The Campus Business Officer’s Group met on Thursday, November 09, 2017, at 8:35 a.m. in the President’s Conference Room, second floor, Sikes Hall.

Present: Steve Crump, presiding; Debra Galloway, Communications and Brand Strategy; Erin Thomas, President/Board/Finance; Chris Wood, Provost; Lisa Bona, Student Affairs; Jimmy Barnes, Student Affairs; Mike Nebesky, Procurement & Business Services; Clint Carlson, Accounting for Related Organizations; Stephen Eastland, Internal Auditing; Cathy Tillett, Internal Auditing; Stephanie Barker, Cash & Treasury Services; Savannah Bock for Regina Carroll, College of Education and College of Behavioral, Social & Health Sciences; Eric George, Athletics; Sherri Rowland, Accounting Services; David Watson for Virginia Baumann, Office of Budgets and Financial Planning; Sharon Littlejohn, Athletics; Brittney McCall, College of Engineering, Computer, and Applied Sciences; Marlo Raymark, College of Business; Barbara Bass, College of Science; Debbie Newsom, Clemson University Foundation; Kathy Gibson, Research; Stanley Richardson, Research; Cynthia Barnes for Leigh Dodson, College of Agriculture, Forestry, & Life Sciences; Ami Hood, Payroll; Beverly Leeper, Controller’s Office; Katherine Dobrenen, CCIT; Glenda Cotton for Todd Barnette, Facilities.

I. Welcome & Introductions
Steve Crump called the meeting to order and welcomed business officers. New faces and guests were introduced: Stephen Eastland, Internal Audit.

II. Complimentary and Discounted Event Passes and Tickets Policy
Beverly Leeper provided updated information regarding Clemson University’s Complimentary and Discounted Event Passes and Tickets Policy. The University has contracted with Elliott Davis for help with external tax consulting. The Complimentary and Discounted Event Passes and Tickets Policy was one of the first projects that Elliott Davis worked on. Athletics already had a policy that they were using because they frequently distribute complimentary tickets to their employees; however, the university needed an overall policy to ensure compliance with IRS rules and regulations. Elliott Davis reviewed the athletics policy and suggested changes to implement, as a university, to create a policy for all departments to comply. If an entity on campus, provides tickets or passes to an event, those tickets must be reported. The policy details that cash and non-cash items received by an individual could potentially be taxed, regardless of the funding source. There are some exclusions to this rule, which can be found in the Complimentary Ticket Policy in the Business Manual at https://www.clemson.edu/finance/business-manual/as72pol.html.

III. Unrelated Business Income Tax (UBIT) Questionnaire
Beverly Leeper announced that everyone will receive their annual email request for information by the end of the day on November 9, 2017. Elliott Davis is in the process of reviewing the previous UBIT questionnaire that was sent to departments on campus in 2012. Once their review is complete, a revised questionnaire will be sent out to departments requesting that they provide details of revenue generating activities in their areas that may be taxed as unrelated business income. The purpose of the questionnaire is to help ensure that the University has a complete Form 990T return filed.
IV. Elimination of Comp Time Accruals / New Overtime Policy & Procedures
Ami Hood provided an update to ELT’s decision to eliminate comp time. Ami sent an email to business officers confirming ELT’s decision. The policy change went into effect on November 1, 2017. Changes have been made in Kronos disabling the option to add comp time to employees' timecards and also to disallow Comp Time to be earned as the default. An announcement will be distributed in December as part of the next steps to eliminate accrued comp time. A spreadsheet will be sent to Business Officers listing employees in their division who have comp time accruals. On December 12th an announcement is scheduled to be distributed to individuals with comp time balances informing them that their comp time balance can be paid out or the time must be taken during 2018. Remaining comp time as of December 15, 2018 will be paid out on the final check of 2018. An announcement will be made to any employees this applies to at that time. The standing policy requiring any employee working more than 40 hours in a week to receive approval from their Dean or Vice President has not changed.

