

# UFS ADVISOR

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## *Treasurer's Message*



[Susan I. Krauss](#)

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### **It's an exciting time at the University as we collaborate on the Our Path Forward initiatives!**

One of the seven initiatives currently approved by the Provost and EVPFA is the Procure-to-Pay (P2P) initiative that entails reengineering of our procurement and payment processes to better capture strategic cost reductions and efficiency gains. As shared in recent a [UKNow article](#) and [Monday Blog](#), we are pleased to announce the implementation of SAP Concur, which will create a unified solution for managing travel and financial expenses.

The Concur implementation will include two major components, as follows:

- 1) Replacement of our current travel solution, SAP TRIP, providing an improved user-experience, flexible workflows and mobile applications support, among many other features.
- 2) Implementation of the SAP Expense solution to replace current travel and pro-card reconciliation processes providing an enhanced user experience, workflows and business policies and procedures.

UFS will partner with SAP Concur, Purchasing, Information Technology Services and many others to implement SAP Concur campus-wide. We have formed a campus-wide committee comprised of frequent travelers and business officers to help us shape the policies and procedures to be adopted when SAP Concur is implemented in early 2020.

## *Treasurer's Message, continued*

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Within UFS, the Concur implementation efforts will be led by Nicole Bell and Kimberly Maggard. I would to extend my thanks to them both for their willingness to take on this leadership role for the project. I would also like to acknowledge and thank Patty Brophy, Leslie Duty, Lexi Bugay, Jennifer Miles and Mary Fister-Tucker from UFS, along with Jason Hope from the International Center, for spending countless hours benchmarking travel policies across peer institutions and preparing policy recommendations for the SAP Concur campus-wide committee to consider.

We are sure to face some challenges with the implementation, but the potential efficiency gains will be well worth the undertaking. Imagine mobile app capabilities and no more paper receipts!



*Whoops, sorry. I didn't realize you were working on your expense report.*

**Thank you for your ongoing support of the Procure-to-Pay Transformation and other Our Path Forward initiatives. Our success is only possible through continued collaboration and creativity.**

Please see the dedicated [Our Path Forward website](#) for more information.

# Focus on Business Procedures

## **E-6-2 Revenue Producing Activities**

This new policy provides guidelines and procedures for the establishment of revenue producing activities by University departments, units and individuals, to be consistent with the University's mission and that of the unit generating the revenue. Departments need to evaluate their revenue producing activities to determine if the revenue is subject to sales tax and/or unrelated business income tax.

## **E-6-3 Unrelated Business Income Tax**

This new policy defines unrelated business income tax (UBIT), provides guidance, and discusses a department's responsibility in identifying new or current activities that may be subject to unrelated business income tax. Activities subject to unrelated business income tax are those from a trade or business with the intent of realizing a profit, regularly carried on, and are not substantially related to the tax-exempt mission of the University (i.e. education, research, and public service).

## **E-14-1 Tax Advantaged Bond Post Issuance Compliance Policy**

This new policy establishes policies and procedures to assist the University in complying with the post issuance requirements of federal income tax law in order to preserve the tax-advantaged status of bonds used to finance capital projects. Under federal income tax rules, there are several requirements which must be met in order for the University's bonds to be considered tax-advantaged. The restrictions apply to the date of issuance and for the life of the bond issue, including any refundings.

## **E-5-1 Reimbursement of Travel Expenses**

This policy has been updated to show the new personal vehicle mileage reimbursement rate of 58 cents that went into effect January 1, 2019.

## **E-7-10 Discretionary Expenditures**

This policy has been updated to remove Sam's Club from Dues/Memberships section as Sam's Club memberships are now allowable.





# Business Officer's Toolkit

*Quick Facts and Tips to Help You Do Your Job*



## Tax Facts

**Occupational Tax:** Kentucky cities and counties impose local occupational tax on employee wages based on the employee's work location. Any employee whose work location is outside of the Lexington area should complete a [Local City Tax form](#) to ensure proper withholding for local taxation. Should employees need assistance in completing the [Local City Tax form](#) they can contact Payroll Services at (859) 257-3946 or use the [Payroll Services departmental directory](#).

**Federal and State Income Taxes:** There were minor changes to the federal taxes for 2019. The IRS issued updated [withholding tax tables for 2019](#) which included an increase in the withholding allowance from \$4,150 in 2018 to \$4,200 in 2019. The Social Security wage limit also increased from \$128,400 in 2018 to \$132,900 in 2019. The Social Security tax rate remains at 6.2% on employee wages up to the \$132,900 wage limit. The Medicare tax rate remains at 1.45% on employee wages up to \$199,999.99 and 2.35% on employee wages \$200,000 and over.

