



**FLORIDA STATE UNIVERSITY**  
*Office of the Controller*  
**DEPARTMENTAL BUSINESS MANAGEMENT GUIDE**

This guide is designed to provide department managers and financial representatives with a consolidated overview of the fiscal and administrative responsibilities and related resources available to ensure appropriate stewardship of University funds. It does not provide detailed procedures or instructions for completing forms or specific financial transactions. Instead, it provides summary guidance about sound business practices and internal controls necessary to ensure proper stewardship of resources allocated to your department.

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## **ABOUT THIS GUIDE**

As a large, comprehensive, state-supported institution, Florida State University must base its policies and procedures on applicable state and federal laws and regulations. The most important fiscal policies are referenced throughout this guide. In addition, individual departments may develop policies and procedures to supplement the general university-wide policies. As a department manager, you need to be aware of how these policies, laws, and regulations may constrain or otherwise affect your decisions and actions.

This guide presents the minimum requirements in managing the administrative responsibilities for your department. You will also be responsible for developing detailed written procedures for the administrative duties and tasks for your department to enable you to effectively communicate the steps necessary to complete these functions. These procedures will also enable more effective transitions when staff turnover or absences occur.

It is recommended that this Guide be accessed on the web at <http://control.vpfa.fsu.edu/Departmental-Business-Management-Guide>.

# **INTERNAL CONTROLS & FRAUD PREVENTION**

## **Contents**

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- Departmental Role in Internal Control
- Types of Internal Controls
- Internal Control Process Objectives
- Components of Internal Control
- Fraud Detection and Prevention
- The Internal Control Checklist – An Assessment Tool
- Resources

## **Objectives of Internal Control**

*Internal controls* are the methods and procedures designed by management to provide reasonable assurance regarding the achievement of the following:

- Efficient and effective operations
- Reliable financial and operational reports
- Compliance with applicable rules, laws and regulations
- Safeguarding of resources against loss due to waste, abuse, mismanagement, errors and fraud

In plain language, a system of internal controls is essentially a system of checks and balances.

## **Departmental Role in Internal Control**

1. Establish the “tone at the top” and promote an ethical business environment by providing structure, feedback, and discipline.
2. Assess risks specific to your operations and develop a control system to address risks that could prevent achieving established goals.
3. Establish and maintain control activities such as reconciliations, approvals, and reviews of operating activities.
4. Ensure appropriate access to and use of university information and systems.
5. Monitor control system and activities to identify and correct breakdowns timely.

## **Types of Internal Controls**

*Preventive and Detective are two major types of internal controls.*

**Preventive controls** – Designed to forestall errors or irregularities and thereby avoid the cost of corrections. Examples of common preventive control activities include: Segregation of duties, proper authorization to prevent improper use of organizational resources, standardized forms, physical control over assets, computer passwords, and computerized techniques such as transaction limits and system edits.

**Detective controls** – Designed to measure the effectiveness of preventive controls and detect errors or irregularities when they occur. These controls are less effective and more expensive than preventive controls because they occur at the back end of the process. Examples of common detective control activities include: Performance and quality assurance reviews, reconciliations, cash counts, and physical inventory counts and comparisons with inventory records.

### **Internal Control Process Objectives**

A well-designed process with appropriate internal controls should meet most if not all of the system's control objectives. A system of internal control can be evaluated by assessing its ability to achieve seven commonly accepted control objectives:

1. **Authorization** – All transactions are pre-approved by responsible personnel.
2. **Completeness** – All valid transactions are included in the accounting records.
3. **Accuracy** – All valid transactions are accurate, consistent with the originating transaction data, and information is recorded in a timely manner.
4. **Validity** – All recorded transactions fairly represent the economic events that actually occurred, are lawful in nature, and have been executed in accordance with management's general authorization.
5. **Physical Safeguards and Security** – Access to physical assets and information systems are controlled and properly restricted to authorized personnel.
6. **Error Handling** – Errors detected at any stage of processing receive prompt corrective action and are reported to the appropriate level of management.
7. **Segregation of Duties** – Duties are assigned to individuals in a manner that ensures that no one individual can control both the recording function and the procedures relative to processing a transaction.

## **Components of Internal Control**

Internal control consists of five interrelated components: the *control environment*, *risk assessment*, *control activities*, *information and communications*, and *monitoring*. Each of these components is an integral part of the management process and plays a specific role in departmental internal control procedures.

***Control Environment*** – *The tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure. Control environment factors include the integrity, ethical values, and competence of the organization’s people; management’s philosophy and operating style; and the way management assigns authority and responsibility, and organizes and develops its human resources.*

***Risk Assessment*** – The identification of risks that could impede the efficient and effective achievement of organizational goals and objectives. An important first step in this internal control component is the establishment of clear and consistent objectives. Additionally, an approach should be developed for risk management in order to help assure that these risks are appropriately mitigated.

***Control Activities*** – *The policies and procedures implemented by management to ensure management directives are carried out to meet organizational objectives. Control activities occur throughout the organization, at all levels and in all functions. Each department is unique and only the most basic of control activities are specifically outlined in University policies and procedures. As such, managers are responsible for identifying other appropriate control activities so that their departments’ unique risks are properly mitigated.*

***Information and Communication*** – *A system that identifies, captures, and communicates pertinent information timely and effectively, enabling people to carry out their responsibilities. Effective communication must flow down, across, and up the organizational structure. The department must also effectively communicate with external parties, such as students, sponsors of research, alumni, and administrative departments. The administrative departments are here to assist departments in achieving operational goals without violating applicable laws, regulations, or university policies.*

***Monitoring*** – The assessment of the quality of performance over time, assuring that findings of audits and other reviews are promptly resolved and that internal controls continue to operate effectively. This assessment includes ensuring managers know their responsibilities for internal control and control monitoring. It also includes the performance of separate evaluations of internal controls by central units, Audit Services and/or other independent parties.

## **Fraud Detection and Prevention**

No matter how well internal controls are designed, they can only provide reasonable assurance that objectives will be achieved. Specifically, internal controls cannot be designed with the expectation that they will discover all instances of fraud. However, effective internal controls are extremely useful in safeguarding the University against not only fraud, but also waste, abuse and misuse of resources.

The University has a “zero tolerance” for fraudulent, unethical and other dishonest activities. If fraud is expected or discovered, employees are required by University policy to immediately notify their supervisor who is then, in turn, required to notify the Office of Audit Services (OAS) or, if the actions appear criminal, the supervisor should notify the University Police Department. If you have reason to suspect that your supervisor may be involved in the fraudulent activity, you should immediately notify OAS or the FSU Police, if appropriate.

It is important to remember that employees who, in good faith, report these types of wrongful activity are protected from retaliation by University policy and, in some cases, by the Florida “Whistle-blower’s” Act (Florida Statute Section 112.3187). The law also provides for your identity to remain confidential.

## **The Internal Control Checklist – An Assessment Tool**

*The Office of Audit Services maintains an extensive Internal Controls Checklist on their website. This questionnaire covers control issues in the following areas:*

- *Control Environment*
- *Budgeting, Accounting, and Financial Reporting*
- *Collections, Deposits and Cash Refunds*
- *Property Accounting*
- *Facilities*
- *Payroll*
- *Human Resource Management*
- *Purchasing and Disbursement*
- *Travel*
- *Research Management and Support*
- *Information Technology*

*Managers should complete this questionnaire on an annual basis in order to provide a mechanism to assess awareness of requirements related to adequate internal control standards and evaluate your organization’s business practices relative to these requirements.*

## Resources

- [University Policy OP-C-13](#) – Policy Against Fraudulent, Unethical and Other Dishonest Acts
- [University Policy OP-D-2-B3](#) – Cash Management Internal Control Requirements
- [University Policy OP-D-2-E4](#) – Payroll Internal Controls
- [University Internal Controls Checklist](#)
- [U.S. General Accounting Office Internal Control Management and Evaluation Tool](#)
- [State of Florida Office of the Auditor General](#)
- [FSU Office of the Inspector General](#)
- [FSU Hotline](#)

# **ASSET MANAGEMENT**

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### **Overview**

Equipment, often called moveable equipment, is an item of furniture, machinery, or other tangible asset which is not part of the supporting structure of a building or permanently attached to a building. Equipment permanently attached to a building is called fixed equipment and it is capitalized with building renovations or construction costs.

