

By the Numbers

News to use and amuse from Accounting and Business Support (ABS)


In this issue

- 1 Deadlines & Dates
- 2 Incompatible Access
- 2 Audits and You
- 3 Cost Capitalization
- 3 Spring Campus Forums
- 3 Short Takes
- 4 Q&A: Services & GIK
- 4 Trainings
- 4 More Short Takes
- 5 Expenditure Control: Phase 2
- 5 InnerView: Linda Johnson
- 6 Staffnotes

Note that [blue text](#) is a hyperlink.

APRIL 2007						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Deadlines & dates

Date	Day	Time ¹	Deadline Description
Apr 3	Tue	6:00	Finance System closes for March.
Apr 5	Thu	6:00	Gift fund expense calculation to CUF weekly upload #1.
Apr 12	Thu	5:00	Time collection for the April 7 biweekly payroll. ²
Apr 12	Thu	6:00	Gift fund expense calculation to CUF weekly upload #2.
Apr 16	Mon		FY07 General Fund continuing budget change restriction.
Apr 17	Tue	5:00	Time collection for April end-of-month payroll. ²
Apr 19	Thu	6:00	Gift fund expense calculation to CUF weekly upload #3.
Apr 20	Fri	4:00	Lynda Reisinger to receive allocation changes and creates for April business. Send to Lynda.Reisinger@colorado.edu or call x28646.
Apr 25	Wed	4:00	Data Control to receive INs for April business. Send INs to Lynda Reisinger, Data Control, 579 UCB.
Apr 26	Thu	4:00	Creation, validation, and approval to post cost transfers and payroll expense transfers for sponsored projects (fund 30, 31) & gift fund 34 journals for April. Tips: 1) Don't mix fund 30/31 or 34 JEs with other fund groups or with each other in the same JE. This slows the approval process and delays those non 30/31/34 lines from posting. 2) Plan for HR system downtimes to meet PET deadlines (see PBS website). 3) For project cost transfer questions contact hua.xu@colorado.edu 2-1679; call david.mornes@colorado.edu 2-1071 about gift journal approvals. 4) Keep checking for unposted journals to correct and validate, approve to post, or that need info or documentation for SPA or Dave Mornes so they can approve it.
Apr 26	Thu	5:00	Time collection for the April 21 biweekly payroll. ²
Apr 26	Thu	6:00	Gift fund expense calculation to CUF-month final upload.
May 1	Tue		Budget Journal Entry cutoff for April. Note: Only Temp or Cont budget moved within the same division and account allowed after April 16. Arts & Science units should submit all budget change requests to the A&S Budget Office by the A&S deadlines for approval and entry into the Finance System.
May 1	Tue		Likely moratorium date for new account codes thru June 30.
May 2	Wed	6:00	Finance System closes for April.
May 3	Thu	4:00	All unposted April journals that you have not copied and assigned a future date, deleted, or saved in incomplete status will be deleted by Systems. Tip: As month end nears, check for any unposted journals you need to correct, approve, or that need additional info for SPA or gift approval.

¹All times are p.m. unless otherwise noted. No time means the sooner the better.

²These payroll deadlines must be followed so that funding distribution corrections (from payroll suspense) and/or changes are in place before the next payroll is run. The [PBS website](#) has the most current payroll calendar, including HR down times.

Incompatible access



The Office of the State Auditor engaged KPMG LLP to conduct a financial and compliance audit of the University of Colorado for the year ended June 30, 2006. Fieldwork was conducted from August 7, 2006 to November 22, 2006. One of the audit findings had to do with internal controls on journal entries.

The Problem

The audit Summary of Findings states, "Several hundred employees at the University have the ability to both enter and approve journal entries in the general ledger, which presents an internal control weakness and increases the risk of errors or intentional misstatement of the financial statements."

The Recommendation

The audit Recommendation Summary states, "Reevaluate the need for allowing individuals to have the ability to both enter and approve journal entries and seek to minimize that number. Develop a more formal system of documentation of the compensating control in order to improve accountability."

