

# Auxiliary Forum Spring 2018



# Agenda

- Critical Data
- Internal Recharge Audit
- FY2019 Rate Setting
- Upcoming Charges, Reminders, & Updates



# Critical Data



# Management of Institutional Data DM-01

## CRITICAL DATA

Inappropriate handling of this data could result in:

- criminal or civil penalties,
- identify theft,
- personal financial loss,
- invasion of privacy,
- and/or unauthorized access to this type of information by an individual or many individuals.





# Critical Data

Which data type is not classified as critical?

- A. Social Security number (SSN)
- B. Federal Employer Identification Number (FEIN)
- C. Credit card number
- D. IU procurement card number
- E. Banking information
- F. Passport number



Which data type is not classified as critical?

Answer:

**B. Federal Employer Identification Number (FEIN)**



# Management of Institutional Data DM-01

You **must not** enter critical data in unrestricted KFS fields such as:

- Document Descriptions;
- Explanation field;
- Organization Document Number
- Line Descriptions,
- Organization Reference ID;
- Notes



# Management of Institutional Data DM-01

You **must not** attach documentation with critical data in the Notes & Attachments section of a KFS document, including:

- W-9 forms (contain SSNs);
- ACH Authorizations (contain banking information);
- Receipts with credit card numbers\*

\*Properly redact critical data on any attachments, such as receipts.

See IU KB article: [Properly redacting information at IU](#)





# Report KFS Critical Data Policy Violations

## FMS Support Form

(<https://fms.iu.edu/support>):

### FMS Support Form

Please fill-out this form if you have a problem, question or suggestion related to the various systems that the FMS Customer Service Team supports.

Please provide as much detail as possible about the issue you are encountering or the question you are posing. Including detailed steps and/or exact error messages will better enable us to solve your problem. If you would like to submit a screen capture, you can reply to the support confirmation email (sent after form submission) with the image attached.

*If you do not have an Indiana University Network ID, please enter N/A for Network ID.*

\* Question Type: Critical Data

\* Category: Report Critical Data Issue

\* Document ID: 123456789

\* Document Type: DV

Work Area/Voucher Code:

\* Detailed Description: W-9 attached in the notes section.

\* Document ID: 123456789

\* Document Type: DV

Work Area/Voucher Code:

\* Detailed Description: W-9 attached in the notes section.

Confirm Entries



# Handling of KFS Critical Data Policy Violations

Each confirmed violation will result in the following actions:

- Notification of incident will be emailed to:
  - Policy offender;
  - Account and RC fiscal officers;
  - Campus administrator;
  - Vice chancellor; and
  - University controller
- Incidents are jointly tabulated by Procurement Services and FMS for monthly reporting to the Committee of Data Stewards.



# Internal Audit of Recharge Activity

- Scope of Recharge Activity: \$250M ; 300 billing accounts
- Charges to Federal C&G Accounts most at risk
- Findings:
  - Recharge and service center rates are not consistently submitted and reviewed.
  - Majority of sampled federal charges did not have rates on file.
- Response:
  - Technical edits to restrict billings
  - Additional resources to review and approve rates
  - Strengthen communication in responding to rate approval



# 67\* Account Eligible Activity

*ONLY THE FOLLOWING ARE ELIGIBLE FOR 67\* ACCOUNTS:*

## **Advertising & Promotion**

- Sales of departmental advertising in the IDS

## **Hospitality Providers**

- Sales of meals (including training table), refreshments, ticket sales, entertainment or expenses incurred for promotional purposes.

## **Medical Insurance Billing**

- Dental Clinic, Optometry, Student Health Center

## **Parking Operations**

- Departmental Parking Spaces & Permits

## **Space & Incidental Equipment Rental**

- Building Rent, Meeting Room Rental, Hotel Room Rental, Apartment Rental, Faculty Start-Up Space & Equipment Related to Space Rental (i.e., projectors, tables, chairs)



# FY2019 Rate Setting



# The Basics of Rate Setting

- All FY2019 rates are due by June 1, 2018
  - RSOP 2.0
  - Frequency of submission is every 1-2 years, based on internal billing activity to IU accounts
  
- We are here to help you!
  - [AuxAcct@iu.edu](mailto:AuxAcct@iu.edu)
  - [www.fms.iu.edu/cost](http://www.fms.iu.edu/cost)
  - [www.fms.iu.edu/auxiliary-accounting](http://www.fms.iu.edu/auxiliary-accounting)



# Why do we have to submit rates for 66-accounts?

- Compliance
  - University Policy (FIN-ACC-400)
  - Recharge Standard Operating Procedures
  - Uniform Guidance
- Lost revenue in the past, present and future due to unsupported and/or unallowable charges to C&G accounts
- All the cool departments are doing it!



