Sam Houston State University

MEMBER **THE TEXAS STATE UNIVERSITY SYSTEM**

CONTROLLER'S OFFICE

General Recommendations

The items below are areas that commonly have issues across campus.

Travel policy compliance

Travel policy, procedures, and forms are located on the link below:

SHSU Travel Procedures

SHSU Travel Policies

Texas Hotel Occupancy Tax Exemption Certificate

SHSU Cost Comparison Travel Form

SHSU Travel Exception Form

Missing Receipt/Documentation/Problem Resolution Form

SHSU adheres to the GSA per diem reimbursement rates as the method for determining meal and lodging rates for all business travel. Please see the GSA link located below:

GSA Website

Best practice travel methodologies are as follows:

1. Keep in mind per diem lodging and meal rates, are contingent on the location and date of travel.
2. Utilize the Google map image capture feature in Chrome for mileage reimbursement. Review all attachments included with travel expense report before submission.
3. Reconcile pre-approved travel encumbrances with actual travel expenditures and appropriate receipts before submission of expense report.
4. Receipts submitted for lodging should be itemized showing the merchant name, date of purchase, and taxes paid.
5. Present Texas Hotel Occupancy Tax Exemption Certificate to all Texas hotels at check in and review hotel receipt at check out to ensure that Texas hotel occupancy taxes are not charged.
6. Notate on expense report if travel includes lodging not purchased by University. This will verify per diem is consistent with documentation of lodging records.
7. Airfare is the recommended travel source for all out of state locations. Considering time and cost, airfare is typically the most cost-effective means of travel. If an alternate form of travel is used, a screenshot of airfare should be provided as proof of estimated cost. Travelers may also use the Cost Comparison form for additional expenses typically associated with airfare cost.
8. Personal travel included with business travel requires additional documentation to verify conservation of funds. A Cost Comparison form and supporting documentation is required for personal travel. Supporting

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documentation should be a screenshot of the airline ticket with and without personal travel to determine if the additional days cause an increase in price.

9. Documentation should be provided from the GSA website as an attachment to the expense report to verify the lodging per diem rate.
10. If the lodging rate is over 50% above GSA, the traveler must provide justification for not obtaining the allowed rate. Lodging must be reasonable for the locale and time period. Approval through the Divisional Vice President for a higher rate must accompany travel expense report.
11. Conference hotel rates are an exception to the GSA parameters for per diem. Best practice is to screenshot or print the page from the registration website that documents the hotels and rates for the conference.
12. Reconcile travel expense records with Transaction History report found in the Budget and Finance folder within the Public folders tab in Cognos.
13. Ensure actual travel expenses exceeding the original approved Pre-Approval amount by 5% obtain additional approval on the expense report.
14. Delegates should be cautious when processing another individual's travel to ensure the appropriate person is reimbursed.
15. For international travel reimbursement, provide conversion methodology as well as exchange rates applied.
16. Reference correct travel requisition number on Travel Exception form for a change of dates traveled.
17. Abide by fund specific requirements when determining source documents. If unsure, contact the Controller's Office for guidance.

Purchasing card policy compliance

PCard policy is located on the link below:

SHSU PCard Policy (FO-PUR-08)

Food, beverage, flowers, promotional items, and gifts purchasing policy is located on link below:

SHSU Purchase of Food, Beverage, Flowers, Promotional Items, and Gifts (FO-19)

Delegate and/or authorized user of PCard must verify the vendor's warrant hold status prior to the commitment of funds for any purchase exceeding $500. Verification can be achieved using the link below:

Taxable Entity Search

Taxable Entity Search Results Defined

Amazon purchases should be made through the University Amazon Business Account. Registration information is in the link below:

SHSU Amazon Business Registration

*Questions related to Amazon purchases should be directed to Procurement and Business Services.

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Best practice purchasing card methodologies are as follows:

1. If purchase exceeds $500, best practice is to include a screenshot of the "Taxable Entity Search Result" to verify the vendor's warrant hold status.
2. If purchase exceeds $500, and the results show that the vendor's warrant hold status is in question it is recommended that a note should be recorded in Chrome River emphasizing this issue.
3. An itemized receipt should be included showing the merchant name, date of purchase, a detailed description of the purchase, tax, and gratuity paid.
4. As of May 31st 2019 Aramark will discontinue the PCard method for any orders.
5. Amazon purchases should be made through the University Amazon Business Account.
6. Reconcile payments made with PCard with Transaction History report found in the Budget and Finance folder within the Public folders tab in Cognos.
7. The descriptions provided in Chrome should be indicative of the purchase made.
8. When paying a restaurant or other vendor directly to purchase food, beverages, or refreshments that will be consumed by faculty-, staff, students, or others, they must submit a Food/Beverage/Award/Flowers/Promotional/Gift Items Request form FO-19A.

