120 Day Reimbursement Policy

Effective January 1, 2012, a new reimbursement policy went into effect. The new policy incorporates an IRS requirement that employers establish a time limit after an event for employees to submit a claim for reimbursement. Therefore, the University is implementing a deadline for submission of claims for reimbursement for both travel and non-travel expenses of 120 days after the date of the event (for travel, the date of return; for non-travel, the date of purchase). Reimbursement requests submitted after the prescribed time limit may result in taxable income to the employee. Additionally, setting a time limit helps to ensure that funds covering the period of reimbursement have not lapsed before the claim is processed.

Employee Expense Reportable as Income

Originally referred to as the Non-Accountable Plan Expense Reimbursement form, Financial Services has a new form, Employee Expense Reportable as Income, that is required on all employee reimbursements that exceed the 120 days allowed by policy. For payment processing, an originally signed form along with a copy of the receipt(s) should accompany the Voucher, Form 3 or Form 19 (whichever is applicable) submitted to AP. Reimbursements (travel and non-travel) must be entered into PeopleSoft and approved for payment prior to submitting to AP for processing. Only one form per payment request is allowed although multiple receipts can be combined on one payment request.

This new form can be found on the Financial Services website, http://www.ouhsc.edu/financialservices/forms/.

The GL expense accounts that have established for these type payments are 701340, 702340, 703340, 704340, and 920450. For more information on these expense codes, please see page 3 of this newsletter.

Questions or Comments?
Email us (see AP Staff List at http://www.ouhsc.edu/financialservices/ap/staff.asp) or call 405-271-2410.
Keeping Up With Accounts Payable

NEW!!!! Communication Device and Services Policy

The Internal Revenue Service (IRS) recently changed their position on employer provided cell phones. Cell phones were previously classified as “listed property” by the IRS. As such, the documentation required to substantiate the business use of cell phones was extensive and burdensome.

The new position of the IRS removes cell phones from the category of “listed property”. As a result of this new position and recent guidance issued by the IRS, the University’s policy related to the handling of cell phones has been revised. The revised policy is located in the OUHSC Administrative Policies, Section 543 and replaces the Wireless Telephone and Pagers Policy. The revised policy is effective immediately.

The most significant change in the new policy is that it removes the requirement of substantiating business vs. personal calls and the reimbursement to the University for personal calls. Please review the new policy and contact Financial Services if you have questions.

Please note the following clarifications on this policy.

♦ Employee should chose a plan most appropriate for their business needs, preferably not including a shared family plan. However, if there is a shared family plan, the University will only reimburse at the amount appropriate for a single employee.
♦ Only the pertinent portion of the bill (showing charge detail) should be submitted for reimbursement. Call detail and the remaining portion of the bill must be maintained in the department file in case of audit.
♦ Any equipment paid for directly or reimbursed by the University in part or full is considered University property.

Taping Down Receipts for Reimbursements and/or Direct Payments

When taping down receipts for payment, please note the following:

♦ Should be taped down to an 8x11 sheet of paper for ability to copy and store the document.
♦ Important information on the back of the receipt, such as attendees names or business purpose, should be re-written next to the receipt on the paper. Important information from the vendor on the back of the receipt, should be copied before taping down the receipt.
♦ Do not tape over text on the receipt. Heat printed receipts ink will disappear when taped or highlighted therefore AP cannot verify the costs and or detail of the expense because it is no longer legible. See example.
♦ Do not tape receipts in such a manner that causes the edges to hang off the pages.
♦ Secure all sides of the receipt. Receipts need to be able to run through a copy feeder so they can be duplicated for audit purposes.
♦ Fold receipts so not to cover pertinent information prior to taping down.
Keeping Up With Accounts Payable

GL Code Information

NEW:

701340—Trv-Dom Taxable Reimb, reimbursements to employees for domestic travel that are taxable for not submitting to Accounts Payable for payment within the 120 days time requirement.

702340—Trv-Frn Taxable Reimb, reimbursements to employees for foreign travel that are taxable for not submitting to Accounts Payable for payment within the 120 days time requirement.

703340—Trv-Trn Taxable Reimb, reimbursements to trainees on sponsored program funding for domestic travel that are taxable for not submitting to Accounts Payable for payment within the 120 days time requirement.

704340—Trv-Frn-Trn Taxable Reimb, reimbursements to trainees on sponsored program funding for foreign travel that are taxable for not submitting to Accounts Payable for payment within the 120 days time requirement.

704340—Trv-Frn-Trn Taxable Reimb, reimbursements to trainees on sponsored program funding for foreign travel that are taxable for not submitting to Accounts Payable for payment within the 120 days time requirement.

810150—Svc Maint-Safety & Security, payments for providing such things as investigative and detective services, guard and patrol services, protected pickup and delivery of valuable items, security system sales with installation and repair, or system monitoring services.

