University Financial Services

April 2020

UFS Advisor

UFS Advisor

INSIDE THIS ISSUE

Acting Treasurer's Message

Penny D Cox

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Disruption … Response … Dedication … Resilience

I began serving as Acting Treasurer on January 6th. Since that time, I have witnessed amazing teamwork, partnership, collaboration, and resilience from the UFS staff members.

Over the past few months, the COVID-19 pandemic has been the biggest disruptor that I have seen in my entire career. The highest priority of the University is the health, safety and well-being of everyone within the University community. We all understand that the pandemic requires us all to be constantly adapting to change. Getting the economy back up and running is not going to be an easy task.

In response to the evolving COVID-19 situation, the University decided to move all instruction from face-to-face learning to online or other alternative learning formats. And, most employees began remote working experience. Throughout the transition to a WFH (work from home) location, the continuity of operations has been our focus.

To aid in student and faculty transition to online instruction, the University launched Teach Anywhere and Learn Anywhere online tools and a Work Anywhere site with resources to establish and enhance employees' remote work environment.

I am proud of the way our team is supporting the campus community in the midst of the unprecedented challenges and uncertainty caused by the COVID-19 pandemic. They have responded with both dedication and resilience. Their work is crucial because our campus community depends on us.

Acting Treasurer's Message, continued

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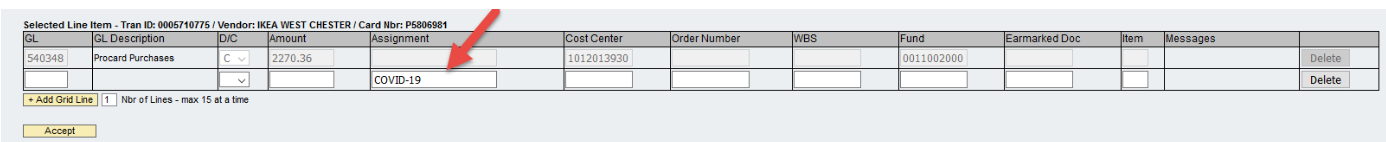
I also want to provide public recognition for two of our staff members that are no longer with the University. First is to recognize our Treasurer, Susan Krauss. She retired from the University on April 2nd after nearly 20 years of service to UK. Second is to recognize our Controller, Mary Fister-Tucker. Mary accepted an offer to become the Vice President of Fiscal Services at Morehead State University. Her last day with UK is April 15, 2020. Unfortunately, due to the requirement for "social distancing", we were not able to find a time to say farewell and to recognize their accomplishments. We want to celebrate them once we are back to normal operations.

In the words of Governor Beshear, "We will get through this together!"

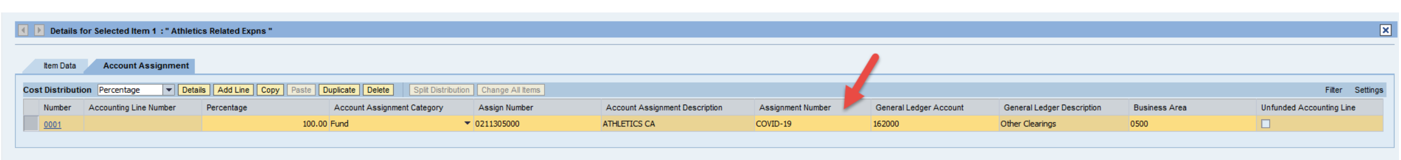
COVID-19 Expense Tracking

In order for the University to appropriately track purchase expenditures related to the COVID-19 response activity, please use the following guidelines, if applicable for COVID-19, for processing purchase transactions:

1. For purchases made via University Procurement Card, when editing the transaction on the Enterprise Services tab, complete the Assignment field with the reference COVID-19. Please note, COVID-19 will need to be entered on each line if the transaction is being edited to multiple cost assignments.



2. For Payment Request Documents, after the PRD Overview tab has been completed, click on the Item tab and complete the Assignment Number field with reference COVID-19 on the Account Assignment tab. Please note, COVID-19 will need to be entered into the Assignment Number field for each accounting line item on the PRD.

