



Council of the University of Idaho Business Officers
Summary Notes
February 19, 2015

Taxing Foreign Students on Scholarships and 3rd Party Payments against Unqualified Tuition and Fees-Delora, Shoop, Student Accounts

Due to the IRS Audit, we are not withholding taxes on nonqualified fees. This year we have developed a process to be in compliance. Identify international students that are receiving payments. If you are paying fees and tuition or lab/course, orientation fees, etc., these are all qualified fees.

Payments for Non-qualified fees include room and board, and SHIP. These are the largest payments that need to be taxed. Also parking tickets, prescriptions, and clothing, travel, trips, transcripts, graduation fee, SRC memberships are not qualified.

Taxation is determined by a variety of factors. Each student is different. Different countries have tax treaties, SSN, years in US, need W8 or W9 on file.

The student fills out immigration information. The software takes that information and processes the taxation. It determines the amount and documents needed. Tax rates are: 0% (longer than 5 years, W9), (W8 & SSN), and tax treaty on scholarships and grants- 14% the student is responsible, no W8 or W9 on file will be taxed at 30%

If a department pays for the tax, those payments need to be taxed. 1042S documents will go out to students by March 15. International students can go into IPO and get help. It would be a good idea to include the possibility of taxation when you send out offer letters.

The student fee payment process will not change much. Katharine will look at them to indicate international. She emails Delora/Connie to determine taxation and documents on file. Students will get two separate emails to request information. If the student refuses to turn in paperwork they will be taxed at the full rate.

Tax and payment must post on the same day to remain in compliance. Late fees will be waived if waiting on payment is not the result of the student.

Deadlines to pay the tax are still being determined. Questions on unique situations can be directed to Delora in Student Accounts

Clothing tax will now be taken out before the student receives the check.

Purchasing Card Compliance- Linda Keeney, Accounts Payable

Internal Audit just completed an audit regarding pcard compliance. Next month Kent Nelson will be here to discuss consequences of

3 areas need reminding on pcard payments

-No personal usage, ex: Hulu, Netflix, Skype, etc.

If a person can't avoid accidental usage- they should not be carrying the card

-Meals must meet IRS regulations APM 70.21-22

Regular staff meetings do not count- Retreats are ok,

Entertainment forms on file

No alcohol on the pcard

In correct charges will be moved to AR

Food PO's do not have enough information included for payment

Preferred method: NT pcard claim or CV

-Splitting costs of more than \$5000 are not allowed however creative the combination might be.

Suggestions to limit risk:

Currently no correlation of roll up codes to pcard users.

Limits are being adjusted to more accurately reflect usage.

Card Cancellations- Do not just call US Bank, let AP know. Final AR balances should be reconciled before an employee leaves. It is recommended to have an exit checklist when an employee leaves.

Budget Updates- Trina Mahoney, Budget Office

JFAC has set the state-wide budget items such as CEC – it is the 3% merit increase that was recommended by the Governor. University leadership is exploring options for implementing including recommendations put forth by Faculty Senate which included addressing the lowest wage.

JFAC is also looking at funding the enrollment workload adjustment but for the University of Idaho that is actually a reduction to our budget of nearly \$900k due to our dip in enrollment by approximately \$900,000. As part of his presentation to JFAC Pres. Staben asked to fund our Fund Shift so the state would fund 100% of salary increases and benefit cost increases for General Education – in exchange for this we would not raise tuition.

Permanent changes and revenue generating budgets should be submitted to Janice or Jill. Emails will go out soon with details and due dates, but you don't need to wait for the email to submit changes.

Salary guidelines will need to wait on the legislature.

New fiscal officers are encouraged to reach out to the Budget Office with questions.

Hearing and budget presentations will be coming up. More information to come.

Comp Time Update- Dan Stephens, Controller

Three-hundred people defaulted to overtime. The new policy was approved by the president and is now live and active. You can run PWRWTES to view the employees' elections in your unit. PWRLBAL will display employees' available balances in comp time bank one and two. One-third elected comp time, 1/3 elected accrual, and 1/3 defaulted.

Bank 1 hours are still eligible for immediate payment. Bank 2 can only be used as time off. Pay period 25 (that will be paid in PP26) will determine the amount of comp time that will be paid in the mandatory pay out.

New employees will receive an email (and their supervisor) that indicates they have 30 days to make an election.

Department Updates

Purchasing- still working on eProcurement. Process mapping on service contracts are still in the works.

OSP- Bob Smith is the new AVP, Tera is now acting director. RFP electronic system. Reminder: Grant administrators will be meeting this month.

Internal Audit- No Report