Financial Management Office

Fiscal Administrator's Meeting

Thursday, April 10, 2014
Topics

- **Welcome**
  - Howard Todo, VP for Budget and Finance/CFO

- **Financial Fraud Update**
  - Brian Ishikawa, Director of Corporate Security of Bank of Hawaii

- **KFS Updates**
  - Tammy-Lu Vandevender, Fiscal Services Office

- **Fellowship and Scholarship Payment Process for non-Resident Aliens**
  - Ken Lum, Tax Services and Alan Kimura, Disbursing Office

- **Travel Reimbursement Checklist**
  - James Kashiwamura, Disbursing Office

- **Year End Close Calendar**
  - Susan Lin, Director of Financial Management and Controller
Welcome

• Budget and Finance updates
Financial Fraud Update
Presented to the UH Fiscal Administrators

April 10, 2014
Presented by: Brian Ishikawa, CPP, CFSSP
Bank of Hawaii, Director of Corporate Security
Embezzlement
- Theory of Internal Embezzlement
- Material: Developing an Internal Fraud Risk Mitigation Program

Trends & Concerns for 2014
Why do some employees commit internal theft, while others do not, even if given the perfect opportunity?
Cressey Study
In the late 1940’s, Dr. Donald R. Cressey, PhD. was one of the first to conduct a quantitative study of embezzlement. Cressey interviewed approximately 300 convicted embezzlers who had been confined to state prisons in an effort to discover why they committed their crimes.
Dr. Cressey identified the following three characteristics common to embezzlers:

1. Motive
2. Opportunity
3. Rationalization
Motive

- A perception of an immediate, un-sharable financial need.
- Examples:
  - Alcohol or Drug Abuse.
  - Debt (gambling, credit card bills, loans, etc.)
  - Excessive spending to keep up the appearance of wealth.
  - An illicit (and expensive) romantic relationship.
Theory of Fraud Prevention

Opportunity

- An individual’s perception that un-sharable financial need can be satisfied if he or she takes advantage of a trusting relationship and is able to conceal the theft.
Rationalization

- The belief that a crime has not been committed, which is the hallmark of fraud offenders.
- Typical rationalizations include:
  - “Borrowing” money temporarily.
  - Justifying the theft out of a sense of being underpaid (“I was only taking what was mine”)
  - De-personalizing the victim of the theft (“I wasn’t stealing from the boss; I was taking from the company.” “The company’s got a lot of money.”)
These three elements of fraud are often referred to as the Fraud Triangle.

The key element to fraud prevention is the attempt to eliminate Opportunity, as Motive and Rationalization are uncontrollable variables.
Control Measures, Policies & Procedures

- Why do we have the Control Measures, Policies and Procedures that we currently have?

- What are other good anti-fraud practices that managers should consider adopting?
1. Conduct Background Investigations
2. Adopt an Open-Door Policy
3. Disciplined Attitude by Management
4. Use of Employee Assistance Programs
5. Persistent Management Oversight
6. Time Away & Job Function Rotation Policy
7. Proactive Audit Policy
8. Well Understood Fraud Reporting Program
9. Fraud Educational Programs
10. Strict Code of Ethics
11. Punishment of Dishonest Acts
Developing an Internal Fraud Risk Mitigation Program
Incident Reporting

- Develop a policy and procedures for the mandatory reporting of suspicious activity, known or suspected criminal activity and violations of your company’s business code of conduct & ethics.
- Provides recourse for unreported incidents.
- Consider the use of an anonymous hotline.
Incident Tracking

- Trend analysis
- Allows for the ability to govern risks objectively
- Develop policies & procedures specifically to deter fraud.
- Don’t forget dual custody, dual control, segregation of duties and surprise audits.
- A strong internal audit program is key to ensuring that policies and procedures and being followed and created.
- Considered the single most effective method to reduce rationalization.
- Employees must be taught the consequences of their actions.
- Line employees must be told frequently that stealing is wrong and that they are entrusted to protect the company’s assets and confidentiality of information.
Corporate Culture

