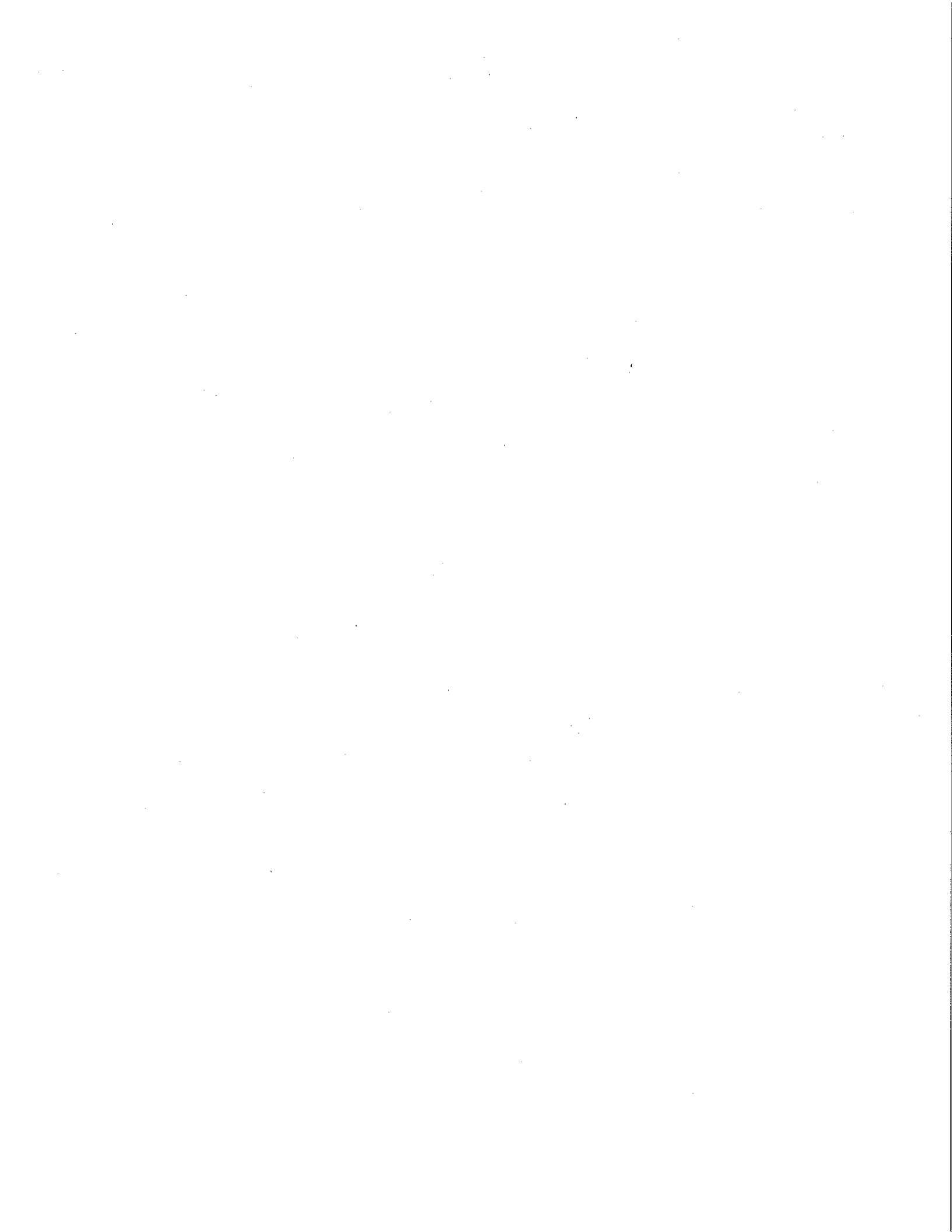
Separation of Duties

Have you reviewed with responsible staff the separation of Financial Administrative Duties policy?

