

**Business Administrator Services**

**Forum Minutes**

**October 12, 2011 9:00 a.m. to 10:15 a.m.**

**Kent Student Center Governance Chambers**

**Rosa York, Accounts Payable Specialist – Accounts Payable**

**Traveline Updates Needed**

Employees may make their airline reservations by any means they choose with Traveline being one of the options. Traveline remains a preferred vendor and the Procurement Department encourages employees to continue to use Traveline. University travel can be booked through Traveline by using their online booking tool, Cliqbook, or by calling them directly at 888-733-8747 to speak with an agent familiar with Kent State’s account.

Booking through Traveline utilizes a “ghost” card as a means of payment that charges your department directly for the employee’s travel expenses. Booking travel outside of Traveline requires the employee to charge their travel costs to their personal credit card and submit an electronic reimbursement to recover the costs incurred.

There have been many personnel changes along with additions and deletions of index numbers resulting in the existing database currently being used for electronic notification of charges from Traveline to be outdated. Rosa is asking all of the departments that utilize Traveline to complete a [Traveline Billing Information form](file:///%5C%5Ckent.edu%5Cshares%24%5CFINAData%5CBASData%5CShared%5CBAS%20Forums%5Cfy%202012%5COctober%202011%5CTraveline%20Contacts.xlsx) which will be used to update the database and notify the proper department personnel of travel that will be charged directly against their index(es).

Traveline will automatically send monthly e-mail notification to the person on record as the department contact for airfare charged to the ghost card. The contact information is based on the billing information on file in Accounts Payable thus requiring the billing contact form to be completed and forwarded to Rosa as soon as possible. This form (along with a Traveline Billing Maintenance form) can be found on both the Accounts Payable website and in the forms library on the BAS website.

E-mails sent to the department contacts include the following information:

* Airfare and service fee transactions
* Index number and account code identified by traveler for allocation
* Detailed travel information
	+ Traveler’s name
	+ Travel date(s)
	+ Destination
	+ Trip purpose

Department contacts will receive an e-mail on the fifteenth of each month even if no travel activity occurred during the previous month.

Any questions regarding Traveline billing can be directed to Rosa York at 2-8650 or by e-mail to ryork1@kent.edu.

**Paula DiVencenzo, Tax Manager**

**Independent Contractor – Upcoming Webinar**

A live webinar providing updated information on Independent Contractors has been scheduled for November 7, 2011. As of the BAS Forum meeting the time had not been determined. Watch for the webinar on the HR training website then sign up to attend at: <https://reg.abcsignup.com/view/view_month.aspx?as=55&wp=137&aid=KENT>.

The webinar will be moderated by Bob Hall and features updates by Mike Pfahl-Legal Counsel, Joe Vitale-HR and Paula DiVencenzo-Tax. New examples, observations and clarification will provide additional guidance pertaining to determining whether the status of an individual performing work at the university is as an employee or an independent contractor.

Anyone participating in the live webinar on November 7, 2011 is encouraged to review the previously recorded February 2011 webinar which can be found at <http://www.kent.edu/hr/employment/checklist.cfm> (scroll down and click on “Independent Contractor Training – Webinar” prior to participating in this webinar.

Questions can be sent to tax@kent.edu prior to the webinar or they can be asked during the Q&A following the webinar.

Paula’s office is located at 232 Schwartz Center and she can be reached at 2-8622 to answer your questions regarding any tax issues pertaining to Kent State University.

**Anne Brown - Associate Vice President, Business and Administration Services**

**Business Meals and Hospitality Expenses Policy**

Policy 7-02.5 formerly known as Administrative policy regarding entertainment expenses, reimbursable from university funds is now known as Administrative policy regarding business meals and hospitality expenses payable or reimbursable from university funds.

Kent State University’s entertainment policy, which focused more so on employee reimbursements, has been in the process of being revised since October 2009. With input from various sectors throughout campus the policy was reviewed and revised then sent to the President’s cabinet for further review and feedback followed by more revisions and more feedback. Although the process was very thorough, it has been determined that further clarification and revisions will be necessary. Changes will not be made until the policy has been in use for a short period of time and the areas needing refinement have truly been determined.

