

# UFS ADVISOR

## INSIDE THIS ISSUE

Treasurer’s Message	1-2
Partnership with Southwest	3
Avant Travel Fee Increase	3
Personal Vehicle Mileage Calculator	4
PCI DSS Compliance	4-5
Accounting and Financial Reporting Services	5
Endowment Spending Distribution	6
Internal Loan Program	6-7
Training Opportunities	7

## TREASURER’S MESSAGE



[Penny D Cox](#)

Happy New Year! That’s new year FY 25 for us financial nerds! It’s hard to believe that Fiscal Year 24 is over, and we are neck deep in year-end close while at the same time managing the new year activities. With your help, we got this!

*As President Capilouto stated at the June 2024 Board of Trustees meeting, our commitment is now as it has always been – to [accelerate our progress to advance Kentucky](#). Our state needs the University now more than ever before to change and grow to meet the evolving needs of a state through the education we provide, the research we conduct and the care and service we render.*

In that vein, our University Financial Services (UFS) team strives each day to deliver operational service excellence to our students, faculty, staff, and community. I invite you to read the detail of the UFS Strategic Plan at this [link](#). Our values include: Accountability, Collaboration, Customer Service, Diversity and Inclusion, Innovation, Integrity, and Transparency.

## AUDIT 2023-24 AND YEAR-END CLOSING SCHEDULE

As a public entity and a component of the Commonwealth of Kentucky, the financial records for the university are essential for statutory compliance and for our accreditation. Together we provide leadership and guidance for financial compliance, controls and accountability through our sound fiscal policies and procedures to support strategic decision-making.

The audit is comprehensive and must be given our utmost attention in order to submit of our consolidated financial statements for the period ending June 30, 2024, to the State **no later than October 4**, for inclusion in the Commonwealth of Kentucky’s financial statements.

FORVIS-MAZUR will perform the independent audit of the 2023-24 financial statements which includes audits of the consolidated statements as well as separate audits of the affiliated corporations and certain organizational units of the University. Additionally, they will audit and prepare other reports on internal controls and compliance as required by the state and federal government, and various agreed-upon procedures reports and arbitrage calculations.

What can you do to help? All units are asked to follow the timelines in the [year-end closing](#) schedule to ensure the accuracy and integrity of the University’s financial statements and help us meet the state mandated publication deadline.

## UFS SUPPORT AND SERVICES

Why are the services provided by University Financial Services team important? The University's budget for 2024-25 is nearly \$8.4B. UFS serves students, faculty, staff, patients, researchers, athletics, affiliates, and more.



**University of Kentucky**

Service examples include:

- Student's bill and payments are processed by Student Account Services
- All employees are paid through Payroll Services and Tax Services
- Vendors and other non-employees are paid through Accounts Payable Services
- Post-award funds for sponsored research grants are drawn down by Research Financial Services
- All banking services / cash management / and Merchant Card Services are supported by Treasury Services
- All bonds are sold for Capital Project funding and operating cash liquidity is accomplished by Debt & Liquidity Services
- Accounting financial statements are prepared / analyzed / submitted by Accounting & Financial Reporting Services
- Business Procedures & Policy updates and training are prepared by Financial Administration
- All travel is coordinated through Travel Services

## FAST TRAINING

The Finance and Administration Specialized Training (FAST) program is instrumental in ensuring greater trust, transparency and accountability — one of five key principles in the UK Strategic Plan. UFS was a partner in developing both mandatory and voluntary training courses for all business officers. The details can be found at: <https://finadmintraining.uky.edu/courses-0>.

To check your status and choose courses to complete, log in to myUK Learning and click on the FAST Curriculum in your Learning Plan. Please reach out to [fandatraining@uky.edu](mailto:fandatraining@uky.edu) if you have any questions.

## FEEDBACK REQUEST

We want to hear about what's gone well, what processes/procedures you're struggling with, and how we can better support your units. If you have suggestions or feedback, we ask that you submit via our website at this link <https://www.uky.edu/ufs/ufs-feedback-form>.

