

UFS ADVISOR

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Treasurer’s Message



[Penny D Cox](#)

I celebrated my 50th work anniversary at UK on October 2nd. 1972 feels like it was yesterday!

It is exciting to have the campus buzzing with activity since we returned to a residential campus. The fall semester is the beginning of a new chapter in the lives of so many students. It also marks the day of a new chapter for the campus support units as we welcomed nearly 33,000 students and colleagues to our “university city” – over 6,100 are new freshmen, 200+ are new faculty and staff, and the remainder are returners. Their expectations are high, and we in University Financial Services are ready to not only meet but to exceed those service and support expectations. You can read in this newsletter about the UFS team member’s work that has been taking place to prepare for that value-added guidance and service excellence.

Serving Our Campus

Our goal is that the resources and information shared in this edition of the UFS Advisor will help campus departments as we continue to navigate together. To that end, I also wanted to share a few examples of large-scale projects that our UFS team is supporting.

- 2021-22 Fiscal Year Audit
- Cost Distribution Entry Model (CDEM)
- Endowment Database implementation
- Royal Blue Health joint venture

We have also provided several articles that give additional information on key initiatives.

- Multi-State Employment Tax
- Credit Review and Bond Sale
- Bluefin P2P
- Training Opportunities

Strategic Plan -- UK PURPOSE: Preparing for Tomorrow

UK Invests

The power of saving a little today — and compounding interest over a lifetime — is undeniable. UK Invests is a holistic wellness initiative anchored by financial education. The idea is to increase financial education and give a defined pathway to a practical tool such as a voluntary investment account to begin saving and investing in themselves. Ultimately, through this initiative, everyone on campus can receive a personal investment account that will be used to incentivize or reward positive behaviors and habits, beginning with financial education and expanding other healthy activities. These habits involve wellness such as financial, community and belonging, mental and physical well-being and intellectual skill development. Click to [learn more](#) about the program: A phased approach is expected for the entire student body and then employees.

Tools for your Financial Well-Being

With high inflation and a volatile stock market making news recently, this may be a good time to take stock of your personal finances. UK offers a wide range of tools and support for [your financial well-being](#). Our retirement vendors, TIAA and Fidelity, offer tips for how to handle ups and downs in the market, and they both offer the opportunity to meet one on one to determine what path might be best for your situation. Plus, as a UK employee, you can take advantage of more tools for personal finance, student loan forgiveness and debt coaching.

Trust, Transparency, and Accountability

Disclosures

In alignment with our Strategic Plan — specifically, the principle of ensuring greater trust, transparency, and accountability — as well as federal law, the University has refined several processes and standard communications and reports we provide annually. A more robust online disclosures page which you can find here: uky.edu/disclosures/ will serve as a repository of important information provided to our community.

Ethical Principals & Code of Conduct

Detecting fraud isn't solely the responsibility of Internal Audit. All employees have a responsibility per [Governing Regulations XIV](#): Ethical Principles and Code of Conduct to help deter and mitigate fraud within the University by reporting any unusual or illegal activity. Several options exist for reporting a possible violation:

- Call UK Anonymous Reporting Service Comply-Line 1-877-898-6072. A person who is not a university employee will answer the call. You may make the report anonymously or by identifying yourself.
- File a [report online](#) from the Internal Audit website
- [Click here to make a report online](#) through a third party company
- Report to your supervisor or the chain of command.
- Report through the Office of Legal Counsel or Internal Audit.

Issues that may be violation of criminal law such a theft or assault should be reported to UK Police. Unsafe conditions would be better reported to Office of Environmental Health and Safety. Issues concerning employee and coworker's conflicts should be reported to Human Resources Employee Relations.

Feedback

Our UFS team members want to be your partner as well as serve as subject matter expert team members that continue to make the University great. What do we need from you? FEEDBACK. If you have suggestions, please feel free to reach out to one of our UFS Directors, Managers or to me directly. We also created a feedback form on our website, to submit feedback via our website please [click here](#).

Thank you for all you do and for your ongoing support. I am honored to work with each of you.

