

University
of Houston
August
2003

Finance Notes & News

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Renewal POs

As we approach the beginning of a new fiscal year, it's time to think about leases, rentals, and other agreements that need to be renewed. For example:

Equipment Leases: If you have equipment under a lease, then generally, the lease encumbrance needs to be created for the new year. Just enter a purchase requisition, reference the lease and the prior year PO and Purchasing will do the rest.

Equipment Rentals: There are many equipment rentals on campus. If you have equipment under rental (generally copiers) that you would like to rent again for the new year, then, once again, put in your requisition to Purchasing a reference to last year's PO and we'll take it from there.

Maintenance and Software Agreements: Maintenance agreements and software agreements/licenses may be processed through Purchasing on a requisition and then a PO. The entire vendor-provided terms, conditions, and approval pages should be sent with the requisition to Purchasing so that the Office of Contracts Administration may approve them.

Please call Purchasing at 3-5666 with any questions or concerns.

Policy Change Regarding Expenditure Corrections - UH/UH System Administration

The following policy statement will be added to MAPP 05.02.03 and is effective immediately:

In accordance with good business practices, the university requires departments to reconcile their cost centers on a monthly basis. Consequently, all units must process expenditure reallocations and corrections within 90 days of the transaction date. At the end of the fiscal year, the timeframe is shortened to meet the end-of-year processing schedule. Prior fiscal year payroll and non-payroll reallocations will not be permitted.

Reallocation of contract and grant expenditures must be processed in accordance with the rules provided by the Office of Contracts and Grants.

If you have any questions, please contact Mike Glisson at 3-8706 or Marli Bober at 3-8766.

**P-CARD IS COMING IN
THE FALL ...WATCH
THIS NEWSLETTER FOR
UPDATES**

Check that Account

Most vouchers and purchase requisitions should contain accounts starting at 52101 (Professional Services-Optometry) and above.

One exception is a cash advance for travel (account 12305) or non-travel operations (account 12102). See the New Travel and Operational Advance Cost Center article for more information.

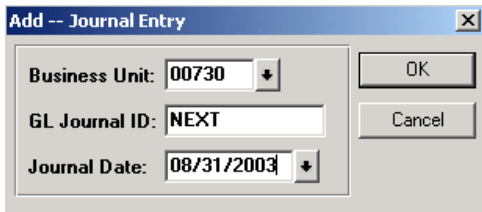
Another exception is inventory (accounts 14100-14112) used by service centers when purchasing items that will be sold to UH departments or other customers. These accounts should not be used by non-service centers.

If you have questions about the correct account to use on a voucher or purchase requisition, contact Samantha Yurus at x38721 or Alan Phillips at x35671.

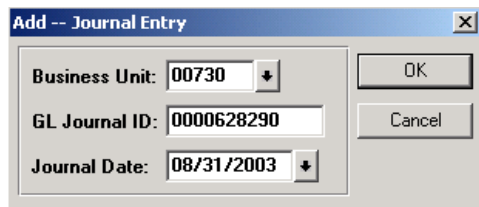
Period 998 Journal Entries

All non-payroll adjustments in period 998 must be entered on a journal entry. Follow the steps below for 998 journal entries:

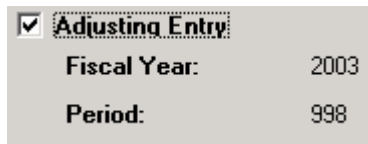
1.a. When creating new journals, change the Journal Date to 08/31/2003 and leave the Journal ID at NEXT.



1.b. When correcting existing journals, enter the existing JE number and change the Journal Date to 08/31/2003.



2. Check Adjusting Entry on the Header panel.



3. Submit the JE and backup to General Accounting beginning September 2 and no later than noon on September 15.

998 adjustments do **not** include:

- Encumbrance adjustments
- Budget transfers
- Cash deposits

Call Al Rajan at x34415 if there are any questions.