The Response

The university's response to the recommendation states, "The University will reevaluate the number of individuals with the ability to both enter and approve journal entries and with the objective of minimizing that number. In addition, the University will review the application of its procedures to identify any improvements and, if applicable, implement such improvements. The evaluations and resulting changes will be completed by September 2007."

Current Practice

Employees with access to the Finance System can either create or approve journal entries, but not both. However, under some extenuating circumstances certain employees are approved by the campus Controller's office for both create and approve functions—this is called *incompatible access*. Incompatible access requires compensating controls which can take the form of either another employee reviewing the monthly statements or a review of supporting documentation for a sample of transactions to check that transactions are in accordance with university policy and procedures. Details are on page 3 of the [Finance System Access form](#).

Future Changes—What it Means to You

The campus Controller's office is currently taking a close look at Boulder's use of incompatible access and compensating controls as it pertains to journal entries and cash transfers and will draft a white paper to address the issue and come up with an action plan. It is too early to say exactly what this will look like, but it doesn't take a genius to figure out that it will mean a large reduction in the number of employees with incompatible access. In the recent past, the university reduced this number and will continue to do so. For small one-person type offices, approvals will likely rest outside the office, perhaps at the VC level. If there remain employees with incompatible access, the compensating controls may entail more rigorous procedures. Again, it's a bit premature and this is speculation. However, if you or someone in your department have incompatible access, you can be certain that changes are coming by September 2007.



OPINION AUDITS AND YOU

What's an audit mean to you? After all, it's just a bunch of suits snooping for problems to earn their pay, right? They stir things up, issue a 100+ page report, and come back the next year and do it again. The headache belongs to the Officers and Regents, right? The pain trickles down as more nit-picky policies, more exacting procedures, and more—what's that anal retentive word?—documentation. It's easy to think that the whole game is out of your hands and best endured from the sidelines.

The audit process *should* be out of our hands. The suits *are* looking for trouble. And they will find it, guaranteed. We are not perfect. The university doesn't always agree with their findings. The University Controller and others do go to bat and often argue against findings or at least try to contain the impact that the findings will invariably have on you and me.

University policy says that administrators at the top should set the ethical tone for the organization. While true, it isn't complete. The staff at the base of the pyramid shares in that responsibility. Smell something fishy? Report it. The auditors don't just look at the top layer. They reach down to that journal entry, that travel voucher, that expense transfer. That's your domain. Do that right and the auditors have less to feed on. But the guarantee still stands—they will find something...maybe just a little less than the year before. In a perfect world auditors will still have a job. And they will still wear suits.

Capitalization of Costs after Acquisition

by Chris Seymour

In general, costs incurred to achieve greater future benefits for an asset should be capitalized and expenditures that simply maintain a given level of service should be expensed.

To satisfy the criteria for capitalization of costs subsequent to acquisition—one of three conditions must be met:

1. The useful life of the asset must be increased
2. The quantity of units produced from the asset must be increased
3. The quality of the units produced must be enhanced.

Repairs that maintain or restore an asset to its normal operating efficiency should be expensed.

Capitalization by type of expenditure:

Additions – Any addition to a capital asset that changes or adds functionality to the asset should be capitalized.

Improvements and Replacements – The improvement or replacement of a capital asset is generally capitalized. In order to qualify for capitalization, the improvement or replacement must increase the useful life of the asset, or significantly change the functionality of the asset in which the quantity or quality of the assets output is enhanced.

Rearrangements and Reinstallations – Costs related to the rearrangement or reinstallation of an asset are capitalized only when meeting one or more of the capitalization criteria above.

Repairs – Ordinary repairs to maintain or bring an asset to normal working condition are expensed as they occur. Examples of normal repairs include the replacement of minor parts, lubricating and adjusting equipment, repainting, and cleaning. Major repairs that result in additional useful life or functionality of an asset are classified as an addition, improvement, or replacement and not repairs. Use account code 552681 - General Equipment Maintenance.

Contact [Jeanne Connelly](#) 492-2424 if you have further questions.

SHORT TAKES

Accept credit cards?

If your department accepts credit cards, you must remove all but the last 4 digits of the card number and mask the expiration date on the customer copy. [Read this urgent message](#) from the Treasurer's Office.