Equipment items costing \$5,000 or more and with a useful life of more than one year are capitalized and recorded in the University's asset management system. The Controller's Office - Property Accounting Services section reviews purchases of \$5,000 or more to ensure that the capitalization criteria is met and has the final decision in determining whether an item is capitalized or expensed.

The President is ultimately responsible for all University property, with this responsibility entrusted to the Vice Presidents and Deans/Directors or their delegates. Property may not be disposed of (sold, scrapped, cannibalized, donated or abandoned), removed from campus locations, physically transferred, loaned, or exchanged by any department without proper approval from Property Accounting Services. Departments are responsible for safeguarding all equipment and other fixed assets assigned to their organization, including items no longer needed, until the property is properly disposed of according to University policy.

### **University Guidelines**

Property Accounting Services is responsible for:

- Establishing policies and procedures that help ensure accountability for and the safeguarding of University assets
- Ensuring compliance with applicable laws, rules and internal policies and procedures related to University property



- Coordinating the annual physical inventory
- Accounting for acquisitions, transfers and dispositions of tagged property
- Maintaining the depreciation of tangible property over the proper estimated useful life
- Maintaining the property records in the OMNI System

**(Policy OP-D-2-F – Property)**

**Internal Controls**

- Ensure proper segregation of duties. The person assigned the role of Inventory Taker should not also be the Property Manager or Property Custodian.
- Ensure proper authorization of the acquisition, disposition, transfer, exchange, removal, or location change of physical property.
- Verify the completeness, accuracy and validity of property accounting records through the performance of an annual inventory of departmental fixed assets.
- Maintain the physical safeguarding and security of departmental property by ensuring that capital assets are reasonably protected against theft and vandalism.
- Provide safeguards to protect confidential data. Properly wipe (or “scrub”) the hard drives of computers that are to be disposed.
- Properly notify Property Accounting Services and the University Police of any missing property items in a timely manner.

**Departmental Responsibilities**

- Effectively managing and safeguarding your assets. This includes exercising control over non-capitalized items (costing under \$5,000) that are easily converted to personal use; such as, computers, cameras, and other electronic items.
- Ensuring the University’s assets are marked in accordance with applicable policies and procedures (OP-D-2-F6).
- Providing non-accounting information such as transfers of assets between locations or sending notification of a new property manager in a timely manner to the Property Accounting Services department for updating the OMNI System.
- Performing an annual inventory of assets in your custody.
- Assigning an individual to each of the following roles (whenever possible, the same employee should not be assigned more than one role):
  - *Property Manager* – Authorizes any transfers or disposals of departmental assets
  - *Property Custodian* – Identifies and tags University property and maintains departmental property records

- *Inventory Taker* – Maintains asset-related internal controls and performs the annual physical inventory of departmental property
- Ensuring property staff attend at least one annual inventory training class.

### **Resources**

- [University Policy OP-D-2-F – Property](#)
- [Property Accounting Services](#)
- [Frequently Asked Property Questions](#)
- [Asset Management Training](#)
- [General & Construction Accounting](#)

# Facilities & Construction Accounting

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## Overview

The **Facilities Department** is responsible for the oversight and management of all aspects of the design and construction of all University facilities, including:

- Selecting architects/engineers and contractors
- Negotiating and preparing all contracts
- Overseeing, coordinating, and integrating the design process
- Providing in-house design and technical support for smaller projects
- Providing construction oversight and quality control in the field
- Approving invoices and tracking project expenditures and progress

The University Controller, via the **Construction Accounting Office**, is responsible for:

- Establishing accounting guidelines for all University construction, remodeling and renovation projects that are consistent with generally accepted accounting principles
- Maintaining detailed records for all fixed capital outlay projects undertaken by the University
- Coordinating funding transfers to construction projects
- Processing vendor payments for construction projects

## University Guidelines

In accordance with generally accepted accounting principles the University capitalizes:

1. All new construction projects which add square footage to University facilities.
2. Material remodeling and renovation projects
  - a. In general, materiality for remodeling and renovation projects will be defined as those whose total cost is \$100,000 or greater.
  - b. Total cost will include all professional fees, contingencies, materials, etc. associated with the project but exclude tangible personal property (OCO).

Generally, maintenance, repair, remodeling and renovation projects costing less than \$100,000 are not capitalized. The Controller's Office may override the \$100,000 threshold should a determination be made that the completion of the project will substantially extend the useful life of the facility.

(**Policy OP-D-2-A** – Construction Accounting Capitalization)

**Internal Control** – Ensure proper authorization for all construction projects.

**Departmental Responsibilities**

- Contacting Facilities to commence any construction or renovation projects.
- Contacting Construction Accounting Services for accounting information related to construction projects.

**Resources**

- University Policy OP-B-11 – Facilities Design & Construction
- University Policy OP-D-2-A – Construction Accounting
- Facilities Design & Construction
- General & Construction Accounting

## **BUDGET & FINANCE**

### **Accounts Receivable**

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#### **Overview**

Accounts Receivable are amounts owed to the University for goods or services that have been provided, but the payment has not been received. Examples include tuition and fees, sponsored projects, student loans, library fines, and parking tickets. It is preferred that University departments accept payment before or upon delivery of a good or service. However, under certain circumstances, it may be necessary to provide a good or service prior to a payment.

#### **University Guidelines**

Accounts receivable are processed through the University's Central Accounts Receivables system, maintained by the Controller's Office Student Financial Services department. A department wishing to maintain their own accounts receivable must provide the Controller's Office with evidence of efficiencies and the ability to comply with State law and University policies.

All charges uncollected after 120 days are deemed uncollectible by the University and sent to a third party collection agency where a 33 1/3% fee is added to the total amount owed. After a period of two years, charges are no longer actively collected; however, they are still owed to the University and a hold remains on the account. Only the President or his designee can approve the write-off or settlement of uncollected accounts owed to the University.

#### **Internal Controls**

- Employees with the responsibility for maintaining and billing accounts receivable should not have responsibility for collecting payments or making deposits.
- Ensure accuracy and completeness of accounts receivable. A detailed list of accounts receivable must be maintained and reconciled on a monthly basis.

- Ensure access to accounts receivable systems and data are restricted to authorized personnel.
- Staff members responsible for accounts receivable records must be trained and understand the university's Cash Management policies.
- Ensure the control and security of all cash collections.

### **Departmental Responsibilities**

- Submit accounts receivable to the Controller's Office within 30 days of the original charge.
- Maintaining departmental written procedures for establishing, recording, adjusting and reconciling receivable transactions.
- Ensuring employees who are assigned accounts receivable duties are qualified and adequately trained.
- Ensuring accurate and timely reconciliations of charges and payments on accounts receivable.
- Ensuring corrections, especially charge adjustment transactions, are properly authorized and processed by the appropriate staff.
- Ensuring bills are accurately prepared and delivered timely.
- Maintaining a billing status and an aging schedule for all receivables.

### **Resources**

- University Policy OP-D-2-B – Cash Management
- Student Financial Services
- Accounts Receivable Forms

# Budgeting

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## Overview

Budgeting is the process of planning and maintaining a budget. A budget is an itemized summary of estimated or intended expenditures for a given period along with proposals for financing them. Budgets should be used as a comparison to monitor the actual performance of activity throughout the fiscal year and as an aid to help make adjustments to the distribution of resources.

