



# F & A UPDATE

Volume 5.8

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## **Message from the Controller**

We've been telling you for several months now about the State's Purchasing Card program that allows agencies to use a VISA Purchasing Card sponsored by NationsBank (now BankAmerica). Purchasing Cards are available to departmental personnel who purchase commodities for their department. The purpose of this card is to allow you the convenience of purchasing without PO's or LPO's. Once you have been trained on the system and a Purchasing card has been issued to you, most of the day-to-day purchases made by your office will be GREATLY SIMPLIFIED. Take the card to one of hundreds of vendors in this area who accept the Purchasing Card (the list of available merchants is greatly expanded and includes vendors who don't accept PO's or LPO's). After making your selection and presenting your Purchasing card as payment, your purchase must be approved by Visa. Built into the system are approved merchants and commodities. If your purchase meets system requirements you will be able to take your items with you to your office (or have them sent to you). A few other requirements exist, but just think of the saving of time and effort on your part! In addition, UCF and the State of Florida benefit by having to process fewer individual transactions and by printing fewer state warrants. The benefit to the vendor is to receive payment within a few days.

At this time we pay our contracted travel agent, World Travel Partners (formerly US Travel), with a Purchasing Card exclusively! They are very pleased with this system as are we in Finance & Accounting. Further, Purchasing Cards will soon be available for some travel expenses on a limited basis.

If you are interested in obtaining a Purchasing card, contact Mr. Jim Horne, Purchasing Card Administrator, at 384-2024 or e-mail him at [jhorne@mail.ucf.edu](mailto:jhorne@mail.ucf.edu). We hope to hear from you and feel confident that you will appreciate the simplicity of this system once you've used it. SIGN UP TODAY!

## ***Payments to Nonresident Alien (NRA) Independent Contractors***

The IRS has changed its position on a couple of issues relating to nonresident alien independent contractors.

IRS now permits payors to use the accountable plan rules in connection with making travel reimbursement payments to nonresident alien independent contractors. This means we are no longer required to withhold 30% as income tax on travel reimbursements made to NRA independent contractors. The rules for travel reimbursements are now identical for U.S. citizens, Resident Aliens and Nonresident Aliens

The Omnibus Funding Bill was passed by Congress and signed by the President recently; in it is a provision which permits honorarium payments and the reimbursement of incidental expenses to B-1 & B-2 visa holders. In order to qualify, payment must be made by an institution of higher education; must be made for academic-related services provided for that institution, provided that the services do not exceed 9 days; and the individual must not have accepted such payments from more than 5 institutions in the previous 6-month period.

If you have any questions about independent contractor payments to nonresident aliens, contact Katerina Tsaknaki in Finance & Accounting at 384-2013.

### ***Accounts Payable Questions:***

**Question:** Is it permissible to request payment for travel expenses on a Payment Authorization, LPO, or Purchase Order?

**Answer:** Generally, Florida Statutes 112.061 requires that all official travel be requested on a Travel Authorization Request (TAR) form and reimbursed on a Voucher for Reimbursement of Traveling Expenses (RV). Both of these documents must be signed by the traveler, and approved by his/her supervisor or next higher level of supervision. An exception to the statute is allowed when our President or his designee approves payment directly to a hotel or restaurant facility in advance,. This should be encumbered via a Purchase Order (PO).

**Question:** What is an interest penalty?

**Answer:** Florida Statutes 215.422 allows State agencies five working days approve goods or services, after receipt. It also states that if a State warrant in not issued within a total of 40 days from the date of receipt of the invoice, and receipt, inspection and approval of the goods or services, the agency must pay the vendor an interest penalty at a rate established by the State. This interest penalty will be shown in the departmental ledger the month in which it is paid.

### ***Contracts***

Departmental personnel who handle purchasing functions should remember that even though UCF no longer use the OPS Contract (Form 41-562), all two party contracts on Purchase Orders must be signed by the University and the contractor prior to the commencement of services. If the contract must be amended during the course of the contract, all parties must approve the amendment prior to the ending date of the original contract. Contract amendments may not change basic terms, such as the amount of

payment per deliverable unit. Amendments may extend the contract period, increase the quantity of deliverables or similar actions. Effective January 1999, the bid threshold for purchases of goods or services was raised from \$15,000 to \$25,000 or more. Contracts of \$25,000 or more require formal bids, sole source approval, or sponsored research exemption. Contracts may not be split between departments or functions, or into more than one part in order to avoid bidding. Contracts must comply with the foregoing, or the State Comptroller will require a settlement agreement in order to approve the payment.

