The Campus Business Officer’s Group met on Thursday, February 9, 2017, at 8:30 a.m. in the President’s Conference Room, second floor, Sikes Hall.

Present: Virginia Baumann, presiding; Cynthia Barnes for Leigh Dodson, Agriculture, Forestry, & Life Sciences; Cindy Jefferson for Carla Bennett, Business & Behavioral Sciences; Regina Carroll, Health, Education, & Human Development; Tammy Crane, University Libraries; Stanley Richardson, Research; Jacqui Stephens, Architecture, Arts, & Humanities; Erin Thomas, President/Board/Finance; Barbara Bass, College of Science; Kelly Collins, College of Engineering, Computing and Applied Sciences; Teresa Hollifield, Interim Student Affairs; Amanda Powell, Clemson Computing and Information Technology; Debbie Newsom, Clemson University Foundation; Chris Wood, Vice President for Academic Affairs and Provost.

Staff Present: David Watson, Office of Budgets and Financial Planning; Stephanie Barker, Cash & Treasury; Mike Nebesky, Procurement & Business Services; Beverly Leeper, Controller’s Office; Kathy Gibson, Research; Arthur Leonard, Internal Auditing; Clint Carlson, Accounting for Related Organizations; Sherri Rowland, Accounting Services; Dustin Foxworth, Provost & Academic Affairs; Steve Crump, Controller’s Office; Melissa Kelley, Public Service Activities; Matthew Thomson, Athletics.

I. Welcome & Introductions
Virginia Baumann called the meeting to order and welcomed business officers. New faces and guests were introduced: Sierra Holland, Administrative Coordinator for the Vice President of Finance and Operations; Dustin Foxworth, Provost & Academic Affairs.

II. Budget Update
Virginia Baumann reviewed State Budget Priorities which included the following:

   a. Education and General Requests (all are recurring requests)
      - Connected Vehicle Center at CUICAR: $3.2M
      - Cyber/Physical Security Institute: $3.1M
      - Product Lifecycle Management: $2M

   b. Non-recurring requests:
      - Critical Investments in SC’s Advancement Tier for Competitiveness: $5M
      - Business & Behavioral Sciences Building: $25M
      - Advance Material Science Complex Building: $25M
      - Martin Hall Renovation: $15M
      - Long Hall Renovation: $14M
      - Daniel Hall Renovation: $10.5M

   c. Recurring PSA requests:
      - Rebuilding Agriculture & Natural Resources Program: $1.3M
      - Rebuilding Statewide Extension Programs: $1.5M
      - Water Resource Research, Management & Technology: $2.5M
d. Non-recurring PSA requests:
   - T. Ed Garrison Arena Education Conference Center...........................$10M
   - Facility Renovation for Water Research...............................................$7M

The requests were submitted to the State in September, and the Governor’s proposed budget published in January 2017 recommended no increases for Clemson. The House Ways & Means Committee is conducting budget hearings and will be developing a version of the budget soon.

David Watson continued Budget Updates by discussing the budgeting and use of E&G state appropriations. Several years ago, the University made a decision to apply general E&G state appropriations primarily to 9-month instructional faculty salaries (account UCLASS) and fringe (account FRINGE) within the colleges. It was determined recently that some of the colleges have been using a WAGES account code (5157 general temp/part-time), not UCLASS, for temporary 9-month instructional faculty, which meant that they could not use state appropriations for these temporary faculty salaries. In order to provide the colleges more capacity and flexibility for the use of state appropriations while also continuing to limit the use to 9-month instructional faculty, a new WAGES account code (5148) has been established specifically for temporary faculty. This account code should be the only WAGES account code used for general E&G state appropriations intended for instructional purposes. It is important to note that these account code requirements do not necessarily apply to special allocations from the state for specific research or student engagement initiatives.

David also reviewed Budget Department deadlines, which are on the Clemson University Finance Team’s website at www.clemson.edu/finance/budgets.

III. Procurement & Business Services Update

Michael Nebesky presented the following items:

a) New Inbound Freight Process – Clemson University has contracted with Vantage Point Logistics to reduce the costs of inbound freight on University purchases. VPL will serve as a third party intermediary between the University, FedEx and our suppliers. This change does not change how we order or interact with suppliers. The only change applies to shipments being set “prepaid and add” and do not apply to “freight included.” Purchase orders will still be placed through buyWays and additional instructions will be automatically placed on purchase orders. For more information regarding this policy, please visit the Procurement and Business Services website at https://www.clemson.edu/procurement/.

b) PayPaw – A Clemson Lean Event identified a need to improve the invoicing process. A new process in buyWays is being finalized to simplify the way campus processes invoices for PO’s. The new process provides a way for more manual invoices handlers having to intervene. Through this process, all PO invoices will be routed to a single address on campus and Ricoh, a partner of Clemson University, will use technology to upload the invoices directly into buyWays. To learn more about PayPaw visit the Procurement and Business Services website at https://www.clemson.edu/procurement/.
c) WORKS P-Card system – Bank of America offers an online software solution that helps Clemson manage the P-Card program using a web-based platform which provides greater transparency and flexibility for P-Card holders. This system has the capability to allow charges to be reconciled directly through the system at the time a charge is made and allow P-Card receipts to be uploaded to the system without filing paper copies. For more information about the WORKS P-Card system visit the Procurement and Business Services website at https://www.clemson.edu/procurement/.