Penny D. Cox

Treasurer

Articles

Multi-State Tax Project

The Covid-19 pandemic scattered University of Kentucky employees in many different directions resulting in a move from traditional University work locations to hybrid or remote. As a result, during the pandemic some legislatures instituted nexus relief provisions that temporarily provided a safe harbor or waiver of state withholding and tax liability for remote work in different states. Due to the end of the temporary period and continuance of employees working remotely compliance is now required with state and local employment tax laws. University Financial Services, along with Human Resources and Enterprise Applications Group have been working to implement multi-state taxation to ensure compliance for employees and the University.

Employees were identified as working in other states as determined by their Remote Address in SAP. Phase I implementation of July 1, 2022 included states who had the highest number of employees working remotely. Using the same criteria Phase II and Phase III implementations were completed August 1, 2022 and September 1, 2022.

The University is currently withholding employment taxes for 17 states which include: Arkansas, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, North Carolina, Ohio, South Carolina, Tennessee, Texas, Virginia, and West Virginia. These 17 states represent approximately 200 employees working outside the state of Kentucky.

University Financial Services will continue to identify and implement additional states ensuring University compliance with state employment tax laws but We Need Your Help! There are critical steps employees must take to ensure we can identify who works outside of Kentucky.

These are:

1. Review and update address information through [myUK](#).
 - Home/Permanent (subtype 1): Local taxation for some states are based on the home address.
 - Remote (subtype 14): Employee primary work location must be completed.
 - Work (subtypes 7 & 13): Employees with two or more work locations should complete the Work and Secondary Work location.
2. Complete [Remote Work Location form](#).
3. Complete appropriate [state withholding form](#).
4. Complete [Kentucky K-4 form](#) if you live in a Reciprocal State and meet the qualifications.
(Illinois, Indiana, Michigan, Ohio, Virginia, West Virginia, and Wisconsin)

We ask employees to remain diligent in keeping their SAP address information up to date and completing the proper forms should their home address or work location(s) change. For questions please contact your [Payroll Analyst](#) or call 859-257-3946.

Credit Reviews and Bond Sale

During this past quarter University Financial Services has been preparing for the issuance of approximately \$97.1 million in general receipts bonds to financing \$74 million for the Facilities Renewal and Modernization project and \$23.1 million for year one of the Asset Preservation Pool project. Below are additional details on the projects:

Facilities Renewal and Modernization

- This project is a multi-phase effort to renew and modernize buildings that make up the core of central campus and buildings south of the central campus associated with the College of Agriculture, Food and Environment. By

rehabilitating, restoring, and modernizing these facilities and the campus enabling infrastructure, the university can better preserve its heritage, conserve energy, create an environment for more efficient and effective teaching, and attract productive researchers.

Asset Preservation Pool

- The Asset Preservation Pool project is a multi-phase effort to preserve existing campus buildings and enabling infrastructure, so they continue to serve their intended functions well into the future.
- This pool includes an additional \$154.2 million in funding from the State, \$77.1 million in each year of the 2022-24 biennium. The university is required to match 30 cents on the dollar to receive State funding. This bond issue fulfills the university's match requirement for year one of the biennium. In year two, the university will be required to fund an additional \$23.1 million to receive the remaining \$77.1 million State contribution.

In August 2022, 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 August 16, 2022, the university sold the bonds competitively. Ten underwriters submitted bids for the Series B tax-exempt bonds and 12 submitted bids for the Series C taxable bonds. The bids for the sale came in lower than expected – 3.60% on the short-term taxable bonds and 3.44% on the long-term tax-exempt bonds, for a combined all-in interest cost of 3.45%. 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 University Financial Services in completion of the credit reviews and bond sale.

To review the credit opinions and official statement for the bond sale, please visit the university's investor relations website at the following link: www.ukybonds.com.

Bluefin P2PE

The Merchant Card Services team within Treasury Services has been working on the rollout of Bluefin Point-to-Point Encrypted (P2PE) credit card terminals to all departments on campus that currently accept credit cards for in-person and/or telephone order payments. The Bluefin terminals utilize P2PE technology to encrypt credit card data at the time of swipe, thus increasing data security, reducing risk, and reducing the number of requirements to meet PCI DSS compliance.