Budget Change Cutoff Apr 16


The FY2007 General Fund continuing budget change cutoff for the campus is April 16th. After the cutoff, General Fund continuing budget may only be moved within the same General Budget Account and Campus Division. If you have a continuing budget change past the deadline, you are advised to do a *temporary* budget change in FY2007 and a *continuing* budget change effective and dated for July 1, 2007 (i.e. FY2008). We will let you know when the FY2008 budget ledgers are open in the finance system. If you have any questions regarding this cutoff please contact Jan Baker at 2-8926, Janet.Baker@colorado.edu.

FY2008 Salary Uploads

Consult this [spreadsheet](#) for upload timeline and deadlines to get FY08 classified and non-classified staff salaries into the Finance System.

Gift in Kind Changes

There is a discrepancy between the *Recognition & Training* PPS and the *Gift in Kind* APS. *Recognition* says to record donated GIK <\$5000 in the proper expense and revenue accounts. *Gift in Kind* says that gifts <\$5000 are *not* recorded in the Finance System. OUC ruled that the *Recognition* PPS stands and that the GIK APS will be modified to not recognize amounts under \$5000 unless they are related to Recognition and Training transactions. In addition, proposed changes to the GIK APS now say that GIK must be received directly from the **original donor**, in **good condition** and retained for at least **three years**. Plus all the procedural details in the APS have been moved to OUC Procedural Statements—a new animal. You can view the GIK APS replacement on the [draft APS website](#).



Spring Campus Forums

Friday April 6 3:30-5:00 pm
Wednesday April 11 1:30-3:00 pm

Rec Center rooms 1-4

The Office of University Controller is hosting campus forums to share recent and coming changes that affect your working world. Topics include the new Expense System, Telecommunication PPS, Expenditure Control phase 2, what's new in the Finance System & Reporting System. [More information](#).

No pre-registration required

Q & A — Paying for Services and GIK

QUESTION: Last month's article about the procurement card not being allowed for services left me confused. Do you mean I cannot use the procurement card to pay for a repair to our copier, for example?

ANSWER: It depends. If the vendor uses his or her Social Security Number (SSN) to report income to the IRS, then the procurement card **cannot** be used for services. Sole proprietors or "mom and pop" businesses often fall under this category, but not all the time: read on.

If the vendor uses an Employer Identification Number (EIN) then you **can** use the procurement card. An EIN is a nine-digit number that IRS assigns in the following format: XX-XXXXXXX. It is used to identify the tax accounts of employers and certain others who have no employees. Because EINs can be used by all types of business entities from sole proprietors to corporations, you should confirm with the vendor if they use an EIN.

QUESTION: How should our department handle the donation of a tee shirt valued at \$20 to be given away as an award or a prize?

ANSWER: The tee shirt is a gift in kind, i.e. a non-monetary gift. The *Recognition and Training* PPS requires that all GIK donated for use as an award or prize is recorded by debiting the applicable expense code:

- 550105 – Performance Support Awards Non-Cash/Non-Employee
- 550106 – Performance Support Awards Non-Cash/Employee
- 550108 – Participant Prizes

The credit side of the journal entry should use revenue account:

- 240606 – Noncapitalizable (*Note: the Recognition PPS currently identifies this account code as Gifts in Kind less than \$5,000.*)

Upcoming trainings

ABS offers training and education to the campus using formally scheduled group classes and individual instruction by request. Register early by email to ABSTraining@colorado.edu or call **Diana Vidal** at 492-8648 for more info.

To learn about all of our training opportunities and to get complete class descriptions, the latest information and any requirements, visit our [training webpage](#). Trainings marked with ● are special limited offerings and details appear on the [ABS homepage](#) under Current Announcements.

DATE	DAY	TRAINING	LOCATION
● Apr 6 3:30-5:00	Fri	Campus Forum by OUC Wireless Technology; Expenditure Control; etc.	Rec Center room 1-4 Map
Apr 10 8:30-4:30	Tue	Finance System Day 1 includes finance and budget	RL6, room W179 3215 Marine Map
● Apr 11 1:30-3:00	Wed	Campus Forum by OUC Wireless Technology; Expenditure Control; & what's coming	Rec Center room 1-4
Apr 13 8:30-4:30	Fri	Finance System—Procurement Day 2 of Finance System training by PSC	RL6, room W179
Apr 18 8:30-10:30	Wed	Contracting and Subcontracting by OCG Pertains to sponsored projects. More information.	UMC 247 Map
Apr 19 9:00-11:00	Thu	Financial Statement Reading Find out how to access & understand your financial statements	RL6, room W179

MORE SHORT TAKES



Do You CONCUR?

