WELCOME to BFS Mini Tune-ups

OBJECTIVE:
Online meetings to provide campus staff with a high level perspective and information on both topics of interest and new/upcoming initiatives and policy updates.

PRINCIPLES:

• Sessions are conducted via Zoom and will last no longer than 30 minutes
• Participants will be muted during the session
• Chat questions can be submitted but priority will be given to questions submitted ahead of time at www.bfs.ucsb.edu/coaching
• The Mini Tune-up website will be updated with session details and information
Reimbursements and Purchasing

The authority to enter into a purchase agreement for goods or services requires formal delegation from the campus Chief Procurement Officer. Reimbursement requests are subject to disallowance and liabilities arising from reimbursements are not indemnified by the University.

Reimbursements are a policy and process exception and every effort should be made to minimize reimbursement activity.

Procurement of goods and services should be conducted via:
• Gateway Purchase Order
• FlexCard
Reimbursements - Overview

Reimbursements processed in Fiscal Year 2017:
• $1.5M+ or 5,000+ transactions
• 30%+ of vouchers total $45 or less. The average cost to process: $45
• 10%+ of reimbursements are charged to federal funds

Food for Thought:
Individuals requesting reimbursement 10+ times are 30+% of total volume

We need your help to transition reimbursements for goods and services to approved channels!
Anyone with a UCSB NetID can use the system!

• 1.5 days to process on average - most PO’s are issued as soon as your dept approves!
• 4,000+ active vendors subject to UC T&C’s
• 2.5M+ items available from hosted supplier catalogs
• 21 “Punch-out” vendors enabled
• Access to Preferred Vendors with lowest TCO
• New Vendors added almost daily!
**UCSB FlexCard**

UCSB’s equivalent to a purchasing fast pass!

- Cardholders can purchase most goods and services immediately
- Procurement authority granted up to $5,000 (more if needed)
- 500+ FlexCard holders on campus

Why aren’t you using a FlexCard?
Reimbursement and Purchasing Wrap Up

Reimbursements for goods and services are:
- An exception to policy and process – apply the brakes!
- Expensive and slow – use your fast pass!
- Subject to disallowance and not indemnified

UCSB Gateway and FlexCard should be used to purchase goods and services.

Goal for Fiscal Year 2019:
$0 on Federal Funds
Accountable Plan

UC Employee Reimbursement Policies follow the Accountable Plan rules

Requirements include the following:
- Employee must have paid expense for the benefit of the University
- Employee must provide adequate accounting, including supporting documents and business purpose
- Employee must submit expense reimbursement vouchers in a “reasonable” period of time. The Department of Treasury has defined “reasonable” = 60 Days from payment

Failure to comply with Accountable Plan rules can result in reimbursements characterized as additional employee compensation
Expense Reimbursement Process

Processing Expense Reimbursements is a **Collective Effort** that starts and ends at the Department.

Payees, Preparers and Approvers are **De Facto Members of the Accounting Process**
Employees requesting reimbursement for University purchases are responsible for providing the following:

- Original Receipts
- Description
- Business Purpose
- Signature/Certification
- Submit documents to Preparer in a timely manner*

* - 60 days from Payment Date
Preparer

Preparers are responsible for the preparation of a complete and accurate reimbursement voucher from information provided by the Payee, including:

- Collection of documentation provided by Payee
- Confirm Deliver of University goods/services
- Prepare Expense Voucher
- Attach Receipts and Supporting Documentation
- Submit Voucher to Approver
Department Approvers are responsible for the review, approval and release of expense reimbursement vouchers, including:

- Review Voucher for Completeness
- Confirm presence of required signatures
- Ensure documentation is appropriate to substantiate the expense
- Review for errors and/or missing documentation
- Ensure compliance with University Policy and Fund Source Restrictions
- Sign & Release Voucher for Payment
Accounts Payable

Accounts Payable is responsible for the review and release of expense reimbursement vouchers for payment, including:

- Identify Errors
- Identify Missing Information
- Follow-Up with Preparer
- Release Voucher for Payment
Top Issues Causing Processing Delays

• Missing Original Receipts
• Voucher Not Released by Approver
• Business Purpose Not Provided
• Improper Approver
• Failure to provide Proof of Payment
• Request not signed by Payee
• Incomplete Declaration of Missing Evidence Form
• Math Errors
• Missing Original Signatures
• Use Tax Not Calculated or Calculated in Error
Other Issues/Concerns

• Reimbursement claims should be requested by person that actually paid expense

• Employees should avoid payments for Personal or Professional Services

• University purchases should not be sent to Personal Address

• US Bank Corporate Card should only be used for University Travel and Entertainment
Expense Reimbursement Error Process

When Expense Reimbursement Vouchers are submitted with errors, missing information or approvals:

Increased time and effort is required by each Role in the Reimbursement Process.
Where’s My Payment

