

OSBHE FINANCIAL ADMINISTRATION STANDARD OPERATING MANUAL

This policy was developed prior to implementation of Banner FIS. Therefore, specific information related to the previous accounting system (FMS) is no longer relevant. This policy is made available on-line since certain general principles are still applicable. If you have questions, please contact the Controller's Division at (541) 737-3636 / cdwebmaster@ous.edu. Applicable sections of this policy will be transitioned to the new Fiscal Policy format as time and resources permit.

Section 01.99 MISCELLANY (Last Revised 02/89)

This section is a collection of miscellaneous principles, procedures, and policies related to Department of Higher Education accounting. When an item is included in a more appropriate section, it will be deleted from this section.

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A[1] Affiliated Organization – Definition

An "affiliated organization" is a foundation or development fund functioning for an institution to receive gifts or bequests which the donor may choose to direct to the affiliated organization rather than the institution. For further information on affiliated organizations, see OSBHE Administrative Rule 580-41-005, Relations with Affiliated Organizations, and OSBHE Internal Management directives 6.401 through 6.431 which pertain to affiliated organizations.

A[2] Affiliated Organization - Service Contracts With

Since the affiliated organization is a separate corporation and not part of the Department of Higher Education, it is not appropriate for the institution to employ the individuals who work for the foundation or development funds. The institution can, however, contract with the affiliated organization to provide clerical services. The contract is signed by the contracting officer for the Board. Funds received as a result of entering into the contract are placed in a current restricted account, and are not identified as donation or gift funds. The institution may then employ individuals to perform the services required by the contract. Ref.: OSBHE Internal Management Directive 6.431, Contracts with Affiliated Organizations.

A[3] Affiliated Organization - Gifts Received on Behalf of

When a gift received by an institution is accompanied by a letter or other documentation indicating that the gift is intended for a corporate affiliate, i.e., foundation, advancement fund, etc., it is handled as follows:

1. Deposit the gift to an agency account identified with the name of the corporate affiliate.

2. Transmit the funds to the corporate affiliate by a separate check payable to the affiliate and shown as a disbursement from the agency account.
3. Retain the letter to provide an audit trail and to support the cash transfer to the corporate affiliate.

A[4] Athletics – Intercollegiate

Athletic receipts, student fees and gifts make up the revenue for intercollegiate athletics.

Athletic receipts include gate receipts, television royalties, and revenues from other sources related to athletic events.

Student fees include incidental fees paid by students and allocated to intercollegiate athletics.

Expenditures of athletic receipts and student fees may be made for:

1. Recruiting athletes
2. Training athletes
3. Athletic contests
4. Grant-in-aid scholarships
5. Official guests' entertainment
6. Public relations
7. Support services, supplies, and equipment as authorized by the institutional president.

Expenditures from gifts may be made for any authorized purpose for which the gift is made in support of intercollegiate athletics.

B[1] Building Repair and Maintenance

All expenditures from 05X Current General Fund Budget Expense accounts for maintenance and repair of buildings, grounds and improvements are to be charged to physical plant budgets. The proper procedure for recording this type of activity is to charge the expense to a physical plant 05X account, and to transfer budget funds from the account providing the funds to the physical plant using a budget change document. This method classifies the expenditures by function. It may also improve indirect cost recoveries by properly classifying operation and maintenance expenditures.

Note: it is not proper for physical plant to bill the funding department and record the receipts as a service credit to the physical plant.

References: Board meeting 65, 1-27-36, pg. 2; Board meeting 84, 4-26-38, pg. 14.

C[1] Charge Cards

Payment by bank credit cards such as VISA or MasterCard may be accepted only when authorized by the Office of Administration. Requests for authorization to accept credit cards for specific activities should be sent to the Office of Administration. Where payment by credit card is authorized, acceptance or continued acceptance of such payments is at the discretion of the institution president.

All institutions are authorized to accept payments by VISA and MasterCard credit cards for tuition and fee payments for the regular academic year terms including summer term. This authorization covers all charges on the student billing at the time of registration such as for housing, parking, student health insurance, accounts receivable, etc.

