

Finance Matters

February 2008

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Employee Reimbursements

During the normal course of business, it's common for an employee to incur business-related expenses on behalf of his/her employer. At RIT, there are three primary ways for an employee to be reimbursed for out-of-pocket business expenses:

1. When expenses are \$50.00 or less, the [petty cash process](#) may be used for small dollar reimbursements. Complete a Petty Cash Voucher Form (available from The Hub). Be sure to provide the business purpose, clearly indicating the relationship of the expenditure to RIT. Attach the original receipt(s) and obtain the signature of your budget authority or supervisor. Take the form to the Cashier's window in the Student Financial Services Office (located in the George Eastman Building on the first floor) to obtain your reimbursement.
2. When out-of-pocket expenses are \$50.00 or more, complete an [Invoice Payment Form](#), including the business purpose, obtain the approval of your budget authority or supervisor, and send it via interoffice mail along with original receipts, to the Accounts Payable Office to be processed (George Eastman Building, 6th floor). When an employee has signed up for [Direct Deposit](#) for accounts payable/travel reimbursements, the payment will be deposited in his/her bank account in five business days or less.
3. When an your business travel includes airfare or an overnight stay, complete a [Travel Expense Report](#) and send the fomr with original receipts. To ensure that the reimbursement is not delayed, be sure to follow all University travel [policies and procedures](#).

Employee Reimbursements Under an Accountable Plan

Employees often inquire about why they are asked to provide details about their business expenses such as who attended the business function, and the business purpose (i.e., connection to RIT). According to IRS Publication 463, in order for reimbursements **not** to be included in an employees' income and reported on their Form W-2, certain specific criteria must be adhered to. To qualify as an [accountable plan](#), RIT's reimbursement or allowance arrangement includes the following rules:

1. All expenses must have a clear business connection – that is, the employee must have paid or incurred RIT business related expenses while performing services as an employee.
2. Expenses must be adequately accounted for within a reasonable period of time.
3. Excess reimbursements or allowances must be returned within a reasonable period of time.

When an employer reimburses its employees for business expenses, the tax implications

*for the employee depend in part on whether the employer has an **accountable plan** in place.*

Reimbursements paid under an accountable plan are not reported as income to the employee.

Oracle Applications Update: Release 12 Upgrade



An upgrade to Release 12 of the Oracle Applications is planned for May 2008. The Oracle applications, including Employee Self-Service will not be available over Memorial Day weekend (Friday evening through Monday).

Each of the Oracle modules will be upgraded to the new release including:

Financial Applications

- ✓ Accounts Payable
- ✓ Accounts Receivable
- ✓ General Ledger
- ✓ Fixed Assets
- ✓ Purchasing

Human Resource and Payroll Applications

- ✓ Employee Self-Service
- ✓ Human Resources
- ✓ I-Recruitment
- ✓ Manager Self-Service
- ✓ Payroll

To ensure a smooth transition to the upgraded modules, Controller's and Human Resources staff are "testing" key transactions and processes. We'll provide more information about the upgrade and what it means to you, over the next three months. A special Finance Matters devoted to the new release will be issued in the early spring.

A Message from Property Control

If your department has not yet completed its fiscal year 2008 equipment inventory, your department contact has now received a complete listing of all equipment currently in the University's fixed asset system for your area. Please update/complete the forms as requested, including information about assets no longer in service (e.g., "retired") and the current location each item. Then sign the certification, obtain your department head's approval and return the information to Property Control by the due date. Property Control will update the fixed asset system with the information you provide so that it accurately reflects your department's current assets.

A comprehensive fixed asset system contributes to the accuracy of the University's financial statements. Periodic physical inventories are one critical control found in a strong property control system (and they're also required by the Federal government).

Your assistance in performing the essential task is appreciated. If you have questions about the information you receive from Property Control, please call Jane McGrath-Briggs at ext. 5-4933 (jfmcto@rit.edu).

Training will be provided to Oracle users in the spring, prior to the upgrade. In addition, all training materials will be updated.

Occasionally, RIT departments/employees will fabricate an item of capital equipment from component parts. The fabricated item must meet the RIT standard definition for capital equipment. Review the [Fabricated Equipment Policy](#) for details.

“SPARC” Training is Here

The number of sponsored research projects awarded to RIT faculty and staff is growing at a rapid pace. The increased volume of in sponsored research awards brings with it a host of fiscal and administrative responsibilities. The Sponsored Programs Accounting Regulatory Certification ([SPARC](#)) training program is specifically designed for department administrators and other staff who provide direct post award fiscal and administrative support of sponsored projects to Principal Investigators.

The SPARC series is comprised of five workshops including:

1. Intro to Accounting for Grants and Contracts
2. Other Direct Costs
3. Compensation and Effort Reporting
4. Accounting for Cost Share Commitments
5. Audits and Compliance.

Each of the workshops in the series will be presented by subject matter experts from the Sponsored Programs Accounting Office.

Employees who attend each of the required workshops in Track I ([Accounting Practices, Procedures and Protocol Series](#)) and Track II (SPARC Series) and then complete a competency test will receive a certificate of completion and a certificate of competency.

SPARC [course descriptions](#) and registration information is available on the Career and Professional Development web site.

To obtain the SPARC certification, employees who have attended each of the workshops in the series will be required to satisfactorily complete a competency test. The test, which will be offered online, will be comprised of true and false and multiple choice questions. When taking the test, employees may refer to workshop materials and information on the SPA web site.

