

University
of Houston
May 2003

Finance Notes & News

INSIDE THIS ISSUE:

Credit Card Charge backs	2
Printing Receiving Reports	3
Printing Leave Accrual for Prior Months	7

Budget Office Notes & Reminders

Elimination of FRS Account Create

No more FRS account create submissions are required when you submit a PS cost center create. Thanks to David Ellis and Keith Martin for working with the budget office to create some generic attributes for those required by FRS.

No More Base Transfers for FY03

No more **BASE** transfers for the rest of FY03. Since PCBud has been loaded from PS, base transfers are not necessary for the remainder of FY03.

FY04 Planning and Budgeting Guide (Redbook)

Redbooks were distributed to college and division administrators Tuesday, April 29th. College administrators were also sent an extra guide for the dean of their college. The memo accompanying the guide requested that additional guide requests should be emailed to Karen James @ kjames@uh.edu.

REMINDER

PCBud old year clean up was due Monday, May 5th at 8:00 a.m. Please submit your megabud reports to your budget analyst. Be sure and run the "position where assignment is greater than funding" report and increase your budget for those assignments. Your off-setting decrease budget should be to M&O, capital, vacant positions or lump positions.

Credit Card Charge Backs

Consumer credit card protection is a pressing concern for all businesses. While U.S. federal law limits a consumer's liability for unauthorized charges to \$50, no such protective legislation exists for merchants. This means that when a cardholder disputes a charge from the university, we must pay back the amount of the original charge, plus any penalties, to the cardholder's bank. This is known as a Charge Back. Some common Charge Back reasons are; fraud, dispute over the quality of merchandise, the cardholder never received the merchandise, or the amount charged to the card was incorrect.

A cardholder, or the card-issuing bank, has the right to question or dispute a transaction. In most cases, before a Charge Back is initiated, the card-issuing bank requests a copy of the sales record, via Retrieval. Once a Retrieval notice is received from the card issuer, the merchant (in this case, a university department) should respond by sending a copy of the transaction. If proof of the transaction is not received by the card-issuing bank, or the proof is not (in the opinion of the card-issuing bank) sufficient, the transaction is reversed. This reversal of the original amount is called a Charge Back. Not only does the department lose the previously realized revenue; but there are also fees associated with each Charge Back.

A Charge Back is a time-consuming and potentially costly process for a business. Therefore, it is very important to take preventive action in order to avoid or at least minimize Charge Backs. Some common types of Charge Backs that are avoidable by following good business practices are:

- A. Non-receipt of copy (follow-up on retrieval request)
- B. No Imprint
- C. No signature
- D. No authorization
- E. Incorrect account number (manual input)
- F. Illegible copy
- G. Expired card
- H. Duplicate processing of a charge
- I. Credit not processed in a timely manner
- J. Multiple transaction: same card, same amount, same merchant
- K. Transaction not deposited within time frame allowed

Taking extra precautions when processing a sale will help minimize credit card Charge Backs. Before completing a transaction, make sure the information on the sales draft is accurate, complete, and legible. Scrutinizing transactions and taking a few extra steps, if anything during the sale process looks suspicious, will help prevent and reduce revenue loss as a result of a Charge Back. Compliance with transaction requirements issued by major credit cards (Visa, MasterCard, American Express, Discover and Diners) is critical in minimizing Charge Backs:

- A. Obtain an authorization for the full amount of the sale
- B. Do not break the sale into several smaller amounts
- C. Check the expiration date on the card
- D. Have proof the card was present by swiping the card or by imprinting it on the transaction receipt
- E. Get a signature from the cardholder and compare the signature to the back of the card
- F. If the transaction is a phone order, indicate that it was a phone order as proof of the customer's call
- G. Verify large transactions (more than \$50) by sending a fax-back or mail-back form to the card holder that requires them to fill in their name and contact information, credit card number and card expiration date, and most importantly, their signature
- H. Respond promptly to Retrieval requests