A contract with Concur Technologies was signed so it's all ahead full for the new Expense System. This web-based system will replace the ACARD system, Travel Authorization Program, Travel Vouchers and most Payment Vouchers. After configuration and testing, a pilot group of departments from each campus will begin implementation. The plan is to go university-wide six months after the start of the pilot phase. This short intro is just a teaser. Plenty more will follow over the coming months starting with the campus forums.

Cash Advance Update

The *Cash Advances* PPS was effective 2/1/07 but on 2/8/07 it received a minor update. The last paragraph of Section D concerning delayed travel advance reconciliations was clarified. If you printed out the policy when it was released, print it out again to have the most current one.

Personal Internet Expense

As a reminder, the Boulder campus does not pay for internet expenses incurred in an employee's home or personal office even if used for university business.

Newsletter Poll

There's a poll on the [ABS website](#) that asks how often you read the newsletter. We're trying to gauge reader habits. You are invited to vote (thanks to those who already voted). If you're reading this, don't choose the last one.

Do you read the ABS newsletter?

Always

Mostly

Sometimes

Seldom

There's a newsletter?

A budget takes the fun out of money.
– Mason Cooley

An advance look at Expenditure Control phase 2: Funds 10 & 34

Expenditure control went live last January for Funds 26, 72, 78, & 80. These total 1637 speedtypes on the Boulder campus and are lightly used funds for most departments, so it was a low-impact way to test the waters. However, this October will be different. That's when heavily used Fund 10 (general) and 34 (gift) will be brought under expenditure control, along with mystery Fund 11 (ICR). These total 7704 speedtypes. Expenditure Control is designed to minimize deficit spending by preventing certain kinds of transactions from processing in the Finance System. How to set the expenditure control rule and the available resources basis for these added Funds is now being evaluated. **FUND 34** is a virtual slam dunk. The expenditure control must be set at the Program level because these are restricted funds, and for All Expenses (not Budget Pools) because budgets are not currently required for gift funds. This also extends to the Available Resource basis

which must be calculated on Net Assets (not Budget). All this results in a coded shorthand of **PA/NA** (Program, All Expenses/Net Assets). These are the values that appear in the Finance System. The **FUND 10** (&11) plan is to set the expenditure control rule at the Org level (not Program) for All Expenses (not Budget Pools). This allows maximum flexibility. Because the general fund monthly cash rollup resets net assets to zero (or a deficit if there are unpaid liabilities), budget becomes the default available resource basis. This yields **DA/BL** (Dept (Org), All Expenses/Budget Ledger) for Fund 10/11. At the end of February there were 112 Orgs whose aggregate Fund 10s were in deficit, so we clearly have our work cut out in implementing Expenditure Control for the general fund. The planning effort for phase 2 is currently underway and we'll keep you informed. To learn more, visit the [ABS Expenditure Control webpage](#).



LINDA JOHNSON

ABS INNERVIEW

Linda Johnson

Can you provide a little personal history?

I was born in Boulder; a 5th generation of Boulder County resident. My family came with the Homestead Act in the 1860's. My widowed great, great grandmother came with 2 sons to homestead but only received 80 acres instead of 160 because she was a woman. The farm was out by Boulder reservoir before there was a reservoir, IBM, Diagonal Highway, or even Gunbarrel.

How long have you worked at CU and was it always at SPA?

36 years last March 23rd in SPA. I was supposed to be in SPA for 6 months and then transfer to Facman...never made it. I was the only female accountant in SPA back then. A memo was sent out that all accountants must wear a tie. The guys offered to lend me one of their clip-on. I started working at CU as a work-study student in Norlin Library in 1966. 40+ years later, I'm now retired and hourly again at dear ole CU. I've come full circle.