Do you believe there is either an adequate separation of financial administrative duties or compensating measures to provide a reasonable internal control within your college/division?

Ethics/Safety Hotline

Do you believe that the employees in your area of responsibility are aware of the University Ethics/Safety Line? Every employee is responsible for reporting cases of theft, fraud, conflict of interests, abuse of assets or property, or violations of laws and regulations. Concerns about internal controls, auditing, and accounting processes should also be reported. To facilitate the reporting process, an anonymous Ethics/Safety Line is available at 1-877-503-7283 or <http://www.lighthouse-services.com/Clemson>.



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SECTION:	Section:	
	Subject:	
SUBJECT: Incentive card- Policy	Last Update:	
	Revised:	7/1/14

I. Overview

Incentive cards may be used as a tool to meet the business purposes of the University. They can be used to support research study participants and for awards or prizes to support student activities. As cash-equivalent instruments, incentive cards are governed by internal control requirements and may be subject to tax reporting. They **must** be distributed in accordance with the guidelines set forth in this policy.

II. Policy

General

Incentive cards must be purchased through Buyways from the National Gift Card Company (NGC). (Exemptions may be available in situations in which external funding pre-dated this policy or required purchases cannot be accommodated by the NGC). Personal reimbursements and direct purchases outside of the established Buyways process are not allowed. Incentives cards must only be requested when disbursement of such funds are expected to occur within ninety (90) days from the time the cards are received. If the project or need to distribute continues beyond that time frame, multiple incentive requests must be made to provide for a reasonable and timely accounting of funds.

1. Research Participants

An incentive may be offered for research participation provided it was included as part of the grant proposal and Institutional Review Board (IRB) approval was obtained. This policy is intended to provide guidance as to the appropriate acquisition and distribution of research subject incentives.

2. 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. Unlike with research participants, these incentives are not bound by grant proposals and IRB approval. This policy is intended to provide guidance as to the appropriate acquisition and distribution of non-research subject incentives.

III. Allowable Uses and Limits

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Incentive cards may only be distributed for the following purposes:

1. Incentive for Research participants in studies approved by the University's Institutional Review Board (IRB)
2. Prizes, recognition awards or tokens of appreciation for students
3. Prizes, recognition awards for volunteers
4. Incentive for employees participating as a volunteer in a research study or event unrelated to their job
5. Individual incentive cards should be valued at \$100 or less.

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

IV. Internal Controls

Incentive 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 and for advising faculty, staff or students of proper handling policy and procedure. 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 cards must be secured at all times (e.g. in a locked box in a locked cabinet or drawer) with limited access. They must not be taken home or off campus for safekeeping.

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V. Lost Cards

The Responsible Employee will be held accountable for any incentive cards in their possession that are lost or misplaced. Any shortage must be reported immediately to Internal Audit. Depending upon the circumstances, punitive action including loss of ordering privileges, termination and prosecution could result.