Risk of credit card fraud is much higher in today's world of interactive web-based credit card processing. On-line credit card activity requires extra information on each transaction to avoid a potential Charge Back:

- A. The cardholder credit card number and the expiration date
- B. The name that appears on the front of the credit card
- C. The cardholder's billing address and phone number
- D. Description of merchandise and/or services rendered

See Page 3 for more

Printing Receiving Reports

UH departments use a Receiving Report to notify Accounts Payable when items ordered on a standard Purchase Order have been received. In addition to the information on a Purchase Order, a Receiving Report contains blank lines where the department completes the following information for each PO line:

- Quantity Received
- Date Received
- Signature (of person who verified delivery)

The Purchasing Department mails a Purchase Order and Receiving Report to the originating department, but, until now, departments have not been able to print their own Receiving Report when needed.

Now, staff with GL, Voucher or PO access can print Receiving Reports by navigating as follows: Go / Administer Procurement / Manager Purchase Orders / UHS / PO Print Receiving Report.

Enter the Business Unit and PO number. Click on the stoplight and select Printer as the Output Destination. Enter the printer address in the File/Printer field and click OK.

Receiving Reports will only print for POs with a status of Dispatched (sent to the vendor) or Completed (completely paid or closed) and which also have a budget check status of Valid.

These Receiving Reports are different from the ones mailed by Purchasing in two ways:

1. The heading is "Receiving Report – Internal Use Only," instead of "Purchase Order."
2. The sales tax exemption statement has been replaced with the following message: "Notice: This is not a purchase order and should not be sent to vendors."

Either version of the Receiving Report may be mailed to UH Accounts Payable at mail code 0900 or by fax at x38709. **Please note: Since receiving is performed centrally at UHCL, UHD and UHV, staff at those campuses should consult Accounts Payable or Purchasing to determine whether and when to use this report.**

Charge Backs Continued from page 2

- E. An address match upon running the card through an Address Verification System terminal or software. (If the address does not match, call the cardholder to verify the card.)
- F. The IP address of a suspected fraudulent order. An IP address is a unique number assigned to each computer location on the Internet. The IP address helps in finding the owner or the Internet service provider the owner uses.

Anyone on your staff who accepts credit cards as a form of payment should attend the Credit Card Transactions workshop presented by General Accounting. Check the UH website: <http://www.uh.edu/admin/hr/employ/calenda1.htm> for the next available class. If you have any questions about credit card handling procedures, contact General Accounting.

Open Commitment FAQs

Q: What is an “open commitment”?

A: An open commitment is a pre-encumbrance (Requisition) or encumbrance (Purchase Order or General Ledger) that is budget checked and posted to the Actual Ledger. It is a way to reserve budget for a future expenditure.

Q: How can I get a list of my open commitments?

A: Run one of the following queries: UHS_OPEN_COMMITMENTS_DETAIL or UHS_OPEN_COMMITMENTS_SUMMARY.

Q: How are open commitments released?

A: Open commitments may be released through the normal process and/or through manual adjustments as follows:

Description	Category	Normal Process to Release Commitment	Form for Manual Adjustments at UH
Salaries	GL encumbrance	Bi-weekly and monthly process after each payroll cycle based on time elapsed	N/A
Requisition	Pre-encumbrance	Create a PO	Encumbrance Adjustment Form to Purchasing
Purchase Order	Encumbrance	Create a PO Voucher	Encumbrance Adjustment Form to Accounts Payable
Postage/Phone/Long Distance	GL encumbrance	Monthly process based on amount billed	Journal entry to General Accounting *
Indirect Cost	GL encumbrance	Monthly process based on amount expended	Journal entry to General Accounting *
GL encumbrance created by dept through JE	GL encumbrance	N/A	Journal entry to General Accounting *

* Note: JEs to adjust GL encumbrances on sponsored projects must be approved by the Office of Contracts and Grants.

Q: How can I indicate that several POs need to be released without completing an Encumbrance Adjustment Form for each one?