BearKatBuy purchasing policy compliance

General purchasing policy is located on link below:

SHSU Finance and Operations Policies and Procedures

Alcohol purchasing policy is located on link below:

Alcohol Beverage Policy (PRE-01)

Direct Pay disbursement Policy and associated forms are located on the links below:

SHSU Direct Pay Disbursement Policies (FO-63)

SHSU Direct Payment Form

Payments for Professional Services Policies and associated forms are located on the links below:

SHSU Payment of Professional Services to Faculty and Staff Policies (FO-32)

SHSU Electronic Personnel Action Form Process Overview

SHSU Finance and Operations Procurement and Business Services Policy (FO PUR-09)

SHSU Authorization of Professional/Consulting Services Form

Merchandise purchased reimbursement policy is located on the link below:

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[SHSU Merchandise Purchase Reimbursement Policy (FO-27)](#)

Policies related to Chamber of Commerce memberships purchased on behalf of SHSU is located on the link below:

[Memberships-Chamber of Commerce Policy (FO-11)](#)

Please verify the vendor's warrant hold status prior to the commitment of funds for any purchase exceeding $500. Verification can achieved using the link below:

[Taxable Entity Search](#)

[Taxable Entity Search Results Defined](#)

Best practice BearKatBuy purchase methodologies are as follows:

1. Reimbursement for purchases on behalf of the University should be recorded as an exception to standard practice. Abiding to the standard procurement procedures via PCard and BearKatBuy ensures controls on the purchases and fortifies the collective buying power of SHSU.
2. The individual being reimbursed should not approve reimbursements transactions. If it is necessary to due business constraints (e.g.-needing two approvers), an additional individual within the department or someone at the next level higher should approve as well.
3. Display invoices, receipts and other supporting documentation consistently and in the same location within BearKatBuy. An example would be invoices shown in the attachment tab or shown on receipt tab.
4. Reimbursements should be submitted with an itemized receipt showing the merchant name, date of purchase, a detailed description of the business purpose, tax, gratuity paid, and the names of all persons who were entertained or served.
5. If a reimbursement is requested by the individual with signature authority, the immediate supervisor must sign.
6. Reimbursements must be made using local funds only (auxiliary, designated, restricted, or gift).
7. Descriptions listed for reimbursements listed in BearKatBuy should be detailed and representative of what was purchased.
8. An itemized invoice should be included displaying the merchant name, date of purchase, a detailed description of the purchase, shipping, and gratuity if applicable.
9. Reimbursements should be paid to the individual listed as the purchaser on the source documents provided.
10. Purchases of services, supplies, or materials not listed on FO-63 must be purchased via a Sam Houston State University Purchase Order or PCard and are not reimbursable to employees or vendors through the direct pay disbursement process.
11. The Transaction History report in Cognos should be reconciled to the record paid in BearKatBuy. The Transaction History report can be found in the Budget and Finance folder within the Public folders tab in Cognos.
12. Payment for professional services rendered to the University by faculty and staff of the University outside their regular employment and duties should not be paid via BearKatBuy. The personnel must provide a service that does not involve the traditional relationship of employer and employee and should be outside of the normal skillset currently demonstrated by that employee's primary job function/salaried profession. Instances such as this should be treated as payroll items and submitted on the appropriate payroll action form. Doing so ensures that the appropriate funding sources are fully liable for appropriate payroll taxes and fringe benefits.

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13. If additional benefits are provided to new employees, the Payroll department should be notified.
14. If purchase exceeds $500, best practice is to include a screenshot of the "Taxable Entity Search Result" to verify the vendor's warrant hold status.
15. If purchase exceeds $500, and the results show that the vendor's warrant hold status is in question it is recommended that a note should be recorded in BearKatBuy emphasizing this issue.
16. When paying a restaurant or other vendor directly to purchase food, beverages, or refreshments that will be consumed by faculty-, staff, students, or others, they must submit a Food/Beverage/Award/Flowers/Promotional/Gift Items Request form FO-19A.
17. Public supported institutions of higher education in Texas are prohibited from holding memberships in Chambers of Commerce (reference The Attorney General of Texas Opinion No. JM-516, 1986 and H-397, 1974). However, memberships may be approved by the appropriate Vice President when specific conditions are met.
18. Payment for memberships or dues to Chambers of Commerce should be handled on the Membership form through BearKatBuy.
19. Membership must be in the name of the University, not in an individual's name.
20. Memberships must directly serve a university purpose which is specifically related to the function of the requesting department.
21. Memberships must be paid out of gift funds only.
22. Employees of SHSU with signature authority who are purchasing an item necessary to Sam Houston State University's exempt functions should complete all blank sections of the Exemption Certificate, sign it, and provide it to the Texas vendor to ensure the purchase is tax free.