## University Guidelines

In general, for State appropriated Education & General (E&G) funds, the State Legislature finalizes appropriations; the University Budget Advisory Committee determines allocations by Division; Division Vice Presidents determine allocations for their Schools/Colleges; and Schools/Colleges determine allocations for their departments by budgetary account. Spending on E&G funds is controlled by budget. In order for a transaction to post to a department-fund-account combination, it must have sufficient budget. If necessary, budget may be transferred within E&G funds.

For non-appropriated (i.e. revenue producing/non-E&G) funds, budgets are generally developed by departments for Auxiliary and Local (Student Activities, Agency and Scholarship) funds and are developed centrally for Sponsored Research, Vending, and Athletic funds. For Auxiliary and Local funds, spending is not tracked by budget; therefore, departments should monitor cash balances closely to prevent overspending. Non E&G budget transfers are not permitted.

Auxiliary operations are overseen by the Auxiliary Service Board (ASB), which has the responsibility for approving the establishment of new auxiliary operations. In addition the ASB reviews the administrative overhead assessments, cash balances, pricing policies/ rates, and fund balances.

(Policy OP-D-1 – Budget & Analysis)

### **Internal Controls**

- Ensure all departmental auxiliary operations have been reviewed and approved by the Auxiliary Service Board.
- Ensure all operating budgets are approved by the OMNI Dean, Director, Department Head, or Chair (DDDHC) prior to submission to Budget & Analysis.
- Monitor all activity within departmental budgets throughout the year to ensure the completeness, accuracy and validity of all transactions.

### **Departmental Responsibilities**

- Planning for the effective use of departmental financial resources.
- Entering operating budgets in July of each fiscal year.
- Completing and submitting to Budget & Analysis required budget documentation, including the Annual Auxiliary Information Form.
- Monitoring departmental balances to ensure that E&G departments have a positive Available Balance and that non-E&G departments have a positive Cash Balance.

### **Resources**

- [University Policy OP-D-1 – Budget & Analysis](#)
- [Budget and Analysis](#)
- [Managing a Budget Training Materials](#)
- [Auxiliary Information](#)
- [Budget Forms](#)



# Reconciliations and Reviews

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## Overview

Financial reconciliations and reviews are internal control procedures designed to verify the accuracy and reliability of accounting data and other management information. Administrators, department heads, and directors should ensure timely completion of all required and recommended reviews and reconciliations, as detailed in the Departmental Responsibilities section below.

## University Guidelines

Sound financial management necessitates that managers perform regular reviews of financial transactions. These reconciliations and reviews provide management, auditors, and other users with the ability to substantiate balances, detect errors, and ensure consistency and accuracy between departments' internal records and University financial reports.

## Internal Controls

- Ensure proper segregation of duties between the individual(s) recording financial transactions, the person reconciling these transactions and the employee reviewing the reconciliations.
- Reconciliations and reviews should be performed in a timely manner, according to University policies and recommended procedures.
- Reconciliations and reviews should assure that transactions are complete, accurate, valid, and have been approved by responsible personnel.
- Reconciling items should be identified and resolved in a timely manner.

## Departmental Responsibilities

- Budget Managers are responsible for:
  - Comparing internal records to OMNI departmental ledger reports on a monthly basis to ensure that only appropriate transactions have been recorded in the ledger
  - Identifying and resolving any reconciling items on OMNI departmental ledgers as soon as possible, but no later than the end of the third succeeding month

- Departmental Time and Leave Representatives are responsible for reviewing all Pay and Leave Reports for completion, mathematical accuracy and appropriate supporting documentation according to the [University Payroll Schedule](#).
- P-Card proxies are responsible for reconciling purchasing card charge receipts to the related bank charges according to the procedures laid out in the Monthly P-Card Reconciliation job aid.
- Departmental Security Coordinators are responsible for reviewing non-default OMNI security roles for the users in their departments on a regular basis by using the OBI Reporting OMNI Security report.

### **Resources**

- [Ledger Reconciliation Guidelines \(Controller's Memorandum #02, 2007/2008\)](#)
- [General Ledger Reconciliation Training Materials](#)
- [University Policy OP-D-2-E3 – Payroll Responsibilities](#)
- [Purchasing Card Monthly Reconciliation Job Aid](#)

# **CASH & TREASURY MANAGEMENT**

## **Cash Handling**

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### **Overview**

The establishment of internal controls for cash collections is necessary to prevent the mishandling of funds and to safeguard against loss. Internal controls are also designed to protect employees by defining responsibilities in the cash handling process. Cash is defined to include currency, checks, money orders and credit and debit cards.

### **University Guidelines**

Department heads and managers of units that collect university funds remain accountable for ensuring adequate control procedures are in place to secure cash collections. Departments, events, clubs or other entities which collect more than \$1,000 annually, with the exception of those whose collections occur infrequently and are for the recovery of expenditures such as copies, faxes, etc., must be authorized by the University Controller's Office as a Cash Collection Point. Entities functioning as Cash Collection Points without receiving approval risk losing budgetary authority for funds collected. ([Policy OP-D-2-B – Cash Management](#))

### **Internal Controls**

- Ensure proper segregation of duties. The person collecting cash cannot have any other responsibilities related to cash handling including updating/recording general ledger or accounts receivable records. The person preparing the deposit cannot be involved with collecting cash or opening the mail. The person reconciling cash collections cannot be involved with any other cash handling responsibilities.
- Provide safeguards to ensure physical security for handling and storing cash collections. Each person collecting cash should have his/her own cash drawer. While in use the cash drawer must be secured and access limited.
- Provide safeguards to protect confidential data. Systems that contain confidential data should be controlled and restricted to authorized personnel. Staff members who handle confidential data should be adequately trained and understand the university rules on confidentiality.

- Ensure that cash collections are recorded and deposited accurately and timely. In general, deposits should be made daily. Debit and credit card payments should be settled daily.

### **Departmental Responsibilities**

- Completing and submitting a Cash Collection Point application at least four weeks prior to the start of collections.
- Submitting an updated Cash Collection Point application if cash handling procedures change. At a minimum, submit an updated Cash Collection Point application every three years.
- Ensuring staff who have cash handling duties have read and understand the requirements of the University's Cash Handling and related policies.
- Developing and maintaining written procedures to safeguard collections and data.
- Performing an annual review of cash handling procedures.
- Ensuring timely and accurate reconciliations are performed and reviewed.
- Ensuring compliance with the University's policy on Employee Background Checks.
- Ensuring employees who handle confidential information have read and signed the Employee Confidentiality Statement.

### **Resources**

- University Policy OP-D-2-B – Cash Management
- University Policy OP-F-7 - Safeguarding of Confidential Financial And Personal Information
- University Policy OP-C-7-G12 – Employee Background Checks
- Cash Collection Point Application
- Cash Handling Guidelines
- Cash Handling Procedures Template
- Cash Management FAQs
- Cash Handling Internal Control Questionnaire
- Check Log Template
- Cash Drawer Reconciliation Template

# Petty Cash

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## Overview

A petty cash fund is either a temporary or a permanent cash advance from the university to the department head or official custodian designated by the department head. Generally, petty cash is used as a change fund for cashiering operations or to make purchases of minor items necessary for departmental business.

## University Guidelines

A petty cash fund may be established, increased, or decreased by sending a written request to the Office of the University Controller. Petty cash funds should not be used for individual purchases over \$500, equipment, subscriptions, periodicals, registration fees, postage, food/meal or payments to other State agencies unless otherwise stated in the research project guidelines, or prior approval is received by the Controller's Office.