A: In the Comments section of the Encumbrance Adjustment Form, type “Release remaining encumbrance for the attached list of POs.” Enter department contact information and get a certifying signature. Attach a printout of the UHS_OPEN_COMMITMENTS_DETAIL query. Delete any lines from the query that you do not want released. Send the EAF and query printout to UH Accounts Payable.

Q: How is an encumbrance Journal Entry different from a regular JE?

A: If entering the JE directly into PeopleSoft, select “Encumbrance” as the Budget Adjustment Type. If using the Journal Entry Request form on the web, type “Encumbrance Journal” in the Justification box. To increase encumbrance, debit expense (5xxxx) and credit encumbrance liability (20999). To decrease encumbrance, debit encumbrance liability (20999) and credit expense (5xxxx).

Due To~Due From Accounts

A series of payable and receivable accounts are established in PeopleSoft General Ledger (PSGL) to record activity between campuses. These are commonly referred to as “**Due To~Due From**” accounts. When revenues or expenditures are received or paid by one campus to another, these accounts are used to reflect this intercampus activity.

This very confusing topic can easily be understood by comparing the entries to our own personal finances. **Due To** accounts are similar to bills you owe and **Due From** accounts are similar to debts someone else owes to you.

Each Business Unit (BU) has a **Due From** account that indicates a receivable:

- 12400 Due From UH (used by all campuses except UH)
- 12401 Due From UHC (used by all campuses except UHC)
- 12402 Due From UHD (used by all campuses except UHD)
- 12403 Due From UHS (used by all campuses except UHS)
- 12404 Due From UHV (used by all campuses except UHV)

Likewise, each BU has a **Due To** account that indicates a payable:

- 20500 Due To UH (used by all campuses except UH)
- 20501 Due To UHC (used by all campuses except UHC)
- 20502 Due To UHD (used by all campuses except UHD)
- 20503 Due To UHS (used by all campuses except UHS)
- 20504 Due To UHV (used by all campuses except UHV)

PeopleSoft General Ledger (PSGL) simplifies the recording of these entries between campuses when we use an *intercampus* journal.

For example, if the Downtown campus (UHD) owes our campus (UH) for services rendered, and both sides of the transaction were entered on a single journal, the journal would look like this:

Line	BU	Account	Cost Center	Debit	Credit
1.	00784	5xxxx	2080-D0025-D0384-NA	\$100	
2.	00730	4xxxx	2080-H0143-D0931-NA		\$100

Notice that the journal is in balance, but the Business Units are not.

During the posting process, PSGL automatically adds these additional (**Due To~Due From**) lines to the journal:

Line	BU	Account	Cost Center	Debit	Credit
3.	00730	12402	2080	\$100	
4.	00784	20500	2080		\$100

Now the journal is in balance as well as each Business Unit.

Intercampus journals work very differently than regular journals. For one thing, an intercampus journal should never include a bank line. The bank deposit should always be a journal within a single campus. Any intercampus activity would be recorded or reallocated on a separate journal. Look for upcoming articles on the intercampus journal.

Intercampus journals require special handling in general accounting. Contact Monica Scott at 3-9024 or Lavonda Horn at 3-8731 if you have questions about recording revenues or expenditures between campuses.

