University Financial Services

UFS Advisor

Treasurer's Message

Penny D Cox

FY 2024-25 External Audit

The Board of Trustees, at the December meeting, approved the University of Kentucky Fiscal Year 2024-25 external audit for the year ended June 30, 2025. The financial statements included the independent auditor's report from Forvis Mazars, LLC. The audit opinion was an unmodified "clean" opinion for all financial statements. The statements are prepared in accordance with the Government Auditing standards. In addition to the Consolidated financial statements, UK also provides separate statements for affiliated corporations and blended component units:

- o   Royal Blue Health LLC (RBH) – a subsidiary of Beyond Blue Corporation
- o   Claire Blue Health LLC (CBH) – a subsidiary of Beyond Blue Corporation
- o   Insure Blue – a subsidiary of Beyond Blue Corporation
- o   UK Research Foundation, Inc.
- o   UK Gluck Equine Research Foundation, Inc.
- o   Uk Humanities Foundation, Inc.
- o   UK Mining Engineering Foundation, Inc.
- o   Central Kentucky Management Services, Inc.
- o   UK Alumni Association, Inc.
- o   Kentucky Tobacco Research and Development Center.

The Link to UK Financial statements can be found at: https://ufs.uky.edu/financial-statements. The university remains financially sound, with total assets of $13.1 billion and a net position of $9.7 billion. Research funding reached nearly $500 million, supporting projects that address Kentucky's most pressing health and economic challenges. The services provided by UK HealthCare strongly reflects its role as a leading provider across the state.

I want to express appreciation to the UFS staff and to the staff across campus and our affiliates for their tremendous efforts and diligence in meeting the significant deadlines that was necessary to attain the statutory deadline of October 3rd for submitting the financial statements to the Commonwealth of Kentucky. Each of you are to be applauded for your support and collaboration. THANK YOU!

Arts District –$150-million gift from the Bill Gatton Foundation

This $150-million gift will support a new arts district on campus. The new district will feature a new College of Fine Arts building and a multi-hundred-seat theater, among other amenities. The gift is also the largest in university history. Construction of the arts district involves relocating and constructing a new College of Fine Arts Building next to the existing Gray Design Building. The theater will host performances of dance, music, and drama. Finally, a newly constructed pavilion with a park will connect several blocks near the school's existing School of Arts and Visual Studies Building. More information about the gift and the initiative can be found at pres.uky.edu/bill-gatton-foundations-historic-gift.

Artificial Intelligence (CATS AI)

The University of Kentucky has announced it will collaborate with Microsoft to advance the responsible use of artificial intelligence (AI) and strengthen learning, innovation and care across the Commonwealth. The University of Kentucky has launched CATS AI — the Commonwealth AI Transdisciplinary Strategy — a university-wide initiative to coordinate and deepen our AI efforts across campus and the state. CATS AI will enhance how we teach, learn, research, heal and serve the Commonwealth. Learn more at this link about how CATS AI will expand access, training and innovation.

Technology Transformation

The SAP S/4 Hana and Workday projects are still making progress toward their targeted go-live dates. Workday go live is scheduled for April 2026 and SAP S/4 Hana on July 20, 2026. This website has been activated to provide campus updates for the S/4 Hana Project Rise: https://its.uky.edu/projectRISE and this link for Integrate Blue https://integrateblue.uky.edu/

I thank you for your dedication and support for the University of Kentucky. Warmest wishes for a joyful holiday and a Happy New Year!

Penny D. Cox, Treasurer

ARTICLES

Important Notice: Discover Merchant Class Action Lawsuit Settlement

A class action settlement has been reached with Discover Financial Services regarding the misclassification of certain credit card transactions between **January 1, 2007, and December 31, 2023**. This misclassification allegedly led to merchants incurring excessive interchange fees.

Who is eligible?
Any entity that accepted or processed Discover credit card payments during the covered period may be eligible for compensation.

Claim Notices
Beginning **September 11, 2025**, claim notices have been sent out by mail and email to known class members. These notices may be addressed to individual departments based on historically accepted Discover card payment activity.