The purpose of the policy is to provide guidance for the use of university funds for business meals and hospitality expenses. The key is to ensure that university resources are used judiciously and appropriately in support of the university business. The use of state funds for personal consumption is strongly restricted and therefore prudent judgment is the emphasis of the policy.

Although the full policy was covered in detail at the meeting, the full policy will not be detailed in the minutes but will only highlight key areas of the policy. The full policy is available in the policy register at <http://www.kent.edu/policyreg/policydetails.cfm?customel_datapageid_1976529=2038286>.

The policy clearly defines the following terms used throughout the policy:

* Business meals and hospitality expense
* Business meals
* Contractor
* Hospitality
* Formal employee-only meetings
* Executive officers

All employees and contractors of the university are subject to the hospitality policy. The policy has been broadened to include sponsored programs. Hospitality expenses are permissible on sponsored programs only if it is specifically authorized as part of the grant or contract. If there is a difference between the grant or contract and the university policy, the most restrictive terms will apply. In any case, federal grant money may not be used for entertainment costs pursuant to OMB Circular A-21.

Certain criteria must be met for expenses related to business meals and hospitality to be permitted. Section (C)(2)(b) of the policy gives examples of authorized use of university funds for business meals and hospitality whereas section (C)(2)(c) provides examples of unauthorized use of university funds.

Official gatherings that are more of a social nature are limited to $5 per person and must meet the following criteria: either is for the benefit of students, to recognize an achievement of a faculty or staff member, or to recognize the retirement of an employee with 10+ years of service. These events are not formal and are not meant to provide a meal for employees

Formal business events and events that include non-KSU employees may be subject to higher per person allowances. Refer to the policy or check with the office of your executive officer to obtain allowable amounts prior to organizing the event.

All expenses that fall under this policy require executive officer approval. Expenses must be reasonable, necessary, prudent and appropriate for the occasion and must be consistent with the mission of the university.

The only approved payment methods for business meals and hospitality expenses are expense reimbursements, direct vendor payments (such as a check request), and inter-departmental charges (IDC’s). Due to the approval process, P-card payments are not permitted for any type of business meals, hospitality or entertainment expenses.

Proper documentation is required on all university expenses regardless of payment type. For the purpose of this policy proper documentation includes an original itemized receipt, specification of date, time, place, business purpose, list of attendees at the meal and the affiliation of the attendees.

The university will not authorize alcoholic beverages as an allowable expense. In some cases alcohol may be an allowed expense through the Foundation. Refer to the KSU Foundation policy for further information.

Tips and gratuities are limited to 15% unless a higher gratuity is imposed by the provider.

Reimbursements will not be provided for expenses that lack proper documentation or a clear business purpose. All transactions are subject to review by internal or external auditors and other reviewing agencies.

Appeals can be made in advance if you feel that there is just cause that an exception be granted. Exceptions to this policy are on a case-by-case basis and under extraordinary circumstances. Approval does not constitute precedence and does not waive the need for approval for other events with the same or similar circumstances. Exceptions will be made only with advance written approval by the supervising executive officer. A completed policy exception pre-approval form is part of the required documentation for policy exceptions.

The Policy Exception Pre-Approval Form can be found on the Accounts Payable website at <http://www.kent.edu/about/administration/business/financial/controller/accountspayable/policy-exception-pre-approval-form.cfm> or on the BAS website at [www.kent.edu/bas](http://www.kent.edu/bas) in the Forms Library.

The policy exception pre-approval form must be fully completed and signed. Make sure you are detailed in the description of the policy exception requested and the business purpose detailing why the exception fulfills the business purpose.

In cases where it appears that a direct vendor payment request is not in compliance with policy and no policy exception pre-approval form is attached an e-mail will be sent to the requester, the approving executive officer and internal audit. The requester will be asked to reply to all of the above with an explanation.

Confirmed violations of this policy (by audit or any other means) will result in the individual being required to reimburse the university for inappropriate amounts claimed and may result in disciplinary action.

Helpful Tips

* Provide complete explanations and required information on all requests for payment. Make sure the explanations are clear so that all people reviewing the documents are able to understand the expense and business purpose. E.g., do not use acronyms within your descriptions.
* If you have any doubts or questions whether an expense is an exception to the policy, check with the office of your executive officer in advance.
* If required, be sure to obtain a policy exception pre-approval form in advance and attach as part of the required documentation.
* Communicate policy extensively with those whose payment requests you process.
* Always use appropriate accounting
	+ 71201 Entertainment
	+ 71202 Meals and Catering
	+ 77034 Student Functions
	+ 71203 Reimbursed Departmental Beverages

Under no circumstances should any portion of business meals and hospitality expenses be coded as office supplies.