► May 2003

Sun Mon Tue Wed Thu Fri Sat

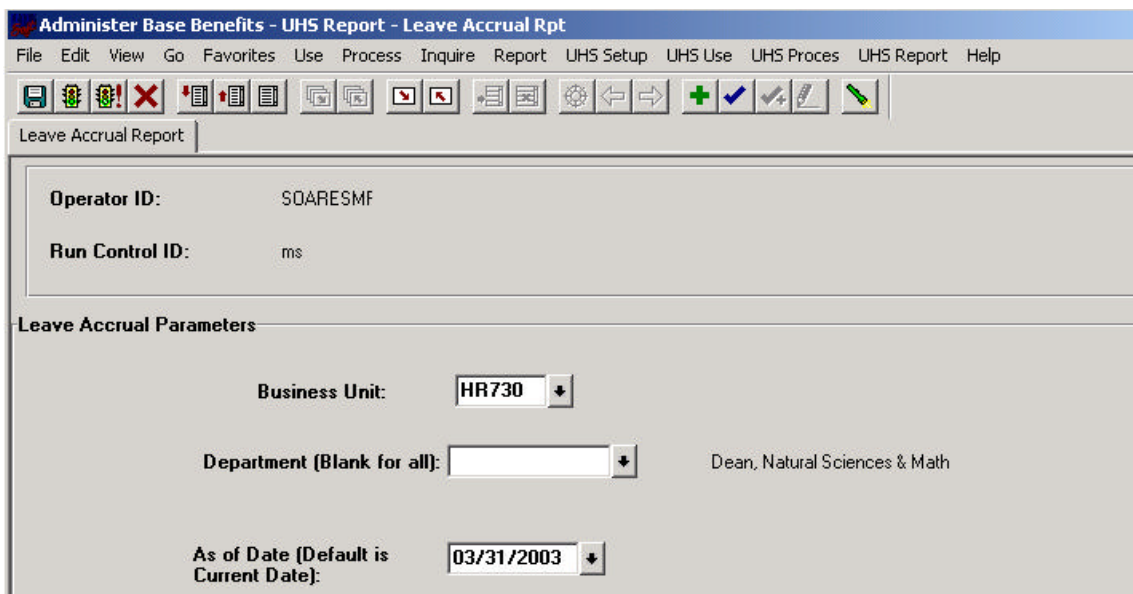
				1	2	3
4	5	6 GL Orientation 9 a.m. UBP 2-224	7 Journal Entry Training 9 a.m. UBP 2-224 Online Requisition Entry 2 p.m. UBP 2-224	8	9 Credit Card Transactions 9 a.m. UBP 2-224	10
11	12 HR View 1:30 p.m. UBP 2-224	13 Travel Requests & Vouchers 9 a.m. UBP 2-224 Travel Voucher Audit 1:30 p.m. UBP 2-224	14 Query/Crystal Basic 9 a.m. UBP 2-224	15 Payables/ Advanced Vouchers 9 a.m. UBP 2-224	16	17
18	19	20 Query/Crystal Basic 9 a.m. UBP 2-224	21 General Ledger Reporting 9 a.m. UBP 2-224	22 PO Vouchers & Encumbrances 9 a.m. UBP 2-224 Adv. HR Payroll Reallocation 1 p.m.	23	24
25	26	27 Journal Entry Training 9 a.m. UBP 2-224	28 Online Requisition Entry 2 p.m. UBP 2-224	29 Query/Crystal Basic 9 a.m. UBP 2-224	30	31

Print Leave Accrual Report for Prior Months

Need to print on old Leave Accrual Report? Now you can! The Leave Accrual Report can now be printed for prior months, by entering the “As of Date” on the Leave Accrual panel.

1. Navigation: Go, Compensate Employees, Administer Base Benefits, UHS Report, and UHS Leave Accrual Report.
2. Choose a Run control ID.
3. On the Leave Accrual Panel, enter the HR Business Unit (remember to put HR in front of your Business Unit), Department ID, and now the “As of Date.” (see below).
4. Once the parameters have been entered, click on the stop light, choose an output destination, and then click OK.

NOTE: Once you click “OK,” an icon (“SQR”) will appear at the bottom of your screen. When that disappears, your request has been processed and the data will appear on your output destination (screen or printer).



Administer Base Benefits - UHS Report - Leave Accrual Rpt

File Edit View Go Favorites Use Process Inquire Report UHS Setup UHS Use UHS Proce UHS Report Help

Leave Accrual Report

Operator ID: SOARESMF

Run Control ID: ms

Leave Accrual Parameters

Business Unit: HR730

Department (Blank for all): Dean, Natural Sciences & Math

As of Date (Default is Current Date): 03/31/2003