- Attempt to develop a corporate culture of Integrity & Ethics.
- The message of discipline must start at the top and work its way into every aspect of the company.
- Don’t think that a devastating fraud can’t happen in my environment.
Develop Technological Control Measures

- Utilize technology to create detection methods.
- Use Automated fraud detection software.
Investigation

- Professional, Unbiased & Objective
- Documentation is key.
- Investigation is not rocket science.
- Investigation should not be an attempt to “get you” but an attempt to find out the truth.
- Don’t let law enforcement tell you it’s a civil matter.
- After every major incident, conduct an After Action Report to determine what could have been done better with the investigation and measures to prevent a similar incident.
- Consider legal counsel to provide protection of work product.
1. Alteration of Documents
2. Concealment or Destruction of Evidence
3. “False Exculpatories” (Lies or Changes in Statements)
4. Personal Gain
5. Obstruction of Justice
6. Pattern of Conduct – Repetitive
7. Testimony of Co-Conspirator
8. Admissions & Confessions
Disciplinary Action

- Must be swift & timely from the investigation.
- Consider the equity of discipline.
- Balance between keeping the matter confidential and using it as a learning tool for other employees.
Executive Management & Board Reporting

- Know ahead of time what reporting your organization wants and needs.
- Sarbanes Oxley and other regulations push proper reporting to and oversight by executive management and the board.
- Remember email communications are discoverable.
- Know what regulatory reporting your industry must adhere to.
- The best time to begin recovery efforts is during the investigation and not after it is completed.
- Don’t rely solely on court ordered restitution. Sometimes civil action is necessary.
- Don’t hesitate to ask the subject employee for the money back.
Prosecution

- Know what your company’s culture is regarding prosecution or lack thereof.
- Employees must know that their theft will not go without prosecution.
- The concept that a client’s confidentiality and protection of their assets must be a key component in employee focused prevention programs.
Outside Communication

- Handling the media.
- How to deal with the family and significant others.
- Reporting and communicating to regulatory authorities.
  - Mandatory: What reporting must be done in your industry?
  - Considerable: What other notifications should be considered?
Trends & Concerns for 2014
Trends & Concerns for 2014

- Check Fraud
- Counterfeit Check Fraud
- Multiple Presented Items
- Email Related Exposures
- Card Compromises
- Elder Financial Exploitation
Summary

- Know how you and your organization can be victimized by fraud.
- Use a wide array of control measures to reduce OPPORTUNITY.
- Periodically examine your controls to ensure they are evolving with the threat landscape.
- Develop a robust incident reporting conduit and analyze the incidents to govern risk.
- Develop the right culture.
Questions
Financial Management Office

KFS Updates

Presented by
Tammy Vandevender, Director of Fiscal Services Office
Account Supervisor Delegation and DV Routing

- March 16, 2014: KFS modified to include routing to the Account Supervisor on the DV and the ability to delegate Account Supervisor responsibility
- Account Supervisor delegation is temporary and as a secondary delegate
- Delegation eDocs are similar to Account Delegate and Account Delegate Global
- Remind campus users to remove ad hoc routing to Account Supervisors
PCard Implementation

- Requests for cardholder information for PCDO in April with response by early May
- CentreSuite webinars in May
- PCard program and PCDO training for FAs in late July-August
- PCard program and PCDO training for cardholders in August
Account Clean-Up

• Old converted accounts from FMIS without balances or KFS transactions
• FA review in April with response by end of April
• Program will flag the accounts as closed, set the expiration date and populate the continuation account
  ▫ FMIS suspense account will be used as the continuation account
Jasper Reports