Action Required

If your department receives a claim notice related to a university credit card acceptance merchant account:

- **Do not file the claim directly.**

- Instead, **email an electronic copy of the notice to Kevin Sisler and Carly Barrett** in UK Treasury Services.

UK Treasury Services will be working with the Office of Legal Counsel to file a cumulative claim for the university. This process ensures accurate and complete filing on behalf of the institution and maximizes potential recovery.

Endowment Utilization Planning: Let's Make Every Dollar Count!

Your endowments are more than numbers—they're opportunities to transform lives! Accurate and consistent use of endowment spending distributions ensures we honor donor intent and create real impact for students, faculty, research, and institutional programs.

What's coming?

As shared during the spring endowment meetings, donor stewardship letters will soon include accumulated spending distributions to provide full transparency to donors regarding how their funds are being utilized. This means now is the time for units to analyze and review endowment agreements, create plans to spend down any accumulated spending distributions according to the donor's purpose, and collaborate with Philanthropy and Alumni Engagement if any agreements need to be amended.

The clock is ticking!

With calendar year 2025 coming to a close, make efforts to ensure your utilization plans are entered in the Endowment and Gift Account Tracking System (EGATS). **Plans for endowments with more than two years of accumulated spending distributions should be finalized by 12/31/25.** AFRS Endowment and Gift Accounting will soon run reports to identify areas without plans and will reach out with guidance as needed.

Questions? We're here to help—email endowment@uky.edu.

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Key Reminders to Keep You on Track

- **Two-year rule:** Keep accumulated spending distributions to two years or less unless saving for a specific future purpose or if the agreement requires holding spending distributions for a set time.
- **EGATS tools:** Use the new Utilization Plan feature in EGATS to add notes and run reports to help you keep on top of spending distribution utilization. Check out the [EGATS - Utilization Plan Quick Reference Guide](#).
- **Quarterly reports:** Use these reports provided by AFRS Endowment and Gift Accounting to identify endowments that need utilization improvements or amendments. The reports can also be used to monitor the progress of spending distributions according to the utilization plans.
- **Need assistance with utilizations?** The [Utilization Manual](#) on AFRS Endowment and Gift Accounting's website covers everything from planning spending distribution utilization strategies to faculty appointment considerations.

- **Endowment Investment Policy reminder:** Spending distributions from new funds can't be used until one year after the initial deposit into the endowment fund.

New Process for Managing Delta Unused Flight Credits

We're excited to share an important update that will help departments make the most of unused Delta Airlines flight credits. Through our partnership with Delta, we now have a streamlined process to ensure these credits don't go to waste.

What's Changing?

Unused Delta flight credits can now be transferred to a Delta UATP card. This card allows your department to use those funds for future travel by any employee in your area—providing flexibility and reducing lost value.

How It Works

- **Reminder Emails:** Three months before a credit expires, the traveler will receive an email with three options:

    1. Use the credit for future travel.

    2. Contact AAA Corporate Travel Services to transfer the credit to another employee ($150 fee).

    3. Notify Travel Services to move the credit to the Delta UATP card (25% fee based on credit value).

- **Automatic Transfers:** If no action is taken, Travel Services will automatically transfer the credit to the UATP card at the start of its expiration month.

- **Quarterly Access:** Once credits are moved to the UATP card, they will be available for use in the following quarter.

Booking Made Easy

We've partnered with AAA Corporate Travel Services to simplify bookings. When employees book Delta airfare through Concur or AAA, the system will automatically apply UATP funds for eligible departments. Regular payment details will still be entered for booking fees.

Tracking & Notifications

Travel Services will monitor balances and notify the department when their balance has been spent. Once your area's UATP balance is used up for the quarter, airfare charges will revert to your department's usual payment method.

This new process is designed to maximize travel funds and provide greater flexibility for your teams. If you have questions, please reach out to Travel Services at travelservices@uky.edu.