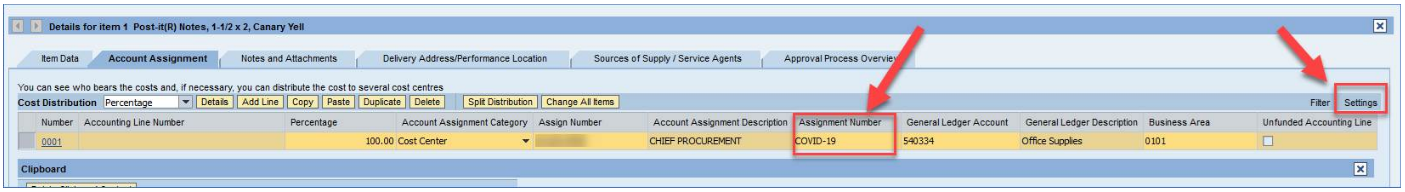


3. For SRM Shopping Carts/SAP Requisitions:

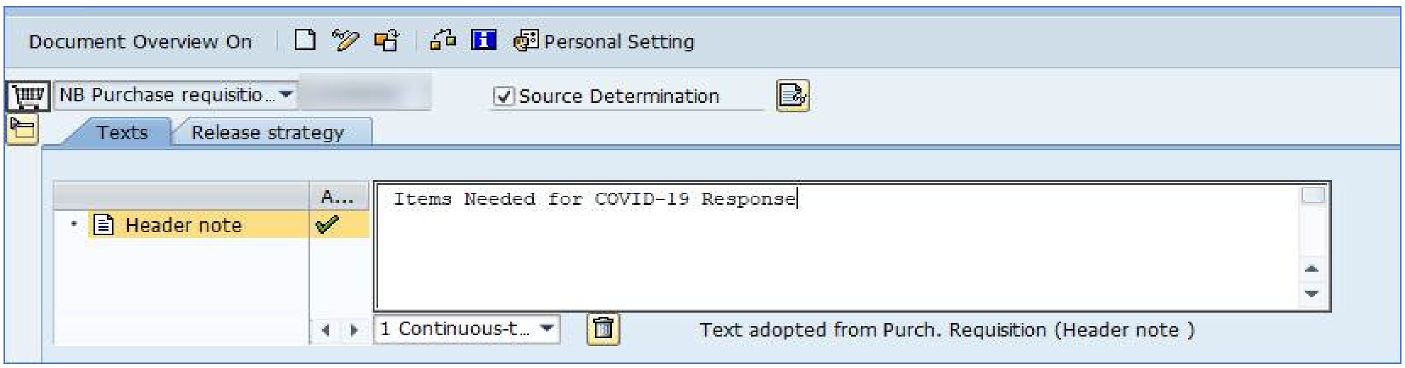
a. SRM Shopping Carts – Complete the Assignment Number cell on the Account Assignment tab with the reference COVID-19. This is in the bottom Details section of the Shopping Cart. If this cell is not visible, utilize the Settings button to the right to bring it into view. Please note that the <u>Assignment Number</u> cell differs from the <u>Assign Number</u> cell as the former will accept a text entry. It needs entered for each line item.

b. For SAP Requisitions (healthcare or Facilities), place an entry on the Header Note field in the top indicating the purchase is needed for COVID-19 response.

Where to place “COVID-19” on SRM Shopping Carts; Shoppers may need to modify Settings to make this field
visible:



Where to place COVID-19 on SAP Requisition header note:



Business Officer’s Toolkit

Quick Facts and Tips to Help You Do Your Job

Introducing the All-New Electronic JV Workflow and Business Edits

Exciting things are happening with the JV process! In our effort to help with processing of interdepartmental transactions, UFS and ITS are thrilled to announce the rollout of the electronic JV workflow combined with business edits.

A few of the benefits include:

- Paperless system
- Use the JV workflow to route all documents
- Easy tracking of JV status
- Business edits will process in real time to allow for corrections before submitting the JV
- No more timing issues due to obtaining signatures or papers being misplaced
- All documentation will be stored in ECM for easy access

What does this mean?

JV Workflow allows the creator of SA or Z4 document types to follow the progress of a JV in SAP through departmental approvals and then see it arrive at the Central Offices for final approval and posting. Paper copies of JVs will no longer need to be delivered to the Central Offices since the JV will have the necessary approvals and documentation stored in SAP.

The JV business edits assist users with the processing of JV documents by providing messages in SAP concerning common JV errors. Warning messages are reminders regarding backup documentation or other requirements for the JV to be approved and posted. Hard stop errors prevent the document from being saved as complete. This will occur due to formatting errors, invalid entries, or other circumstances that make the entry unallowable. This will provide users the information up front as to any issues that may not allow the JV to be posted in SAP. This will eliminate the JVs being returned to the department for corrections, which causes delays in posting.