- First set of FA reports generated to PageCenterX FOxxx mailboxes
  - FBMR090 (GLB090, GLT090) – Non-CG Account Status
  - CBMR090 (CGB090, CGT090) – CG Account Status
  - CBMR091 (CGB091) – Consolidated CG BSRs
  - FHMR009 (GLT009) – Open Commitment
  - FHBAPRT (GLT001) – PCard Transaction Listing
  - FHMR751 (LDT751) – Detail Payroll
- Generate month end reports for July 2013 – March 2014
- Generate monthly from April 2014
Second Level Authentication in KFS

- Personal Security questions similar to financial institutions
- Same questions as ePayment
- Instructions will be posted to our website at http://hawaii.edu/kualifinancial/?page=help&showSubMenu=help
Setup Additional Security for Tammy-Iu Vandevender

All FIVE question/answer sets and the security image selection are required.
(You have 20 minutes to edit this form.)

**Question 1**
Select from the existing question list:

OR create your own question:

Answer 1:

**Question 2**
Select from the existing question list:

OR create your own question:

Answer 2:

**Question 3**
Select from the existing question list:

OR create your own question:

Answer 3:

**Question 4**
Select from the existing question list:

OR create your own question:
Level 2 Authentication

Answer this second-level security question:

What was your favorite place to visit as a child?

☐ Edit security questions / image after login?

LOGIN
Questions?
Financial Management Office

Fellowship and Scholarship Payment Process for non-Resident Aliens

Presented by
Ken Lum, Director of Tax Services
Alan Kimura, Supervisor of Accounts Payable, Disbursing Office
Agenda

- Definition of Scholarship and Fellowship
- What’s taxable and not taxable
- Tax withholding rates for Non-Resident Aliens
- Payment processing
Definition by IRS (Internal Revenue Service)

• Scholarship:
  ▫ An amount paid or allowed to, or for the benefit of, a student, whether an undergraduate or a graduate, to aid such individual in pursuing his/her studies.

• Fellowship:
  ▫ An amount paid or allowed to, or for the benefit of, an individual to aid him in the pursuit of study or research.

• Scholarship and fellowship payments are treated the same for income tax purposes (Regulations 1.117-3)
Scholarship

• IRC Section 117 (a) excludes certain scholarship amounts from income tax if the following conditions are met:

1. Payment is a “qualified scholarship”, and
2. Recipient is a “candidate for a degree”, and
   • Undergraduate or graduate, full or part-time, degree seeking or non-degree seeking students.
3. Amount that is used for attendance at an “educational organization”.
   • Educational organization defined in IRC Section 170(b)91(a)(ii): regular faculty and curriculum, regularly enrolled student body, place where educational activities are regularly carried on.
Scholarship (cont.)

1. **Nontaxable**
   - Payment for either (1) tuition and fees required for enrollment or (2) fees, books, supplies or equipment required.

2. **Taxable**
   - Room, board, living expenses, travel, research, etc.
   - Wages in lieu of tuition.
   - Any excess amounts exceeding qualified scholarship are taxable.
Fellowship

- Similar to scholarship, payments for tuition, fees, books, supplies or related equipment are **Not** taxable.

- However, payments for teaching, research, or other services are treated as wages, therefore, it is taxable.
  - Employee – tax withheld from wages accordingly
  - Non-employee – 14% federal tax withheld from total payment or 0% withheld if tax treaty is applicable.
Exceptions

• If a scholarship, for example, represents a payment for past, current, or future service commitment, the payment is considered wages.
  ▫ For example
    • Students receive tuition and fee in exchange of employment commitment in Department of Education system after completion of the degree.
Question

• If payee is NOT student (undergraduate nor graduate), what is payee’s status? (i.e. postdoctoral fellow? Independent contractor? Others?)
What’s taxable or non-taxable:

• Probing questions to obtain correct answers:
  1. Is the payment a “qualified scholarship”?
  2. Is the payment compensation for services?
  3. Are the student’s activities for the primary benefit of the educational organization or do they further the student’s education and training?
  4. If payee is NOT student (undergraduate nor graduate), what is payee’s status? (i.e. postdoctoral fellow? Independent contractor? Others?)
Tax Withholding Rates for Nonresident Aliens

• Whether a fellowship grant from U.S. sources is subject to NRA withholding depends on the nature of the payments and whether the recipient is a candidate for a degree.