FY04 Vouchers Created in August

Non-PO (regular) vouchers created in August for FY04:

1. Change the Accounting Date to 09-01-03 before budget checking.
2. Select "Yes" when asked, "Do you want the Budget Period processing to be executed?"
3. Verify the budget period is BP2004.
4. Change the Schedule Due Date to 09-02-03 or later.
5. Expense will post in FY04, BP2004. Check will write in FY04.
6. Submit FY04 vouchers to AP beginning August 25.

PO vouchers created in August for FY04:

1. Budget period (BP2002 or BP2003) is copied from PO and should not be changed.
2. Change the Accounting Date to 09-01-03 before budget checking.
3. Select "No" when asked, "Do you want the Budget Period processing to be executed?"
4. Change the Schedule Due Date to 09-02-03 or later.
5. Expense will post in FY04, BP2002 or BP2003. Check will write in FY04.
6. Submit FY04 vouchers to AP beginning August 25.

If you have questions about the above procedures, call Samantha Yurus at x38721.

State Fund Equity Non-Mandatory Transfers

Fund equity transfers may only be completed between fund codes on the same row in the matrix below, which are part of the same state appropriation. If you have any questions, please call Raquel Scarone at x38724.

D = Department may process transfer
 I = Institutional transfer processed by central administration

General Revenue

Appropriation	D/I	Fund Codes											
E & G	D	1003	1026	1097	7043	7048							
Tui Rev Bond	D	1005											
HEAF	D	1008	1043	1044	1045	1046	7021	7035	7042	7045	7046	7047	7052
Tx Excl Fund	D	1009	7049										
ATP	D	1010	1014	1025	1028	1034	1087						
ARP	D	1011	1013	1024	1027	1033	1086						
TCWS	I	1015											
TASP	I	1018											
ERS	I	1019											
Lic Plate Schol	I	1020											
ORP	I	1021											
FICA	I	1022											
UCI	I	1029											
WCI	I	1030											
Tx Grant	D	1032											
Dev Ed Pilot	D	1035											
TRS	I	1036											
Sal Inc Faculty	I	1039											
Sal Inc Non-Fac	I	1047											
Longevity	I	1081											
Dram Enroll	D	1088											
Engr Tech Co	D	1091											

General Revenue Dedicated

Appropriation	D/I	Fund Codes	
E & G Dedicated	D	1054	7044
Sal Inc Fac	I	1055	1065
Sal Inc Non-Fac	I	1069	1065
FICA	I	1072	1065
TRS	I	1075	1065
ORP	I	1078	1065
Longevity	I	1082	1065
SWCAP	I	1083	1065

Fund Equity transfers between state funds use the following accounts:

From: 33500
 To: 37400

Voucher Processing Requirements

GUIDELINES FOR REQUIRED SIGNATURES			
	Allowed On		
	State	Local	
<u>Type of Expenditure (Non-travel)</u>	<u>Funds</u>	<u>Funds</u>	<u>Required Signatures/Approvals</u>
Advertisements: faculty employment ads	Yes	Yes	Advance approval of the Office of Affirmative Action
Advertisements: non-employment ads	Yes	Yes	Advance approval of the Office of Publications
Advertisements: staff employment ads	Yes	Yes	Advance approval of Human Resources
Business meals for more than \$75 per person	No	Yes	Employee, Supervisor, and appropriate VP
Business meals for \$75 or less per person	No	Yes	Employee and Supervisor
Official function for less than \$2,500	No	Yes	Advance approval of the official in higher authority than the head of the unit hosting the event
Public relation services	No	Yes	Advance approval of the Office of University Relations
Scholarships, student loan payments/reimbursements, and stipends	Yes	Yes	Advance approval of the Scholarships and Financial Aid Department
Other employee reimbursements	Yes	Yes	Employee and Supervisor signatures
REQUIRED DOCUMENTATION - PARTIAL LIST			
	Allowed On		
	State	Local	
<u>Type of Expenditure (Non-travel)</u>	<u>Funds</u>	<u>Funds</u>	<u>Required Supporting Documentation</u>
Advertisements: staff/faculty employment and non-employment ads not paid by credit card	Yes	Yes	Purchase order
Business meals - 10 or less people	No	Yes	List of attendees
Business meals - more than 10 people	No	Yes	Name of the honored guest and number of attendees
Copier lease or maintenance agreement	Yes	Yes	Purchase order
Live animals	Yes	Yes	Purchase order
Membership, professional	Yes	Yes	On the list of organizations approved by the President
Moving expenses	No	Yes	Offer letter authorizing moving expenses and Addendum A (MAPP 02.02.05)
Official function for \$2,500 or more	No	Yes	Addendum A (MAPP 5.02.02)
Printing	Yes	Yes	Two quotes
Radioactive materials, hazardous chemicals, and controlled substances	Yes	Yes	Purchase order
Services	Yes	Yes	Contract
All vouchers require the signature of the certifying signatory and a receipt, invoice, or equivalent.			

