

College/Division Administrator Meeting Minutes  
September 12, 2013

**Jack Tenner, Purchasing Director and HUB Coordinator**

Purchasing Staff Update

- Jack Tenner started at UH on June 1, 2013 as the Purchasing Director and HUB Coordinator. He has spent a good deal of time covering for a Procurement Manager position, which became vacant one week after Jack started. The Procurement Manager is responsible for overseeing major purchases for Facilities, Planning, and Construction (construction and major renovation) and Facilities Management (minor renovation, repairs, and building services).
- Patrick Dupuy was hired on August 5, 2013 to fill the vacant Procurement Manager position. Now that Patrick has been trained, Jack can devote more time to the other colleges and divisions.
- Purchasing received approval to hire two more Buyers in FY14. One of the Buyers will be assigned to the colleges/divisions, and the other Buyer will work with Patrick on facilities purchases. The new positions will be posted within a few days.
- After the new Buyers are hired and trained, the colleges/divisions will be supported by four Buyers instead of three. Buyer assignments will change for some colleges/divisions.

Purchasing Training Plans

- Jack plans to provide training on procurement procedures at least once every six months. He expects that the training will consist of two-hour sessions (each session would be the same) over a two day period. He will send the college/division administrators (CDAs) an email in advance to ask if there any special training topics they would like covered in the training. Attendees will be required to register for the training.
- Some CDAs also requested hands-on requisition training (how to enter a requisition in the Finance System), which would be separate from the procurement procedures training. A requisition training video and printable instructions are also on the Finance Training page: <http://www.uh.edu/finance/pages/Training.htm>

Other Information

- Jack will ask the departments to complete a periodic questionnaire (perhaps quarterly) of four or five questions about how Purchasing is performing.
- Jack asked the CDAs to copy him on emails that they send to Buyers when there are problems or rush requisitions, so that he can assist, if needed, or follow-up with the Buyer.
- Jack plans to update the Purchasing web page to be more user-friendly.
- Some of the CDAs suggested the Jack modify the Sole Source Justification form, such as putting a space for vendor name and dollar amount at the top of the form and creating a separate form for services. The current form is designed primarily for commodities.

**Samantha Yurus, Accounts Payable Director**

Accounts Payable Staff Update

- Nancy Garcia joined AP on September 9, 2013 as an Accounts Payable Manager in the P-Card section. Nancy's phone number is 713-743-5660 and email is [negarcia4@uh.edu](mailto:negarcia4@uh.edu)

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- Aida Hermosilla, who had been the interim AP Manager for P-Cards, transferred to the Division of Research.

Detecting P-Card and Travel Card Fraud

- Samantha discussed some examples of P-Card and Travel Card fraud that have occurred at UH over the past few years.
- Administrators should take the following steps to discourage and/or detect P-Card and Travel Card fraud:
  - Let employees know that you are reviewing their transactions. The CDAs (or their designee) are responsible for reviewing all P-Card and Travel Card transactions for their college/division on a monthly basis. Finance provides the CDAs with a list of all credit card transactions each month for that purpose.
  - Ask questions about any transactions that seem unusual.
  - Follow-up on expected credits to make sure the credit appears on the next billing cycle. If it does not, make sure the employee sends a Statement of Disputed Item form to Accounts Payable immediately. AP will forward the dispute form to Citibank, which will conduct an investigation. However, the form must be submitted to Citibank no later than 60 days after the end of the billing cycle in which the transaction occurred.
  - Carefully review the “selected transactions” list in the monthly P-Card and Travel Card spreadsheets provided by Accounts Payable. These transactions were selected for additional review because the vendor was considered unusual or, in the case of airfare, the name of the traveler provided by the airline does not match the name of the traveler entered by the department in Citibank’s system (GCMS).

Preventing Duplicate Payments

- UH contracted with Broniec Associates to review all voucher and P-Card payments from September 2008 through February 2012 to identify and recover any overpayments to vendors. Broniec will wrap up their audit later this month. Broniec recovered about \$45K from 42 duplicate payments (40 from vouchers and 2 from P-Cards).
- Departments can help prevent duplicate payments as follows:
  - Always enter the invoice number on the voucher exactly as it appears on the invoice. If it is upper case, use upper case; if lower case, lower case. Do not add any spaces, periods, or other characters to the end of the invoice. The Finance System generates a warning message when the same invoice number and invoice date are entered more than once for the same vendor. Most of the duplicate payments discovered by Broniec involved someone entering the invoice number slightly differently on a second voucher.
  - If your department pays some invoices by P-Card and others by voucher, search for the invoice number in the Finance System to determine if a voucher has been created for it. If so, you should not pay the invoice with the P-Card and do not need to create another voucher. On the invoice, write “paid on voucher [voucher number]” or “paid with P-Card [last four digits]” and the date so that anyone else who sees that invoice will know that it has been paid.
  - Do not pay “invoices” generated by vendors for P-Card purchases. When items are received that have already been paid by P-Card, the vendor may enclose an invoice

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with the shipment. If so, the invoice should indicate the order has been paid by credit card and that no amount is due. However, some vendors may enclose an invoice that does not show the credit card payment. Departments should verify if the invoice has been paid before initiating a P-Card or voucher payment.