**Candidate for a degree.**
• No withholding required from a qualified scholarship from U.S. sources – Section 117 exclusion.
• A non-qualified scholarship is subject to NRA withholding.
• The withholding rate is **14%** paid to nonresident aliens present in the U.S. in “F,” “J,” “M,” or “Q” nonimmigrant status.
• Payments made to nonresident alien individuals in any other immigration status are subject to **30%** withholding.
Tax Withholding Rates for Nonresident Aliens

**Non-degree candidate (post Docs).**
- Must withhold on the total amount of the scholarship.
- In order to use the reduced **14%** rate, the following must be true:
  - Must be present in the U.S. in “F,” “J,” “M,” or “Q” nonimmigrant status,
  - The grant must be for study, training, or research at an educational organization in the United States.
- The grant must be made by:
  - A tax-exempt organization operated for charitable, religious, educational, etc. purposes,
  - A foreign government,
  - A federal, state, or local government agency, or
  - An international organization, or a binational or multinational educational or cultural organization created or continued by the Mutual Educational and Cultural Exchange Act of 1961 (known as the Fulbright-Hays Act).
- If the grant does not meet above requirements, withholding tax rate is **30%**.
Tax Withholding Rates for Nonresident Aliens (Recap)

Fellowship/Scholarship rates are as follow:

- Federal tax rates are:
  - 0% if tax treaty eligible
  - 14% to NRAs with “F,” “J,” “M,” or “Q” status.
  - 30% to all others

- Hawaii does not recognize federal treatment, no tax treaty.
# In Summary

## TAX TREATMENT OF FELLOWSHIP/SCHOLARSHIP PAYMENTS

<table>
<thead>
<tr>
<th>Fellowship / Scholarship Payments</th>
<th>Degree Candidate</th>
<th>Non-degree Candidate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>QUALIFIED</strong></td>
<td>Undergraduate/graduate</td>
<td>Post Docs</td>
</tr>
<tr>
<td>Books, Tuition, and required fees</td>
<td>Not taxable/Not reportable</td>
<td>1042S</td>
</tr>
<tr>
<td><strong>UNQUALIFIED</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Room and Board Travel (for student benefit)</td>
<td>1042S</td>
<td>1042S</td>
</tr>
<tr>
<td>Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research, teaching or other service</td>
<td>1042S</td>
<td>1042S</td>
</tr>
</tbody>
</table>
Summary chart for tax treatment of scholarship & fellowship

<table>
<thead>
<tr>
<th>If you use the payment for</th>
<th>And you are a degree candidate</th>
<th>And you are NOT a degree candidate</th>
<th>Then your payment is Tax Free</th>
<th>Then your payment is Taxable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Fees</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Books</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
**Summary Chart (cont’d)**

<table>
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<th>If you use the payment for</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Room &amp; Board</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Room &amp; Board</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Travel</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Travel</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

...
Case Studies:

1. U.H. gave tuition waiver to student in lieu of grading lab work for science class for the semester. Taxable?
2. State of Hawaii (government) gave free loan to nonresident student to obtain teaching degree as long as he or she will work in the Department of Education as a teacher for 5 years after obtaining such degree. Taxable?
4. U.H. paid hotel directly for lodging for the same postdoctoral fellow. Taxable?
Payment Processing

- **Fellowship/Stipend Payment** - Disbursement Voucher (DV)

- **Third Party Payment** - Payment Request (PREQ)
  - Purchase Order
  - Gross Up Method
  - 1042 Tax Withholding
Payment Processing – Fellowship/Stipend

Fellowship/Stipend Payment [DV]

• DISB – 36  Student Fellowship/Traineeship/Stipend Payment Request

Complete the following to assist in determining the tax status as recommended by the Internal Revenue Service.

