

**Business Administrator Services**

**Forum Minutes**

**Oct. 10, 2012 9:00 a.m. to 11:00 a.m.**

**Kent Student Center Governance Chambers**

**Melanie Knowles, Facilities Planning and Operations Sustainability Manager**

**Sustainability at Kent State**

Facilities Planning and Operations, through services provided by [University Facilities Management](http://www.kent.edu/about/administration/business/facilitiesplanning/ceo/index.cfm), [Environmental Health and Safety](http://www.kent.edu/about/administration/business/facilitiesplanning/safety/index.cfm), the [Office of the University Architect](http://www.kent.edu/about/administration/business/facilitiesplanning/universityarchitect/index.cfm), and [Sustainability](http://www.kent.edu/about/administration/business/facilitiesplanning/sustainability/index.cfm) management, supports the programs and operations of all entities of Kent State University by providing and maintaining infrastructure and facilities which enhance the mission of the university and facilitate the development and implementation of programs in the areas of energy management, risk identification and sustainability.

Melanie defined sustainability as “meeting the needs of the present without compromising the ability of future generations to meet their own needs”. She further indicated that sustainability has a triple bottom line: people, planet and prosperity which are further broken down to social, environmental and economic.

The Sustainability office works with projects, infrastructure and behavior changes along with university operations and curriculum.

Kent State has set a goal of reducing energy consumption by 20%. Some of the projects and initiatives set up to attain this goal include the following:

* Energy efficiency retrofits
* Solar array at the field house
* Combined heat and power plant
* Do It In the Dark – an energy contest in residence halls
* Winter shut down pilot

Employees are encouraged to shut down electronic devices and appliances when not in use. During the winter shut down (between Dec. 24 – Jan. 2) we are all asked to unplug any items that will not be in use, make sure windows are closed and pull down the blinds. Each of these efforts will help to reduce energy consumption and loss of heat during this period when many of the buildings will not be occupied.

Newly constructed or renovated buildings will be constructed with a commitment to being LEED (Leadership in Energy and Environment Design) certified. Harbourt Hall was the first building to achieve LEED Gold certification. It is anticipated that the Regional Academic Center in Twinsburg will also achieve LEED Gold status.

Design and construction guidelines include:

* Water bottle filling stations – will permit easy filling of water bottles thus reducing excess bottles in landfills
* Construction waste management – diversion of construction waste away from landfills by either reuse or recycling
* Use of recycled, local and rapidly renewable materials

Kent State offers a variety of transportation options to get around campus.

* The esplanade is a pedestrian walkway through campus that is currently being extended into downtown Kent.
* The bike and hike trail connects the communities between Kent State University and Ravenna to the 32-mile Metroparks serving Summit County’s Bike and Hike Trail. (A map for the Portage Hike & Bike Trail map can be found on the Portage Park District website at <http://portageparkdistrict.org/portage.htm>.)
* PARTA (Portage Area Regional Transportation Authority) offers free transportation on campus and affordable transportation to various off campus locations. Visit the PARTA website for schedules and routes: <http://www.partaonline.org>.
* FlashFleet bike sharing is offered free of charge. Bike sharing enables multiple users to borrow bikes for short-term use. Bikes are located at various designated locations on campus and are signed out using the student, faculty or staff Flashcard. Additional information regarding FlashFleet can be found at <http://www.kent.edu/flashfleet/about.cfm>
* Car sharing is coming soon. This program will allow short term rentals with vehicles available on the Kent campus.
* Kent State currently has both electric and hybrid vehicles in their fleet. At this time there is one electric vehicle charging station for university vehicles but the university is looking into adding additional charging stations around campus.

Although the university may have preferred providers for various purchases, the university is decentralized thus giving departments the ability to make purchases for many items as they wish as long as the purchases are within the university guidelines. Departments are encouraged to make good decisions by selecting recycled goods when feasible.

Kent State works in conjunction with the Portage County Recycling, River Valley Paper and RET3 for the recycling of paper, plastic, glass, aluminum, steel and tin cans, cardboard, electronic devices, CD’s and rechargeable batteries.

Portage County Recycling donated 3,000 recycling bins to Kent State. If you need a small or medium sized desk side container or thin bin you can request the container through FlashTrack. (Be sure request the FREE recycle bin.)