The full amount of tuition, fees, and other charges paid by credit card at the time of registration must be recorded as revenue in the proper accounts. The credit card company's service charges applicable to Current General Fund income (04X) are recorded as expenses in an XX-050-82XX Institutional Support-Fiscal Operations category of accounts using transaction code 2906, Credit Card Discounts. The service charges should not be charged to institution tuition and fee accounts. The portion of the service charge applicable to auxiliary enterprise activity income is charged to an Auxiliary Enterprise Operating account using transaction code 2906. Note: it is not proper to charge service charges to the Undistributed Incidental Fee account before the allocation to incidental fee-supported auxiliary activities. Such action would result in the expenditure being treated as a reduction of revenue rather than an expense.

Institutions may also accept payment by credit card for other activities after receiving Office of Administration authorization. For example: intercollegiate athletic ticket sales; self-supporting conferences, work shops, and seminars; self-supporting open enrollment credit courses (continuing education); dramatic and musical performances; installment payments for tuition and fees; and student housing or board and room. The full amount of the fee is recorded as revenue. The credit card service charge is recorded in the account receiving the income as an expense with transaction code 2906, Credit Card Discounts.

F[1] Foreign Study/Study Abroad Programs

When a student enrolls in a Foreign Study/Study Abroad Program, the total program fee collected by the institution should be deposited in a Designated Operating (-060-) account using an 0XXX revenue transaction code. If the fee is prepaid, it should first be placed in an Undistributed Income (-024-) account. Later, when the fee is due, it should be moved to the (-060-) account.

The total program fee is distributed from the (-060-) as follows:

1. ODHE institution tuition is moved to a Board and State-Wide Public Service Income (-040-) account. The (-060-) account is debited using an 0XXX revenue transaction code. The (-040-) account is credited using an 01XX revenue transaction code. The tuition is spent from an Educational and General Funds Expense (-050-) account.
2. Any program surcharge fee is recorded in an Institutional Income of Educational and General funds (-041-) account. The (-060-) account is debited using an 0XXX revenue transaction code. The (-041-) account is credited using an 01XX revenue transaction code. The fee is spent from an (-050-) expense account.
3. Funds paid directly for air fair, board and room in a foreign country, field trips, etc., remain in the (-060-) account and are spent from that account.
4. Some agreements with foreign universities require a lump sum payment to the foreign university to cover tuition, board and room, and other costs, e.g., air fare, field trips, etc. These costs are generally not itemized. This lump sum payment is made directly from the (-060-) account.

H[1] Health Service Fees - Uses of

The health service fee is entirely separate from the incidental fee and any other fee. The health service fee is used only to support Health Service activities. Revenue cannot be allocated to a non-health service activity.

P[1] Project FTE

For project reporting purposes only, the FTE for a gift, grant, or contract project is based on man-months of effort applicable to the project. This causes the project FTE to differ from budgeted FTE for an academic staff member on a 9-month appointment.

Project FTE is annualized by dividing total man-months by 12 if the life of the project is 12 months or less, or by the total project months if more than 12. For example, a project that requires 6 man-months of effort, and is completed in one year or less, has an annualized project FTE of .500 (6/12) whether it lasts one month or 12. An 18-month project that requires 6 man-months is .333 FTE (6/18).

S[1] Summer Session Account Numbers

Special Current General Fund budget expense accounts are assigned for recording summer session expenses. The accounts are used for alternate years as follows:

- XX-050-3001 - Odd-numbered calendar year
- XX-050-3002 - Even-numbered calendar year
- XX-050-3011 - Law Summer Session - odd calendar year
- XX-050-3012 - Law summer Session - even calendar year

A summer session is budgeted entirely in the "new" fiscal year. For transactions recorded prior to July 1, expenses are recorded as pre-paid and revenue as deferred.

Prior to 1978 the summer session account numbers were XX-050-5001 and XX-050-5002.