A. Does this payment require the recipient to perform certain special services outside of his/her study?  
   [ ] Yes  [ ] No

B. If above answer is "yes", are the services required for all students in this field of study?  
   [ ] Yes  [ ] No
Payment Processing – DISB-36

• Ensure Question A & B are answered.

• If any answer is YES, do not use this form.

• E Doc Number on DISB-36 must match the DV eDoc #
Third Party Payments

- If using Commercial Vendor, Use Gross Up Method

**Gross Up Method**
- Use alternative funding source
- Department absorbs the cost of the tax withholding

  - Example (14%): $1,000.00 x 1.16279 = $1,162.79
  - Example (30%): $1,000.00 x 1.42857 = $1,428.57
Third Party Payments – Con’t

• Payment made for airfare, lodging, and registration fees

• Purchase Order to Vendors
  ▫ Payment made on Gross Up PO Amount and 1042 Taxes Withheld
  ▫ Department submits spreadsheet of participants to Disbursing
  ▫ Information Required: Full Name, US TIN (if any), Current Mailing address, Pro Rata amount per person
  ▫ Information manually inputted into IRS Form 1042-S at calendar year end
Future KFS Enhancements - Stipend DVs

- Eliminate DISB-36
- Create a Fellowship/Scholarship tab under Payment Reason Code S
- Answer the questions in KFS
Questions?
Financial Management Office

Travel Reimbursement Checklist

Presented by
James Kashiwamura, Director of Disbursing Office
Travel Reimbursement Checklist

- The checklist is a joint project between Fiscal Administrators (FA) and the Financial Management Office
- The checklist was created to provide FA with a quick reference guide by incorporating language in APM 8.851 and the FAQs posted on eTravel
- The checklist is a best practice document and exceptions may occur. As such additional documentation may be required.
- The checklist does include two changes in the following areas: 1) Conference Hotels and 2) Cost Comparisons for Excess Lodging
LATEST NEWS & ANNOUNCEMENTS

Posted 9/6/2011  Foreign currency converter has been implemented, [click here](#) to view specific details.

Posted 3/24/2011  The new [Travel APM (A8 851)](#) will take effect on 4/1/2011.

Posted 10/22/2010  Implemented a new look for eTravel, which includes [new FAQs](#).

NEED HELP?

- [FAQ Storyboard](#) | [Text Version](#)
- [Quick Reference Tips](#)
- [Training Schedule](#)
- [Travel APM (A8 851)](#)
- [Travel Reimbursement Checklist](#)

RESOURCES

- Allowable Rates, Memos, etc.
- Federal Allowable Rates (FAR) Site
- OANDA Currency Converter
- Hardcopy Forms
- [About eTravel](#)

TECHNICAL INFORMATION

- [New Releases/Mod List](#)
- Scheduled downtimes:
  - 3:00 - 4:00 AM daily for backups

For travel procedures and related inquiries: [etravel-help@lists.hawaii.edu](mailto:etravel-help@lists.hawaii.edu)  •  For technical problems with this site: [etravel-tech@lists.hawaii.edu](mailto:etravel-tech@lists.hawaii.edu)
Travel Reimbursement Checklist for Administrators

**REMININDER – all travel requires an APPROVED Travel Request**

TRAVEL REQUEST & TRAVEL REQUEST WITH ADVANCE

A. Justification/Purpose
   a. Business itinerary purpose and vacation date(s) must be provided
      i. Name of meeting or conference
      ii. Dates of meeting or conference
      iii. Location of meeting (city, state)
      iv. Conference, workshop, seminar, Letter of Invite, etc
   b. Note personal/vacation days

B. Approving Signatures
   a. Traveler
   b. Approving Authority
   c. Fiscal Administrator
   d. Dean/Director/Chancellor/VP/President*