What made you decide to work for CU when you started?

I saw an ad in local newspaper. I previously worked at McGuckin Hardware which was fun except at inventory time. I got health insurance and a raise by coming to CU.

Did you know before you retired that you would come back and work part time?

Yes, Kathy (Phillips) told me I had to.

Usually I ask what you do here, but in your case I should ask what *don't* you do?

Currently I don't supervise. I'm the SPA Rover, and fill in as needed. You learn to appreciate everyone in the office more when you have to fill in and do their job. I'm currently working in the Compliance area with ePERS, JEs, PETs, and SPOs.

Do you ever get some oddball assignment, outside your regular duties?

Digging out old papers at the Distribution Center for auditors. Testing new

WHAT ABOUT LINDA

Where do you live? Boulder.

Brothers or sisters? Two sisters.

Married? No.

Kids? Kinda; 10 nieces & nephews from a couple of generations. I'm the crazy aunt who goes on the rides at Disney.

Pets? Currently 2 cats.

Recent movie you saw? Wild Hog.

Recent book you've opened? Ancient Ruins of the Southwest.

A TV show you like? Grey's Anatomy.

Favorite comfort food? Chocolate.

Favorite place to shop? Estes Park.

Place you'd like to live? No where else; I like the 4 seasons and friends & family here.

Dream job? I think I have it now.

Rank in order of importance:

- 1 chocolate
- 2 traveling
- 3 cats
- 4 research
- 5 internet
- 6 fantasy
- 7 accounting
- 8 investments
- 9 lists

InnerView continued on next page



INNERVIEW *CONTINUED*

systems; I can make any computer sick and go places where no one has gone before, just ask Kathy & others who have to rescue me.

Since you used to be the head of SPA, how does it feel being in the rank & file?

It's good. I think we had a smooth transition. Kathy & I have known each other forever as friends, co-workers, and softball players – Go Grrrrants!!! I never got very good at softball but I was reliable, Kathy & Terri use to loan me softball mitts. Terri taught me how to keep score and I was good at yelling out the line-up. Previous boss made it clear they weren't suppose to hurt me out there, especially around year end closing.

Do you still act like the SPA Manager now and then?

I don't think so. However, I answer a lot of questions and give a lot of opinions. I get asked a lot of questions on ancient history. Kathy says I have a memory like an elephant.

Is there a goal that you have for when you will call it quits for good?

Not sure I'll ever "quit." I plan on working somewhere until I get enough Social Security quarters to get Medicare, then maybe volunteer or just take a hike.

What would happen if all the retirees who work for CU stopped tomorrow?

CU would lose a lot of expertise and loyalty. Retirees have seen a lot of good and bad but always stuck it out. Also a loss of continuity as CU doesn't often get to overlap training.

Does coming to work feel different now that you're retired?

Yes: no PPP's, fewer meetings, and no overtime.

How has your life changed outside of work?

I've gotten to travel more and spent more time with my parents. I've seen National Parks I haven't seen for 40 years. Retirees are busier than ever. Any retiree I know is over-scheduled. Committees just change names, I was on the board of UCB staff retirees and now I'm the secretary.

What kinds of things do you like to do with your own time?

Travel, hike, and photography. I thought I would have all those photos organized by now but I just keep taking more. Lucky enough to have traveled to London, Greece, Egypt, Jordan, Israel, Turkey, Mexico, Peru, Bolivia—love those ancient ruins and civilizations!!

Any big plans on the horizon?

Travel, home repairs and de-junk the house. Maybe a trip to Egypt next year.

Linda, thanks for your time.

By the Numbers is published by
Accounting & Business Support (ABS)
3100 Marine Street, 4th floor
579 UCB, Boulder, CO 80309-0579
Direct questions, comments, corrections
to Barry Northrop, 303-492-7119,
barry.northrop@colorado.edu
ABS website: <http://abs.colorado.edu>

Staffnotes

Isabel Dunn, ABS' tireless Administrative Assistant, was elected to Staff Council representing East Campus Area VIII. Congratulations **Isabel!**

Click here for the latest on who's who, who's where, and who to call at ABS.