Our UFS team members are grateful for your ongoing partnership and collaboration. We look forward to working with you in fiscal year 2024-25 to support the University's mission.

All the best,

Penny D. Cox  
Treasurer

## ARTICLES

## New Partnership with Southwest Airlines

Travel Services is excited to announce a new partnership with Southwest Airlines. Effective 07/01/24 point of purchase discounts on eligible Southwest Airlines flights are available through UK Travel Services vendors, AAA Corporate Travel, Avant Travel and Concur. These discounts are available to UK employees for both business and personal travel. Below is a breakdown of the discounts:

Book through Concur, AAA, or Avant to access the below discounts

	Business Select <sup>1</sup>	Anytime <sup>1</sup>	Wanna Get Away <sup>2</sup> and Wanna Get Away Plus <sup>2</sup>
CVG/ALL	4%	4%	2%
SDF/ALL	4%	4%	2%

In addition to the point of purchase discounts UK will also be enrolled in the Partner Benefits Program. This program allows the university to earn points based on program spend and those points can be used for items such as, name changes, refund non-refundable tickets, transfer funds to UATP card, etc. If your department has outstanding Southwest credits that you are not planning to or can't use, please reach out to Travel Services about this program. To learn more about our partnership and Southwest Airlines, click [here](#).

Also, as a special promotion, UK travelers can earn 25% bonus Rapid Rewards points when you book Southwest travel between September 1, 2024, through November 30, 2024, through a UK travel vendor and include your Rapid Rewards number. For more information about this promotion, click [here](#).

## Avant Travel Fee Increase

Effective July 1, 2024, Avant Travel increased their fees associated with airline tickets. Below is a breakdown of the new fees. If you have any questions, please contact Travel Services at [TravelServices@uky.edu](mailto:TravelServices@uky.edu).

Ticket	Previous Fee	New Fee	Change
Domestic Air	\$28	\$33	\$5
International Air	\$38	\$45	\$7
Group Domestic Air	\$23	\$30	\$7
Group International Air	\$23	\$40	\$17


## Personal Vehicle Mileage Calculator

Travel Services has partnered with Enterprise Rental Car to create a personal vehicle mileage reimbursement calculator. This calculator can be used by travelers and/or departments to help choose the most cost-effective option when driving for university business.

In a cost analysis completed in 2023, on average, the per mile rate for Enterprise rental cars that drive between 110-250 miles per day is .445 cents compared to the personal vehicle mileage reimbursement rate of .67 cents. After analyzing the cost data, we determined that due to the cost savings, the University’s preferred (not required) transportation method for driving over 200 miles is by rental car. In addition to the cost savings benefits of renting a car, the University’s Actual Cash Value Comprehensive and Collision coverage plan provides insurance on rental cars for University business travelers.

To help determine what option is best for your trip, you can use the University’s [Personal Vehicle Mileage Calculator](#). This calculator allows you to enter the pickup and return location, dates of travel, travel distance, vehicle class and cost of fuel to determine the most cost-effective option. After those fields are entered in, it will calculate the cost of a rental car compared to mileage reimbursement. In the example below the cost to rent an economy size car for that trip would be \$126.59 and to reimburse the mileage for that trip it would be \$167.50. In this case, the department/traveler would save \$40.91 if they chose to rent a car.

While it is not a requirement that the traveler/department choose the lower cost option, this is a great tool to use to help determine your travel plans and associated expenses.



