

FAQ

Frequently Asked Questions

About Financial Transactions & Internal Controls

<p>What's the big deal about original receipts? Why can't you be satisfied with a copy?</p>	<p>When the University funds an expense it owns item and the rights to original receipt. The receipt is required for audit purposes to ensure that the receipt was not used for other purposes such as reimbursement from another organization or from OSURF. If an original receipt is lost, a copy may be submitted only after certifying that the original is unavailable and providing an explanation as to why it is unavailable.</p>														
<p>Are Internet provided receipts acceptable documentation?</p>	<p>Yes, if it is the <u>only</u> receipt provided by the vendor and provides detailed information on the items purchased. Since internet receipts can be printed and reprinted at will it is recommended that you sign the receipt and indicate that it is the <i>original</i> receipt.</p>														
<p>Why does everything have to have an itemized receipt?</p>	<p>Yes, it verifies what was purchased. Without such a receipt the business purpose can not be determined for approval of the expense and it is difficult to verify if policy was followed. Consider this...If the item purchased has a defect, can you return the item without an original itemized receipt? Not likely.</p>														
<p>I have my credit card receipt for the business meal I attended. Why isn't that sufficient?</p>	<p>Itemized receipts are important to document business purpose. For business meals, the restaurant can provide the itemization if a request is made. It's important that we be able to document that either no alcohol was involved, or if alcohol was involved that it is no more than \$20/pp, has the appropriate approvals, that the expenditure does not exceed 3x the meal per diem rate and is within all university guidelines. Restaurants that can not provide itemized receipts should not be used for University business meals.</p>														
<p>Why do I have to get approval for alcohol?</p>	<p>Due to the risks (under age drinking, flawed judgment, impaired driving, Univ legal & financial risks, etc...) when alcohol is involved the dean is required to review all alcohol requests for appropriate business related purposes and assures that discretionary funds are available to cover the expense as required by university policy.</p>														
<p>Why does everything have to have a business purpose? Don't you trust that I can make good decisions on behalf of the university, college, School, program or my office?</p>	<p>What is obvious to you as the reason for making a purchase may not always be obvious to the approver or an auditor. The University Internal Controls require that the individual approving the expenditure understands the business purpose of the transaction. No one is exempt from providing this information, not even the Dean, nor is there a de minimus amount of an expenditure that is exempt from the business purpose requirement.</p> <p>The types of questions that answer a business purpose discussion are provided below:</p> <table border="1" data-bbox="682 1396 1502 1709"> <thead> <tr> <th colspan="2" data-bbox="682 1396 1502 1428">What are you doing? Holding an event? Purchasing an item?</th> </tr> <tr> <th data-bbox="682 1428 1193 1459"><i>Event</i></th> <th data-bbox="1193 1428 1502 1459"><i>Item</i></th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="682 1459 1502 1480" style="text-align: center;">Business Purpose Questions....</td> </tr> <tr> <td data-bbox="682 1480 1193 1627">Who is attending? If large group, list # and name of group (e.g., 30 grad stdts, 5 faculty). Small group – list names & affiliation (e.g., Mary Smith, Columbus Public Schools teacher)</td> <td data-bbox="1193 1480 1502 1627">Who is this for?</td> </tr> <tr> <td data-bbox="682 1627 1193 1648">Why was their presence important?</td> <td data-bbox="1193 1627 1502 1648">Why is it needed?</td> </tr> <tr> <td data-bbox="682 1648 1193 1669">When was the event?</td> <td data-bbox="1193 1648 1502 1669"></td> </tr> <tr> <td data-bbox="682 1669 1193 1709">Where was the event?</td> <td data-bbox="1193 1669 1502 1709"></td> </tr> </tbody> </table>	What are you doing? Holding an event? Purchasing an item?		<i>Event</i>	<i>Item</i>	Business Purpose Questions....		Who is attending? If large group, list # and name of group (e.g., 30 grad stdts, 5 faculty). Small group – list names & affiliation (e.g., Mary Smith, Columbus Public Schools teacher)	Who is this for?	Why was their presence important?	Why is it needed?	When was the event?		Where was the event?	
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<p>Why do we have to get all of this paperwork completed just to have a guest speaker?</p>	<p>Federal IRS regulations require the university to have on file the date of birth, SSN/Federal Tax ID # of all individuals and businesses to whom we make payments. The university uses the substitute W9 form to gather this information for the Travel Office, Accounts Payable and Purchasing. The form can be found at: http://www.ctlr.ohio-state.edu/form/OSUW9.pdf</p>														