821556—Svc Prof Other Adm Svcs, payments for providing a range of day-to-day office administrative services, such as financial planning; billing and record keeping, etc.

821584—Svc Prof Ambulance, payments direct to vendor for ambulance services.

821601—Svc Prof R&D Lab Analysis, payments for services related to research and experimental development in the areas of physical, engineering, or life sciences (i.e., agriculture, electronics environmental, health, medicine, food, botany, etc.).

920450—Empl Reimb Taxable, non-travel reimbursements to employees that taxable for not submitting to Accounts Payable for payment within the 120 days time requirement.

922210—Approved Programs-Pmts & Reimb, payments and reimbursements for expenditures and expenses made/incurred by state and local government agencies when certain criteria is met by the requesting agency as stipulated in the approved program.

CLARIFICATIONS:

Storage Charges

602500—Sply Ofc-Non Expend, storage box purchase.

821558—Svc Prof Business Support, records retrieval/file add.

905070—Rent Oth Bldg Space, rental of the unit.

920500—Freight Exp, courier and fuel charges.

920550—Misc Admin Fee, records NF TRX fees.

Electronic Books

608100—Sply Ed-Books/Oth-Non-Lib, purchase of electronic text books. These would be one time only purchases of text books no differently than buying books off the shelf. They can be on a CD, phone or iPod/iPad app. The key question is, “does the application have to be renewed, updated, etc, or is it a one time book purchase?” For purchases other than books, on a phone or iPod/iPad, please refer to Volume 5, Issue 1 of the Keeping Up with Accounts Payable newsletter.

Questions or Comments?
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Keeping Up With Accounts Payable

Invoice Number Conventions

In accordance with a recent internal audit recommendation, there needs to be consistency throughout campus, not just within departments, on invoice number conventions used when an invoice number is not provided on the invoice by the vendor. AP has provided a large number of numbering conventions and examples in the AP Please Pay Voucher training manual located on the Financial Services Training website. Departments should use these standard numbering conventions on all un-numbered payments.

Please note, invoice number conventions for reimbursements are listed separately. Regardless of what is being reimbursed, please follow the guidelines for the reimbursements not the type of expense you are reimbursing. You can use the Invoice Line Description field for any other necessary identifying information.

IN THE NEWS—Independent Contractor Classifications

The US Department of Labor News Release 11-524-CHI (www.dol.gov/whd) regarding the company Quality Trusted Commercial Construction and Roofing, out of Minneapolis, Minnesota, misclassifying 47 employees as independent contractors (ICs) instead of employees. The company was classifying individuals who worked more than 40 hours per week for the company as contractors. Because they were unable to perform work for any other businesses or clients, DOL ruled the workers were clearly employees not ICs. The release stated the company was forced to reclassify the workers as employees and pay $65,526 in back wages.

Interagency Transfers

House Bill 1086, effective July 1, 2012, requires all payments to be made electronically unless a specific exception for the type of payment for our agency is on file. Therefore, Accounts Payable has started transmitting electronic payments to Oklahoma State Agencies. There is no change in the way payments are entered by departments in PeopleSoft, but the system has been set to default to the electronic transfers as the means of payment. At this time, if back up documentation needs to be sent with payment, paper warrants will be printed and sent with a copy of the documentation.

You can identify payments that have been sent electronically by looking at the warrant number field on the OU Information page within the voucher. Rather than the regular 9 digit warrant number, journal transfers have only 4 digits. They will not show redeemed or cancellation information as they are all automatically redeemed. If you have questions on interagency payments, please contact the AP-Management email group.

FedEx Payments

If you need your payment to be expedited, instead of asking for the check to be returned so you can FedEx the payment, please provide the following information to AP and we will take care of it for you.

1. Recipient’s name
2. Recipient’s phone number
3. If the remittance address is a PO Box, the physical address
4. Deliver Method:
   ♦ FedEx first overnight
   ♦ FedEx priority overnight
   ♦ FedEx Standard overnight
   ♦ FedEx 2 day AM
   ♦ FedEx 2 day
   ♦ FedEx express saver
5. FedEx account number

The check will be sent the day it prints, which is two days after payment by AP. For questions contact the AP Coordinator at 46565.

Questions or Comments? Email us (see AP Staff List at http://www.ouhsc.edu/financialservices/ap/staff.asp) or call 405-271-2410.
Reimbursement Documentation Requirements

1. Must be a valid reimbursable University expense.

2. Must meet two components for reimbursement.
   1) Proof of the items that were purchased. This is the original expense ticket detailing the items purchased.
   2) Proof that the person seeking reimbursement has incurred the expense i.e., paid for the expense. One of the following can be used to provide proof:
      a) Copy of credit card statement. Account number is not required but name should be on statement.
      b) Copy of “in store” credit card receipt signed by individual seeking reimbursement. This should accompany original proof of expense ticket.
      c) Copy of cancelled check indicating that the check has been processed by the bank. (Front and/or back copy, copy of check from bank statement, encoded, etc.) This should accompany original proof of expense ticket.