d) Claiming R&D Exemptions – There are instructions in buyWays concerning the proper procedure for the requirements of completing the R&D form. The form still needs to be filled out if the PCard was used to make the purchase and an R&D exemption is being claimed.

e) Personal Communication Stipend Policy Review – Background of the Personal Communication Stipend Policy was provided, being that the policy was created in 2008/2009 to address whether the University or individuals would retain ownership of the cell phones and how to best manage costs. Initially, the university created the policy to pay for the minutes individuals spent on phone calls for business purposes. However, with the change in technology, minutes for phone calls are unlimited and the stipend is primarily being used to pay for data. After reviewing background information regarding the Personal Communication Stipend Policy, the floor was open for feedback on how to update the policy in relation to the primary uses of personal communication. During this time, many topics of concern were raised:
   a. Importance of Data (areas with WiFi vs. areas without WiFi)
   b. IRS compliance
   c. Personal communication devices in place of landlines
   d. Accountability of being given a stipend
      i. Cell phone number listed
      ii. Necessary stipend vs. “bonus” stipend
   e. FLSA compliance
   f. Consistent use of the policy
   g. Stipend vs. university-owned phone
   h. Policy coverage

IV. Pooled Fringe and F&A Rates

Beverly Leeper informed members that the University submitted proposed fringe rates to the Department of Health and Human Services in December. The process takes several months for DHHS to issue a response with the final approval to begin using the new rates. It is anticipated that the proposed fringe rates will be approved by July 1 for the new fiscal year. For planning purposes, please notify individuals in your college/division to use the following proposed pooled fringe benefit rates for Fiscal Year 2017 – 2018.

<table>
<thead>
<tr>
<th>Employee Type</th>
<th>FY 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 month</td>
<td>31.1%</td>
<td>+1.0%</td>
</tr>
<tr>
<td>Administrator</td>
<td>37.2%</td>
<td>+0.9%</td>
</tr>
<tr>
<td>Graduate Students</td>
<td>13.4%</td>
<td>+5.2%</td>
</tr>
<tr>
<td>Undergraduate Students</td>
<td>3.2%</td>
<td>+1.6%</td>
</tr>
<tr>
<td>Part-Time/Temporary</td>
<td>20.9%</td>
<td>+2.8%</td>
</tr>
</tbody>
</table>
V. FY 2017/2018 Billing Rates
Beverly Leeper reminded business officers that billing rates for Fiscal Year 2017/2018 are due as soon as possible.

VI. Change in Investment Income Guarantees
Sherri Rowland informed committee members that since 2008 the rate of return has steadily declined from about 4% to barely 1%. Because of that decline, there will be a decrease in guaranteed rates being allocated to departments from 1% to 0.75% and from 2.25% to 2.0% on endowment balances. This change went into effect January 1, 2017 for third quarter.

VII. Annual Security Review for Financials Reminder
Sherri Rowland reminded committee members that the Annual Security Review for PeopleSoft Financials went live on February 1, 2017. Those affected should have received an email notification that reports are available. The review can be completed by entering the system and clicking the submit button. Members were instructed to contact Bob O'Kelly if there were any issues accessing the system. The deadline to complete the Annual Security Reviews for Financials is February 28, 2017.

VIII. Physical Inventory Observation Update
Sherri Rowland provided an update on the Physical Inventory project. Most departments have met with Andrea and Jeff, who are conducting the physical observations this year. Roughly, 75% of the project is complete. Issues identified during the project have been the same as findings during the internal audit: documentation of equipment transferred between departments is not complete in the system and liaisons are not 100% aware of their roles and responsibilities involving equipment. The project should conclude in a few months with viable metrics to help make decisions on how to move forward with the process for the next fiscal year.

Steve Crump added that a process has begun to compile a correct listing of equipment liaisons and submit them to Human Resources so that the equipment liaisons can have equipment liaison position descriptions can be added to their personnel files. The goal is to have the job duty listed on each Equipment Liaison's Employee Performance Management System Form.

IX. Departmental Asset Tracking System Update
Sherri Rowland updated members on the utilization of the Departmental Asset Tracking System. The system started in the fall of 2016. Laura McAlister has conducted training with four colleges and has other trainings scheduled. To date, only 17 departments have entered data into the system. Sherri reminded all members that the policy communicated in the fall requires that data be entered into the system. No deadline has been communicated for system utilization.

X. Other Matters
- Sherri Rowland clarified a question from the internal audit regarding budget status report reconciliation and whether paper copies were required or if electronic copies would suffice. The policy will be updated to clarify that the preference is that
departments have a system to reconcile budget status reports electronically with it stored on the share drive to show that all approvers have reviewed the budget status report for both expenditures and revenue. It is not required to print budget status reports for circulation and signatures.

- Steve Crump addressed the requests that areas are getting regarding use tax for Amazon purchases. It is no longer necessary to include use tax for Amazon purchases and will no longer result in an internal audit finding. Amazon should now handle this process from their end.

- Stephanie Barker reminded members of the new returned check handling procedure. Find the procedure at http://media.clemson.edu/cfo/business-manual/CU-Returned-Item-Procedure.pdf. Backup material included: Departmental Return Check Handling Procedures

There being no further business, the meeting was declared adjourned at 9:11am.