In the interest of providing more information to Departmental Staff the following information is now available regarding status of reimbursement vouchers:

https://www.bfs.ucsb.edu/accounts-payable/wheres-my-payment

Navigate to Accounts Payable – Types of Payment – Useful Links – Where’s My Payment
Reference Materials

- Accounting Manual, Disbursements: Approvals (Procedure)
  https://policy.ucop.edu/doc/3410215/AM-D-371-16
  Approval as required by Purchasing Office

- BFB BUS 43 Purchases of Goods and Services, Supply Chain Management (Policy)
  https://policy.ucop.edu/doc/3220485/BFB-BUS-43

- IRS Tax Topic 514 – Employee Business Expenses
  https://www.irs.gov/taxtopics/tc514
Questions & Answers
We have received several questions around the topic of what is meant by Paid Receipts and Proof of Payment.
Question 1 - Itemized Receipt

The following are the required elements of an Itemized Receipt

1. Name of Merchant
2. Transaction Date
3. Detailed Description of goods or services purchased
4. Amount Paid
5. Form of Payment
Question 1 - Itemized Receipt Not Available

If an Itemized Receipt is not available, then the Payee should provide the following:

1. Merchant Invoice, including: Transaction Date, Detailed Description of goods or services purchased, and Amount

2. Proof of Payment
   (A) Cleared Check – Payee should redact personal information contained on the copy (e.g., bank routing and account number), or
   (B) Credit Card Statement – Payee should redact personal information not pertaining to the expense being claimed
I had to pay for parking while I was working a local event. This was the only expense incurred for this event. I prepare Miscellaneous Reimbursements for my team and so I prepared one for myself. Is this ok?

What is the best course of action in this situation?
While it is best practice to have someone else prepare your online or paper Form 5, circumstances may require you to prepare your own expense voucher.

As with all reimbursements, the Form 5 will need to be approved and released by the appropriate person in your organization.
Questions

**Q:** Since Campus no longer offer Finger Printing and the employee has to go outside UC, how should we proceed to reimburse the employee?

**A:** If the employee incurs expense for fingerprinting, the preferred reimbursement channel is: Online Form 5.
Questions

Q: What is your recommendation on giving faculty Flex Cards?

A: We recommend issuing Flex Cards to UC employees if there is a demonstrated need to procure goods that are not available through Gateway. Please contact us if you have other questions, or need help deciding whether the Flex Card would be a good option for you.
Questions

Q: Where do I find the expense voucher?

A: Reimbursements to employees should use the Online Form 5 System. Information about using the Online Form 5 System can be found here: https://www.bfs.ucsb.edu/accounts-payable/types-payment/reimbursements. Please contact us should you have further questions regarding the use of the Online Form 5.
Questions

Q: How specific does the business purpose need to be? How is for research and teaching?

A: The business purpose should be as specific as possible. If the purchase is for research, then the purpose should make reference to the type of research, etc. If the purchase is for teaching, then the purpose should make reference to the course, etc. The purpose should support and demonstrate the business use of the item purchased.
Q: Can I check "where is my payment" for paper form 5?

A: "Where is my Payment" is currently set up to provide a status of "Reimbursement" type Form 5's, Online Form 5's, Travel Expense Vouchers and Entertainment Form 5's.
Questions

Q: I've heard quite a bit of bad feelings about the Flexcard in my department, my supervisor said that his card wasn't paid on time.

A: The University has two credit card programs: Flex Card and Corporate Travel & Entertainment Card. The Flex Card allows the cardholder to make University purchases and the account balance is paid by the University on a daily basis. That being said, there has never been an instance of late payment on a Flex Card. The Corporate Travel & Entertainment Card is for University Travel and Entertainment expenditures. Our office processes payments to Travel & Entertainment Corporate Card accounts 2- times per week. If Cardholders report expenditures on a timely basis, late payments should not be a factor.
Questions

Q: If we submit an itemized receipt, why do you require a missing evidence form?

A: If the original receipt contains: Name of Merchant, Transaction Date, Detailed Description, Amount Paid, and Form of Payment, then no missing evidence form should be required. If the original receipt is not available, or does not contain all the required information to substantiate the purchase, then there is a need to provide additional documentation that provides the required information and proof of payment.
Questions

Q: Is FlexCard or Gateway the preferred method?

A: "It Depends". We prefer the use of Gateway when purchasing high dollar and/or high risk items available from a hosted catalog or punch-out vendors. The Flex Card should be your "go-to solution" for most low dollar transactions. For more information about the FlexCard: https://www.bfs.ucsb.edu/procurement/flexcard
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CLOSING - BFS Mini Tune-ups

NEXT STEPS:

Visit the Mini Tune-ups website to:
• View our session blog updates
• Sign up for future sessions and submit questions
• Submit suggestions for future topics

www.bfs.ucsb.edu/coaching
Thank You!

WRAP UP