Training materials, quick reference cards and other information is available at the following website:
https://www.uky.edu/ufs/online-jv-process

Documents available at this website:

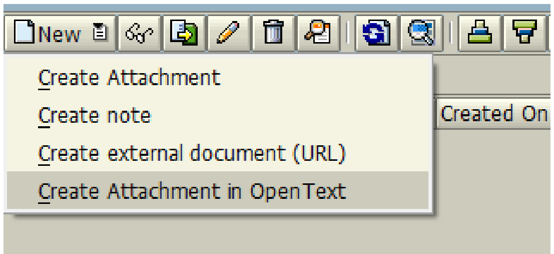
JV Workflow Hand in Hand We Learn Training – Online training session
JV Workflow Presentation – Slides from the online training session
QRC JV Workflow – Step by step instructions on how to use JV workflow
QRC Business Edits for WBS – Instructions concerning business edits for grants, WBS elements that start with 3*
Workflow Graphic – Flowchart illustrating how a JV routes through JV Workflow
SA Crosswalk – Lists and explains error and warning messages that could appear for SA documents
Z4 Crosswalk – Lists and explains error and warning messages that could appear for Z4 documents
Cost Transfer Policy - To describe the proper use of and documentation required with JVs
Cost Share Policy for sponsored projects – Instructions for cost share grants, WBS elements that start with 3*
How to create a delegate in Enterprise Services for planned or unexpected absences – Delegation is especially important for departmental approvers in JV Workflow during absences

Important tips for JV Workflow

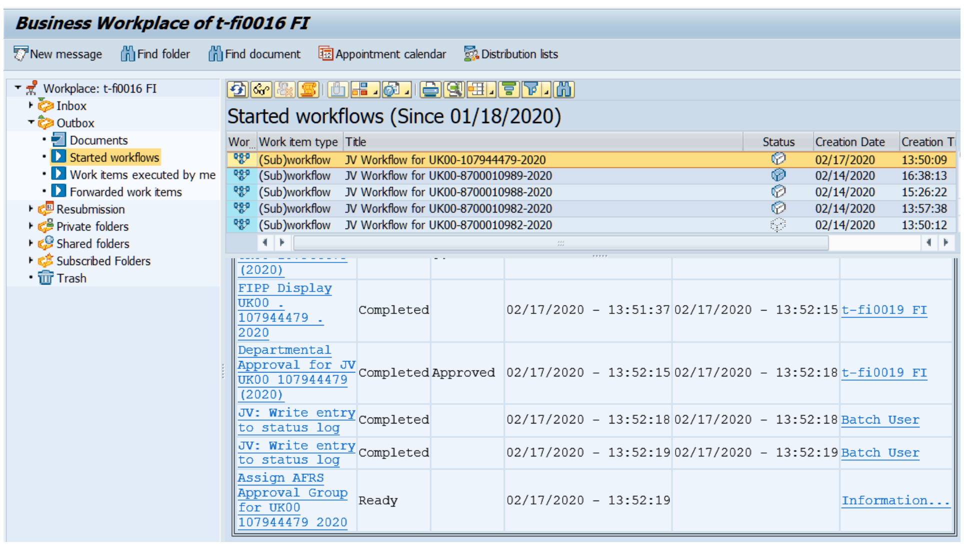
Save as complete is now mandatory. SA and Z4 JV documents can be parked while in a draft status, but in order to start the JV Workflow for a JV, it must have been saved as complete. Business edits will not be activated when parking a JV, only when saving as complete. Only SA and Z4 JVs that have been saved as complete will be approved for final posting.

- SA – non-payroll documents, JVs begin with 10*
- Z4 – payroll documents 51* and 52* GLs, JVs begin with 87*

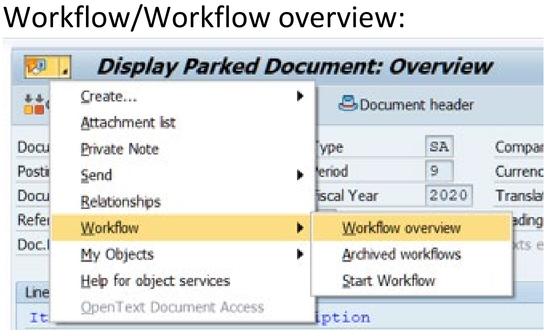
To attach back up to the JV, use only “Create Attachment in Open Text”. If “Create Attachment” is chosen instead, the documents will only be attached temporarily and will not be permanently saved in SAP. Central Offices will not give final approval for posting until the documents are permanently attached. Documents can be attached to a JV at any stage of the JV Workflow process without needing to be restarted:



