Best Practices and Refresher for Cost Center Approvers

University of Wyoming

Financial Affairs

Agenda

Definition/Role

Responsibilities

Workflow of Approvals

Common Mistakes with Financial Transactions

Resources

Questions/Feedback

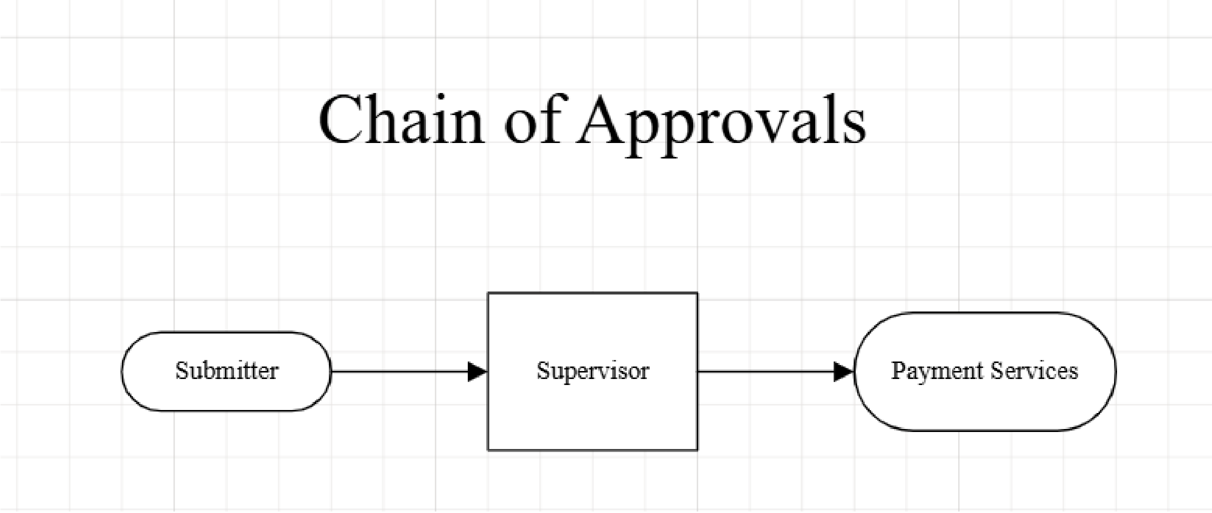
Definition/Role

- Cost Center Approver (CCA): A designated employee assigned responsibility to review and approve all transactions allocated to the organization(s) in their purview; Business Managers and Director-level positions are common choices for this role.