# Components of Rate Submission

- Submitted rate files should always contain:
  - Populated template
  - IUIE reports
  - Supporting documentation
- Template instructions & Reports information available at <https://fms.iu.edu/cost/rate-template-instructions/>
- The goal is to determine your total recoverable cost for the upcoming fiscal year and provide support for rate calculations.





# What happens after rate file is submitted?

- *New:* Auxiliary Accounting reviews each file and provides limited assurance that rates are materially compliant. This is not an audit.
- *New:* Review Summary will be sent for each 66-account. Includes:
  - Compliance Status (4 options)
  - Timeline to address issues (if applicable)
- Department submits follow-up questions and retains all supporting documentation, which will be required if audit occurs.



# Recharge Rate Review Summary

## Status of Review:

- REVIEW COMPLETE- NO ISSUES: Based on the information provided by your department and our review of the data in the Quali Financial System (KFS), the rates proposed within material respects, appear to comply with university policy and sections of [OMB Uniform Guidance](#).
- REVIEW COMPLETE- MATERIALLY COMPLIANT: The proposed rates, within material respects, appear to be compliant. Prior to the next rate proposal, the department needs to address the items outlined in Appendix A and demonstrate the rates are in compliance to applicable university policy and [OMB Uniform Guidance](#) as described in [RSOP #2](#).
- REVIEW COMPLETE- NONCOMPLIANT: The rates proposed, within material respects, do not comply with applicable university policy and sections of [OMB Uniform Guidance](#). Please review the items outline in Appendix A.
- RATE NOT SUBMITTED- NONCOMPLIANT



# Need Help?

- Rate Review Team is here to help you! Send an email to [AuxAcct@iu.edu](mailto:AuxAcct@iu.edu) and the first available person will contact you!
- Our Team...
  - *Auxiliary Accounting Manager*
    - *Amy Pfaff*
  - *Senior Auxiliary Consultant*
    - *Samantha Preston*
  - *Auxiliary Consultant*
    - *Tina Smith*
  - *Cost Analyst Officer*
    - *Rajamani Saraswathi (Sara)*



# What is a Rate Setting Workshop?

- What it is:
  - One-on-One assistance from FMS team members to answer questions, provide assistance with calculations, and/or training. Experience is customized for your needs.
  - FMS tries to ensure someone is available when you arrive to provide customized support.
  - Attendees can stay for 10 minutes or 3 hours. It's up to you.
- What it is not:
  - A lecture or classroom setting.



# Register for Rate Setting Workshops

- Bloomington:
  - 5/23: 1pm-4pm – Poplars W183
  - 6/26: 9am-Noon – Poplars W183
  - Register at: <http://go.IU.edu/Rates>
- Indianapolis:
  - 4/27: 1pm-4pm – Cavanaugh Hall CA008C
  - 5/22: 9am-Noon – Medical Research Library IB225
  - 6/27: 1pm-4pm – Medical Research Library IB225
  - Register at: <http://go.IUPUI.edu/Rates>



# Upcoming Changes, Reminders, & Updates

- Capital Purchases & Leases  
*July 1, 2018*
- Document Restrictions on ID Billings  
*July 1, 2019*
- *Auxiliary Consultant Position*



# Allowable Hospitality Expenses ACC-50

## Purpose:

- Exercises **due care** with use of state and federal funds, as well as student fee revenue.
- Explicitly identifies **unallowable** hospitality expenditures related to external restrictions.



# Allowable Hospitality Expenses ACC-50

What is allowable with university funds?

*Funds must always be used for institutional benefit, never for the purpose of personal benefit or privilege of a university employee. Therefore, all hospitality expenses must meet the criteria of a bona fide business expenditures under the university's **Accountable Plan policy**.*

Hospitality must be:

- Necessary
- Appropriate to the occasion
- Reasonable in amount
- Serve a bona fide university purpose





# Allowable Hospitality Expenses ACC-50

A few final notes:

- Requires use of **special object codes**  
(SOP coming soon!)
- Hospitality is never allowed on Recharge/Service Center accounts (**66\* accounts**).
- Hospitality is almost always restricted on **C&G accounts**.
- Most hospitality CAN be purchased using an **Indiana University Foundation** account.
- Hospitality pre-approvals may vary by Campus and department. University requires pre-approval for expenditures over **\$10,000** only.



# MOVING POLICY

- All employee moving reimbursement is now taxable to the employee via the recent Tax Cuts and Jobs Act
- New policy coming soon
- Discuss with your RC fiscal officer and Campus for allowability



# General FMS updates

- Closing schedule coming soon
- Addition of Business Analyst Group within FMS
- Capital Asset reporting lines
- Potential changes for Auxiliary Accounting threshold for Reporting Orgs