The JV creator is responsible for tracking a JV until it is posted to monitor the JV Workflow. Most JV Workflow stops are caused by rejections by departmental approvers or Central Offices. Emails are sent to the JV creator in these cases, but it is also advised to check JVs that remain in the FV50 Tree until they are posted. The JV creator can use FV50 or Business Workplace Outbox/Started workflows to monitor the JV Workflow:

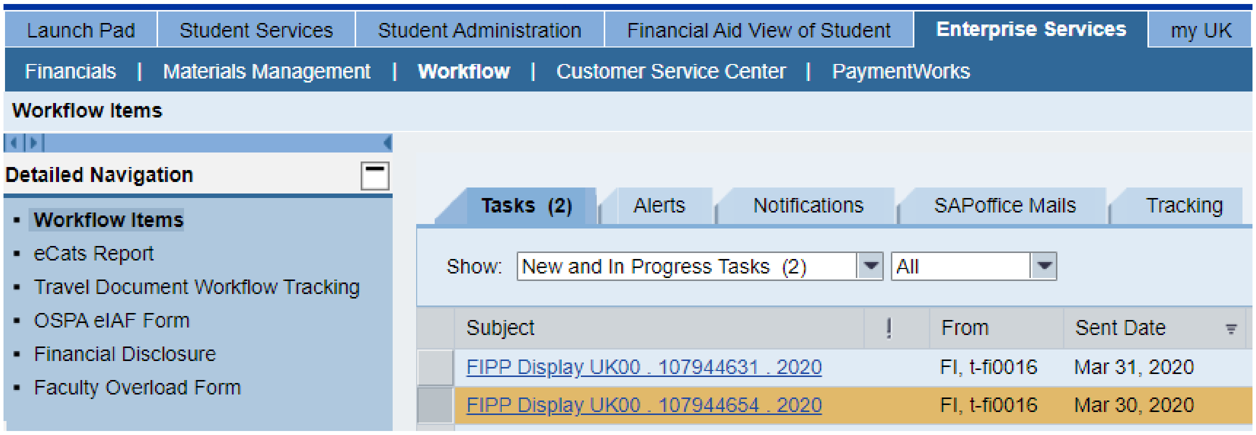


Anyone, including the JV creator, can monitor JV Workflow by querying a JV using FB03, then choosing Workflow/Workflow overview:



Departmental approval of JVs is highly recommended to be done in SAP GUI using Business Workplace:

For departmental approvers that do not have access to SAP GUI, approvals can be done using the Enterprise Services tab under Workflow:



New W-4 Form

The Internal Revenue Service (IRS) issued a redesigned Form W-4 for 2020. The new W-4 supports tax changes addressed in the Tax Cuts and Jobs Act passed in December 2017.

The new form no longer uses withholding allowances to account for adjustments to an employee's federal income tax but does include options that allow an employee to enter amounts to account for additional income, deductions and tax credits. These entries are used to calculate income tax withholding. The 2020 Form W-4 is a complete layout change broken into five sections.

1. Personal Information
2. Multiple Jobs or Spouse Works
3. Claim Dependents
4. Other Adjustments
5. Sign Here

Steps 1 and 5 are required. Completing only Steps 1 and 5 will result in withholding based on the employee's filing status standard deduction, wage amount, pay period and tax tables, with no other adjustments.

Steps 2 through 4 are optional and should be completed only if they apply. Using either the IRS's Tax Withholding Calculator or the Multiple Jobs Worksheet (attached to Form W-4) will assist you in completing these steps. You will need to have your and/or your spouse's most recent pay statements available.

International employees and students identified by the IRS as being in a Non-Resident Alien status must use the following steps when completing a new W-4:

- Step 1 complete as "Single" status
- Write the initials NRA in the space below Step 4(c)
- Step 5 sign and date the form

With the redesigned 2020 Form W-4, the IRS also created withholding tables that will work with either a prior year W-4 or the 2020 form. The IRS is not requiring employees to complete a new form, however all newly hired employees or employees who want to make a change to their withholding are required to complete a new form.

IRS Resources

2020 W-4

2020 W-4 Frequently Asked Questions

Tax Withholding Estimator

Publication 15-T

Notice 1392 – Non-Resident Alien

Focus on Business Procedures

Travel Directives per President Capilouto: All University-sponsored or endorsed international travel is suspended indefinitely. All University-sponsored or endorsed domestic travel is strongly discouraged.

We have implemented several TEMPORARY policy changes in response to COVID-19.