RET3 is used for the disposal and recycling of electronic waste (E-waste). These items include anything with a cord, CDs or rechargeable batteries. If your department has any of these items call Moving Services to schedule a pickup. Note: At this time only rechargeable batteries are collected.

Toner and printer cartridges can be returned to Staples. You can use a free pre-paid return label or return them via a Staple’s driver the next time they make a delivery.

For those departments with Konica Minolta copiers, scanners, printers and/or faxes you can find recycling options at [www.cleanplanetus.com](http://www.cleanplanetus.com).

Single-Stream Recycling Guides are available under Quick Links on the Sustainability website at

<http://www.kent.edu/facilitiesplanning/index.cfm> or by contacting Melanie.

Melanie is looking for volunteers to review and offer input on drafting green office certification guidelines, program design and incentives for departments across campus to go green. Certification efforts will include things like default 2-sided printing, energy saving ideas, recycling practices etc.

If you are interested in volunteering or would like to receive additional information regarding sustainability you can reach Melanie at mknowle1@kent.edu or at 330-672-8039.

**Larry McWilliams, Assistant Manager Procurement**

**Introduction of Preferred Vendor for On-Demand Printing Needs**

**FedEx**

FedEx has been named the preferred vendor for the on-demand printing needs of Kent State University. FedEx was awarded the contract in 2012.

Larry introduced Heather Strange as Kent State’s field account executive and Renee Starkey who will provide additional support to meet the university’s digital print on demand needs.

FedEx Office commercial print services offers the following:

 Books Greeting cards Newsletters

 Brochures Leaflets Point of sale and display signage

 Business cards Letterhead Postcards

 Certificates Calendars Product collateral

 Contracts CD covers and booklets Presentations

 Coupons Manuals Proposals

 Direct mail Menus Statements and forms

 Fine arts printing Name tags

Rapid-response signage can help meet critical deadlines fulfilling orders with a 24 hour turnaround. The Signs & Graphics department can create directional signs, event graphics for windows, walls, floors and vehicles, outdoor banners up to 10 feet wide, specialty decals cut to any shape up to 4 feet wide and they also have the hardware for hanging and displaying.

Commercial signage requiring die cuts may take up to 72 hours.

E-Commerce Print Services offers online access virtually anywhere handling printing needs with FedEx Office Print Online Corporate. The intuitive application enables the user to initiate multiple orders using the combined shopping cart by uploading documents and printing to more than 1,800 FedEx offices nationwide. You can select your printing, binding and finishing options and place and track your print orders. Orders can be sent out with local delivery, via FedEx shipping or the order can be picked up at one of the FedEx office locations.

NOTE: FedEx shipping rates were not included in the contract.

**Beverly Robertson, Assistant Director Sponsored Programs**

**Grants Management Manual**

Sponsored Programs, the Controller’s office and Grants Accounting are working together to compile a Grants Management Manual. The following sections of the manual have been completed and are available on the Sponsored Programs website <http://www.kent.edu/research/sponsoredprograms/awardadmin.cfm>:

* Roles and Responsibilities
* Award Initiation
* Direct Costs
* Direct versus Indirect Costs Matrix
* Staffing the Project
* Subawards

Additional sections of the manual will be made available as they are completed.

Beverly also referred to two of the newer forms that were discussed at the June 2012 BAS forum: the Institutional Prior Approval Form and the Indirect Cost Charge Exception Form.

These forms must be used when requesting a no-cost extension, budget revision and/or other changes to the administration of a grant or if the sponsored project requires an extensive amount of administrative and/or clerical support for goods/services significantly greater than the routine level provided by the academic department or if the project is geographically inaccessible to normal departmental administrative services.

The treatment of expenses must be consistent within the accounting system and the justification or rationale of why a particular expense is being treated differently must be explained on the exception form.

Recently Kent State has received several external audit requests. The numbers of requests have increased with more scrutiny being put on grants than ever before. Processes must be standardized and documented to protect the university and to eliminate the need for the university to pay back funds.

Due diligence, consistency and compliance is necessary for all grants awarded to Kent State University.

**Emily Hermon, Manager Accounts Payable**

**Payment of Purchase Order Invoices**

Effectively immediately all Purchase Order (PO) invoices must be signed by a university employee who has knowledge that the goods or services purchased have been received and/or performed and that the invoice is okay to pay.