Note: Account code 71203 is a new account code established and is to be used for the employee reimbursement of department beverages. Deposits from collection from employees must offset expenses charged to this account. The policy specifically indicates that beverages purchased with University funds provided solely for employee consumption is prohibited.

Many departments are already using coffee vendors/water suppliers for departmental beverages and wish to continue this practice. Departments may continue ordering beverages through these vendors and paying through the university provided the university is reimbursed for these expenditures.  It will be the department’s responsibility to seek reimbursement from the employees and deposit those funds back into the department index/account 71203.  This practice will NOT require the policy exception pre-approval form, nor will it require executive officer approval.  When the invoice is received, you should follow the department’s normal approval authority.

The Controller’s office will monitor this account at the end of each fiscal year to ensure proper reimbursement is occurring.  If it is determined that proper reimbursement is not occurring based on balances remaining in this account at the end of the year, the situation will be brought to the attention of the department head who will be responsible to ensure that appropriate amounts are collected and deposited.  If the department head does not comply with the intention of the account, the department’s continued use of the account will be prohibited with invoice payment by the university no longer being an option.

An alternative to the employee reimbursement would be to have the employees collect personal funds and purchase the supplies on their own.

Anne is in the process of preparing a FAQ that will be available as a link from the policy and on the BAS website.

Any questions regarding the business meals and hospitality policy should be directed to either the office of your executive officer or Anne Brown. Anne can be reached via e-mail at abrow116@kent.edu or at extension 2-0984.

Q&A after presentation

Q. For regional campuses, is the dean considered an executive officer?

A. Not in regard to business meals and hospitality expenses. Approval would be obtained from the Provost’s office.

Q. How do student functions fit into this policy?

A. Additional contact will be made with Greg Jarvie to discuss student functions. More detail will be needed in order to provide clarification; it will need to be determined how the student function fits into the current policy. Student functions should be coded to account 77034 and do require executive approval of expenses. P-cards should not be used as a means of payment due to the requirement of executive officer approval. It may be necessary to use the expense reimbursement process if items are purchased from a place of business that will not direct bill.

Q. Does it matter if the event is paid out of an account based on fees collected vs. an E&G account?

A. No. Student groups are supposed to follow the same policies established and followed by the university any time funds are based on fees or funds are allocated to the student group by the university. Funds raised solely by student groups are not subject to this policy.

Q. Can hall councils continue to use flashcards as a means of payment for purchases for events?

A. Melissa Cope in the controller’s office is working with Joe Dunn in the Flashcard office to establish appropriate approval mechanisms. Proper documentation and approval would require the same as that of an IDC. Dependent on the source of the funding of the flashcard would determine whether the flashcard would be an allowable payment method. If the funds are coming from the university as a result of fees or other university allocation then prior approval may be required. Anne will follow up on this issue so that it is addressed in the next policy revision.

Q. Can we continue to use the flashcards as a means of payment for events when we need to purchase items the day prior to the event or the same day as the event?

A. Using the flashcard as a means of payment was not addressed in the policy and this will need to be reviewed. Anne will need to consult with Joe Dunn in the Flashcard office. Proper documentation and approval would require the same as that of an IDC. Dependent on the source of the funding of the flashcard would determine whether the flashcard would be an allowable payment method. If the funds are coming from the university as a result of fees or other university allocation then prior approval may be required.

Q. Can we still purchase pop, cookies, crackers etc. for workshops that include students and outside community members?

A. Yes, but due to the expense requiring executive officer approval you can no longer put the expense on the department p-card. Payment options would include expense reimbursement or direct bill from the place of business. (Acme will direct bill the university.)

 Q. If you currently have a water cooler that is on an automatic payment using the department p-card what needs to be done?

A. The department p-card can no longer be charged for this expense. If the water cooler is used for solely guest purposes then the expense will be allowed with payment via a check request and executive officer approval. If the water cooler is utilized by employees then you would code the expense to account 71203 and the employees will be responsible for reimbursing the university for the expense.