If you have questions about the above requirements, call Samantha Yurus at x38721.

New Travel Advance and Operational Cost Center

Effective immediately, please use the following cost center to request a travel advance or an operational advance: 00730-2080-H0160-F0842-NA (Speedtype 31719). Account 12305 should be used for travel advances and account 12102 for operational advances.

Travel advance rules are covered in MAPP 4.02.01A (state fund travel) and MAPP 4.02.01B (local fund travel). Operational advance rules are covered in MAPP 5.01.02. Both travel and operational advance requests should be sent to Accounts Payable for approval. MAPP 5.01.02 is being updated to reflect this change.

If you have any questions, please call Samantha Yurus at x38721.

HUB Vendor of the Month

WHO:

Carroll's Discount Office Furniture

President: Gay Carroll

Family-owned business for 31 years in Houston

Large showroom open to the public with inventory in stock for immediate delivery

Used furniture for the cost conscious consumer



WHAT:

Sells and distributes office furniture to corporate business's and home offices.

Start-up and add on Modular Office Systems

Design / Plan office space services

Personal hands-on interaction with sales/support staff

Clients include UH System, Baylor College of Medicine, Rice University, HISD, etc.

HOW:

Orders may be placed by:

Phone; 713-667-6668

Fax; 713-667-3344

Online - carrolls@carrolls.com

Contact DeVoe Smelley at 713-667-6668, devoe@carrolls.com, for additional information.

ONE THING about their business that they would tell UH is that Carroll's offers free computer cad drawings to insure customers satisfaction.

INTERESTING FACT ABOUT THE COMPANY:

Another Great Houston Family owned business!

Mom: Gay Carroll – President

Son: Frank Carroll – Manager

Daughter: Lori Smelley – Accounts Payable

Son-In-Law – DeVoe Smelley – Account Executive

Sales – Bill Barton, Blake Wagner and Mike Delfin

VISIT THEIR WEB SITE AT WWW.CARROLLS.COM

For further information on this or other HUB vendors contact the University HUB Operations Department:

Dick Nill – (713) 743-5670 e-mail: danill@central.uh.edu

Sandra Webb – (713) 743-5662 e-mail: sgwebb@central.uh.edu



National Travel Systems (NTS)

Effective July 28, 2003, National Travel Systems (NTS) replaced Navigant and became the UH/UHS travel agency for direct billing. NTS is a state-contracted travel agency. NTS contact information and fees are as follows:

National Travel Systems (NTS)

CONTACT INFORMATION for Reservations and Ticketing

800-552-0884
800-554-7799-Fax
email- deenas@takeavacation.com or laurab@takeavacation.com
Key contact: Deena Syzmanski or Laura Brown

SERVICES and PRICING

Airline ticketing	\$15**
Airline schedule changes	no charge**
Airline refund processing	no charge**

**Navigant's fees were \$38 for each transaction (i.e., airline ticketing, schedule changes, and refund processing), and \$50 for international airline ticketing.

Accounts Payable hopes this change will reduce the expense of direct billing airfare and improve service to the departments. Departments should fax travel requests to NTS for direct billing, just as they did with Navigant.

If you have any questions, please contact Priya Chityala at x38707.