Previously if an invoice involving a PO was received by Accounts Payable and the invoice and PO matched, the invoice was processed for payment. Recently, following these same procedures, an invoice was paid but the goods or services were not received or performed.

Due to the disconnect and the lack of attestation that the goods or services have been received by the department, Accounts Payable will begin forwarding invoices received directly for payment of a PO to the department for signature. A stamp will be applied requesting that someone within the department, with knowledge of the goods or service having been received, sign and date the invoice and return to Accounts Payable for processing. The signature on the PO invoice does not have to follow the hierarchy established for the department; the purchase order would have already gone through the approval process and the final verification before payment can be made is attesting to the good or product being received.

If a department receives the PO invoice directly, someone within the office can acknowledge receipt of the goods or service simply by signing and dating the invoice and indicating that the invoice is okay to pay.

When verifying receipt of the goods or service by affixing a signature and date, please make sure that the full signature of the person acknowledging receipt of the good or service is on the invoice; initials will not be accepted.

The FlashCart system is currently set up for invoicing direct to Accounts Payable if a purchase order was set up AND the unit of measure was “lot”. Regardless of where the invoice is sent, department sign off will be required before payment can be made.

 **Paula DiVencenzo, Tax Manager**

**Expense Reimbursement vs. Scholarship**

A recent review of graduate student senate payment procedures led to revisiting the tax treatment of payments for travel expenses incurred to attend conferences, training, education or similar events.

In the past the procedure indicated that travel payments for conferences were to be submitted electronically if the individual was an employee and no income was reported by the individual because it was an expense reimbursement.

The new revised procedure applies to all departments for travel expenses for conferences and similar educational training paid to students.

* If the expense is a qualified business expense then the travel payment can be submitted electronically. The payments are recorded in account code 71012 (In-state conferences) or 71016 (Out-of-state conferences).
* If the expense does not meet the requirements for a business expense reimbursement then the travel payment is to be processed by Accounts Payable. The payments are recorded in account code 76035 (Travel scholarships).
* The revised procedure applies to all conference related travel payments to employees and student employees regardless of their department affiliation

Reporting and taxation of the travel payment will depend upon the facts and circumstances of each situation. Each travel payment will need to answer the questions: who, what, why, when and where.

The reason for making the payment is important. It becomes more important when an individual is both a student and an employee. It needs to be determined whether the travel was in conjunction with their studies as a student or was the travel due to a business purpose as an employee. A classification such as student employee does not automatically classify a travel payment as a reimbursement.

Due to the way the tax law was written, there is a reporting difference. Everything is income unless there is an exception provided. Though scholarships may be taxable, the student may not pay tax on the payment because of allowable deductions.

**What is a scholarship for tax purposes?**

* Scholarship – financial aid provided to a student for the purpose of learning.
	+ Most often scholarships are for attending college, classes and books
	+ Scholarship can be for room and board or travel
* Fellowship – money granted (by a university or foundation or other agency) for advanced study or research
* Study – the pursuit of knowledge as by reading, observation, or research; to apply oneself to learning, especially by reading; to examine closely; to take a course at a school; to apply one’s mind purposefully to the acquisition of knowledge or understanding of (a subject)

For tax purposes, a qualifying business expense reimbursement must have a business purpose. The business expense reimbursement is for employees and/or independent contractors but the payment must be under an accountable plan where there is a business connection, timely substantiation and a process for the return of amounts paid that exceed the expenses incurred.

To establish a business connection:

* Payment must be a deductible business expense AND must be paid or incurred by the employee in connection with the performance of services as an employee. (IRS Reg. 1.62-2(d))
* The connection as a student who works for the university is NOT enough
* Often the connection is blurred because the individual is both a student and an employee.
	+ Some situations are clearer than others. Must go back to the who, what, when, where and why

Substantiation of payment

* Travel, entertainment or use of automobiles requires the submission of the dollar amount, time, place and business purpose of the expense
* IRS requires timely submission
	+ IRS safe harbor is 60 days from the time paid or expenses incurred by the employee