Acceptable account categorization

Questions related to appropriate use of accounts should be directed to the Controller's Office.

Timely and accurate reconciliation

Year-end deadlines can determine when the best time to reconcile is. These deadlines are critical when managing reoccurring expenses and fund balances. SHSU year-end deadlines are located on the links below:

SHSU Controller's Office Year End Deadlines

SHSU General Accounting Monthly Close Deadlines

*Questions related to BearKatBuy deadlines should be directed to Disbursements and Travel Services.

*Questions related to deadlines for monthly closing and fuploads should be directed to the Controller's Office.

Corrections to transactions are processed by the Controller's Office. The below Transaction Correction form along with the appropriate documentation should be emailed to Interdepartmental@shsu.edu:

SHSU Transaction Correction Form

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Best practice when reconciling transactions are as follows:

1. Reconciling frequently reduces errors in recording and promotes consistency in financial reporting.
2. Corrections should reference the original transaction document number on the transaction correction form.

Appropriate approval authorizations

The appropriate approval path is often determined by the account code assigned to a purchase. These account codes are particularly important when purchasing technology equipment as well as controlled and capitalized equipment. Resources and policies associated with technology purchases are located on the links below:

SHSU Technology Procurement Process

SHSU Technology Acquisition Oversight (IT-S03)

*Questions related to approvals should be directed to the Controller's Office.

Best practice when approving transactions includes:

1. Notifying the Controller's Office of faculty and staff changes, including position or title changes. The Controller's Office regulates the approval paths to ensure the approval route is appropriate for each transaction. Communicating these changes to the Controller's Office ensures these controls are relevant.
2. Technology purchases often require additional approvals from the IT department to ensure the equipment meets SHSU security standards. This additional approval is driven by the account code used to record this transaction. If unsure if a purchase should be recorded as technology, best practice is to code as IT, or contact the Controller's Office for guidance. If the purchase does not require review from IT the appropriate authorities will reroute this purchase approvals accordingly.
   a. See link above titled, "Technology Procurement Process"
3. An employee should not submit and approve the same requisition.

Proper documentation in accordance with University policies

Various required forms are located on the link below:

SHSU Forms

For guidance on purchases such as food, beverage, flowers, promotional items and gifts that may require additional forms and approvals, please see the link below:

SHSU Finance & Operations Policy FO-19

*Questions related to additional forms required for purchases should be directed to Procurement and Business Services.

Best practice for documentation are as follows:

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1. Receipts are required for all expenses, with the exception of individual per diem meals reimbursements for travel and mileage reimbursements.
2. If an itemized receipt cannot be provided, a Missing Receipt/Documentation/Problem Resolution form should be submitted with the expense report.
3. Purchases of food, beverages, or refreshments that will be consumed by faculty-staff, students, or others, must submit a Food/Beverage/Award/Flowers/Promotional/Gift Items Request form FO-19A, to the respective Vice President or his/her designee (Associate Vice President, Dean and Directors who report to a Vice President) for review and approval. This is not required if the person is in overnight travel status.

Appropriate usage of funds

A guide to fund types and the expenses that are allowable/non-allowable for each fund type is located on the link below:

SHSU Allowable and Non-Allowable Expenses by Fund Types

Policy for use of State funds when traveling is located on the link below:

State Funded Travel Laws and Rules

*Questions related to appropriate use of funds should be directed to the Controller's Office.

Appropriate record of revenue collected

Policy for receipt processing is located on the link below:

SHSU Funds Acceptance and Deposit Policy (FO-10)

*Questions related to receipts and revenue recognition should be directed to the Controller's Office.