**Economy**  
Mitsubishi Mirage or similar

Automatic 4 People 2 Bags

[Features & Price Details](#)

**PAY LATER**

**\$36.38** Per Day | **\$103.67** Total

[Select](#)

[Custom Rate](#)

✔ Cost of rental is less than reimbursement by **\$40.91** USD ✕

Total Mileage Reimbursement		Total Cost of Rental	
Travel Distance	250 Miles	Vehicle rental	\$103.67
Reimbursement Rate	\$0.67 per mile	Refueling ⓘ	\$22.92
<b>Total USD \$167.50</b>		<b>Total USD \$126.59</b>	

## Security of Credit Card Data -- PCI DSS Compliance Tips and Reminders

Each year, the University is required to validate its compliance with the Payment Card Industry Data Security Standards (PCI DSS). These standards, if followed properly, help to ensure the security of credit card data of the students, patients, and customers of the University of Kentucky and UK HealthCare. Each department that has established a merchant account through UK Treasury Services through which it accepts credit card payments is required to develop a PCI DSS compliance program and attest its compliance to Treasury Services on an annual basis. Below are some tips and reminders to help merchant departments maintain their compliance throughout the year.

- Ensure all employees are trained annually on departmental policies and procedures related to credit card processing and PCI DSS, as well as each having taken the **CYB 100 – Basics of Credit Card Security** WBT course in *myUK Learning*.
- Ensure that required department PCI DSS policies and procedures are reviewed annually and modified when processes change within your credit card payment environment.
- For online credit card payments via a website (eCommerce), utilize validated PCI DSS compliant service providers to collect the cardholder data and process the transaction.
  - On an Annual Basis, obtain from service providers evidence of their PCI DSS compliance on an in the form of a Report on Compliance (ROC) or a Self-Assessment Questionnaire form D for Service Providers (SAQ-D-SP), preferably completed by a Qualified Security Assessor external to their company.
  - For any contracts with service providers that will be hosting online payment services and/or serving as the payment gateway, ensure language is included that states they will be PCI DSS compliance and provide evidence of their compliance as requested.
- Do not process credit card payments for students, patients, or customers by keying in card data directly into an application, website, or point-of-sale system on a UK computer workstation, unless it has been deemed PCI DSS compliant by Treasury Services or UK IT Security.
- If processing credit card payments in-person or over the phone, be sure transactions are processed only on a credit card device that utilizes a point-to-point-encryption (P2PE) solution, such as Bluefin, that encrypts card data at the time of entry into the device. Merchant accounts and credit card processing equipment can be obtained through UK Treasury Services.
- Ensure that P2PE credit card devices are inspected on a regular basis (i.e. daily, weekly). These inspections must be logged in a Tamper Inspection Log and retained as part of your compliance documentation.
- Ensure any hard-copy documents containing credit card information are secured and access controlled in accordance with the PCI DSS requirements. Do not retain credit card information longer than necessary to process the payment.
  - Crosscut shred any documents containing full credit card numbers after a transaction has been processed.

For more information or if you have questions about PCI DSS compliance, please contact **Robert Hansel or Kevin Sisler** in Treasury Services.

## Accounting and Financial Reporting

The University's 2024 fiscal year-end period is here and will run through the end of the University's financial statement audit which is expected to be **final October 4, 2024**. Keep an eye on the [2023-24 Fiscal Year Closing Schedule](#) to identify the tasks that need to be performed to ensure the accuracy and integrity of the University's financial statements. Also, watch for audit requests throughout the year-end time period. Quick turnaround times on requests are necessary, so please check with AFRS if there's a delay of more than 1-2 days for any reason.

Period 13 closed on July 12, 2024. This critical deadline defined the cut-off date for posting fiscal year 2023-24 financial transactions. Campus departments cannot post transactions in Period 14. If significant 2024 errors are identified that were not detected prior to Period 14, the department must submit a BPM exception request to UFS for consideration detailing the error and the reason it was not detected earlier. If approved, the department may submit a JV with the approved exception request attached as support, which AFRS will move to fiscal year 2024 for posting.

Thank you in advance for your cooperation with year-end closing!

