December 10, 2019

Business Forum

HRTC 141 - 145
Business Forum Agenda

• Welcome
• Facilities
• Benefits Advisory Council
• Procure to Pay
• Key Announcements
Facilities Partner Group Charge

The Facilities Partner Group is charged with developing solutions to improve processes and communications between planning units and the University’s Facilities Management.

The Facilities Partner Group will gather, review, and assist in the prioritization of issues related to custodial, grounds, and building maintenance and operations.
## Facilities Representation

<table>
<thead>
<tr>
<th>Planning Unit or Department</th>
<th>Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Service Center</td>
<td>Marjorie Mora</td>
</tr>
<tr>
<td>Campus Recreation</td>
<td>Mark Ferguson</td>
</tr>
<tr>
<td>College of Business</td>
<td>Phil Taylor</td>
</tr>
<tr>
<td>College of Fine Arts</td>
<td>Kari Saunier</td>
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<td>Division of Student Affairs</td>
<td>Dustin Kilgour</td>
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<td>Facilities Management and Safety</td>
<td>Steve Mack</td>
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<tr>
<td></td>
<td>Jay North</td>
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<tr>
<td>Heritage College of Osteopathic Medicine</td>
<td>Dean Dupler</td>
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<tr>
<td>Housing</td>
<td>Adam Dannaher</td>
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<td>Intercollegiate Athletics</td>
<td>Jason Farmer</td>
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<tr>
<td>Patton College of Education</td>
<td>Jennifer Martin</td>
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<tr>
<td>Scripps College of Communication</td>
<td>Chris Stewart</td>
</tr>
<tr>
<td>Undergraduate Admissions</td>
<td>Kevin Witham</td>
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</table>
FY20 Facilities Partner Group Strategic GOALS

- Continuation of SLA development and implementation for all three FMS areas
- Continuation of building coordinators initiative
- Improve usage of “reservable” interior space
  - Align with President/SIO strategic initiative for effective use of space
- Continue to study customer feedback and implement improvements in communications
BUILDING COORDINATOR INITIATIVE

• Have not made progress on this initiative
• Emphasis on implementation in Spring Semester

• Way-Ahead:
  • Maintain updated list of contacts for all buildings
  • Communicate purpose and goals to all contacts
  • Ask for feedback and suggestions
  • Schedule building contact training
    • Best practices for work orders
    • Report Generation
    • FMS ongoing Initiatives and KPI
IMPROVE USAGE OF “RESERVABLE” INTERIOR SPACE

• FPG Subgroup met with Registrar’s office
  • Purpose: See if we could engender energy/operational savings by shutting down HVAC systems for buildings, or specific spaces, over the summer
  • We were unable to implement changes during summer of calendar year 2019. However, generated ideas for implementation next year
  • Way-Ahead Use data from actions to inform decisions for summer 2020
RECENT FOCUS

• Improved Communications
• Evaluating ability to enhance messaging associated with “closed” work orders
• Shared recent Association Physical Plant Administrators (APPA) customer survey responses and trends
• “Closing the loop”
  • FMS managerial engagement with customers on difficult or poorly rated work orders
QUESTIONS??

• Steve Wood
  740-593-2726
  woods1@ohio.edu

• Beth Lydic
  740-593-4401
  lydic@ohio.edu
December 10, 2019

Benefits Advisory Council
Benefits Advisory Council
Co-chairs: Colleen Bendel & Susan Williams

- The Benefits Advisory Committee (BAC) charge: Analyze and make recommendations regarding university benefits and to consider financial sustainability, competitiveness, and fairness in recommendations.

- 14 Members include representatives from Faculty Senate (Co Chair), Administrative Senate, Classified Senate, AFSCME Union, as well as a Dean, an Executive Dean, a Vice President, an Academic Chair/Director, an Associate Provost, and the Chief HR Officer

- Guiding Principles
  - Eliminate structural deficits
  - Avoid Affordable Care Act Cadillac Plan Tax (required by state law)
  - Establish a maximum university contribution to the annual inflationary cost of benefits (no more than 5%)
# Benefits Update

Budget Projections and impact on BAC discussions:

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
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<tbody>
<tr>
<td>Claims (Medical, Rx, Dental)</td>
<td>63,677,131</td>
<td>67,817,796</td>
<td>72,281,875</td>
<td>77,666,764</td>
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<td>Fees/Other Ins</td>
<td>7,579,012</td>
<td>7,198,788</td>
<td>7,549,140</td>
<td>7,960,544</td>
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<tr>
<td>Total</td>
<td>71,256,143</td>
<td>75,016,584</td>
<td>79,831,015</td>
<td>85,627,308</td>
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<tr>
<td>Use of Reserves</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Premiums</td>
<td>(14,971,649)</td>
<td>(15,829,850)</td>
<td>(16,766,085)</td>
<td>(17,822,022)</td>
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<tr>
<td>Claims + Fees Net Premiums</td>
<td>56,284,494</td>
<td>59,186,734</td>
<td>63,064,930</td>
<td>67,805,286</td>
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<tr>
<td>Percent Increase</td>
<td>5.16%</td>
<td>6.55%</td>
<td>7.52%</td>
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<tr>
<td>Savings needed to reach 5% goal*</td>
<td>(88,015)</td>
<td>(918,860)</td>
<td>(1,587,110)</td>
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</table>