CCA Responsibilities

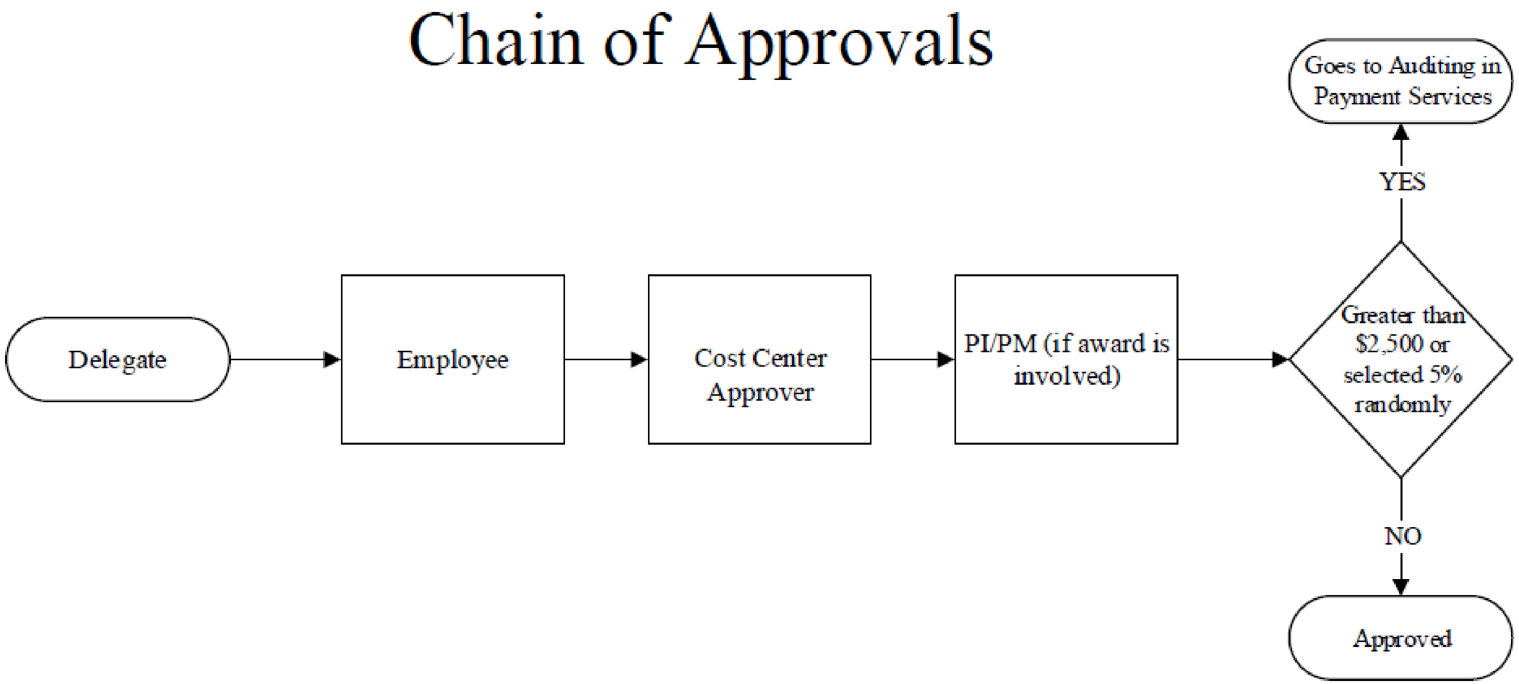
- Review Transactions – includes verifying allowable expense coding, verifying all necessary documentation is attached, ensuring the business purpose is complete and allowable, and being on alert for any suspicious/fraudulent purchases.
- Approve Transactions
- Understand Policies regarding Financial Transactions
- Monitor Budget
- Assist with Basic Accounting Principles to staff processing financial transactions