## Endowment Spending Distributions

Additionally, as discussed in the recent Endowment Training and Review Town Hall meetings, utilization of endowment spending distributions will be a priority for campus units beginning in fiscal year 2025 with the goal of providing accumulated spending distribution in stewardship materials for donors. To help facilitate the usage of these accumulated spending distributions by the units, the following enhancements to the Endowment and Gift Account Tracking System (EGATS) will be available to campus:

- Supported Purposes – a new dashboard option will be available to quickly research supported purposes (cost centers). It will have filtering capabilities for such information as endowment types, faculty appointments, and RCTF funding. (Availability date 7/8/24)
- Utilization tab on the Endowment Detail menu – this selection will assist units with their plans for the utilization of the spending distributions according to the donor’s purpose stated in the endowment agreement. Drop down options for common plan decisions or reasons spending may be delayed will be available along with a utilization notes section that should be used for general (non-confidential) information related to the endowment fund’s utilization. (Anticipated availability date August 2024)
- Utilization dashboard option – the utilization information can be filtered and downloaded to Excel for comprehensive reviews. (Anticipated availability date August 2024).

Additional communication will be forthcoming when the August enhancements to EGATS are in place. If you have any questions regarding the EGATS changes, please contact [endowment@uky.edu](mailto:endowment@uky.edu).

## Internal Loan Program

The [Internal Loan Program Policy](#) is administered by the Debt Management Committee (“DMC”). It establishes guidelines and procedures for University units, when necessary and approved, to borrow from the University’s operating funds investment pool.

**All internal loans, cash advances and working capital lines of credit require approval by the Executive Vice President for Finance and Administration (“EVPFA”) and the Provost or Executive Vice President for Health Affairs (“EVPHA”), if applicable, before being submitted to the DMC for review and approval through University Financial Services.**

The following table provides information on the types of borrowings contemplated within the Policy, required uses of funds and level of approval required.

Types	Use of Funds	Level of Approval
Internal loan	Capital projects	Majority approval from DMC and Board of Trustees’ approval if borrowing is ≥ \$1M
	Operations (Innovation Pilot Program)	Majority approval from DMC
Working capital line of credit	Operations	Majority approval from DMC
Cash advance	Capital projects or operations	EVPFA and Provost or EVPHA, depending on reporting structure of requesting unit



The University will charge an interest rate for loans based on the projected rate of foregone earnings on the funds loaned. The interest rate will be based on the University's projected total return for cash provided based on the duration of the loan. Each spring, the DMC will meet to review and approve the interest rates to be used for the upcoming fiscal year.

### **Capital Project Internal Loans, Cash Advances and Working Capital Lines of Credit**

Term of Loan	Rate
0 < 5 years	Based on the overall Tier III, Short/Intermediate Term Investments, as defined in the Operating Fund Investment Policy
5 to < 10 years	Based on the overall Tier III, Intermediate/Long-Term Investments, as defined in the Operating Fund Investment Policy
10 or more years	Based on the University's external cost of capital

If you have questions or need additional information, please visit the University Financial Services' [Debt and Liquidity Department](#) website.

### **Concur/Travel Additional Training Opportunities**

Training Class	Date	Time	Location
Concur Online Booking Tool	08/15/2024	8:30am-10:00am	Virtual
Advanced Concur Online Booking Tool	08/15/2024	10:30am-12:00pm	Virtual
Concur Online Booking Tool	10/17/2024	8:30am-10:00am	Virtual
Concur Online Booking Tool	12/12/2024	8:30am-10:00am	Virtual
Advanced Concur Online Booking Tool	12/12/2024	10:00am-12:00pm	Virtual
<b>In addition to the scheduled training classes, we also have the below on-demand trainings.</b>			
Introduction to Concur Travel & Expense Management	On-demand	On-demand	Virtual
Concur: Create a Travel Expense Report from a Pre-Approved Travel Request	On-demand	On-demand	Virtual
Concur: Creating a Travel Expense Report without a Travel Request	On-demand	On-demand	Virtual
Concur: Creating a Travel Request	On-demand	On-demand	Virtual
Concur: Expense Reporting for Procard Transactions	On-demand	On-demand	Virtual
Concur: Review and Complete User Profile Settings	On-demand	On-demand	Virtual
Cash Handling Basics	On-demand	On-demand	Virtual
Procurement Card	On-demand	On-demand	Virtual

For more information or to register for these courses visit your [myUK Employee Self Service Training](#) page.