   *Signature required for Out of state and foreign travel only

C. Travel Itinerary – Air
   a. Verify the following:
      i. Travelers name
      ii. Departure, arrival times
      iii. Travel date(s)
      iv. Amount
      v. Economy class
   b. Airfare receipt reflecting payment in full
   c. Reimbursed based on the most economical amount
   d. If personal time included, provide:
      i. Actual airfare receipt
      ii. Business airfare quote obtained on same day as actual airfare

D. Federal Allowable Rate (FAR)
   a. Corresponds to the place of business
      i. If FAR is not listed, standard or “other” rate should be used
   b. Verify each leg for appropriate FAR Lodging and M&E rates (business location)
   c. Continental US (CONUS)
      i. Do not include lodging taxes and other related charges in determining the estimated daily lodging rate
   d. Outside continental US (CONUS)/FOREIGN
      i. Include lodging taxes and other related charges in determining the estimated daily lodging rate
Two (hotel of choice + 1 additional) quotes for cost comparison for excess lodging
Travel Reimbursement Checklist for Administrators

C. Federal Allowable Rate (FAR)
   a. Verify month of travel
      i. Foreign travel FAR changes monthly
      ii. FAR should correspond to the month the travel occurred
      iii. If travel occurs across multiple months with different FARs, create new leg for each respective FAR
   b. CONUS
      i. Do not include lodging taxes and other related charges in determining the actual daily lodging rate
   c. OCONUS/FOREIGN
      i. Include lodging taxes and other related charges in determining the actual daily lodging rate

D. Airfare expenses $435.45
   a. Changes in itinerary
      i. Provide revised itinerary
         1. Update in eTravel
         2. Include explanation in comments section
   b. Airfare receipt with proof of payment

E. Lodging
   a. Verify the following
      i. Receipt submitted
      ii. Lodging receipt is itemized
      iii. Shows proof of payment
      iv. Name of occupant
      v. Date of stay
   b. Excess Lodging (exceeds FAR and it is not a conference hotel $443.83)
      i. Justification must be necessary and reasonable
      ii. All excess lodging must be approved in advance
         1. Approved at the travel request
         2. Two (2) quotes for cost comparisons for excess lodging
   c. Non lodging business expenses
      i. Business related items only
         1. Enter each expense on separate line
            a. Phone calls, internet services, parking etc...
            b. Do not combine with room rates

F. Conference fee receipt and supports
   a. Registration form, flyer, brochure
   b. Receipt and/or proof of payment

G. Car rental $454.56
   a. Verify the following
      i. Receipt
      ii. Shows proof of payment
      iii. Name

No cost comparisons needed if staying at the Conference Hotel
Travel Reimbursement Checklist for Administrators

iv. Date of rental
v. Sub-compact or compact rental
  1. If larger car is rented, justification required in “comment” section for non-compact vehicle (intermediate, van, jeep, etc.)
  1. Not allowed
  i. Frequent Flyer Fees (coded HRSc, ftp sr5, ffee)
  c. Insurance – see Allowable & Disallowable Expenses http://www.travel.ehawaii.edu/travel/sb_expenses.htm
  d. Justification required if traveler is staying at conference hotel and has rental car
H. Mileage 4400
  a. Attach DISB 33
  b. Verify the following:
  i. Traveler signed form
  ii. Current insurance
  iii. Mileage rate
  iv. If claiming from home, provide home address
  "Traveler can only claim excess mileage above and beyond normal commute mileage if travel takes place on a weekday"
I. Taxi receipts
  a. Verify the following:
  i. Date
  ii. Amount
  iii. To/From destinations
  b. Tips not included (covered by M&E)
J. Missing/Lost receipts 4400
  a. Attach DISB 4D. Receipt Summary Worksheet – certification for lost receipts
  b. Reimbursements for missing/lost receipts shall be limited to $75 per receipt
  c. Lodging receipts are required, regardless of amount
K. Manual corrections
  a. Verify manual corrections on travel document have been updated on eTravel document
L. Subcodes in eTravel
  a. Verify correct leg ID # is selected in eTravel for the following:
  i. Mileage
  ii. Airfare
  iii. Other expenses
M. Returned funds (Owe UH)
  a. Verify subcode 4501 – Advance deposit
  b. Copy of Advance Deposit (AD)
N. Submission of Travel Completion
  a. If no advance, attach original travel request to travel completion
  i. Does not apply for intra state travels
  b. If advance was given, no copy of travel request needed
  c. No Cost Travel
  i. Travel request and travel completion required
Travel Reimbursement Checklist for Administrators

d. Must be submitted to traveler’s business office within 21 calendar days from the end date of the trip