Additionally, these devices allow for the acceptance of card payments utilizing near-field communication (NFC), such as Google Pay, Samsung Pay, and Apple Pay. This is the same solution currently being used in UK HealthCare facilities and clinics that was rolled out as part of the EPIC implementation in 2021. This current project will replace approximately 100 terminals on campus, in addition to the 400+ terminals already installed throughout UK HealthCare. The projected completion of this rollout is expected to be in October 2022. Upon completion of the project, greater than 90% of the card readers on campus will be utilizing P2PE technology.



Finance & Administration Specialized Training (FAST) Program

The Finance and Administration Specialized Training (FAST) program is instrumental in ensuring greater trust, transparency, and accountability — one of five key principles in the strategic plan. *This initiative demonstrates to our community that our financial operations are being administered in accordance with University policies and best practices.*

The FAST team working closely with subject matter experts have developed both *mandatory and voluntary training for all business officers throughout our colleges and administrative units*. Those courses can be found at <https://finadmintraining.uky.edu/>

FAST COURSE LIBRARY

Available Courses	Content Received	Waiting on Content	On Deck	Suggested Topics	Suggested Series Topics
Courses available in myUKLearning	Instructional designer to create	Workgroups have kicked off / Content in development with workgroup	Topics slated for kickoff	Topics identified by FAST Steering Committee, Stakeholder feedback	Series topics identified by FAST Steering Committee and/or stakeholder feedback
Financial Foundations Initial 5 Course Series: 1. Account Reconciliation 2. Fundamentals of Fraud Prevention 3. Internal Controls 4. Procurement Card 5. Cash Handling Basics 6. Fraud Prevention II 7. Procurement Basics 8. Sponsored Projects 9. Travel 10. Campus Payroll 11. Cash Handling II: Operational Procedures 12. Cash Handling III: Deposit Process 13. Cybersecurity 101 14. How to Buy I 15. How to Buy II 16. Enterprise Amazon Business Account	1. HR: Compensation 2. HR: Employee Records and Unemployment 3. Non-Endowed and Endowed Gifts: Basics 4. Surplus Property 5. HR: PARs processing	1. Financial Allocation Models 2. Concur "Tips & Tricks" 3. Budgeting Basics 4. Legal Basics On hold (per SME): 1. Independent Contractor	1. HR: Employee Relations 2. Employee Taxes 3. Non-Endowed and Endowed Gifts: Reporting & Reconciliation 4. Discretionary Funds & Expenditures	1. HR: Benefits 2. Supplier Diversity 3. Vendor Management 4. HR: Employment 5. HR: Reporting 6. UKHC: Billing and Compliance 7. Record Retention 8. Staff Overloads 9. Budgeting II – Axiom 10. Imprest Accounts 11. Inventories: Equipment 12. Inventories: Vehicles 13. Inventories: Space 14. Functional areas 15. Payments to research subjects 16. Faculty appointments 17. Fiscal Roles & Responsibilities 18. Conflict of Interest Policies 19. UKHC Payroll	1. Faculty Series a. Research b. Conflict of Interest c. Self-Authoring Textbooks d. Faculty Overloads 2. Research Finances & Grant Management 3. Vendor Management a. Vendor Onboarding b. Contract Administration

Concur/Travel Additional Training Opportunities

Training Class	Date	Time	Location
Scheduled training classes			
Travel Services	10/6/2022	10:30am- 12:00pm	Virtual
Concur Online Booking Tool	10/13/2022	8:30am-10:00am	Virtual
Advanced Concur Online Booking Tool	10/13/2022	10:30am- 12:00pm	
Travel Services	12/1/2022	10:30am- 12:00pm	Virtual
Concur Online Booking Tool	12/8/2022	10:30am- 12:00pm	Virtual
On-demand, Virtual			
Introduction to Concur Travel & Expense Management			
Concur: Create a Travel Expense Report from a Pre-Approved Travel Request			
Concur: Creating a Travel Expense Report without a Travel Request			
Concur: Creating a Travel Request			
Concur: Expense Reporting for Procard Transactions			
Concur: Review and Complete User Profile Settings			
Cash Handling Basics			
Procurement Card			

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