Cash Advance Requests



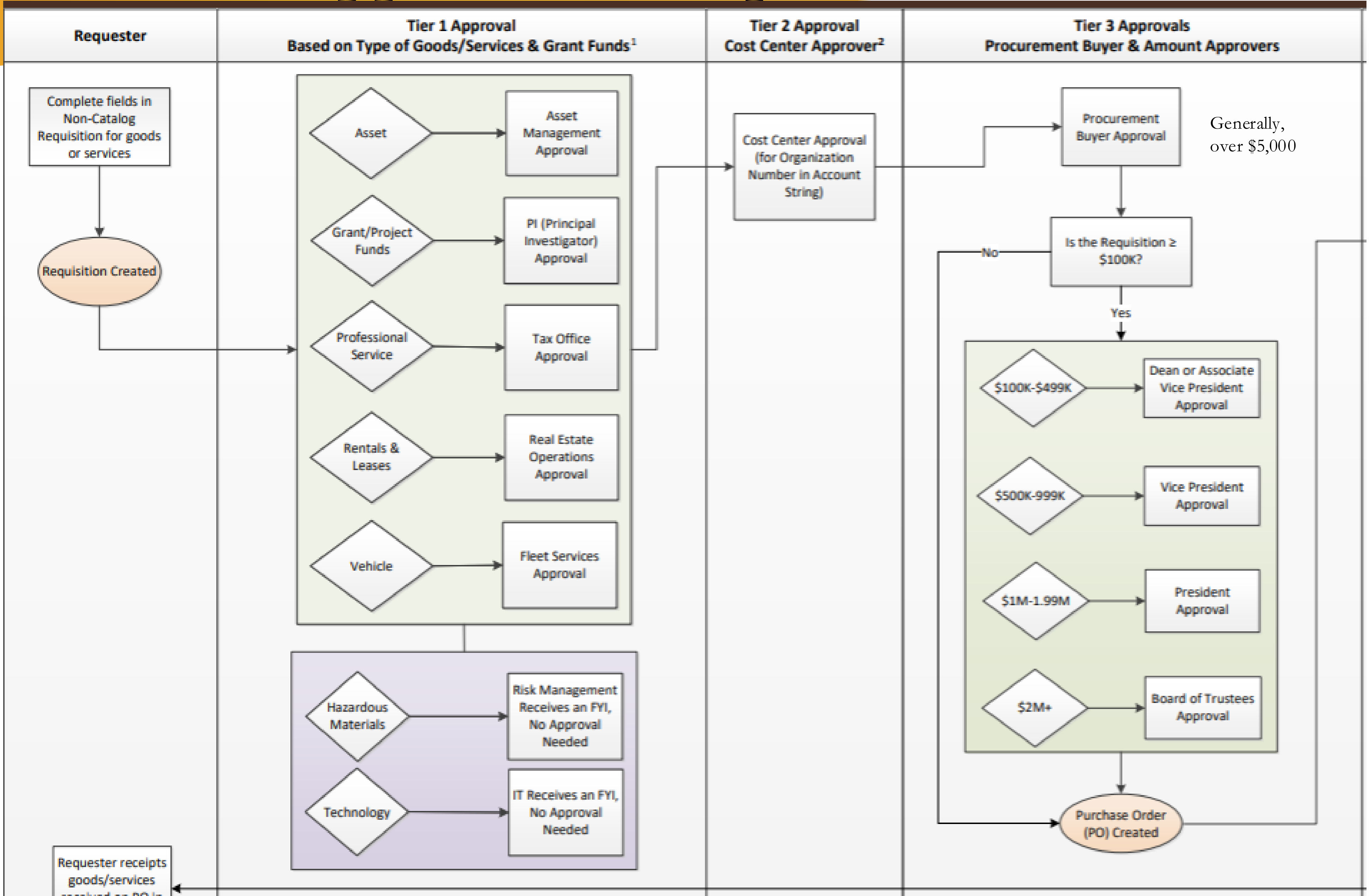
- Cash Advances do not go through CCA's for approval. When an employee or delegate submits an expense report to reconcile the cash advance, the expense report will go to the CCA of the org(s) to review and approve. Please ensure itemized receipts are attached and descriptions are detailed. For foreign currencies, please make sure there is a currency conversion attached.
- Cash advances will only be issued for trips longer than seven (7) consecutive calendar days, student travel, international travel to cash-based countries, and incentives for research participants.
- Cash Advances must be reconciled within 10 days of the end of the trip. There is a Cash Advance Report on the WyoCloud Table of Contents Page.

Workflow of Approvals – Expense Reports



- If the Cost Center Approver submits the expense, it will go to the supervisor for approval.
- The cost center approver is the main reviewer for expense reports.