FOREIGN TRAVEL
A. Foreign/Mixed Travel Completion (For Foreign & OCONUS, Foreign & CONUS)
a. Special attention to the following:
   i. Currency conversion – use one of the following methods
      1. OANDA
      2. eTravel converter
      3. Credit card statement
      4. Verify correct currency selected (OANDA/eTravel)
      5. Currency conversion receipt is acceptable
   ii. If submitting credit card statements, redact all credit card numbers, balances, and other personal information not related to Travel Completion
Travel Reimbursement Checklist for Administrators

DEFINITIONS

Proof of Payment: Itemized receipt from which goods/services were received showing date, amount paid, form of payment or, if receipt is not available, credit card statement, cancelled check in support of invoice.

RESOURCE LINKS

Travel APM (A8851)
http://www.hawaii.edu/etravel/forms/apm_a8851.pdf

Frequently Asked Questions
http://www.hawaii.edu/etravel/faq_testversion.html

Allowable Rates and Memos
http://www.hawaii.edu/etravel/rates.html

Allowable and Disallowable Expenses
http://www.hawaii.edu/etravel/fga_expenseslist.html

Manual Travel Forms
http://www.fm.a.hawaii.edu/payroll/forms_dsp.html

FAR
http://www.faa.gov/public/content/54144?cm_mmc=facebook-_-campaign-_-targeted_keywords-_-utm_campaign_content

ONIDA
http://www.gandia.com/currency/converter/
Future Communications and eTravel Enhancements

- A quick travel reference guide will be published and distributed to faculty and staff
- eTravel Enhancements
  - Routing travel documents electronically using Kuali Rice workflow
  - Attaching supporting documentation to eTravel documents
  - Fall 2014
Questions

• Please e-mail the Disbursing Office at etravel-help@lists.hawaii.edu
Financial Management Office

Year End Close Calendar

Presented by
Susan Lin, Director of Financial Management and Controller
FY13/14 Year End Close

- Financial Statement and A-133 Audits
- Year end close key milestones
- Year end close specifics:
  - Procurement
  - Payments (e.g. DAGS, UH and RCUH Accounts Payable)
  - Deposits
  - Accruals and others
FY12/13 Financial Statement and A-133 Audit Findings

• Financial Statements
  ▫ No findings
• A-133
  ▫ Unrecorded Liabilities – Significant Deficiency
  ▫ Indirect Cost Calculation – Control Deficiency
  ▫ Return of Title IV Funds – Control Deficiency (2)
  ▫ Federal Direct Student Loans Exit Interview – Control Deficiency
  ▫ Return of Title IV Funds – Significant Deficiency
• Both reports are posted on the website:
  ▫ http://hawaii.edu/offices/?office=cfo
FY13/14 Financial Statement Audits

- Financial Audits (Consolidated and Athletics) & Supplemental and Campus Schedules
  - ITGC audit to occur in July/August 2014
  - Fieldwork scheduled to commence September 22, 2014 (Athletics) and October 6, 2014 (Consolidated)
  - Presentation of consolidated and athletics financial statements at December 2014 BOR meeting
  - Presentation of the supplemental and campus schedules at the January 2015 BOR meeting
  - Presentation of management letter at March 2015 BOR meeting

- NCAA Agreed Upon Procedures (Hilo Athletics)
  - Fieldwork scheduled to commence in October 2014
  - Presentation of agreed upon procedures report and management letter at December 2014 BOR meeting
FY13/14 OMB Circular A-133 Audit (Federal Compliance Audit)