- Temporary Policy Changes to E-5-1 – Reimbursement of Travel Expenses
    - Employees booking travel on behalf of the University will be allowed to purchase refundable tickets, trip insurance, or other similar expenses because of the uncertainty of the impact of COVID-19 internationally and in the United States.
    - Under current policy, a cancelled UK business travel ticket is not reimbursed until the ticket credit is exchanged for future UK business travel and that trip is completed. We have implemented a temporary change to reimburse travelers early for cancelled airline tickets purchased with a personal credit card, which is not being refunded by the airlines. For procedures on reimbursement please visit the Travel Services webpage.

  - For official UK business travel, all airline tickets must be purchased through UK Travel Services' vendors AAA Corporate Travel at 323-5354, Avant Travel at 233-0000, or the Concur online booking tool. Benefits include risk management tracking system that keeps travelers on UK's radar for alerts and emergencies, negotiated airline discounts, 24/7 support and assistance when travelers are en route, prompt updates of schedule changes and other information necessary for a successful trip.

- Temporary Policy Changes to E-2-1 – Treasury Operations Manual
  - Under current policy, departments must make deposits when cash receipts are equal to, or greater than, $500. A temporary exception will be made to allow departments to carry over cash receipts until their cash total on hand is equal to, or greater than, $2,500.

Credit Reviews and Bond Sale

During this past quarter, University Financial Services has been preparing for the issuance of approximately $62 million in general receipts bonds to finance a portion of the $125 million Renew/Modernize Facilities Capital Project. This project is a multi-phase effort to renew and modernize buildings that make up the core of central campus. By rehabilitating, restoring, and modernizing these facilities, the university can better preserve its heritage, conserve energy, create an environment for more efficient and effective teaching, and attract productive researchers. This phase of the modernization initiative will continue work on the Chemistry-Physics Building, modernize Frazee Hall, renovate the 18th floor of the Patterson Office Tower, and the first phase of renovation to the White Hall Classroom Building. Also included is the design of the Reynolds Warehouse #1, schematic design for Scovell Hall, and a study of the Quad.

In December 2019, we worked with the university's two rating agencies, Moody's Investor's Service and Standard & Poor's, to undergo a credit review process. We are pleased to report that the bonds were assigned ratings of Aa2/stable and AA/stable, respectively, and both agencies reaffirmed the university's existing ratings. This news is extremely positive, given the challenges facing many of our peers, the broader higher education industry, and the Commonwealth of Kentucky.

On January 22, 2020, the university sold the bonds competitively. Eleven underwriters submitted bids for the Series A tax-exempt bonds and 20 submitted bids for the Series B taxable bonds. The bids for the sale came in lower than expected – 1.96% on the short-term taxable bonds and 2.35% on the long-term tax-exempt bonds, for a combined all-in interest cost of 2.32%. Completion of the bond sale provides critical funding, enabling the university to continue making progress on the infrastructure needs across campus.

Thank you to all staff members across the University that partnered with UFS in completion of the credit reviews and bond sale.

To review the credit opinions and official statement for the bond sale, please visit the UFS website at the following link: https://www.uky.edu/ufs/financial-statements-and-investor-information.

Training Opportunities

We are seeking your input on future topics for the Hand in Hand sessions. Just click on the feedback link to submit your suggested presentations or questions to be addressed. Or you may email Lexi Bugay your ideas.

Training Class	Date	Time	Location
Cash Handling Operations	4/16/2020	9:00am-11:30am	Peterson Service Building Room 307
Travel Services	4/23/2020	10:30am-12:00pm	Peterson Service Building Room 307
Concur Online Booking Tool	4/30/2020	10:30am-12:00pm	Peterson Service Building Room 307
Cash Handling Operations	5/18/2020	1:30pm-4:00pm	Peterson Service Building Room 307
Concur Online Booking Tool	6/11/2020	8:30am-10:00am	Peterson Service Building Room 307
Advanced Concur Online Booking Tool	6/11/2020	10:30am-12:00pm	Peterson Service Building Room 307
Cash Handling Operations	6/16/2020	9:00am-11:30am	Peterson Service Building Room 307
Travel Services	6/18/2020	10:30am-12:00pm	Peterson Service Building Room 307
Travel Services	8/20/2020	10:30am-12:00pm	Peterson Service Building Room 307
Concur Online Booking Tool	8/27/2020	10:30am-12:00pm	Peterson Service Building Room 307
Travel Services	10/22/2020	10:30am-12:00pm	Peterson Service Building Room 307
Concur Online Booking Tool	10/29/2020	10:30am-12:00pm	307 Peterson Service Building

*Due to COVID-19 these trainings may have to be rescheduled.

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