### ***Caterers***

Departments (other than the Student Union) who require catering services, must use one of the nine approved caterers serving UCF. Catering must be requested through Business Services using a Food Service Requisition. For further information, see Administration & Finance Procedure 4014, or contact Business Services at 823-2624.

### ***Contracts & Grants - Federal Disclosure Statement***

UCF's Disclosure Statement (DS-2) was submitted to the Department of Health and Human Services (DHHS) in December, 1998, and is available for review on F&A's home page at <http://pegasus.cc.ucf.edu/~cfufanda/>. Our statement will probably be reviewed by DHHS when the next F&A rate proposal is submitted in December, 2000. The DS-2 covers UCF's cost accounting procedures with emphasis on how direct and indirect costs are charged to contracts and grants. Please review the document and direct any comments or concerns to Randy Foster, Assistant Controller for Contracts & Grants. We plan to schedule a meeting during the spring semester to discuss this document further.

## ***Fringe Benefit Rates***

The Miscellaneous Fringe Benefit rates that went into effect July 1, 1998 will remain in effect until June 30, 1999. The rates along with a brief summary of their use can be found on the F&A home page in the Contracts and Grants section.

## ***Rental Cars***

Upon making rental car reservations, department personnel must contact the Cashiers' Office to request a "one trip voucher". The Individual picking up the voucher must be 1) the traveler, 2) someone authorized on the Departmental Authorized List (DAL) or 3) have in their possession an authorization signed by someone authorized on the DAL. In addition, a copy of the TAR (Travel Authorization Request) with the correct TAR # must be shown at the Cashiers' Office when picking up the rental car voucher.

The traveler must show the "one trip rental car voucher" at the AVIS and/or Thrifty counter when picking up the vehicle. For additional information, please refer to the Travel Manual (Part D) or our web page at <http://pegasus.cc.ucf.edu/~cfufanda/>.

## ***Travel Advances***

Advances may be made or authorized by an agency head or his designee to cover anticipated cost of travel to travelers. Such advances may include the costs of subsistence and travel of any person transported in the care or custody of the traveler in the performance of his or her duties. A travel advance may not exceed 80 percent of the estimated

travel expense payable to the traveler. An exception may be made to take advantage of a substantially discounted common carrier ticket. The travel advance may be an amount equal to 100 percent of the cost of the substantially discounted ticket plus 80 percent of the remaining estimated travel expenses. Other exceptions to the 80 percent restriction may be made if approved by the State Comptroller. Requests for such approval must be in writing and must clearly demonstrate that the increased travel advance is in the best interest of the state. Approval will be in writing and must be included as documentation in the travel advance request for payment.

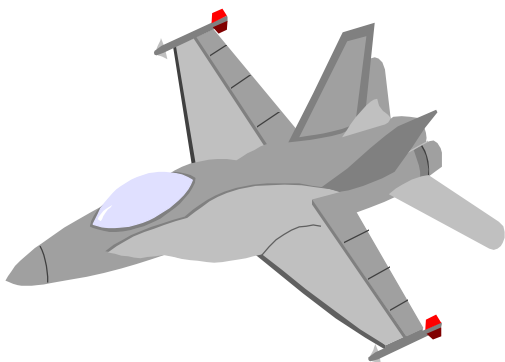
Travel advances should be requested at least three weeks before the travel period begins, unless the traveler can provide justification of circumstances to the contrary. Such requests must be sent to the Travel Section, Finance & Accounting.

A traveler **shall have only one travel advance outstanding at any time** without written justification of circumstances, which necessitates an exception to this restriction.