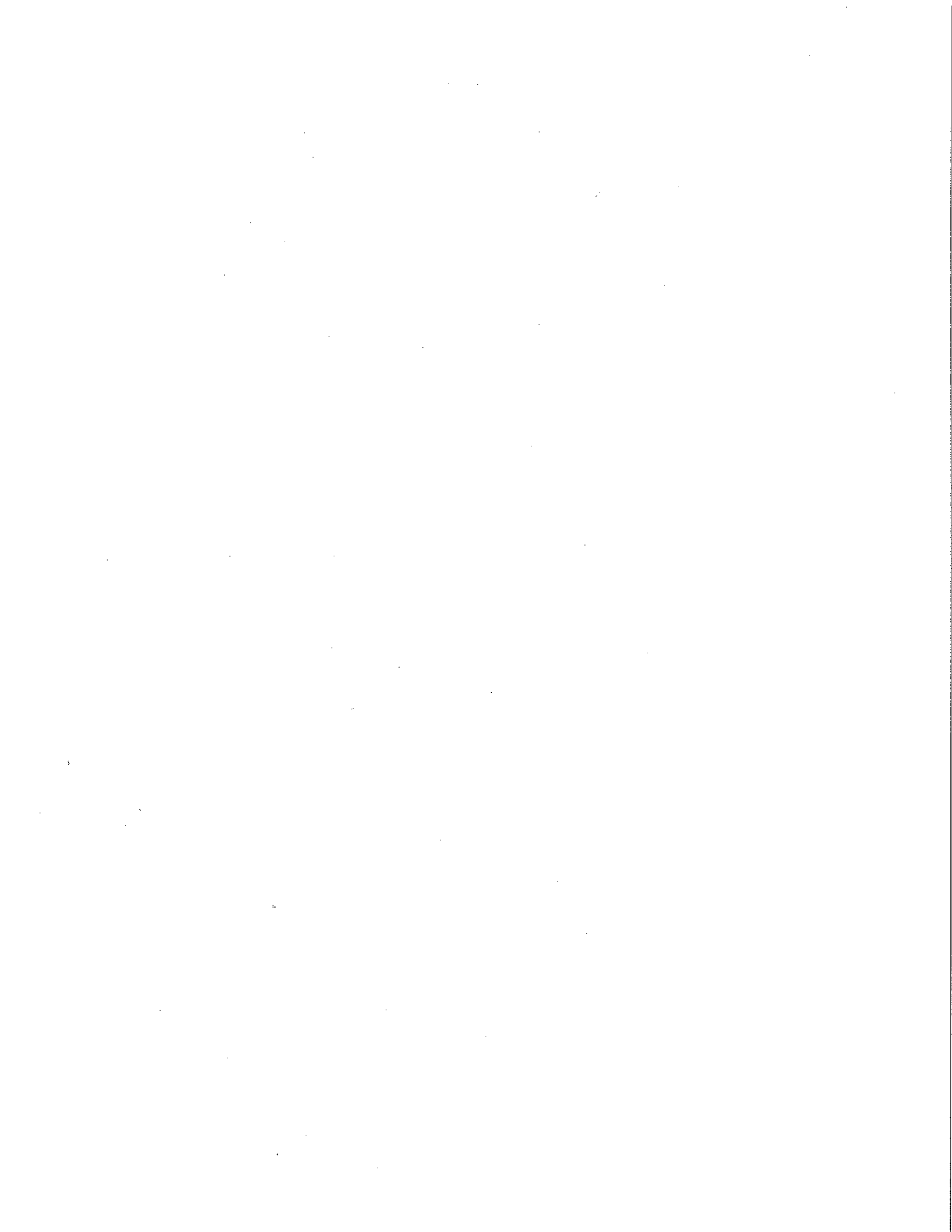
VI. Definitions

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

B. Responsible Employee means the faculty or staff member in the department disbursing the incentive cards that is responsible for the documentation, internal control and other requirements of this policy.

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

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90SECTION:	Section:	
	Subject:	
SUBJECT: Incentive card - Procedure	Last Update:	
	Revised:	7/1/14

A. GENERAL PROCEDURE

Incentive cards must be purchased through Buyways from the National Gift Card Company (NGC). (Exemptions may be available in situations in which external funding pre-dated this policy or required purchases cannot be accommodated by the NGC). The Responsible Employee or Researcher must first request access to order in Buyways by sending an email to cubuyways@clermson.edu. You will receive an email notifying you that you have been granted access to order incentive cards in Buways.

Advance planning by the responsible person is necessary to assure that no more than a ninety (90) day card supply should be ordered. If the project continues beyond that time frame, multiple incentive requests must be made to provide for a reasonable and timely accounting of funds. Accountability for the cards will be required by providing a list of recipients or research subjects within a ninety (90) day period.

Unused incentives cannot be returned to the supplier. The Responsible Individual should contact their Business Officer to discuss the best method for disposal/reassignment of any remaining cards left over at the end of the project.