Best practice for documentation of revenue is as follows:

1. Departments may not accept funds on behalf of the University unless a minimum of two staff members have completed the deposit and receipt training provided by the Bursar's Office.
2. For purposes of internal control, separation of duties must be maintained between the receipting and deposit functions.
3. All University Funds must be receipted on the same day they are received.
4. Prior to delivery to the Bursar's Office, deposits must be entered into the online system daily, regardless of dollar amount.
5. Cumulative deposits totaling $50 or more must be deposited with the Bursar's Office within one working day of receipt. Cumulative deposits totaling less than $50 must be deposited within five working days of receipt.
6. University Funds include, but are not limited to, currency, coins, checks, cashiers' checks, money orders, or other payments made to the University via electronic payment method such as cards (credit, debit, or stored value), electronic checks, ACH transfers, and wires.

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7. Best practice is to retain record of all revenue transactions for a minimum of four years. These records should contain the following:
    a. Sales receipt listing the following:
        i. Department providing sale or service
        ii. Amount collected
        iii. Description of sale or service provided
            1. Date of sale or services rendered
            2. Itemized prices
            3. Quantity sold
        iv. Date received
        v. Method of collection (e.g.-cash, check, or credit card)
        vi. Amount sales taxes collected
    b. Schedule of charges if applicable
    c. Record of deposit at Bursar's Office
    d. Documentation of record of deposit online system (TouchNet)
8. Best practice after making a deposit is to reconcile the anticipated deposit to the FOAP via Cognos or Banner within a reasonable amount of time

Appropriate collection of sales tax on sale

Policies for sales tax collection are located on the links below:

SHSU Sales Tax (FO-40)

SHSU Sales Tax on Resale of Items Purchased (FO-51)

Texas State Comptroller's FAQ Related to Sales Tax

Sales Tax Rate Chart

State and Local Sales and Use Taxes

*Questions related to sales tax collection should be directed to the Controller's Office.

Best practice when collecting sales tax includes:

1. Records related to revenue received and related sales tax collected should be kept for a minimum of four years from the date on which the record is made.
2. Must retain exemption and resale certificates for a minimum of four years following the completion of the last sale that is covered by the certificate.
3. To determine the amount of sales tax to collect, multiply the tax rate by the sales price to get a value to the third decimal place. If the third decimal place is equal to or greater than five, round up to the next cent. If the third decimal place is four or less, round down to the next cent.
    a. EXAMPLE: Sammy Bearkat sells a taxable item for $250 and must charge 8.25% tax. Sammy will then calculate the tax rate multiplied by the sales price equaling $20.625. Because the third decimal place is a five, Sammy will round up and charge $20.63.

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b. EXAMPLE: Sammy Bearkat sells a taxable item for $225 and must charge 8.25% tax. Sammy will then calculate the tax rate multiplied by the sales price equaling $18.563. Because the third decimal place is four or less, Sammy will charge $18.56.
4. Delivery and shipping charges connected with taxable items or services sold are taxable.
a. EXAMPLE: Sammy Bearkat sells 100 SHSU T-shirts for $500. He agrees to deliver these T-shirts and charge a separate fee of $50 for delivery. Because the sale of the T-shirt is taxable, the $50 delivery charge is also taxable. Sammy must collect sales tax on $550.
5. When SHSU pays for delivery and shipping charges at the customer's request using a third-party provider to deliver the item (such as drop shipments), the separately stated charges for the shipping are not taxable.

Compensation Recognition

Procedures for SHSU student work schedule are located on the link below:

SHSU Student Work Schedule 28 Hour Limit Process

The Fair Labor Standards Act is located on the link below:

The Fair Labor Standards Act

*Questions related to compensation and recognition should be directed to the Human Resource or Payroll Offices.

Policies for miscellaneous deduction from payroll is located on the links below:

Employee Miscellaneous Deduction from Payroll (FO-Pay-02)

Awards, gifts, or business use of vehicle provided to employees can be recorded on the form within the link below:

Annual Award/Gift Log

Annual Auto Report

*Questions related to Awards and gifts or business use of vehicle provided to employees should be directed to the Controller's or Payroll Office.

Best practice student payroll includes:

1. In accordance with Finance & Operations Human Resources Policy (ER-3) Work Schedules & Employee Compensation, hourly student employees can work up to, but no more than, 28 hours per week.
2. Student employees must submit time worked on a daily basis, to assist with proactively monitoring the hours worked.
3. The Payroll Department should be notified in a timely manner of additional benefits provided by SHSU to ensure payroll taxes are accounted for.

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Box 2183   •   Huntsville, Texas 77340-2183   •   shsu.edu/dept/controller