## Internal Controls

Ensure adequate facilities and procedures are in place to safeguard petty cash assets from theft or misappropriation. At a minimum, this would include the following safeguards:

- Providing safekeeping facilities commensurate with the size of the fund.
- Limiting access to the fund to a minimum number of employees.
- Requiring frequent reconciliation of the fund by someone other than the custodian.
- Keeping petty cash funds separate from other funds.

## Departmental Responsibilities

- Determining if a petty cash fund is warranted.
- Requesting the petty cash fund from the Controller's Office and any increase or decrease in the fund.
- Appointing a custodian for the fund.
- Ensuring that a custodian is properly trained to manage the fund in compliance with University policies.

- Reviewing and approving each reimbursement request form, which certifies that payment is in order and that:
  - Goods and services purchased are acceptable and allowable by University policies.
  - The account to be charged (and other information) is correct.
  - Funds are available for payment.
  - Notifying the Controller's Office when the custodianship of the fund changes.
  - Reporting shortages or thefts immediately to the Internal Audit department, Campus Police, and Controller's Office.

### **Resources**

- Controller's Office Expenditure Guidelines
- Florida Statute 216.271 Revolving Funds

# INFORMATION SYSTEMS ACCESS

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## Overview

The University employs numerous information systems for financial, human resources, student, and reporting processes. In order to maintain effective controls over these systems, access to them must be controlled and monitored. The administration of these systems is maintained by various entities and through a variety of methods, depending on the information system.

- Online Management of Networked Information (OMNI) – Access to OMNI is obtained with an active FSUID and password. Specific roles and functionality within OMNI is obtained by completing the Online Role Request (e-ORR) system in OMNI. A complete guide to this process can be found in the e-ORR job aid on the OMNI Training site.
- Student Systems Accessed from Northwest Regional Data Center (NWRDC) – An active user account is required to access NWRDC and its various systems. This account is provisioned based on standards set forth by NWRDC and policies relating to mainframe accounts. To request a new NWRDC account or to make changes to an existing account, visit the Information Technology Services Requests for Application Security page and follow the instructions there. Links to any additional documentation/information required for access to specific systems are contained on this page.
- OMNI Business Intelligence (OBI) - Users with OMNI access may also access OBI via the OBI Reporting link within the OMNI Portal.
- Document Management (Nolij) – Users with OMNI access may also access Nolij via the University's Document Management portal page.

## University Guidelines

University policy dictates that departments are responsible for ensuring that access to information systems is granted only to those employees who must use the specific information contained in those systems in the conduct of University business. Departments must designate a Departmental Security Coordinator (DSC) to

communicate and coordinate access to information systems for employees in their departments.

### **Internal Controls**

- Ensure that information systems are controlled and properly restricted to authorized personnel.
- Routinely review employee security roles and system access to ensure that information systems access is properly restricted to authorized personnel and take prompt action to remove any unauthorized and/or improper access.
- Ensure proper segregation of duties between personnel approving security access and the individuals performing security reviews.
- Routinely review access of departmental personnel to all information systems to ensure that individuals that handle and/or reconcile financial transactions do not also have the ability to record and/or approve these transactions in the University's information systems.

### **Departmental Responsibilities**

- Ensuring the Departmental Security Coordinator understands their responsibilities.
- Impressing upon staff the necessity of preserving confidentiality of University data and ensuring that all employees have signed the Employee Statement of Understanding Regarding Confidentiality.
- Limiting access to information systems to those employees who have job duties requiring such access.
- Periodically monitoring staff information systems access (at least quarterly), ensuring employees have not mistakenly been granted access and employees that left your department had their access removed. OMNI roles can be checked with the OMNI Security report in OBI.
- Encouraging staff to periodically change their passwords.

### **Resources**

- OMNI Forms
- OMNI Training
- ITS Mainframe (NWRDC) Support Services
- ITS Access Forms
- ITS Data and Reporting Services
- Data Management and Computer Security Business Manual



## **PAYMENT / CREDIT CARD PROCESSING**

### **Overview**

Good business practices require the University to protect our customers' personal financial information and prohibit the disclosure of this information to non-affiliated third parties. This means all payment card information must be secured from unauthorized access. It is the University departments' responsibility to establish standards for administrative, technical, and physical safeguards for customer records and information.

As a result of payment card breaches and the resulting customer distrust in using payment cards as a payment option, the payment card industry has formed a global forum called the Payment Card Industry Security Standards Council (PCI SSC) which includes Visa, MasterCard, American Express, JCB, and Discover. The PCI SSC has developed the Payment Card Industry Data Security Standards (PCI DSS) to assure consumers that their payment cards are being processed safely and securely. These standards include controls for handling and restricting payment card information, computer and Internet security, and reporting of a breach of payment card information.

### **University Guidelines**

The University's payment card policy requires all department heads and managers of units that process, transmit or store confidential cardholder information to be aware of and in compliance with the Payment Card Industry Data Security Standards (PCI DSS). These standards may be found at the [PCI SSC website](#).

([Policy OP-D-2-G – Payment Cards](#))

### **Internal Controls**

- Ensure that proper authorization as a Cash Collection Point and a Payment Card Merchant has been granted for all sites that process, transmit or store cardholder information.
- Ensure that physical and electronic access to cardholder data is controlled and properly restricted to authorized personnel.
- Report security incidents to the Department Supervisor and the [University Information Security Office](#) in a timely manner.
- Establish appropriate segregation of duties between personnel handling credit card processing, the processing of refunds, and the reconciliation function.

## **Departmental Responsibilities**

- Completing and submitting a [Cash Collection Point application](#) and an [Application for Payment Card Merchants](#) at least 90 days before expected target date to process payment cards.
- Reporting any proposed changes to the department's approved business plan as well as changes in the way that payment cards are processed by completing a new Application for Payment Card Merchants.
- Notifying Student Financial Services whenever a terminal or web access is added to ensure that vulnerability scanning is done on all departmental payment card computing devices.
- Completing a [PCI Self Assessment Questionnaire](#) on an annual basis.
- Developing and maintaining written procedures to safeguard cardholder information.
- Ensuring staff who have payment card-related duties have read and understand the requirements of the University's Payment Card and related policies.
- Ensuring applicable background checks have been done on all employees who have access to systems, networks, or cardholder data.
- Ensuring employees, who process, transmit, or store cardholder data have been properly trained and have read and signed the [Employee Confidentiality Statement](#).

## **Resources**

- [University Policy OP-D-2-G – Payment Cards](#)
- [University Policy OP-F-3 – Records Management](#)
- [University Policy OP-F-6 – Destruction/Shredding of Confidential Documents and records](#)
- [University Policy OP-F-7 - Safeguarding of Confidential Financial and Personal Information](#)
- [University Policy OP-H-6 - Use of University Information Technology Resources](#)
- [University Policy OP-H-9 - Information Technology Security](#)
- [University Policy OP-H-11 - Network Access and Use Policy](#)
- [Payment Card Industry Data Security Standard \(PCI DSS\)](#)
- [Student Financial Services](#)
- [Cash Collection Point Application](#)
- [Application for Payment Card Merchants](#)
- [PCI Quick Reference Guide](#)
- [PCI Self Assessment Questionnaire \(SAQ\)](#)
- [Employee Statement of Understanding Regarding Confidentiality](#)
- [The Merchant Payment Card Newsletter](#)

# **PAYROLL**

## **Contents**

- Overview
- University Guidelines
- Internal Controls
- Departmental Responsibilities
- Resources

## **Overview**

Payroll Services is responsible for the accurate and timely processing of University payroll expenses and for the proper recording of payroll charges in OMNI. Close cooperation between University departments and Payroll Services is essential to ensure compliance with Federal and State payroll laws.