- 10 major programs anticipated for 2014
- Planning to commence in May 2014
- Testing to commence in July 2014
- Draft accrual basis Schedule of Expenditures of Federal Awards and supporting reports to be provided by ORS by mid-October
- Draft findings by end of January 2015
- Estimate presentation of Federal compliance report at January 2015 BOR meeting
FY13/14 Year End Close Key Milestone

• Changes from Prior year
  ▫ P-cards may continue to be used for purchases during year-end. Charges from 6/15/2014 through 6/30/2014 will be accrued by GALC
  ▫ Accounts Payable accrual will be based on vendor invoices processed in UH and RCUH AP systems
    • Campuses don’t need to submit vendor invoices to GALC for accrual, if the invoice has been approved in the AP systems on or prior to 7/31/2014.
      ➢ IMPORTANT: Input invoice or service date for DVs. This DATE will be used to determine if the expense should be included in fiscal year 2014.
    • However, if the invoice has not been approved in the AP systems on or prior to 7/31/2014
      ➢ Provide cost projection with the supporting documentation to ORS for sponsored programs.
  ▫ Funds for fiscal year 2015 must not be encumbered or expended prior to 7/1/2014
FY13/14 Year End Close Key Milestone

- **Reminder**
  - No General fund or Payroll encumbrances
  - *Ask vendors and subcontractors to submit outstanding invoices*
- Year-end accruals will be recorded via YE JV worksheet which will be provided by GALC
- New fiscal year will open in KSF on July 7, 2014
  - KFS will not be available from 7/2 to 7/6 during the balance roll forward process
Procurement

- **Deadline – May 1, 2014**
  - Exempt procurement including P.O.s for short term leases
  - Small purchase procurements above FA purchasing authority where the competitive solicitation has been completed
  - Contract modifications
  - For Bookstore only – Interdepartmental orders exceeding FA authority
- **Deadline – June 27, 2014**
  - Non-payroll purchase orders and pre-encumbrances within FA authority
Payments to be Included in FY 2014

- DAGS Payment Request
  - 6/6/2014 - last day to submit to AP

- PREQs
  - 6/13/2014 - last day to submit to AP for G funds and equipment object codes
  - 6/20/2014 – last day to submit to AP for non-G funds

- DVs
  - 6/13/2014 - last day to approve for G funds and equipment object codes
  - 6/20/2014 - last day to approve for non-G funds

- RCUH
  - 6/13/2014 - last day to approve for equipment object codes and advance (7232 accounts)
Deposits to be Included in FY 2014

- Deposits
  - **6/13/2014** - last day to record for G funds and equipment Object code
  - **7/1/2014** - last day to record for non-G fund deposits.
Encumbrance to be Included in FY 2014

- Encumbrance
  - 6/24/2014 - last day to record budget adjustment eDocs for ORS accounts
  - 6/27/2014 - last day to record pre-encumbrance eDocs to disencumber IDOS.
Other Deadlines

- Adjustments & Allocations (DIs, GECs, IBs, STs, TFs, SBs)
- Revenue bonds draw requests
- KFS accounts receivable – customer invoices
- FAs to record asset edits, loans, transfers, and retirement, etc.
- Account maintenance eDocs
- Student refunds into Banner
- Last day for FA to record bank debit and credit memos
- Accruals
Other Key Dates

- Payroll paid on 6/20 will be recorded in KFS on 6/19/2014
- Last check run for FY 2014 will be 6/30/2014
- Pending eDocs will be automatically disapproved (except for REQs, POAs, POs, account maintenance, and vendor eDocs)
Year End Close Calendar to be Posted on FMO Website

- [http://www.fmo.hawaii.edu/fmo/](http://www.fmo.hawaii.edu/fmo/)
  - Same calendar in two different formats
    - Checklist format
    - Calendar format
Questions?
Financial Management Office

Thank You for attending the Fiscal Administrator Meeting

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