- Keep track of vendor credits or refunds owed to the department for returned items or disputed charges. Follow the procedure discussed above for vendor credits owed to P-Cards. For vouchers, ask the vendor to issue a refund check payable to the University of Houston. The check should be deposited into the cost center and account that paid the expense. If the vendor refuses to issue a refund check, contact Accounts Payable for assistance in talking to the vendor or creating a credit voucher.
- Carefully review receipts submitted by employees who have a P-Card and/or Travel Card to determine which receipts were paid by P/T Card and which were paid by the employee's personal credit card. You should not reimburse the employee for an expense paid with a P-Card or Travel Card.

Combining Personal and Business Travel

- MAPP 04.02.01A (Travel Paid from State-Appropriated Funds) and MAPP 04.02.01B (Travel Paid from Local Funds) were modified on April 29, 2013 to include IRS rules related to combining personal and business travel.
- The rules are different depending on if the travel is within or outside the US.
  - Inside the US – If the number of business days is greater than the number of personal days on the trip, the cost of airfare directly to/from the business destination (no personal side trips), parking at the airport, and mileage to/from the airport are reimbursable. If the number of personal days is less than or equal to the number of business days, the cost of airfare, parking at the airport, and mileage to/from the airport are not reimbursable and may not be charged to a Travel Card.
  - Outside the US – The number of business days vs. personal days does not matter when determining if airfare, airport parking, and mileage can be paid by UH. The cost of airfare directly to/from the business destination (no personal side trips), parking at the airport, and mileage to/from the airport are reimbursable.
- If airfare includes any personal destinations or side trips, note the following:
  - The cost of the airfare may not be charged to a Travel Card.
  - The traveler may be reimbursed for the lesser of the actual cost of the airfare (including the personal destinations) or the lowest cost airfare quote that only includes the business destination. The quote must be obtained within 24 hours of purchasing the actual airline ticket and must contain the date and time of the quote.
  - However, none of the airfare is reimbursable if the number of personal days equals or exceeds the number of business days on a trip inside the US, as discussed above.
- The travel MAPPs define business days as follows:  
Days Spent on Business Activities: Includes days in which (1) the principal activity for that day was conducting university business, (2) the traveler was required to be present at a specific date and time for a business meeting, even if most of the day was not spent on business activities, (3) travel days to and from the business destination (not including travel to or from personal destinations or non-business side trips), and/or (4) non-working days, weekends, and holidays that fall between days in which business was conducted.

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- For all travel destinations, expenses on personal days (lodging, meals, rental car, parking, and other incidentals) may not be charged to a Travel Card or reimbursed to the traveler.
- See the following Treasury Regulations for additional information about combining personal and business travel:

Travel inside the United States:

[http://www.taxalmanac.org/index.php/Treasury\\_Regulations,\\_Subchapter\\_A,\\_Sec.\\_1.162-2](http://www.taxalmanac.org/index.php/Treasury_Regulations,_Subchapter_A,_Sec._1.162-2)

Travel outside the United States:

[http://www.taxalmanac.org/index.php/Treasury\\_Regulations,\\_Subchapter\\_A,\\_Sec.\\_1.274-4](http://www.taxalmanac.org/index.php/Treasury_Regulations,_Subchapter_A,_Sec._1.274-4)

#### P-Card and Travel Card Expense Report Review Deadline

- Based on feedback from the CDAs, Samantha will change the P-Card and Travel Card Guidelines to extend the deadline for department review of P-Card and Travel Card Expense Reports from the 20<sup>th</sup> of the month to the end of the month following the close of the billing cycle. The change will be effective immediately.

#### **Mike Glisson, Controller**

#### Year-End Fund Equity Report

- Period 998 is scheduled to close for department cost centers on September 20. Mike will send an email to the Finance Listserv when it actually closes.
- Before 998 closes, endowment cost centers will receive funding. Above-water endowments (the endowment's market value is greater than its cost basis) will receive an accounts receivable and revenue entry in period 998 (the cash will be entered in FY14) and under-water endowments (market value is less than cost basis) will receive a fund equity transfer to cover their FY13 expenses in period 998.
- Mike will send the CDAs a fund equity report after 998 closes that indicates which departments have fund groups with a deficit fund equity balance. CDAs will need to provide an explanation for how those fund balances will be restored in FY14. Mike will provide a template for the CDAs to complete. Sabrina Hassumani will collect the explanations from the college administrators and provide them to Mike.

#### Monthly Cost Center Verifications

- In FY11, UH departments were given the option of reviewing cost center verifications once every six months. The verifications still needed to occur monthly but the review of the verifications by the cost center manager or designee could occur twice a year.
- Mike proposed eliminating the option for semi-annual review and to require monthly review once again. The CDAs said their departments are not utilizing the semi-annual review option anyway and had no objection.
- Mike will send an email announcing this change, which will be effective with reviews conducted for September 2013 (FY14).

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Travel Management System RFP

- Mike plans to issue a request for proposal (RFP) for a travel management system by the end of September. He hopes to have a contract signed by the end of calendar year 2013 and the system implemented by the summer of 2014.
- The objectives of the travel management system include:
  - More efficient process for pre-trip travel approval and post-trip expense review (workflow for Travel Requests and expense approval)
  - User-friendly access to travel information (electronic itinerary, actual expenses, and receipts), including access from smart phones and tablets, especially for travelers
  - Better management reporting on travel expenses, including all trip expenses from Travel Cards and voucher reimbursements in one report
- Mike is forming a committee that will review and evaluate the responses to the RFP. The committee will include both faculty and staff.