**Tax Reporting Requirements**

* Scholarships
	+ US citizens and resident residents
		- Income is not reportable on a 1099 or a W-2
		- No tax withholding
		- Reported on 1098-T in box 5
			* Individual is responsible to claim or not claim as taxable income
	+ No US citizens or non resident aliens
		- 14% withholding
		- If there is a treaty exemption – requires individual to supply a SSN or ITIN
		- Reported on Form 1042 (regardless of withholding)
* Qualifying Business Expense Reimbursement
	+ Not reportable or taxable if original receipts obtained
	+ Tax treatment is the same regardless of whether a US citizen or not
	+ Does not matter if the individual is an employee or an independent contractor

Comparison Summary

|  |  |
| --- | --- |
| **Business Expense Reimbursement** | **Scholarship** |
| Requires original receipts | Receipts not required but may be requested |
| Must have a business purpose clearly documented | Primary purpose must be to aid the individual in pursuit of the individual’s educational study |
| Must be timely – IRS safe harbor 60 days | No specific time limit |
| Electronic reimbursement | Accounts Payable check for travel scholarships |
| Charged to travel, meals, in state or out of state conference account codes | Charged to Travel Scholarship account code |
| No reporting and no tax for the employee | Taxable if used for anything other than qualified tuition and supplies |
|  | Reported on Form 1098-T |

Paula provided an example, analysis and pointers to help determine whether the expense should be paid as an expense reimbursement or as a scholarship.

Example: Liz is a graduate student in the Biology department. She is a graduate assistant with teaching and research responsibilities. Liz is going to an out of state seminar in Biology. Her department is paying half and Graduate Student Senate is paying half.

Analysis to understand the facts and circumstances:

1. Is she speaking? If so, is it because she did research as a graduate assistant and she is presenting it? Or, is it to present information she learned in her studies?
2. Are other students who are not graduate assistants attending also? Are there any differences in what is required? Is the department covering any of the costs on the non graduate assistants?
3. Is it required for graduate assistants?

Pointers to use to document the position that we take:

* Remember, the expense would have to be in connection with the services
* Need to document and prove that there is a business connection
* Good case for qualified business expense reimbursement *if*  the individual is presenting information learned while researching as a graduate assistant; show that it is expected of the individual through a letter or as part of the job responsibilities of a graduate assistant.
* If Liz is not presenting and other students who are not graduate assistants are going in the same capacity, it looks more like a scholarship.
* If Liz wasn’t a graduate assistant in Biology but instead worked in an unrelated position then it would definitely not qualify as a business expense reimbursement so it would be a scholarship.
* Make sure that the documentation supports how the payment is being characterized
* If the individual is both an employee and a student, they need to be presented as two options in the document; do not use student employee as their classification.

Just because an individual is in the electronic system does not mean that they are eligible for a business expense. All employees (whether faculty, staff or student employees) are automatically in the electronic system.

Asking the proper questions will help to determine how an individual is to be paid for travel expenses.

For questions regarding expense reimbursements versus scholarships or for any other tax related questions contact Paula DiVencenzo at pdivence@kent.edu or at 2-8622.

**David Ochmann, Associate University Counsel**

**Records Retention**

NOTE: At the time the BAS minutes were posted, the records retention portion had not been revised or formally approved.

The university has adopted the records retention schedules recommended by the Inter-University Council (IUC). The retention schedules are located on the General Counsel’s website at <http://www.kent.edu/generalcounsel/records/index.cfm>. University policy [5-15](http://www.kent.edu/policyreg/policydetails.cfm?customel_datapageid_1976529=2038265) regarding records retention follows the Ohio Revised Code and was approved by the Board of Trustees. As defined, the records retention program shall apply efficient and economical management methods to the creation, utilization, maintenance, retention, preservation, responses to public records requests, and disposition of the records of the university.

The current retention policy is being reviewed with the intent to further identify items for retention purposes and to identify the department responsible for maintaining the original document. An e-mail was sent out to the BAS Listserv requesting that each member review the documents that are stored either in their offices or electronically. The need to determine the types of records kept, means of storage and duplicate copies is the first step in determining how to proceed with the revisions in the schedule.

David referred back to the Public Records/Records Retention seminar that was presented on August 14, 2012 by the Ohio Attorney General’s office. A copy of the PowerPoint presentation was handed out and can be found on the BAS website under the minutes for today’s meeting. If you did not have a chance to attend the seminar you are encouraged to review the presentation.