B. RESEARCH SUBJECT INCENTIVE PROCEDURE

1. Research Subject Incentive Request

Once granted access in Buyways, the following items are required to be included as an internal attachment to the Buyways requisition to successfully place an incentive card order. An authorized approver must sign all forms submitted. Their signature indicates the appropriate business officer is aware of the request and that documentation has been provided to them:

- Research Incentive Card Statement of Responsibility
- IRB approval letter

To allow time for shipping, 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 7312 (Incentive Cards). In cases where projects have participant support costs (PARTSP) specifically budgeted for research participants, the account code

is 7550 (Part Supp Incentive Cards). If you are unsure of which account code to use, please check with your college Post-Award contact.

2. **Research** Subject Incentive Restrictions

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

- 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.
- An employee working for the same department that is conducting the research is not allowed to receive incentive cards for research incentive participation.
- Incentive cards should be given as an incentive as opposed to other cash-like instruments.
- Incentive cards are not returnable to the supplier. All sales are final.
- Incentive cards are not to be used to make routine purchases for business needs.

3. **Research** Subject Participant Payment

A Research Participant Incentive Distribution Log must be maintained by the department for which the study was performed. A copy of the completed distribution log must also be attached to the requisition/PO 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. This memo must be included as an internal attachment to the original requisition/PO in Buyways or no later than January 15th if the study exceeds one calendar year. Due to the nature of the data collected on the Incentive Distribution Log, it must be treated as confidential information. 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

1. **Non-Research** Subject Incentive Request

Once granted access in Buyways, the following items are required to be included as an internal attachment to the Buyways requisition to successfully place an incentive card order. An authorized approver must sign all forms submitted. Their signature indicates the appropriate business officer is aware of the request and that documentation has been provided to them:

- Non-Research Incentive Card Statement of Responsibility

To allow time for shipping, incentive cards should be ordered 3-4 business days before they are needed. The appropriate account code to use for **non-research** incentive cards is 7312.

2. **Non-Research** Incentive Restrictions

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

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

3. **Non-Research** Participant Payment

A Non-Research Participant Incentive Distribution Log along with all supporting documents must be maintained by the department that disbursed the incentive cards. A copy of the completed distribution log must also be attached to the requisition in Buyways no later than January 15th if the activity 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. This memo must be included as an internal attachment to the original requisition/PO in Buyways no later than January 15th if the event extends to the following calendar year. Due to the nature of the data collected on the Incentive Distribution Log, it must be treated as confidential information. Failure to provide adequate documentation and adhere to this policy will jeopardize the requestor's ability to use incentives in the future.

D. TAX REPORTING

1. University Employee

The IRS considers incentive cards to be tax reportable as compensation when issued or awarded to the recipient, regardless of value. The value of the incentive cards will be included on the employee's annual W-2 in taxable income. *(Note – this may not apply if the employee is participating in research dissimilar to their normal job functions or do not meet the \$600 threshold).* It is the Responsible Employee's duty to make the employee aware of the tax implications of the incentive.

2. Non-Employee

For participants who receive incentive 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. The subject's name, address, social security number, date of payment, and payment amount must be sent to University Disbursements, ASB, 108 Perimeter Rd. 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.

E. INVENTORY

Responsible personnel holding more than one card must perform physical inventory on cards yet to be distributed, at least on a weekly basis. Incentive cards remaining after ninety (90) days must continue to be inventoried on a weekly basis. In addition, the inventory log must be sent electronically to Cash and Treasury on a monthly basis until all incentive cards have been fully disbursed. Inventory must be performed by someone other than the Responsible Employee but in the presence of the Responsible Employee. Both employees must sign off on the inventory log each month before it is sent to Cash and Treasury. Any discrepancies must be reported immediately to Cash and Treasury. Reports of remaining incentive card inventories will be subject to review by Internal Audit.