Elect to Receive W-2 Electronically

Payroll Services encourages faculty, staff, and students to sign up to receive their W-2 forms electronically. Consent to receive your electronic W-2 is quick and easy through myUK Employee Self Service. Employees should sign up no later than Thursday, January 15, 2026. W-2s forms for employees who separate prior to January 15, 2026, will be mailed to their permanent address on file in SAP HR Payroll system.

Follow the instructions on the HR webpage to enable the online W-2:

https://hr.uky.edu/myuk-online-resource/employees/w-2-select-online-delivery

The benefits of receiving an electronic W-2 are:

- Earlier access to W-2s (Availability of the online forms will be announced in UKNow, while paper forms will be mailed by January 31, 2026).
- No possibility of forms being lost, stolen, misplaced, or delayed through the mail.
- Secure access through myUK Employee Self Service.
- Online W-2s are in the same format as the printed copy.
- Your online consent will remain in effect therefore an annual consent is not necessary.

Departments should encourage employees to review their permanent address for accuracy and sign up no later than Thursday, January 15, 2026, to receive their 2025 W-2 electronically through myUK Employee Self Service.

Please print and use the attached flyers in color and black and white formats to assist in promoting the online selection. The QR code on the flyer directs the user to the instructions for setting up the online consent.

Get a Jumpstart on Tax Year 2026: Two Quick Ways to Improve the Accuracy of Your Payroll Taxes

With tax year 2026 fast approaching, now is a great time to review these items affecting your payroll taxes!

Current Home, Work, & Remote Addresses

- Your home and work addresses are used to determine applicable state and local payroll taxes. Therefore, it's very important that your address information remains current.
- Review your home, work, and remote work addresses for accuracy.
- Make any necessary changes by logging into the Employee Self-Service (ESS) portal at myUK.uky.edu and accessing the Personal Information menu.
- For employees living and/or working outside the state of Kentucky, be sure your "Remote/Hybrid Request and Work Location Form" is up to date. The link to update your remote/hybrid information is also located within the Personal Information menu of the Employee Self-Service (ESS) portal of myUK.uky.edu.
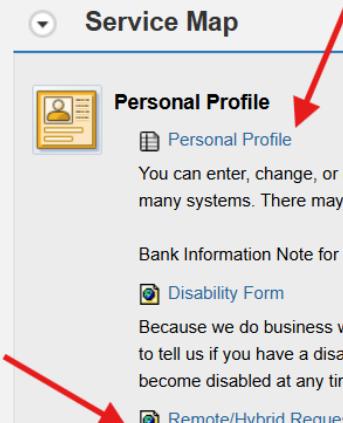
Federal and State Withholding

- Review your federal (W-4) and state withholding information – e.g., filing status, dependent credit(s), deductions, additional withholding.
- Make any necessary changes by logging into the Employee Self-Service (ESS) portal at myUK.uky.edu and accessing the Benefits and Payment menu.

Helpful Links

[Payroll Services QRC – Employee Self Service address change instructions](#)

[Payroll Services – Multi-State Tax Forms](#)

[Payroll Services – Remote Work Location Form](#)

[Payroll Services QRC – Employee Self Service W4](#)

Concur/Travel Additional Training Opportunities

Training Class	Date	Time
Concur Online Booking Tool	On-demand	On-demand
Advanced Concur Online Booking Tool	On-demand	On-demand
Introduction to Concur Travel & Expense Management	On-demand	On-demand
Concur: Create a Travel Expense Report from a Pre-Approved Travel Request	On-demand	On-demand
Concur: Creating a Travel Expense Report without a Travel Request	On-demand	On-demand
Concur: Creating a Travel Request	On-demand	On-demand
Concur: Expense Reporting for Procard Transactions	On-demand	On-demand
Concur: Review and Complete User Profile Settings	On-demand	On-demand
Cash Handling Basics	On-demand	On-demand
Procurement Card	On-demand	On-demand

*For more information or to register for these courses visit your **myUK Employee Self Service** Training page.*