<p>Why can't I sign a vendor contract? Isn't there some contract amount minimum where I can sign on behalf of the university?</p>	<p>Signing contracts puts you personally at risk and make you personally responsible for the cost of the event. The only individuals authorized to sign vendor contracts on behalf of the university are in the central Purchasing Department. Contracts are from the vendor's point-of-view, not the University's. The OSU Purchasing department deals with contracts on a regular basis and know what to look for and what clauses to strike before entering into the agreement. They will then supplement the contract with an OSU purchase order that outlines the university's terms and conditions.</p>
<p>Why can't I use my personal address on the "ship to locations" for orders?</p>	<p>The OSU address helps to document that the purchase has a business purpose. Items should never be shipped to a personal address as it creates question about the ownership and business purpose of the item. In the case of equipment purchases, items must be tagged and entered into the University's asset management system, and formal permission granted before equipment may be relocated off-campus.</p>
<p>Why can't I use my personal address on subscriptions? It's inconvenient for me to come in on my off duty quarter to pick up my subscriptions.</p>	<p>As mentioned before the business address helps to document that the purchase has a business purpose. This also helps limit duplication of subscriptions as the University encourages "Department coordination of subscriptions." Additionally, should you depart the university the subscription may still be useful to others and not require cancellation.</p>
<p>I don't understand reward points. When are they OK to accept and when are they not OK?</p>	<p>The State of Ohio and University policy states that <i>travelers may accrue frequent flyer miles for university related travel; these accrued miles must be used for university related business travel.</i> If you choose to accrue frequent flyer miles you may be audited, this record keeping is your responsibility. <i>Accrual of hotel points, rental car company enticements and other inducements in connection with university related travel are prohibited.</i> Please check your hotel receipt, if the receipt indicates reward points please have the hotel delete them from your stay prior to checkout.</p>
<p>Why are you asking for additional information? When I submitted a similar transaction last month it was processed without any problem.</p>	<p>Policies and documentation requirements can change at any time. Please understand that if we are requesting additional information it is because it is necessary to meet University, State, or Federal audit requirements to document the transaction.</p>
<p>Why does my paperwork have to be completed in ink?</p>	<p>Financial documents must be submitted in ink to prevent changes from being made to the document after it has been approved or without your knowledge or authorization. All changes to paperwork must be initialed and dated by the person changing the information.</p>
<p>My colleague in another School isn't required to provide certain receipts, why am I?</p>	<p>It is likely that your School has internal policies that are more restrictive than College or University policies. University policies are available on various websites. College financial policies can be found on the Business Office website http://www.coe.ohio-state.edu/facultyStaff/businessOffice.cfm</p>
<p>It seems that the new Internal Controls make it impossible to deal with emergency need situations. Is there a way to purchase goods in an emergency?</p>	<p>Yes, we understand that there will continue to be a need to purchase goods or services in an emergency situation. You may want to consider having a blanket p.o. available to use under these circumstance. Blanket p.o.'s encumbers money to be used to a particular vendor over a fiscal year and can be used repeatedly throughout the year and are an idea way to respond to emergency needs such as equipment repairs. Personal funds may be expended and reimbursement sought; however, reimbursements are not be used to bypass traditional approval processes <i>and</i> you should know that you assume some risk in by using personal funds as the purchase may not be deemed appropriate or approved for business purpose and reimbursement could be denied.</p>
<p>I booked a combination airline & hotel room through Travelocity or a similar program, but am unable to secure a receipt itemizing the purchase as transportation & lodging costs. Why is this a problem when I saved the University money?</p>	<p>As mentioned earlier, in order to verify that policy was followed and there is a business purpose for all expenses, an itemized receipt is required. Savings the University money does not provide an exemption to following policy by providing an itemized receipt. In this case, the vendor should not be used since it can not provide the necessary receipting.</p>