## **University Guidelines**

Deans, Directors and Department Heads are responsible for the accuracy and reliability of their departments' payroll. Although much of the responsibility for preparing the payroll in the department is delegated to staff, department heads need to be familiar with the system. Department managers must ensure that all University employees are paid in a timely and accurate manner.

Employees are responsible for recording their time in the OMNI HR system or on a Time and Leave report (time sheet or card), as applicable, in accordance with the University policy. All payable time should ultimately be entered and approved in OMNI HR, which serves as the official pay and leave record of the University. When errors occur, employees should immediately contact their Department representative for advice on the appropriate corrective action.

(Policy OP-D-2-E – Payroll)

## **Internal Controls**

- Ensure all payroll actions, including time and leave, compensatory time, and leave payouts, are properly authorized.
- Review time and leave entries for accuracy.
- Notify Payroll Services in a timely manner of any errors detected and assure that these errors are promptly resolved.
- Ensure segregation of duties between the recording and approving of time worked.
- Ensure payroll records are secure and accessed only as authorized.

## **Departmental Responsibilities**

Department managers should:

- Ensure departmental representatives processing new hires and making changes to employee records have been properly trained.
- Ensure employees processing time either for themselves or for departmental employees have been trained for their role in using the OMNI Time & Labor module.
- Ensure new hires are enrolled in direct deposit.
- Ensure reported time is entered and approved in accordance with the established Payroll schedule.
- Ensure employees with payroll responsibilities are following the University's Payroll procedures.

Employees authorized to approve reported time in OMNI or sign Pay and Leave reports as the supervisor or certifying official should:

- Ensure personnel have completed appropriate documents to be placed on the payroll.
- Ensure personnel actions are completed prior to the effective date.
- Instruct employees on the proper recording of time in OMNI or the maintenance and completion of Pay and Leave reports.
- Review reported time in OMNI or Pay and Leave reports for errors and ensure proper completion.
- Sign and forward all Pay and Leave reports to the Time and Leave Representative in a timely manner.

Time and Leave Representatives should:

- Maintain a list of all signatures of time/leave approval and certification officials.
- Review all Pay and Leave reports for completion, mathematical accuracy and appropriate supporting documentation.
- Enter properly completed Pay and Leave reports into OMNI.
- Ensure all Pay and Leave reports are signed, approved and input for all employees.
- Provide the Payroll Certification Officer all Pay and Leave reports to review against certifications.
- Maintain all Pay and Leave reports and time sheets until approved for destruction by the University's Records Management Liaison Officer (see Records Management policy OP-F-3).

## Resources

- [University Policy OP-D-2-E – Payroll](#)
- [University Policy OP-C-7-E – Attendance and Leave](#)
- [Payroll Services](#)
- [Office of Human Resources](#)
- [OMNI HR Training website](#)
- [Payroll Calendar](#)
- [Guidelines for Entering Time in OMNI](#)

# **PURCHASING & DISBURSEMENTS**

## **Entertainment Expenses**

### **Contents**

- Overview
- University Guidelines
- Internal Controls
- Departmental Responsibilities
- Resources

### **Overview**

The University may pay or reimburse expenditures relating to entertainment when the purpose is fundraising, recruitment, promotion of the University, or entertainment for guests of the University by designated University officials. Designated University officials include deans, vice presidents, development officers, senior administrators, and other employees who have been asked to serve in a host capacity. Examples of entertainment expenditures include food, beverages, admission charges, flowers, mementos and other miscellaneous expenses. Entertainment expenditures must be reasonable, prudent, appropriate to the occasion and consistent with the University's mission.

### **University Guidelines**

Entertainment expenses are generally paid only from Direct Support Organization (e.g. Foundation) funds or from Auxiliary (where appropriate), Student Activity, Vending, or Athletic funding sources. Education and General funds must not be used for meals, refreshments or other entertainment expenditures.

### **Internal Controls**

- Ensure proper authorization of entertainment expenses by a department head, dean, or designee.
- Verify all required receipts are itemized and accompanied by a statement explaining the purpose of the function, the list of benefitting individuals, and the number of attendees.

### **Departmental Responsibilities**

- Ensuring only appropriate entertainment expenses are submitted for reimbursement.
- Ensuring all required documentation is supplied with request for reimbursement.
- Ensuring only allowable funds are used to fund entertainment expenses.

## **Resources**

- [Payables & Disbursement Services](#)
- [Expenditure Guidelines](#)

## Foundation Funds

### Contents

- Overview
- University Guidelines
- Internal Controls
- Departmental Responsibilities
- Resources

### Overview

The FSU Foundation is a not-for-profit corporation responsible for receiving, investing and administering charitable gifts given in support of the academic mission of the University. The Foundation is a Direct Support Organization (DSO) of the University and serves donors, University staff and students.

Many University departments maintain Foundation funds, which may include general development and/or discretionary funds.

### University Guidelines

The Foundation has a fiduciary responsibility to donors to ensure funds are utilized in accordance with the terms and conditions of their gifts. Generally, Foundation funds may not be expended for any activity or purpose that:

- Jeopardizes the Foundation's status as a Charitable Organization as defined by the Internal Revenue Code Section 501(c)(3)
- Benefits the campaign of any candidate for public office
- Is intended to influence public legislation, except as directed by the University President
- Is for the personal benefit of an individual
- May involve or create liability exposure for the University
- Does not directly support the University
- Is not considered a customary or reasonable expense incurred while conducting University business
- Fails to meet standards of equity and ordinary prudence in the management of the property of another

All expenditures of Foundation funds require the approval of the Fund Administrator or other person designated on the Fund Transaction Authorization Signature List. Secondary approval may also be necessary depending on the funds involved.

(FSU Foundation Policies & Procedures)



## **Internal Controls**

- Ensure all expenditures of Foundation funds are pre-approved by the Fund Administrator or designee as well as any necessary secondary approver(s).
- Ensure expenditures of Foundation funds are executed in accordance with the terms and conditions of the funds' donors' terms and conditions and the Foundation's policies and procedures.
- Ensure proper segregation of duties between the employee(s) requesting, approving, receiving, and reconciling Foundation funds.

## **Departmental Responsibilities**

- Ensuring all disbursement requests utilize the [Disbursement Request form](#) and include all necessary documentation as well as written verification that the expenditures have a business purpose, provide a benefit to the University, and also adhere to the fund purpose.
- Ensuring all disbursement requests submitted are originals and include original signatures and original itemized invoices.
- Obtaining supervisory approval for any Foundation funds being paid to a University employee when the nature of the expenditure may be construed to provide a personal benefit to the employee.
- Obtaining dean/director/department head approval for any Foundation fund expenditure of more than \$1,000.
- Obtain the approval of the VP of University Relations for any Foundation fund expenditure greater than \$25,000.
- Exercising good judgment, reasonableness, prudence and a high sense of ethics in making expenditure decisions.
- Submitting requests for reimbursement to the Foundation Accounting office within 90 days of the transaction.
- Ensuring all required information, as detailed in the [Foundation Policies and Procedures](#), is provided with the specific type of requested funds.

## **Resources**

- [FSU Foundation Policies & Procedures](#)
- [FSU Foundation Information for Faculty and Staff](#)
- [FSU Foundation Internal Business Forms](#)
- [Online Foundation Fund Reports](#) (access requires authorization)

# Purchasing

## Overview

Purchasing Services facilitates the requisition of most goods and services required by University departments. This facilitation is done in a cost effective manner, within reasonable time frames, while promoting and maintaining fair and open competition in the public procurement process and complying with Federal and State laws and rules. Purchasing Services also strives to reduce the appearance and opportunity for favoritism and to preserve the integrity and reputation of the University with regard to purchasing and contracting.

## University Guidelines

All procurement actions for commodities or contractual services from sources outside the University, regardless of the funding source, must be processed through Purchasing Services (Purchasing) using the OMNI Financials System unless there is delegated authority to make purchases by University regulations or exempted by University policy.