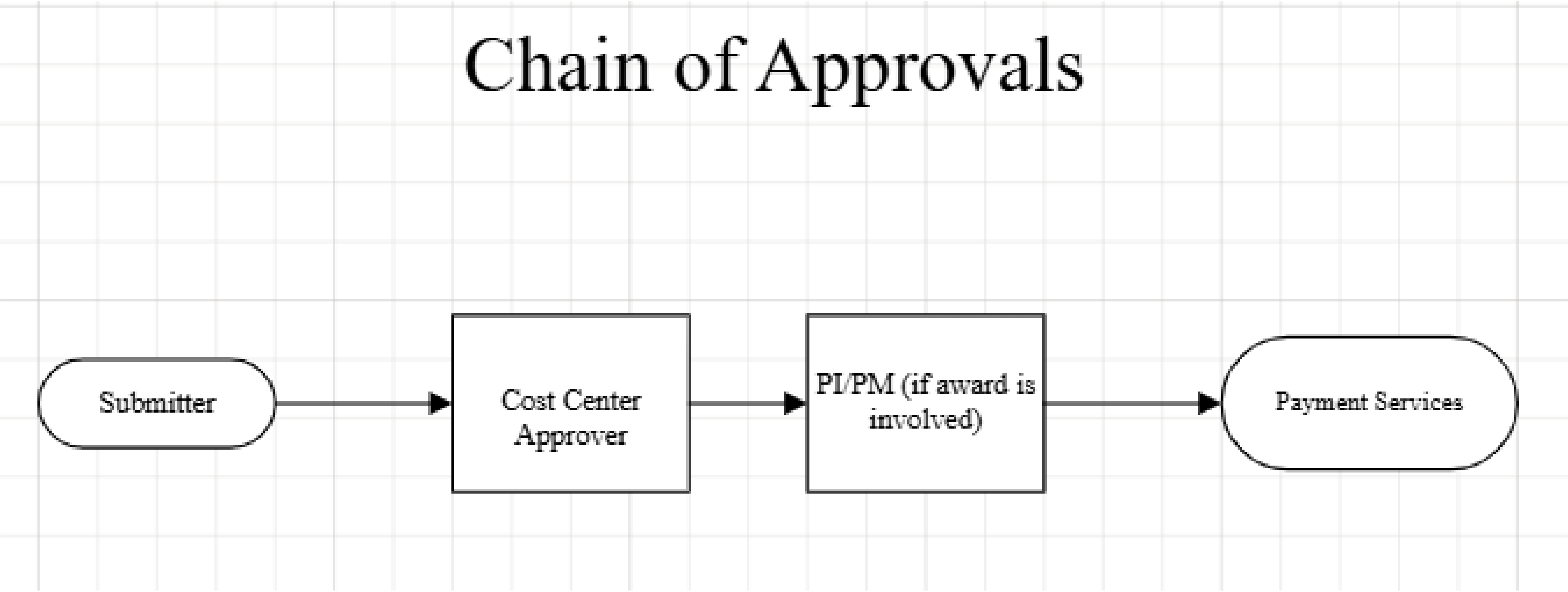
Workflow of Approvals – Requisitions Non-Catalog