3. If requirements in 2) a, b, or c above cannot be met then a FORM 3 must accompany the reimbursement request. A signed FORM 3 should accompany cash purchase receipts. This should also include original proof of expense ticket(s).

4. Reimbursements using OSF 290 or 430 funds which exceed $100 per claim must include a written statement of justification for the indirect purchase (i.e., personal purchase versus processing an invoice for direct payment to the vendor) as support documentation for the claim.

All reimbursements must include a signature of higher institutional authority on either the Voucher Register, Transmittal form, or on the Form 3 authorizing the reimbursement.

If a detailed receipt for the purchase is not submitted with the reimbursement request, the expense might not be reimbursable. A list of purchased items must be compiled by the claimant and signed. If the purchase is at a restaurant, a statement that the purchase was for food and beverages only must be included on the compiled/signed list.

In addition, any meal tickets listing the number of attendees differing from the number of attendees listed by the claimant, must also be explained in writing and signed by the claimant.

PikePass Changes

PikePass is making a transition from the portable PikePass to a sticker tag. This is the information we were provided by Turnpike Authority.

- There is a one time fee of $25 to request a portable pikepass.
- What if an employee wants to use the department PikePass?
  - If they have a personal PikePass sticker tag, and use the departmental PikePass as well, each will be charged.
- What does this mean for you?
  - If the employee has a personal PikePass sticker, they should use it and be reimbursed on the Form 19.
  - If the employee does not have a personal PikePass sticker, they can choose to use the department portable PikePass with no reimbursement necessary or pay with cash and be reimbursed on the Form 19.
Mileage Rate Change

The Internal Revenue Service and Treasury Department has announced the Standard Mileage Rates for business travel effective January 1, 2012.

The rate will remain at 55.5 cents a mile for all business miles driven between January 1, 2012 and December 31, 2012.

In summation, the rates to be used are as follows:

- July 2011 through December 2012 a rate of 55.5 cents a mile.

Please note the rate for moving expense mileage beginning January 1, 2012 will be 23 cents.

HB 1086—Travel Frequent Flyer Miles

The University recently received guidance from the Office of State Finance (OSF) regarding changes to the State Travel Reimbursement Act (House Bill 1086)

The law restricts the use of Frequent Travel Miles earned through official state business travel and limits their use to offset future travel claims against the state. When used here, “Frequent Travel Miles” will be considered to cover transportation related rewards, such as frequent flyer miles provided directly from the airline companies and any similar rewards offered through bus and train transportation companies.

The OSF Form-19 Travel Voucher has been revised for this law change. The form is revised in the claimant signature certification section with the statement “No frequent travel miles earned from any official state transportation have been used for personal transportation purposes.”

OSF will consider the phrase in the law “I have not benefitted” to mean the travel miles earned on official state travel have not been used for personal transportation. Just earning the miles is not a benefit and the law refers to any earned miles to be used for future official state business travel.

As a result of this change, Financial Services has updated the travel reimbursement form (Form 19) with the required language. Effective immediately, please use the updated form available at www.ouhsc.edu/financialservices/forms.

NEW! Fly America Act Affidavit

This form pertains to international air travel using a foreign air carrier to be paid with federal funds.

First enacted in 1974, and subsequently amended in 1979, 1996 and 1998, the “Fly America Act” originally intended to encourage travel to and from the U.S. on U.S. carriers. It ultimately requires that any foreign air travel funded with federal dollars be performed on U.S. flag air carriers when service provided by a U.S. carrier is available unless “acceptable reasons” determine the unavailability of U.S. air carrier. For more information on the Act and the University policy, please see the Fly America Act policy on the Financial Services Policies and Procedures website.

Previously, the University’s Grants and Contracts Accounting Office has sent notices to departments via email identifying federal awards that include a requirement to comply with the Fly America Act when flying internationally. In this regard, the University is implementing a new form to help document compliance with this Act. The new Fly America Act Affidavit will now be required for all international airfare in which a non-US flag carrier is used and federal funds is the source of payment. This is required regardless if the airfare is paid directly via ATA or reimbursed to the traveler. Please see the form, located on the Financial Services Forms and Tools website, for instructions on ATA payments and reimbursements.

If airfare purchased is not Fly America Act compliant, departments will be responsible for providing an alternate source of funding for payment.

Please note, this policy and form are currently in effect. If you have any questions, please contact the Travel Supervisor or AP Manager.