A travel reimbursement voucher form must be completed by the traveler when the travel period has ended (within five days from the day the trip was completed) and be submitted to the Travel Section. The travel reimbursement request shall reference the statewide document number of the original advance. The travel expenses payable to the traveler shall be reconciled to the travel advance. If the travel advance exceeds the actual amount payable, then the traveler shall reimburse the university within ten workdays of their return to headquarters. If the amount payable to the traveler exceeds the travel advance, the traveler shall receive the net amount owed in the form of a direct deposit or a warrant from the agency.

## ***Travel Approvals***

Florida Statutes 112.061 states that "all travel



authorization requests (TARS) shall contain evidence of signature by the traveler and approval by the supervisor” and “all travel reimbursement request (RVs) must be signed by the traveler and the official authorizing the travel.” In the absence of the traveler’s immediate supervisor, an alternate signor should be someone at a higher level of supervision as the individual’s supervisor

appropriate object codes based on the nature of the scholarship/fellowship awarded to respective recipients. Moreover, departments should make the awardees aware that the money they receive may be reportable and taxable. Recipients of taxable awards receive a 1099 at the end of the calendar year in which the payments were received.

The table below summarizes the tax treatment of Scholarship and Fellowship payments.

**PRESS RELEASE**



**Scholarships/Fellowships – Taxable or Tax Free?**

Your scholarship or fellowship may be tax-free. IRS Publication 520 provides the following Summary of Rules:

- \* You must be a candidate for a degree for your scholarship to be tax-free.
- \* Only amounts for tuition, fees, books, supplies and equipment are tax-free. Amounts for other expenses, such as room, board and travel are taxable.
- \* The part of any grant that represents payment for teaching, research, or other services is taxable.

Object codes should be assigned per IRS guidelines. Tuition and fees, coded 7400XX are tax-free and stipends coded 7900XX are taxable. Payment for services such as teaching, researching, etc. coded 1399XX are taxable as well.

The departments concerned should assign the

Payment for:	Degree Candidate?	Not a Degree Candidate
Tuition	Tax Free*	Taxable
Fees	Tax Free*	Taxable
Books	Tax Free*	Taxable
Supplies	Tax Free*	Taxable
Equipment	Tax Free*	Taxable
Room	Taxable	Taxable
Board	Taxable	Taxable
Travel	Taxable	Taxable
Teaching	Taxable	Taxable
Research	Taxable	Taxable
Other Services	Taxable	Taxable
* If required of all students in the course		

If you would like a copy of Publication 520, a copy can be sent to your department. Please call Doris Santos at 384-2026 or visit IRS’s website at [http://www.irs.ustreas.gov/prod/forms\\_pubs/index.html](http://www.irs.ustreas.gov/prod/forms_pubs/index.html).



**PROPERTY**

As of January 1, 1999, Property & Inventory Control is 82% completed with its annual inventory. Congratulations to all the departments who have completed their inventory. To the rest, please take the initiative to get it done soon.

## *Who Do I Contact in Finance & Accounting?*

### *Vendor's Payable*

<u>Vendor Name</u>	<u>Processor</u>	<u>Phone Number</u>	<u>E-Mail Address</u>
Vendor's Pay & Travel Supervisor	Doris Santos	384-2026	<a href="mailto:santosd@mail.ucf.edu">santosd@mail.ucf.edu</a>
A, Airborne,D,E,F,G,H,I,K, O,P,Q,R,W,X,Y,Z&# Supervisor	Evelyn Ramirez	384-2040	<a href="mailto:eramirea@mail.ucf.edu">eramirea@mail.ucf.edu</a>
B,C,J,L,M,N,S,T,U,V Scanning and Voucher Desk Supervisor	Oscar Canonizado	384-2039	<a href="mailto:ocanon@mail.ucf.edu">ocanon@mail.ucf.edu</a>
A,K,Q,X,Y,Z&#	Debra Wyatt	384-2036	<a href="mailto:wyattd@mail.ucf.edu">wyattd@mail.ucf.edu</a>
B,N	Jacqui Christian	384-2037	<a href="mailto:christij@mail.ucf.edu">christij@mail.ucf.edu</a>
C,J,T	Sheila Colaricci	513-4263	<a href="mailto:scolaric@mail.ucf.edu">scolaric@mail.ucf.edu</a>
D,E,P,W	Millie Cunningham	384-2034	<a href="mailto:cunningm@mail.ucf.edu">cunningm@mail.ucf.edu</a>
F, R,Airborne	Jamie DeVault	384-2038	<a href="mailto:jdevault@mail.ucf.edu">jdevault@mail.ucf.edu</a>
G,H,I,O	Elsa Dantes	384-2002	<a href="mailto:edantes@mail.ucf.edu">edantes@mail.ucf.edu</a>
L,S,V	Linda Baker	275-4370	<a href="mailto:bakerl@mail.ucf.edu">bakerl@mail.ucf.edu</a>
M,U	Carrie McDowell	384-2035	<a href="mailto:cmcdowel@mail.ucf.edu">cmcdowel@mail.ucf.edu</a>
Warrant/Check Distribution	Jewel Jordan	384-2011	<a href="mailto:jordanj@mail.ucf.edu">jordanj@mail.ucf.edu</a>