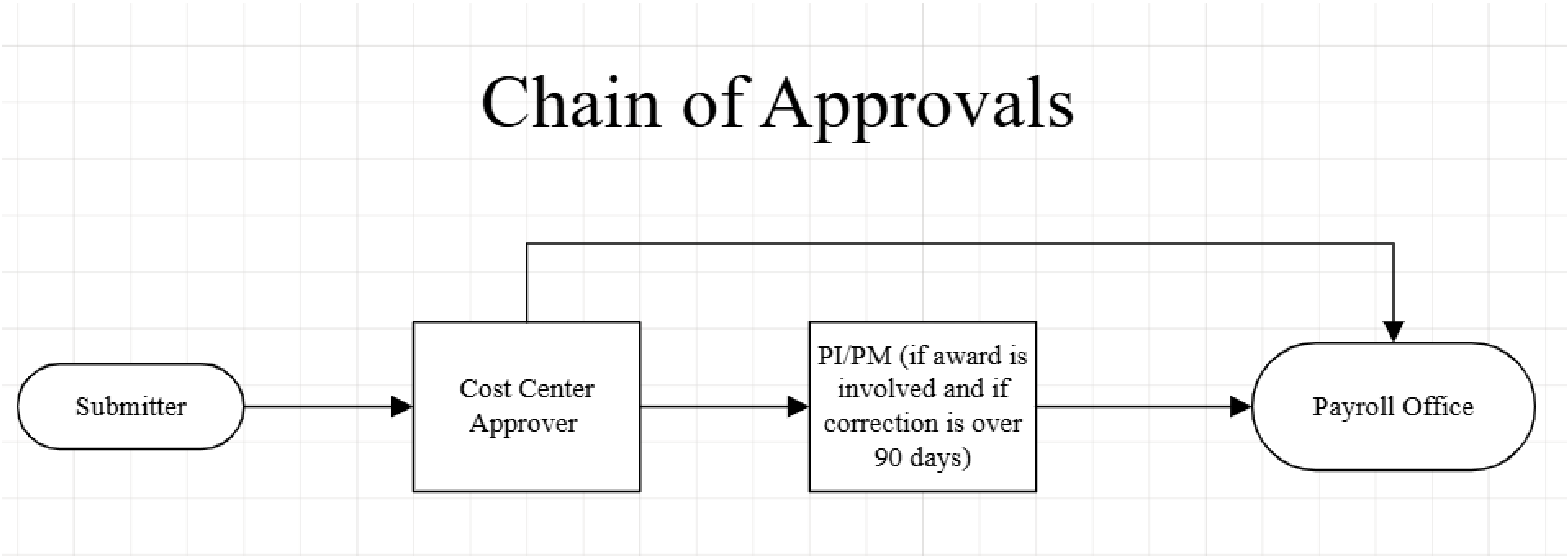
Requisitions

- Catalog Requisitions do not go to Procurement to review – they need CCA to review whether it is an asset or a purchase that does not have a valid business purpose. All capital asset purchases should be made using the non-catalog requisition process.
- Most people do not realize they can update the description of the item once it gets to the requisition screen. We need people to update this description, so that we know who the purchase is intended for or what business purpose the expense is for.