Any purchases made from a Sponsored Research project greater than \$1,000 must be approved by Sponsored Research Accounting Services prior to submission to Purchasing and Payables and Disbursement Services. Additionally, the requisition of certain commodities requires the approval of particular University departments. ([Policy OP-A-6 – Requisitioning Commodities and Contractual Services from Sources Outside the University](#))

## Internal Controls

- Ensure the segregation of duties between employees who order, receive and approve items.
- Ensure purchase requisitions are initiated and approved only by employees specifically authorized to perform this task and that invoices receive the approval of an authorized approver/signer before payment.
- Ensure accountability is maintained when authorizing, reviewing, and approving purchases based on signed agreements, contract terms, and purchase orders.
- Ensure purchased goods are secured in a safe location, accounted for and periodically inventoried, and compared to departmental records.
- Ensure Purchasing Cards (P-Cards) are not issued without the approval of the dean, director or department head.
- Ensure all P-Card transactions are authorized by an Approver and signed by the cardholder.
- Ensure the physical security of P-Cards and protect the account number.
- Ensure charges recorded on departmental ledgers represent valid purchases.

## Departmental Responsibilities

- Ensuring all staff are familiar with the State's Conflict of Interest Law and know that employees may not personally benefit from their official positions or decisions.
- Ensuring all staff responsible for requisition/purchasing-related duties are familiar with the appropriate University policies and procedures.
- Ensuring all staff are made aware that purchase orders are required before goods or services may be ordered or received so that confirming (after-the-fact) orders do not occur.
- Ensuring all contracts (specifically \$10,000 and up) obtain Purchasing Services review and approval prior to signature and those with signature authority shall only sign with the stated limit in the Power of Attorney.
- Ensuring all staff responsible for obtaining contractual services are familiar with the University's policies and procedures regarding contractual services and independent contractors, honorariums, conflict of interest and employee/employer relationships.
- Ensuring all staff responsible for requisitioning have acquired the recommended training for using the University's OMNI Financial system, P-card, and Emarket.
- Carefully reviewing the University's Expenditure Guidelines before making purchasing decisions.
- Ensuring all staff responsible for requisition/purchasing related duties are familiar with the University's policy for leasing of off-campus facilities, space and rentals.
- Ensuring all leases are approved by all appropriate parties prior to the effective date of the lease.
- Ensuring all staff responsible for requisition/purchasing-related duties are familiar with University policy regarding internal approvals for certain commodities and contractual services.
- Ensuring all staff responsible for requisition/purchasing-related duties are familiar with contract and grant requirements related to their purchases and that they understand the rules associated with different fund types (E&G Appropriations, Grants, Agency, Auxiliary, Direct Support Organizations, etc.).
- Preparing a monthly reconciliation between P-Card cardholder charge receipts and the charges reported by Bank of America.
- Periodically reviewing departmental P-Card cardholders and their limits.
- Ensuring departmental management periodically reviews a list of departmental cardholders and their limits to determine if changes need to be made.
- Ensuring timely review of invoices, packing slips, and purchase orders. This includes verification that the goods/services purchased have been received, counted, and inspected for damage immediately upon receipt and noting any damaged items. It also includes the review of supplier invoices for completeness, accuracy, compliance with University regulations, and agreement to supporting documentation before approval for payment.

- Ensuring vendor invoices and non-travel reimbursements are controlled in such a manner as to prevent duplicate payment.
- Establishing policies and procedures and consulting with Purchasing Services to ensure the best combination of quality, total price, and delivery are evaluated when preparing to order goods or services.
- Ensuring requisitions for goods and services are not divided into separate transactions to avoid the requirement for competition.
- Controlling returned purchases in order to ensure the department receives any credit or refund due.
- Ensuring proper category codes are used so that requisitioned goods and services obtain all internal University approvals and that Operating Capital Outlay items (OCO) obtain an asset tag for physical inventory purposes.
- Ensuring all staff are made aware of change order policies and procedures, including the need to secure the vendor's approval of any corrected or cancelled purchase orders.
- Ensuring proper compliance with applicable Environmental Health & Safety procedures when dealing with the purchase of hazardous materials and laboratory animals.
- Obtaining required prerequisites for items such as safety shoes, safety glasses, and uniforms.
- Obtaining approval from Human Resources prior to paying for any household moves.
- Ensuring use, whenever possible, of the University's competitively awarded contracts and preferred suppliers (reference the [Goods and Services Procurement Guide](#)).
- Using the University Emarket whenever possible for the purchasing of goods and services.
- Ensuring maintenance agreements are reviewed periodically, especially before they are renewed, to ensure that the equipment the maintenance agreement is intended to cover is still owned and used by the department and that it is still in the department's best interest to continue to carry the maintenance coverage.
- Ensuring all requisitioning staff are familiar with the University's Supplier Diversity Initiative.

### **Resources**

- [University Policy OP-A-6](#) – Purchasing Services Policies & Procedures
- [University Policy OP-B-3](#) – Leasing of Off-Campus Facilities
- [University Policy OP-B-6](#) – Rental of Off-Campus Facilities
- [Purchasing Services](#)
- [Purchasing Card Information](#)
- [Purchasing Services OMNI Training](#)
- [Expenditure Guidelines](#)
- [Allowable Unencumbered Disbursements](#)
- [Supplier Diversity](#)
- [Goods and Services Procurement Guide](#)

# Departmental Business Management Guide – Purchasing Card (P-Card)

## **Overview**

The University's Purchasing Card (P-Card) program is established to provide a more efficient, cost-effective alternative for departments to purchase goods and services up to specified amounts for business purposes. The P-Card is a special Visa credit card that is embossed with the Cardholder's name and includes the University name. The card works similarly to a personal credit card, except that cumulative charges for all cards are billed directly to the University and payment is initiated by the Controller's Office.

## **University Guidelines**

The P-Card may only be used for official, University-related purposes and purchases must follow appropriate FSU policies and guidelines and be made with reasonable judgment. The card may not be used for items of a personal nature, travel and entertainment-related expenses, cash advances or certain [disallowable purchases](#).

Use of the P-Card is limited to the Cardholder and the card is not to be loaned to another person nor is the card number to be shared under any circumstances. The Cardholder is responsible for ensuring the P-Card is used in accordance with the [Purchasing Card User's Manual](#). The University may cancel the P-Card at any time should there be cause to believe that the P-Card is not being used for the stated authorized purposes.

Questions related to the P-Card program and Policies and Procedures are to be directed to the FSU Purchasing Card Administrator (Purchasing).

## **Internal Controls**

- Ensure the department's budget manager or department head maintains proper oversight of P-Card use within his or her department. This includes developing internal controls that ensure a thorough review of the department's P-Card transactions and assurance that each transaction is for official state business. This is documented by signing off on the monthly P-Card reconciliation.
- Ensure security of the card, the account number and related records. Records must be stored in a secure location to which only authorized individuals have access.
- Ensure segregation of duties:
  - No cardholder can purchase, approve and reconcile a P-Card charge on their own card.
  - All charges on the cardholder's P-Card are approved and reviewed by a trained Proxy.
  - It is recommended that the Proxies assigned are not subordinate to the cardholder unless there is a third level of review by a direct supervisor or

another employee that is independent of the cardholder and Proxy duties.