Clean Up Commitments

1. Run the UHS_OPEN_COMMITMENTS_DETAIL query in FSRPT (or Open Commitments section of the UGL01074 report) for your department and verify all open commitments are valid and correct.
 - a. Use the Encumbrance Adjustment Form and DETAIL query output to report needed adjustments to Accounts Payable, Purchasing, or the Office of Contracts and Grants.
 - b. All payroll, telephone, long distance, postage, SCR, and General Ledger encumbrances will be released by August 29. (It is not necessary to request the release of these encumbrances.) The only encumbrances that will not be released are indirect cost on research grants and valid POs.
 - c. All pre-encumbrances for FY03 purchase requisitions that have not been converted to FY03 POs will be released by the end of August. (It is not necessary to request the release of these pre-encumbrances.)

2. Run the Soft Commitments (budget checked but not posted) section of the UGL01074 report for your department and process or delete all items by the end of August.
 - a. Delete all journals, vouchers, and purchase requisitions that are budget checked but will not be processed in FY03. There should be no soft commitments for FY03 at the end of August.
 - b. If you miss a FY03 processing deadline, you must delete the FY03 document and re-enter it in FY04.

3. Run the UHS_AP_UNPOSTED_VOUCHERS query to view all unposted vouchers for your department. This query includes budget checked (soft commitments) and unbudget checked vouchers.
 - a. Delete any FY03 vouchers that will not be processed in FY03.
 - b. Finance will delete any unprocessed FY03 vouchers that are not deleted by departments.

If you have any questions, call Samantha Yurus at x38721.

August 2003

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6 Online Requisition Entry 2 p.m. UBP 2-224	7	8 Year-End Processing 10 a.m. KIVA – FH	9
10	11	12 Basic Financial Reports 10 a.m. KIVA-FH Travel Voucher Audit 1:30 p.m.	13	14 Travel Requests and Vouchers 9 a.m. UBP 2-224	15	16
17	18	19 Online Requisition Entry 2 p.m. UBP 2-224	20 Query/Crystal Basic 9 a.m. UBP 2-224	21	22	23
24 Adv HR/Payroll Reallocation 1 p.m. UBP 2-224	25	26 Online Requisition Entry 2 p.m. UBP 2-224	27	28	29	30
31						

PO Accrual FAQs

Q: What is a PO accrual?

A: A PO accrual is a journal entry that records an expense for items received in one fiscal year when the voucher for payment is processed in the next fiscal year. The purpose is to record the expense in the correct fiscal year on the University's financial statements.

Q: What determines if a PO expense is accrued?

A: The PO Receiver must be delivered to Accounts Payable no later than August 29, indicating those items received, and the cost of those items must equal or exceed \$5,000 to qualify for accrual.

Q: How does a PO accrual work?

A: The PO expense is debited in August (FY03) and reversed in September (FY04). A PO voucher is processed in FY04 to pay the vendor, which also debits expense. The debit to expense on the voucher is offset by the credit to expense on the accrual reversal for a net zero affect on expenses in FY04. The expense is recorded in FY03 as an accrual.

In addition, an accrual is made to reduce the PO encumbrance in FY03 so that the budget balance available (BBA) will not be understated. The accrued expense is offset by the accrued encumbrance release for a net zero effect on the BBA. However, fund equity, which is not affected by encumbrances, will be reduced in FY03 by the accrued expense.

PO Accrual Example

Description	Fiscal Year	Expense	Encumbrance	Effect on BBA	Effect on Fund Equity
Accrue Expense and Encumbrance Release	2003	5,000.00	(5,000.00)	0.00	5,000.00
Reverse Accruals (automatic)	2004	(5,000.00)	5,000.00	0.00	(5,000.00)
Post Voucher when Invoice is Received	2004	5,000.00	(5,000.00)	0.00	5,000.00
Subtotal for FY04		0.00	0.00	0.00	0.00

Q: Who prepares PO accruals and when?

A: Accounts Payable will prepare PO accruals and post them to August (12th month) by September 3. The accrual reversal is automatic in the next fiscal year. When the invoice is received, Accounts Payable prepares the PO voucher to pay the vendor. UH Accounts Payable will email a list of PO accruals to College/Division Administrators by September 3.

If you have questions about PO accruals, call Samantha Yurus at x38721.