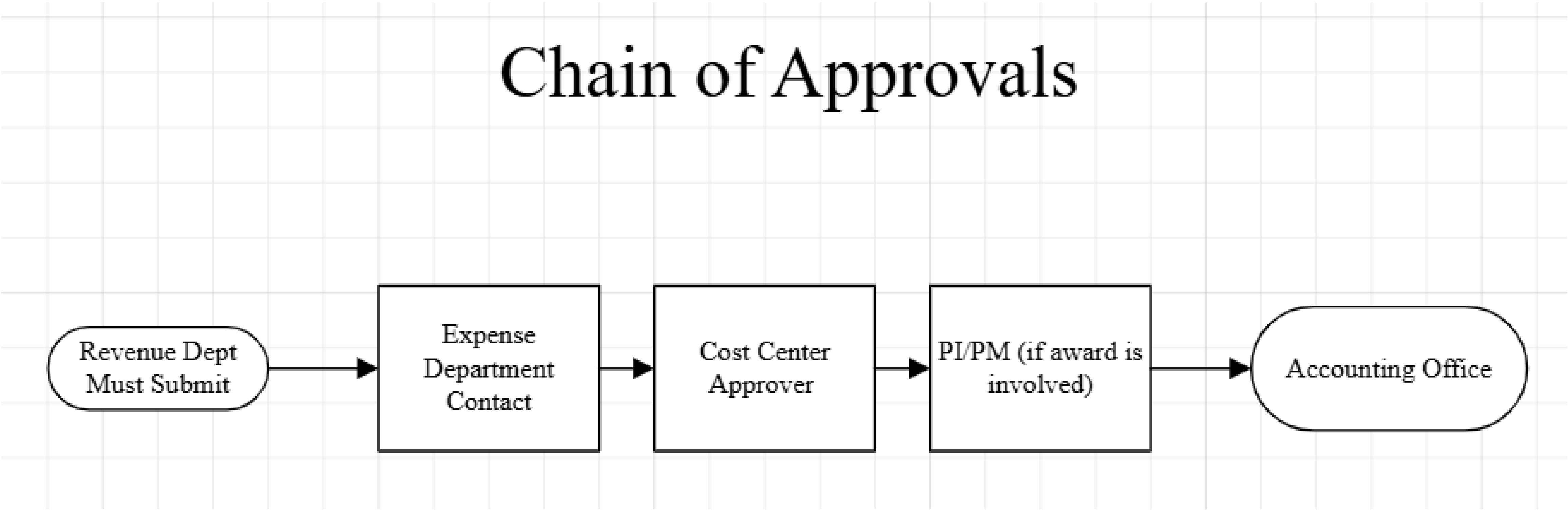
Non-PO Invoice



Payroll Costing



IDTs


Chain of Approvals
Revenue Dept Must Submit
Expense Department Contact
Cost Center Approver
PI/PM (if award is involved)
Accounting Office

WyoCloud Approvals

- We ask that you do not approve financial transactions through email, as it is hard to review everything that should be included (description, attachments, etc.)
- Please look for required documentation: a hosting form for any hosting- or business-related expenses. If it mentions that it is open to the public, an event flyer or invitation needs to be attached. Itemized receipts need to be attached that show what the purchase was specifically for.
- To remain compliant with the Family Educational Rights and Privacy Act (FERPA), descriptions on the line or business purpose levels regarding the purchase should **NOT** include names of students. Student names are allowed to be in the ttachments . Employee names are allowed to be in the expense descriptions or attachments.
- Any P-card purchases over $9,999.00 should have an email approval allowing the purchase and a contract/quotes if appropriate.

Expenditure Type and Expenditure Item Date

Transaction Coding Matters:

- Verify that the Expenditure Type/Natural Account/Requisition Category is correct before approving a transaction.
- The Expenditure Type can determine the approval workflow and has downstream impacts on taxes, indirect cost (F&A) calculations, sponsor billing and financial reporting, institutional reporting, and other financial processes.
- Incorrect coding can have far-reaching downstream impacts, including compliance, external reporting, indirect cost, and other financial issues, often requiring time-consuming corrections.

Transaction Dates Matter:

- Ensure transaction dates accurately reflect when the expense was incurred (e.g., goods received or services performed, as appropriate for the transaction type). For requisitions, the budget date should reflect the expected receipt or service date.
- Do not simply accept the system default date if it does not accurately reflect the transaction.
- The vendor invoice date should reflect the date on the vendor's invoice.
- Accurate dates affect University assets and liabilities under GAAP, payment timing, sponsor billing and allowability, and compliance with prompt payment and sponsored project requirements.

Common Issues with Financial Transactions

Business Purpose

- Business Purpose in expense reports, requisitions, invoices, etc., is lacking detailed description.
- Business Purpose Guide – We need who, what, when, where, and why in the business purpose/description. We need to know how the purchase benefits the university mission. Acronyms are hard to decipher, so it's best to spell them out. Students names can only be in attachments, but they cannot be in the line expense descriptions.
- Please reject if the description is lacking details.
- We see many payroll transactions that do not explain what the employee did to earn the additional compensation.

Wyoming Sales Tax

- Per the UW SAP 7-9.15: Allowable Expenses, “Sales tax and lodging tax in the State of Wyoming [are not an allowable expenses]. Reimbursement for sales tax and lodging tax in the State of Wyoming is not allowed.”
- Best practice is to ask the purchaser to reach out to the supplier to have the tax credited back if you see sales tax charged for Wyoming businesses. If they are unable to, a P-Card Violation Notification Form should be completed.
- Please note that only university payment methods can be tax-exempt (Tax Exemption Form). Reimbursement of taxes for one-day meals within Wyoming is allowed.