## **Departmental Responsibilities**

### CARDHOLDER DUTIES

The cardholder –

- Successfully completes University Purchasing Card training.
- Signs Cardholder Agreement form to acknowledge their responsibilities.
- Ensures the card is not used by another individual or the number is shared.
- Maintains the P-Card in a secure location and protects the account number.
- Notifies the Purchasing Card Administrator (Purchasing) when employment status changes (transfer to another department/campus, separation from the University).
- Notifies Bank of America and Purchasing Services if the card is lost or stolen.
- Initiates all P-Card transactions in compliance with relevant University policies and procedures, including the [Purchasing Card User's Manual](#) and the Florida State University [Expenditure Guidelines](#) as well as any department specific internal policies and/or processes.
- Understands which purchases require quotes, bids, or competitive solicitations and which vendors have established contracts with FSU and/or the state of Florida. These vendors should be used first when purchasing goods and only if they cannot provide items or comparable items, can the cardholder go outside the contract.
- Ensures that no charges have been split in order to circumvent P-Card daily or transactional spending limits.
- Ensures compliance with all receipt requirements.
- Ensures no State Sales and Use Taxes are charged to the purchasing card. The cardholder must inform the merchant that the purchase is tax-exempt before the charge is made and check the receipt.
- Contacts vendors to resolve any card charges that are incorrect.
  - If it cannot be resolved, a [Cardholder Statement of Disputed Items](#) form must be completed and sent to Bank of America and then a copy of the form and the fax confirmation sheet sent to the P-Card Administrator (Purchasing) and the Proxy/Reviewer.
  - If a charge is placed on the card with any vendor that the cardholder has never contacted or done business with, they should initiate a fraud complaint. Call the P-Card Administrator (Purchasing) to notify them of the fraud and take appropriate action to cancel the p-card and get a new card issued.
  - Under no circumstances may a cardholder receive cash for a return.

- Obtains, signs, and forwards receipts and any required and/or relevant documentation to their Proxy/Reviewer within three (3) workdays of purchase.
- Signs and dates the P-Card Statement Reconciliation Worksheet after the Proxy/Reviewer's review.

#### PROXY DUTIES (Basic Review)

Proxy duties are best performed by someone in a supervisor-level position or above that has a complete knowledge of the FSU [Purchasing Card User's Manual](#), and who has the authority to question transactions of others. A reviewer cannot function in this capacity for his or her own P-Card statement.

The Proxy -

- Successfully completes University Purchasing Card Proxy training.
- Maintains a control list of all Cardholders in the area for which they have 'P-Card Proxy' responsibility.
- Is knowledgeable of P-Card policies and procedures and confirms that all transactions are appropriate.
- Notifies the Purchasing Card Administrator (Controller) when they and their backup will be absent or unable to process card charges for any reason. The card should not be used during the time both Proxies are absent.
- Maintains a position that is independent of the cardholder.
- Obtains confirmation of receipt of goods from the cardholders before payment is approved.
- Approves p-card charges on a weekly basis.
- Tracks any disputed/fraud charges awaiting credits or placed in "Verified" status.
- Enters the appropriate account code (by utilizing the [Expense Account Short List](#)), inputs accurate and complete descriptions of goods purchased, and verifies the budget information for all charges they process to "Approved" status.
- Reviews each monthly P-Card Statement Reconciliation Worksheet to ensure that adequate supporting documentation is attached for each purchase.
- Requests additional documentation for any transaction that appears to be personal in nature and is not fully explained in the provided documentation.
- Notifies the final reviewer and/or the P-Card Program Administrator (Purchasing) when unusual or restricted transactions are charged to the card.
- Signs and dates each P-Card Statement Reconciliation Worksheet, signifying their review.
- Obtains cardholder signature(s) and date(s) on the P-Card Statement Reconciliation Worksheet.
- Forwards the signed P-Card Statement Reconciliation Worksheet with supporting documentation to the next level of review (Dean/Director/Department Head, Supervisor, or Authorized Signer).

- Maintains control of all P-Card statements and supporting documentation for a minimum of seven years. Please check with Sponsored Research Account Services for retention requirements for cards linked to a sponsored project account.
- Provides copies of requested statements and/or support to areas performing reviews (Controller's Office or Purchasing Department) or audits (FSU Office of Inspector General Services or the State of Florida Office of the Auditor General's Office).
- If the Cardholder is not able to appropriately support or explain a questionable transaction:
  - The Proxy contacts the appropriate administrator for guidance on next steps. This should, at a minimum, be a dean's office or director's office.
  - Purchases that cannot be fully documented as to having a valid FSU business purpose must be immediately and fully reimbursed by the cardholder into the account that is linked to the P-Card incurring the expense. Documentation of the reimbursement (including the cashier's receipt from Student Financial Services) needs to be filed with the P-Card Statement Reconciliation Worksheet that included the original expense which is being reimbursed. Note: Expenses that have no FSU business purpose cannot be reimbursed with funds on deposit at the FSU Foundation, or any other FSU affiliated organization.
  - Repeated instances of personal use by a cardholder must be reported to the P- Card Administrator (Purchasing), and may result in the cancellation of the cardholder's P-Card. It is important to remember that accountability for adherence to policies and procedures rests not only with the cardholder, but also the designated proxy/-. If inappropriate and/or personal transactions have occurred that were not detected and reported through the regular performance of the proxy's duties, then the proxy- and cardholder may both be subject to disciplinary action.



DEAN, DIRECTOR, DEPARTMENT HEAD, IMMEDIATE SUPERVISOR OR BUDGET ACCOUNT MANAGER DUTIES (Final Review)

The Final Reviewer -

- Recommends potential Cardholders, Proxies and appropriate backups.
- Ensures that potential Cardholders are not assigned Proxies who are related to them.
- Signs the Purchasing Card Application Form.
- Signs the Proxy Application Form.
- Forwards completed forms to the Purchasing Card Administrator (Purchasing).
- Ensures that employees who will be issued a p-card or have been delegated responsibilities under the p-card system meet the P-Card requirements and have duties or responsibilities commensurate with the established spending limits.
- Notifies the Purchasing Card Administrator (Purchasing) of changes in the Cardholder or Proxy's status.
- For Cardholders who terminate from or transfer within the University, ensures that:
  - The Cardholder stops using the P-Card immediately upon notification of termination or transfer
  - Reviews all outstanding P-Card transactions with the appropriate Proxy prior to termination or transfer.
  - Collects the terminating/transferring Cardholder's P-Card(s) during the exit interview, cuts the card(s) in half and submits the card(s) to the Purchasing Card Administrator (Purchasing) along with the Cardholder Termination Form.
- Periodically reviews the list of department cardholders by monitoring the OMNI query FSU\_DPT\_PCARD\_HOLDERS to assess the continuing need for each purchasing card.
- Ensures that each cardholder has received a signed copy of the Purchasing Cardholder Agreement and has completed training to use the purchasing authority appropriately.
- Ensures the appropriate separation of duties within the department.
- Ensures employee cooperation with transaction/desk reviews, bank investigations of suspected fraud and/or University investigations of alleged improper activities.
- Reports suspected improper activities to the Office of Inspector General Services and to the Purchasing Card Administrator (Purchasing).
- Reviews the Internal Control Responsibility and Accountability policy OP-A-9.

## Resources

- [Purchasing Card Information](#)
- [Purchasing Card User's Manual](#)[University Policy OP-A-6 Purchasing](#)
- [University Policy OP-D-2-C16 Expenditure Guideline](#)
- [University Policy OP-A-9 Internal Control Responsibility and Accountability](#)
- [University Policy OP-C-13 Policy Against Fraudulent, Unethical and other Dishonest Acts](#)
- [University Policy OP-F-3 – Records Management](#)
- [Expense Account Short List](#)

# Travel

## Contents

- Overview
- University Guidelines
- Internal Controls
- Departmental Responsibilities
- Resources

## Overview

The University Travel Office is responsible for the accurate and timely auditing and processing of University travel expenses incurred by authorized individuals. Close cooperation between University departments and the Travel Office is essential to ensure compliance with University policy and State travel laws.