Anyone can request a public record. Although the request does not have to be in writing, we attempt to obtain the request in writing so we better understand what records are being requested. All requests for public records must be sent to General Counsel as soon as they are received. General Counsel will acknowledge to the requestor that the request has been received then they will contact the department(s) and inform them of the records that are needed.

Any records released must comply with FERPA. Redactions are made as necessary to protect personal information such as home addresses, emergency contact information, names of family members, personal phone numbers, social security numbers etc.

We are not required to generate a report to comply with a records request but we must disclose the information. For example: if there are multiple files of like information, we are required to disclose the information but we are not required to compile the information into one concise file for the recipient to review.

If the requested records are not available and the requested records fall within the outlined retention period per the policy, a fine of $1,000 per violation can be assessed.

It is important to understand that not all records are public records but those that have been classified as public records must be retained and available for the period specified in the records retention schedule.

Public records:

* Have information stored on a fixed medium (tapes, e-mails, photos, films, videos, papers, etc.) and
* Are created or received by, or come under the jurisdiction of, a public office and
* Document what the public office does: the organization, functions, policies, decisions, procedures, operations or other activities of the office.

Before destroying any documents that have been retained for the specified retention period, departments must complete a [Record Destruction form](http://www.kent.edu/about/administration/universitycounsel/records/record-destruction-online-form.cfm). This form is completed electronically and will be forwarded to Steve Paschen to review the listing of items for possible archives then sent to General Counsel to sign off. Departments should not destroy any items before the authorization has been obtained from General Counsel.

A working group will be assembled to determine the needs of the departments and to review the current records retention schedule to ensure that all types of department documents are covered. We are looking for a volunteer from each of the university divisions to compile a list of the types of documents created in their division. Once all of the items have been identified the working group can determine what revisions need to be made to the current schedule.

* What documents listed on the current schedule are obsolete?
* What documents have been overlooked?
* How are the documents stored (paper, electronic)?
* Are the department’s needs covered?
* Who else might have copies etc?
* Pros and cons of the current schedule?

Those interested in participating in the working group should forward their name, division, department, email and phone number to Vicki Ladd at v.add@kent.edu.

**Steve Paschen, University Archivist**

**Records Retention vs. Archives**

Steve Paschen is the University Archivist and is responsible for archiving historical materials for the university. University archives are located in the Library on the 10th, 11th and 12th floors.

Although records retention and archives may be similar, they are also different. Items that need to be kept for record retention purposes and possible public records requests generally are not sent to Archives. University Archives is not a central storage location of items awaiting their destruction date but they are the keepers of historically interesting materials.

Even if records are not designated on the retention schedule as being considered for archives each office must keep the records for the time period specified on the schedule. Before destroying any records beyond their retention period each office must check the retention schedules and fill out the online records destruction form. As the University Archivist, Steve is the first reviewer. If you suspect that some records have historical value feel free to call Steve in Special Collections and Archives.

**What should be kept?**

* Substantive correspondence to and from the department
* Minutes of internal department meetings
* Historical accounts of department or employees
* Historical department subject files
* Self-studies, reports or department publications
* Facilities information
* Photographs
	+ Include name(s) of person(s) in photograph
	+ Dated
	+ Event description included

**What not to keep**

* University publications
* Duplicates
* Financial documents (Archives only wants the summaries)
* Blank forms
* Student grades (Kept by Registrar’s)
* Student evaluation of faculty

Steve will assist departments in the preservation of physical documents and also advise regarding the disposition of records beyond the retention schedule deadlines.

If you are unsure of the items that can be destroyed or question whether the items should be sent to archives, contact Steve. If needed, Steve will provide on-site guidance on how to make records decisions.

Steve should be contacted **prior** to sending any documents to archives. A coordination of efforts between archives and your department is necessary before items are sent in order to ensure that the items are truly historical in nature and that the items are properly received upon their arrival and not left outside in the hallway.

Steve can be reached at 330-672-1639 or via email at spaschen@kent.edu.

NEXT BAS FORUM

Wednesday

February 13, 2013

Kent State Student Center

Governance Chambers

9:00 a.m. – 11:00 a.m.

We are looking for topics to be discussed at future meetings. Please send your suggestions to Vicki Ladd at vladd@kent.edu.

Posted 12/6/12