Sales Tax Collection Responsibilities

Exemption from sales tax obligations under New York State (NYS) law is determined by the “nature of the purchaser” and the “use” by that purchaser of goods and services procured. RIT is a tax-exempt corporation, organized under the laws of New York State. As such, when purchasing goods and services for business use, departments are entitled to claim an exemption from NYS Sales & Use tax. Details about RIT’s [sales tax exemption](#) are available on the Controller’s Office web page.

RIT is also registered with the NYS Department of Taxation and Finance as a merchant and is [obligated to collect sales tax](#) on sales made to non-exempt purchasers. If your department sells goods or services, and you haven’t established a process for collecting sales tax, please contact the Accounting Office at ext. 5-2237 or 5-2375. The staff will establish a general ledger account into which you can deposit sales tax collections. Accounting will then remit those tax collections to NYS as part of the RIT’s regular monthly tax filing.

Employee Reimbursements

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So, the next time a staff member from Accounts Payable asks you to provide detailed information about the business connection of your expense to RIT, remember that it's for your protection. With no clear business purpose (e.g., who, what, why), we're obligated to treat the reimbursement as income and include it in your W-2.

Travel News

New Mileage Rate Effective Now

Effective immediately, the [reimbursement rate for mileage](#) is \$.455 per mile. Travel prior to January 1st will be reimbursed at \$.43 per mile. Complete a [Business Mileage Reimbursement Worksheet](#), attach it to an Invoice Payment Form and send the approved paperwork to Accounts Payable for processing. If your travel includes an overnight stay, include the mileage information on a [Travel Expense Report](#).

New Daily Meal Allowance Rates Effective Now

Effective immediately, the daily meal allowance for business meals while traveling is \$44 per day. In addition, the limit for [major metropolitan cities](#) (and several cities have been added to this category) is now \$54 per day. The daily meal allowance for international destinations is now \$80.00 per day.

The Accounts Payable staff will adjust previously submitted reimbursement requests to reflect the new rates (for travel beginning January 1, 2008).

Coming Soon – A New Travel Management System

Over the last few months, the RIT Travel Committee, headed by Director of Purchasing Tina Karol, reviewed and analyzed the current RIT travel policies. The committee focused on cost, security, and methods for booking business travel. The committee concluded that a national travel management company would best fit the needs of the University by consolidating all business travel with one company. A request for proposal was issued to the three largest nationally recognized travel management companies and Carlson Wagonlit Travel was chosen as the preferred agency for RIT. A few of the advantages of using Carlson Wagonlit to book your business travel include:

- ✓ Cost Savings – Pre-negotiated rates are loaded into the exclusive RIT site, lowering travel costs including reduced hotel rates and car rental plans.
- ✓ Ease of Use – The RIT dedicated site allows RIT travelers to choose between using the Carlson Wagonlit self-booking tool and being assisted by a “live” travel agent dedicated to the RIT account.
- ✓ Increased Security for RIT Travelers – With the touch of a button, RIT is able to access the location of every RIT traveler. Travel alerts will automatically be sent advising RIT of world events that could put our travelers at risk.

The Purchasing department will implement the new program campus-wide over the next three months – watch for notices. Training sessions will be provided to guide employees through the process. To encourage travelers to use the new system, we'll be offering incentives that will put money back into your department's travel budget.

Meal allowance rates for international destinations (including Canada) are now \$80.00 per day.

This new and exciting way of managing travel offers many advantages to both the traveler and the University.

Upcoming Oracle Applications Training

Training classes, designed to familiarize employees with the Oracle financial applications, are offered monthly from September through May.

- ✓ Purchase Requisitions
 - February 13th
 - March 12th
 - April 24th
- ✓ Journal Entry
 - February 13th
 - March 12th
 - April 24th
- ✓ General Ledger/Report & Inquiry
 - February 13th
 - March 12th
 - April 24th

To register for Oracle training classes, go to the [Center for Professional Development](#).

Upcoming Accounting Workshops

Accounting Practices, Procedures, and Protocol training is a series of two-hour workshops designed for those individuals at RIT who are responsible for financial transactions and/or developing and maintaining department, college, or division budgets. Here's a list of upcoming workshops:

- ✓ February 5th
 - Introduction to Accounting for Grants & Contracts
- ✓ March 4th
 - Introduction to Accounting
 - Oracle FSG & Standard Reports
- ✓ March 18th
 - Balance Sheet Account Reconciliations
 - Procurement Card Policies and Procedures
- ✓ April 15th
 - Travel Policies and Procedures

To register for the Accounting training classes, go to the [Center for Professional Development](#).

Controller's Office News

Becky Kiely (from the Purchasing Department) is temporarily working in the Oracle Self-Service Customer Support area (she's covering for Janet Orolani who is out of work on disability). If you have questions about employee or manager self service, please contact Becky at ext. 5-4905.

Did you know that Andrea Barber, Contract Specialist in the Purchasing department, reviews contract terms and conditions for all vendor contracts for the University? Please contact Andrea if you are working on a new vendor contract; she'll be happy to assist you.

We've had a several staffing changes over the last few months including retirements, promotions and new hires. The Controller's Office [Staff Directory](#) provides a complete listing of our staff along with their titles and a brief description of their current responsibilities.

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Visit the Controller's Office web page to obtain details about the documents referenced in this Newsletter:

<http://finweb.rit.edu/controller/>