### *Travel Processors*

Travel Supervisor	Teresa Tharp	384-2021	<a href="mailto:ttharp@mail.ucf.edu">ttharp@mail.ucf.edu</a>
01XX, 04XX, 07XX, 2021, 22XX 24XX, 36XX, 37XX, 48XX, 61XX, 76XX, 78XX, Avis, Thrifty	Ray Alvarado	384-2018	<a href="mailto:ralvarad@mail.ucf.edu">ralvarad@mail.ucf.edu</a>
02XX, 03XX, 16XX, 55XX, American Express	Joey Modi	384-2027	<a href="mailto:modij@mail.ucf.edu">modij@mail.ucf.edu</a>
05XX, 64XX, US Travel	Carmen Toledo	275-4317	<a href="mailto:citoledo@mail.ucf.edu">citoledo@mail.ucf.edu</a>
10XX, 32XX, Gas credit cards	Maria Barrios	384-2042	<a href="mailto:mbarrios@mail.ucf.edu">mbarrios@mail.ucf.edu</a>
11XX, 20XX, 35XX,	Lita Mercado	384-2044	<a href="mailto:lmercado@mail.ucf.edu">lmercado@mail.ucf.edu</a>
13XX, 71XX, 73XX	Laura Crouch	384-2017	<a href="mailto:lcrouch@mail.ucf.edu">lcrouch@mail.ucf.edu</a>
14XX, 65XX All World Travel Agency	Oscar Cariasoo	384-2019	<a href="mailto:cariasoo@mail.ucf.edu">cariasoo@mail.ucf.edu</a>
18XX, 2052, 26XX, 66XX, 68XX, 72XX	Margarita Garay	384-2019	<a href="mailto:mgaray@mail.ucf.edu">mgaray@mail.ucf.edu</a>

### *Miscellaneous*

Authorized Signature List Control	Mary Andersen	384-2025	<a href="mailto:mandersn@mail.ucf.edu">mandersn@mail.ucf.edu</a>
Auxiliary Accounts	John Shaw	275-4376	<a href="mailto:jshaw@mail.ucf.edu">jshaw@mail.ucf.edu</a>
I/D Transfers	Nahid Shahnam	275-4374	<a href="mailto:nshahnam@mail.ucf.edu">nshahnam@mail.ucf.edu</a>
I/D Charge Information	Bonzetta Ash-Hale	275-4378	<a href="mailto:bashhale@mail.ucf.edu">bashhale@mail.ucf.edu</a>
Non Resident Alien & Taxes	Katerina Tsaknaki	384-2013	<a href="mailto:ktsaknak@mail.ucf.edu">ktsaknak@mail.ucf.edu</a>

## **Finance & Accounting**

We would like to make sure the information on our mailing list is correct (i.e., spelling of name, department, and campus address). If you know of anyone that might be interested in receiving the Finance & Accounting Newsletter please let us know, as well as someone that receives the Newsletter and is no longer in your department.

**Please add the following name to your mailing list.**

Name \_\_\_\_\_

Department Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ Zip Code \_\_\_\_\_

Phone Number \_\_\_\_\_ Suncom \_\_\_\_\_

Email Address \_\_\_\_\_

**Please delete the following name from your mailing list.**

Name \_\_\_\_\_

Department Name \_\_\_\_\_

*Thank you for your help!*