The Kentucky Revenue Cabinet made a minor change to increase the [standard deduction](#) from \$2,530 in 2018 to \$2,590 in 2019.

## Travel Services Program

As University travel begins to pick up after the New Year, we would like to take this opportunity to refresh you of the benefits of making your official University travel arrangements through UK's Travel Services managed travel program. The University has partnered with AAA Corporate Travel Services and Avant Travel to provide air, hotel, and rental car arrangements for your official business travel; and our self-booking reservation system Concur is administered through AAA.

We encourage all travelers to make your official business travel arrangements through Travel Services for the following very important reasons:

- **Travel Risk Management** – For duty of care, you are on our radar. When you book through Travel Services, you are automatically in our tracking system for alerts and emergencies so that AAA, Avant and UK can assist as quickly as possible.
- **Discount Airfares and Rental Car Rates** – UK's Delta and United airline discounts, and Enterprise and National rental car discounts are only available through Travel Services.

- **Frequent Traveler Program Benefits Apply** – As long as your airline, hotel or rental car frequent traveler number is in your travel profile with AAA/Concur or Avant Travel, you will receive all benefits and complimentary upgrades.
- **24/7 Assistance** – You remain connected to Travel Services’ AAA or Avant Travel from the time your travel arrangements are made until you arrive back home, to assist with any need you may have. Your airline ticket remains in automated quality assurance/control systems to ensure you receive schedule changes, waitlist clearings, alerts to emergency situations (and re-accommodation as needed), and any other communication you need for a successful trip.
- **Reporting** – Travel Services maintains a highly-detailed reporting system for travel data collection that is used to provide risk management tracking of our travelers, to serve as a negotiation tool for vendor discounts, to help departments better manage their travel spend, and to initiating improved air service to Lexington’s Blue Grass Airport.
- **Competitive Service Fees** – A service fee is charged only when an airline ticket is issued through Travel Services. There are no service fees charged for hotel or rental car reservations. Travel Services’ service fees are average to better than other university travel programs:
  - AAA Corporate Travel Services and Avant Travel - \$28/\$38 for domestic/international ticket, \$20 for group travel ticket (for 10 or more travelers on one itinerary)
  - Concur Online Booking Tool - \$6 for domestic/international ticket

For full travel program and policy details, please see the UK [Travel Services](#) website and BPM [BPM E-5-1 Reimbursement of Travel Expenses](#).

## Real ID Program

Per [drive.ky.com](http://drive.ky.com), in October 2020, standard licenses will no longer meet federal REAL ID Act requirements for Kentuckians to board U.S. domestic flights or enter select federal facilities. New security standards for identity credentials were recommended by the 9/11 Commission to prevent the fraudulent use and reproduction of licenses and IDs.

Kentucky has been working to achieve compliance with the federal requirements, and in response, will begin offering two new versions of all identity credentials beginning in 2019. A phased, statewide rollout of the new credentials will start in early 2019 and end by spring. To learn more about the initiative, visit [Confident Kentucky](#).

[Frequently Asked Questions](#) from the Department of Homeland Security regarding the REAL ID Act have been made available.

We are seeking your input on future topics for the 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 Opportunities

Training Class	Date	Time	Location
Hand in Hand We Learn - RPA and UBIT	3/13/2019	9:30am- 10:30am	B&E Gatton Classroom 127 & Virtual
Hand in Hand We Learn – Subaward Training	3/27/2019	9:30am- 10:30am	B&E Gatton Classroom 127 & Virtual
Hand in Hand We Learn – Sales Tax	04/03/2019	9:30am- 10:30am	B&E Gatton Classroom 127 & Virtual
Cash Handling Operations	4/25/2019	9:00am- 11:30am	307 Peterson Service Building
Hand in Hand We Learn - RPA and UBIT	5/1/2019	9:30am- 10:30am	B&E Gatton Classroom 127 & Virtual
Hand in Hand We Learn – Budget vs. Actual Tableau Reports	5/15/2019	9:30am- 10:30am	B&E Gatton Classroom 127 & Virtual

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

If you have a suggestion for a topic for the Hand in Hand training, please email Lexi Bugay at [alexis.bugay@uky.edu](mailto:alexis.bugay@uky.edu).