**Update** – the announcement will go out sometime during the week of December 11th, not necessarily on December 12th as indicated in the meeting or the minutes above. Business officers will get a list prior to the employee notifications being sent. **

V. Kronos Update
Ami Hood provided a Kronos Update since version 8 launched in August. Jordan Harmon attended the last CBOG meeting and presented the Kronos security audit. Since then, Jordan has been spending time completing online Kronos training sessions to become well versed in the Kronos system. Kronos profiles will be reviewed to make sure Kronos is working as efficiently as it should be. Next steps are to stabilize Kronos before rolling it out to other areas on campus and follow-up on a previous Lean event which assessed roles and responsibilities as related to Kronos. As a reminder, supervisors and managers are being urged to review Kronos daily and weekly, so as not to come across issues that require correction at the last minute while trying to close Kronos at the end of a pay period.

VI. Procurement & Business Services Update
a. Personal Communication Stipend Policy Update
During the Procurement & Business Services Update, Mike Nebesky updated CBOG on the status of the revised cell phone stipend. Details of the policy are still being decided to address concerns presented by Brett Dalton, Executive Vice President for Finance & Operations. The new policy will address the amount of money the University is spending on cell phones. The cell phone stipend policy began in 2011 and decreased the amount of funds spent on cell phones from $1M per year to $600K per year. Currently, the amount paid out in cell phone stipends is at $1.2M. The new policy Procurement and Business Services is working to simplify the policy based on a cost savings perspective while addressing who qualifies for a cell phone stipend and set one amount that those who are eligible can receive, instead of the proposed tiered levels.
b. **buyWays Updates:** Throughout 2017, the Procurement and Business Service team has been working to make some big changes to buyWays that are aimed at helping get business done and reducing risk for both suppliers and University users. A few changes that we will be seeing very soon include:

i. **Supplier Registration**
   In December 2017, PBS will start utilizing a new supplier registration process. Active suppliers will receive an invitation to update their existing registration profile. Non-active suppliers will be inactivated. Requests for new suppliers will need to be initiated by a Clemson employee via a request form in buyWays.

   Supplier requests will be reviewed by Clemson’s supplier onboarding team. If selected to provide goods and services to Clemson, the Supplier will receive an invitation to complete a full profile.

   It is important to understand that this process WILL result in slower supplier onboarding. There will be no more requests to add a supplier and make a payment immediately. While we strive to be lean and make processes faster, the risks we face in this day and age of fraud are such that Clemson must address these threats in a manner to ensure we are being responsible with our financial transactions. This requires additional steps to onboard a supplier versus how we have handled this process in the past.

ii. **Updates to Payment Policy**
   In an effort to follow best industry practices, protect the University from risk, and reduce costs we are working through a conversion for all payments to be made through an electronic means. Suppliers will be directed to sign up for one of two electronic payment methods offered through BOA. Paymode, which is our current electronic payment method for businesses or TigerPAY, which send funds electronically to individual consumers. Checks will be limited and only issued in rare instances. We are currently implementing TigerPAY and expect it to be completed and in place when the new Supplier Registration process goes live mid-December. All payment information will reside with BOA and not Clemson.

iii. **Change Order Policy**
   As a future enhancement, finalizing the details for a process that will allow Requisitioners to request/make changes to open POs are being finalized. Previously, making a change to a PO for price, address, account code, etc... required for the original PO to be canceled and a new requisition and PO to be processed. This has been a hassle for everyone and we have taken this feedback to our supplier who is working with us on a new process. We aim to launch this new functionality in early 2018.
iv. **PayPaw**

Some changes have been implemented this year as they relate to PayPaw – our initiative to issue POs and place orders for good and services versus past processes of simply trying to pay invoices after the fact when no PO exists. 

buyWays is a PURCHASING system – not a payment system, and it works much better when you issue POs and allow invoices to pay against those POs. Earlier in 2017, we changed the default Bill To addresses to a central address on campus where paper invoices are scanned and loaded into buyWays automatically. In the next few months, we will be making additional changes to buyWays forms, workflow and policy that will move Clemson closer to a true No-PO, No Pay environment (a very common business practice outside of Clemson!).