Personal Reimbursements

- There are many advantages to the university and departments using P-cards, including a low risk of returns and fraud, improved purchasing data, the university receiving rebates on those purchases that help stabilize University revenue, and employees not being subject to personal financial risk.
- Travel-related expenses are the only purchases listed as eligible for personal reimbursements per the UW Travel and Reimbursement Policy; therefore, if you see non-travel expenses being requested through a personal reimbursement, please reach out to the employee to use a P-card or requisition/invoice.
- While personal reimbursements for travel are allowable, the UW Travel and Reimbursement Policy also provides that the UW P-Card is the preferred method to pay for travel-related expenses.

Computer Purchases

- Apple computers and products should be obtained at the University Store through an IDT.
- PC computers and products should be purchased on the CDW catalog in WyoCloud.
- There are exceptions made by IT at times, but the exception must be attached and noted in the description.

Clothing and Apparel Purchases

- For all apparel purchases, we need to know who will be receiving the items for tax purposes. If the clothing is for UW employees to wear at events, it is best for the department to maintain inventory and ownership of the items so that, if an employee leaves, we can request the items back.

IDTs

- Ensure IDT has a hosting form or a descriptive business purpose. If there are services related to alcohol, those must go through a Form 100 and cannot be processed on an IDT.
- Ensure the expenditure type and expenditure item date are correct for projects. Need to use the date the goods were received.
- Transfer of funds without a purchase of goods/services needs to be done through a Budget Office Fund Transfer Request Form.
- Internal Allocation and Fund Transfer Instructions are available on the Financial Affairs Forms page.

Capital Assets ($5,000 or more)

- Catalog requisitions **do not have the functionality to edit requisition categories or natural accounts**; therefore, **you must complete an** **expenditure correction** for the purchase to properly flow to asset management to be capitalized. For this reason, **please use the non-catalog requisition process for all capital asset purchases.**
- Check to ensure the correct account string and asset categories are chosen. You should only see a 125XX as the natural account for an asset purchase. If you see a 6XXXX as the account number, you have chosen an incorrect category.
- All costs associated with the assets (shipping and installation) should be coded to the correct asset. Need to be capitalized
- Once an asset is received, please contact asset management for the item to be tagged. **Assets should be tagged within one week of receipt/installation.**

Capital Assets ($5,000 or more) Funding String vs. Plant Fund Coding

- **Plant fund coding:** This is where the invoice will pay (the charge account) and should pre-populate when you select the correct requisition category. This coding allows the charge to flow to asset management. Once the invoice is paid, the asset is capitalized. From there, a manual journal entry is recorded by the accounting office to charge the asset purchase to the respective budget line or "funding string" provided in the requisition. Note: coding for project-funded items varies.
  - Ex. EQUIPMENT.LAB-CAP: 10-12505-750-730001-XXXXX-001-0000-0000-0
- **Funding string:** For non-project funded items – manually enter your desired funding string(s) in the requisition. This is where the final charges for the asset should be coded (where the funds are *budgeted*).

Transfer Out/From Account (account that will be used to fund the transfer)

Entity	Natural Account	Fund Class	Fund Source	Org	Expense Class	Program	Activity	Future
Any entity	77404	Appropriate Fund Class	Appropriate Fund Source	XXXXX	001	Any Program	Any Activity	0 (Default)

Resources

- Capital Asset Business Process Guide
- Financial Affairs Web Page
- Policies & Reference Materials
- Regulations and Standard Administrative Policies and Procedures

Please contact our offices for questions!

- Financial Compliance and Integrity
  - Stephanie Anderson-Weimer, sander64@uwyo.edu , 307-766-3157
- Procurement and Payment Services
  - procurement@uwyo.edu, 307-766-5233
- Asset Management
  - property@uwyo.edu, 307-766-2302
- Accounting Office
  - accounting-office@uwyo.edu, 307-766-5777
- Office of Sponsored Programs
  - Contact Page, (307) 766-3131

Questions?