## University Guidelines

Travel expenses include advances, lodging, meals and incidental, public transportation, and mileage paid by an authorized University traveler.

Authorized University travelers include both full-time and part-time University employees, University consultants/advisors, candidates for University executive or professional positions, and University students traveling for authorized athletic competition or as a representative of the Student Government Association. However, prospective University students, including students conducting research related to class assignments, are not considered authorized University travelers.

All travel requires an approved Travel Authorization (T-Auth) entered in OMNI. The T-Auth must include the purpose of the trip, specific names of events to be attended, and a clear statement of how the trip will benefit the University.

(Policy OP-D-2-D – Travel)

For complete University guidelines regarding travel see the [Reference Guide for Travelers and Travel Representatives](#).

## Internal Controls:

- Ensure Travel Authorizations are pre-approved by the Departmental Travel Approver and the Project Manager (if applicable).
- Ensure requests for travel reimbursements and related expenses are appropriate and include receipts and supporting documentation.
- Ensure travel reimbursements are controlled in such a manner as to prevent duplicate payment.

## **Departmental Responsibilities**

- Ensuring employees responsible for travel are familiar with the appropriate University policies and procedures.
- Ensuring staff originating travel either for themselves or for departmental employees have been trained in using the OMNI Travel and Expense module.
- Encouraging employees to use the most economical means of travel available.
- Ensuring travel requests serve a University purpose.
- Ensuring travel advances are used for appropriate travel expenses and are submitted for pre-pay approval at least 5 days prior to the trip start date.
- Ensuring travel expense reports are submitted for approval within 10 business days of return of trip.
- Ensuring valid Travel Card charges are put on expense reports within four business days of notification of charges in OMNI - My Wallet.
- Notifying the Central Travel Office immediately of any disputed Travel Card charges.
- Comparing Travel Authorizations to the traveler's budget balance to ensure the traveler is within his/her budget limits.
- Ensuring travel advances, reimbursement and related expenses are submitted and approved through the Travel and Expense module in OMNI.

## **Resources**

- [University Policy OP-D-2-D – Travel](#)
- [Travel Office](#)
- [Reference Guide for Travelers and Travel Representatives](#)
- [Travel OMNI Training](#)
- [Travel Card Resources](#)
- [Travel Training Presentations](#)

# TAXES

## **Sales Taxes**

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- Overview
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- Resources

### Overview

The University's Tax Administration section of the Controller's Office is responsible for filing the University's monthly sales and use tax (sales tax) returns with the State in a timely manner. The State of Florida imposes a 6% percent sales tax on taxable in-state purchases of goods and certain services. Counties are permitted by local referendum to levy a local option surtax of up to 2% on these same sales. State and local sales taxes collected by the university during one month must be remitted to the Florida Department of Revenue no later than the 20<sup>th</sup> day of the following month. Due to the annual volume of taxable sales and tax collected, the University is required to file a consolidated sales tax return (Form DR-15CS), which reports the amount of gross, exempt, and taxable sales and sales taxes collected by departments on an aggregate basis.

Additionally, Tax Administration is responsible for assisting departments during sales tax audits and answering questions on sales tax issues. The University is audited by the Department of Revenue; generally once every five years. The tax auditors will visit each registered sales tax location to review departmental records documenting tax collections and remittances.

### University Guidelines

Departments should be aware that the sale of certain goods or services may be subject to State sales tax. Before a department can collect sales taxes, they must be officially registered with the Department of Revenue. Departments must contact Tax Administration in advance of any sales activity to ensure that they are properly registered and trained. Tax Administration is the official designated representative for all contact between the University and the Department of Revenue. Departments should forward/refer all questions and correspondence involving the Department of Revenue to Tax Administration in a timely manner.

Purchases made by the University are exempt from Florida sales tax. Vendors should keep a copy of the University's Consumer's Certificate of Exemption (Form DR-14) for their records in order to document this exemption. Occasionally, a vendor will ask for a

copy of a department's Annual Resale Certificate (Form DR-13) to document an exempt sale. These forms are only issued by the Department of Revenue to the University departments registered to collect sales tax. A department receiving such a request can obtain this form from Tax Administration.

### **Internal Controls**

- Ensure the department is properly authorized by Department of Revenue before collecting any sales taxes.
- Ensure all employees collecting sales taxes have been properly trained by Tax Administration.
- Ensure that the proper rate of sales taxes is charged on all valid transactions.
- Ensure that all sales taxes collected are properly documented and that accurate records are retained for audit purposes.

### **Departmental Responsibilities**

The departmental responsibilities listed below apply to the departments officially registered by the Department of Revenue as sales tax collection locations.

- Providing the monthly sales tax information requested by Tax Administration each year in January or February on the spreadsheet provided. The timely return of this information is imperative in order to avoid penalties and interest assessments to all sales tax collecting departments.
- Ensuring sales tax records from June 1, 2007 going forward are on hand or readily available for audit purposes.
- Contacting Tax Administration whenever there is turnover of employees with sales tax collection or recording responsibilities.

### **Resources**

- [University Policy OP-D-2-B – Cash Management](#)
- [Tax Administration](#)
- [Frequently Asked Sales Tax Questions](#)
- [Florida Sales Tax Law and Administrative Code](#)
- [Sales & Use Tax Rates by County](#)
- [FSU Consumer's Certificate of Exemption](#)

## **Unrelated Business Income Taxes (UBIT)**

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### **Overview**

Each fiscal year, the University is required to file an Unrelated Business Income Tax Return (Form 990-T) with the Internal Revenue Service. This filing reports any unrelated business income (UBI) generated by the activities of the University's academic and support units. The Internal Revenue Code states, "A college or university is generally deemed to have UBI when it realizes income from any regularly conducted trade or business that is not substantially related to its exempt purposes."

The Controller's Office Treasury Management department coordinates the preparation of the 990-T return and the Controller's Office Tax Administration department oversees all University tax planning and related services. An annual review of departmental revenues in Auxiliary, Student Activity, and Athletic funds is conducted to determine the reportable amount of UBI. It is important that all unrelated business activities of the University are reported on the federal tax return, in order to avoid costly penalties and interest charges for underpayment of taxes.

### **University Guidelines**

University departments should be aware that the sale of certain goods or services may be subject to UBIT.

#### **(Policy OP-D-2-B – Cash Management)**

All revenue-generating contracts not under the purview of the Division of Sponsored Research, by which the University will gain a financial benefit of \$10,000 or more, must be reviewed by the University General Counsel and the University Controller's Office Tax Administration department. Among other considerations, this review will consider potential unrelated business income tax issues.

#### **(Policy OP-D-3 – Revenue-Generating Contracts)**

The University reserves the right to seek reimbursement for any unrelated business income tax generated from departments.

## **Internal Controls**

- Ensure all revenue-generating contracts of \$10,000 or more are authorized by University General Counsel and the Controller's Office Tax Administration department.
- Ensure all unrelated business income is annually reported to the Controller's Office Treasury Management department.
- Ensure the proper recording of all revenues by specific categories and sources.

## **Departmental Responsibilities**

- Ensuring any new or existing business income is periodically reviewed to determine whether or not unrelated business income is being generated.
- Ensuring departmental personnel responsible for reporting unrelated business income have been trained and are familiar with the types of income that should be included.
- Completing the annual [electronic UBIT survey](#) distributed by Treasury Management as required.

## **Resources**

- [University Policy OP-D-2-B10](#) – Sales and Unrelated Business Income Taxes
- [University Policy OP-D-3](#) - Revenue-Generating Contracts
- [Tax Administration](#)
- [Treasury Management](#)
- [UBIT Frequently Asked Questions](#)
- [Unrelated Business Income Survey \(TM-02\)](#)
- [IRS Publication 598](#) – Tax on Unrelated Business Income of Exempt Organizations