VIII. Other Matters

Ami Hood shared data regarding account codes under the Wage T budget node that are specifically designated for TLP and TGP employees. During Fall 2014 there was a discussion about setting up special account codes for TLP/TGP employees. These account codes were set up under a new budget code Wage T, which started FY 2016 and went into use July 1, 2015. After seeking assistance from HR IT to revisit current usage by looking at all employees in the HR system, to see what chartfield the employees were getting paid from, it is evident that almost every division has someone who is using the TLP/TGP account codes under the Wage T budget node, as well as TLP/TGPs not using the account code. It is important to note that if anyone were using the data at the university level, the data would be skewed because it is not all-inclusive.

David Watson reported on behalf of the Budget Office that fringe allocations have been made and the budget amendment tool will be moved into production soon.

There being no further business, the meeting was declared adjourned.
Complimentary and Discounted Event Tickets and Passes
CBOG Presentation

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Cost Manager
November 9, 2017
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• Purpose

The purpose of the policy is to ensure that Clemson University complies with the Internal Revenue Service (IRS) rules, regulations and accountability surrounding the issuance of complimentary and discounted University event tickets or passes (including all-access and circulation passes).
Clemson University is required to report complimentary event tickets or passes (including all-access and circulation passes) as taxable income and will withhold federal, state and FICA taxes at the applicable rate, unless one of the Internal Revenue Code exceptions under Section 132 apply.

Historically, the Athletics Department has documented the use of complimentary event tickets and passes for their employees and included the value in taxable income as appropriate.

This policy acknowledges that the same IRS reporting obligation extends to non-Athletic employees.
Fringe Benefit Defined

- IRC Section 61 defines gross income as *all income from whatever source* derived, including compensation provided in the form of fringe benefits. A fringe benefit is merely a form of compensation (cash or non-cash) that is not taxed if a statutory exclusion applies.

- It is important to note that a fringe benefit is considered “income” *regardless of the funding source*.

- If a fringe benefit is not specifically excluded (in whole or in part) from the employee’s gross income, the remaining benefit must be valued for inclusion in the gross income of the person who performed the services (i.e. the employee or independent contractor), not the recipient of the benefit (i.e. spouse, child or guest of the employee).
Internal Revenue Code Section 132
Exceptions

*Detail descriptions of each exception is provided in Section II of the Policy Statement*

1. Working Condition Fringe Benefit
2. No-Additional-Cost Service
3. De Minimis Fringe Benefit
4. Volunteers
5. Other
• Policy also extends to “Block” ticket purchases
  – Football Suites
  – Concerts, Exhibits, Performances
  – Other non-Athletic events

If complimentary tickets or passes are distributed from the “block” of purchased tickets without meeting one of the specified Internal Revenue Code exceptions under Section 132, the value of the ticket will be considered a personal use amount and will be reported as taxable income to the individual. Federal and state income tax at the supplemental rate, including the applicable amount of FICA, will be withheld.
• **Measurement Period**

Personal use or Appendix B (business use substantiation) should be submitted to the Controller’s Office as ticket use is incurred.

In order to establish a prudent measurement period that will meet specific business-related time constraints, personal use of complimentary event tickets or passes must be reported to the University Controller based on a 12 month period beginning July 1\(^{st}\) and ending June 30\(^{th}\).

The required amount of tax withholding will begin in August and will be spread out over multiple pay periods to alleviate any financial burden.
• Administrative Areas with Documentation Responsibilities

- Board of Trustees Office
- President’s Office
- IPTAY Board of Director’s Office
- Athletics Department
- Development Office
- Campus Units purchasing tickets in “Blocks” (suites, concerts, etc.)
- Others

  **Allotment of Complimentary Tickets – Refer to Appendix A**

  **Documentation of Business Use – Refer to Appendix B**
• Procedures

- Ticket offices will report the distribution of complimentary event tickets and passes to the Controller’s Office.

- Purchasers of “Block” tickets (football suites, etc.) will also report the distribution of complimentary event tickets and passes to the Controller’s Office.

- Personal use or Appendix B (business use substantiation) should be submitted to the Controller’s Office as ticket use is incurred.

- Controller’s Office will notify recipients of the Complimentary and Discounted Event Ticket and Passes Policy and the documentation required to avoid taxation.

- Controller’s Office will receive and compile the documentation and notify the recipient of impending taxation and withholding at the end of the measurement period.

- Payroll Office initiates withholding in August.