Q. What if the water cooler is in an area that is used for guests?

A. If the water cooler is used for guests only then the expense would be charged to 71202 and executive officer approval will be required. If the water cooler is used by both guests and employees then you would need to estimate the percentage of employee usage and split the costs accordingly between 71202 (meals and catering) and 71203 (reimbursed department beverage). The employees would need to reimburse the university for the expenses applied to 71203. You will need to clearly explain the need for the water cooler in the description area of the check request.

Q. How do we pay for the rental of the water cooler?

A. If the water cooler is used by guests for water consumption or the water is used in classroom labs for lab experiments then it would be paid using the rental account code 74102. If the rental of the cooler is for employee use then it would be billed with the water as a reimbursable expense using account code 71203.

Q. How do we categorize ceremonies or recognition of employees?

A. This would fall under employee recognition and would need pre-approval by an executive officer if the expense is expected to be more than $5 per person.

Q. Are department meetings included as a covered event that would permit refreshments?

A. In general, no. Unless there are non-KSU personnel who are directly related to the business purpose in attendance or the event is non-regularly recurring and includes employees from multiple departments, the expense would not be compliant with the policy and would require advance approval from the appropriate executive officer.

Q. How is it possible to stay under $5 per person? Is it anticipated that this amount would be raised?

A. The $5 per person is intended for smaller events such as employee recognition and is not meant to provide lunch to employees. The intent would be to provide cake and coffee, cookies and pop, pizza etc. The amount may be considered when the policy is revised, but may or may not be increased.

Q. How are division retreats covered? They are generally employees only but do include multiple departments.

A. The event would meet the criteria and therefore refreshments would be an allowable expense. The cost should be reasonable for the nature of the event and not exceed $50 per person.

Q. Where do departments keep the policy exception pre-approval form?

A. The original signed copy must accompany the payment request if it is a direct vendor payment unless the form is intended to cover multiple events in which case a copy will suffice. Departments should maintain a copy of the approval form in their offices. If an expense reimbursement or IDC is used as the means of payment then a copy of the approval form must be attached to the documentation for the expense reimbursement or IDC.

Q. What if the approval form covers an entire event where different vendors need to be paid?

A. A copy of the approval form must be attached to each invoice that is sent for direct vendor payment or maintained with the documentation in the department in the case of expense reimbursements or IDC’s.

Q. Are candy dishes still allowed?

A. Candy provided for guests and students are still permitted under the policy but would still be subject to executive officer approval since it falls under the hospitality account codes.

Q. If a contract indicates that hospitality expenses are to be included, how do we get these expenses paid?

A. The description area of the check request should be specific and should reference the contract including the performer’s name, name of event, date etc. When the performer is paid AP requires a full copy of the contract. For payments outside of the payment to the performer, a copy of the specific page of the contract pertaining to this specific payment should be attached to the request for payment. Executive officer approval will be required for these expenses.

Q. Recreation Services asked whether or not employee expenses are allowable if a sponsored trip that is paid for by the participants and facilitated by KSU employee(s) requires an overnight stay or the food is included in the price of the trip.

A. This would be classified as a business meal with a valid business purpose and would be an allowable expense.

Q. How are we to pay for the paper products associated with an allowable event?

A. The paper products would be included in the total allowable for the event and should be accounted for properly. Paper products such as plastic utensils, paper plates, cups etc are not office supplies and should be coded using the meals and catering account code.

Q. What is the allowable amount for student employee recognition?

A. Student employees are employees of the university and recognition parties would be subject to the $5 per person.

Q. If we purchase supplies from Bolind’s and the items are both “hospitality” type items and office supplies, how do we pay for them if the hospitality items need executive officer approval and the payment is set up using the department p-card?

A. You can no longer purchase hospitality items using the university p-card. You would need to split your order to allow the office supplies to go through using the department p-card and then place another order that would be paid using a check request signed by your executive officer.

Q. The policy indicates that for business events you must indicate the people in attendance and their affiliation. This is not always possible if you have a large event. How can we properly account for the attendees and assure payment based on a per person rate?

A. For events such as this we will accept the count of actual attendees and the count used when the event was booked.

Next BAS Forum

Wednesday

December 14, 2011

Kent Student Center

Governance Chambers