*Dependent on preliminary changes discussed at BAC
Benefits Update

Recommendations for FY21, FY22, FY23 include:

• Insurance Plans: (See chart)
  • Increases in percent of health plan premiums paid by faculty and staff,
  • Increases in deductibles and out-of-pocket maximums
  • Savings from Disability and Life Insurance IUC group contracts

• Educational Benefits:
  • Add Online Pearson programs to educational benefit for employees only (not dependents)
  • No other changes recommended at this time.

Impact of Recommendations:

• Total Compensation Impact:
  • FY21 increases to premiums impact pay by 0.25% to 0.60% for individuals enrolled in employee only coverage, and by 0.58% to 1.44% for individuals enrolled in family coverage. (See chart)
  • Deductible and out-of-pocket increases impact total compensation as well

• Benchmarking Impact: PPO plan may begin to exceed benchmarks in some areas such as the annual deductible.
  • IUC is currently conducting a new plan benchmarking survey
## Benefits Update

### BAC – Recommendations for FY21, FY22, FY23

<table>
<thead>
<tr>
<th>Options</th>
<th>Current</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
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</thead>
<tbody>
<tr>
<td><strong>Premium</strong></td>
<td>15% - 17.5% - 20%</td>
<td>17% - 19% - 21%</td>
<td>18% - 20% - 22%</td>
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<tr>
<td><strong>Deductible</strong></td>
<td>$500 / $1,000</td>
<td>$800 / $1,600</td>
<td>$1,000 / $2,000</td>
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<tr>
<td><strong>Co-Insurance</strong></td>
<td>80% Plan</td>
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<tr>
<td><strong>Co-Insurance Maximum</strong></td>
<td>$2,000 / $4,000</td>
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<tr>
<td><strong>Out of Pocket Maximum</strong></td>
<td>$2,500 / $5,000</td>
<td>$3,500 / $7,000</td>
<td>$4,000 / $8,000</td>
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<tr>
<td><strong>Office Visit Copays</strong></td>
<td>$25</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Rx Retail Copays</strong></td>
<td>$20 / $30 / $40</td>
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<tr>
<td><strong>Rx Mail Copays</strong></td>
<td>$25 / $40 / $55</td>
<td></td>
<td></td>
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<tr>
<td><strong>Other</strong></td>
<td>IUC Life/Disability RFP Rate Reduction</td>
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# Benefits Update

## Premium Change Impact for FY21

<table>
<thead>
<tr>
<th>Bracket Sal Range</th>
<th>Bracket 1: 0-34.4K</th>
<th>Bracket 2: 34.4K-46.7K</th>
<th>Bracket 3: 46.7K-52.8K</th>
<th>Bracket 4: 54.8K-60.5K</th>
<th>Bracket 5: 60.5K-67.9K</th>
<th>Bracket 6: 67.9K-77.2K</th>
<th>Bracket 7: 77.2K-88.7K</th>
<th>Bracket 8: 88.7K-108K</th>
<th>Bracket 9: 108K+</th>
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<tr>
<td>Avg Salary</td>
<td>$32,851</td>
<td>$43,128</td>
<td>$49,314</td>
<td>$56,381</td>
<td>$64,166</td>
<td>$72,351</td>
<td>$82,591</td>
<td>$97,431</td>
<td>$145,166</td>
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<tr>
<td><strong>Percent Increase</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Single</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Single+1</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Family</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
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<tr>
<td><strong>Current Premium</strong></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Single</td>
<td>$77.33</td>
<td>$84.85</td>
<td>$92.36</td>
<td>$99.88</td>
<td>$107.40</td>
<td>$114.92</td>
<td>$122.44</td>
<td>$129.95</td>
<td>$137.47</td>
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<tr>
<td>Single+1</td>
<td>$180.43</td>
<td>$197.97</td>
<td>$215.52</td>
<td>$233.06</td>
<td>$250.60</td>
<td>$268.14</td>
<td>$285.68</td>
<td>$303.23</td>
<td>$320.77</td>
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<tr>
<td>Family</td>
<td>$309.46</td>
<td>$339.54</td>
<td>$369.63</td>
<td>$399.71</td>
<td>$429.80</td>
<td>$459.89</td>
<td>$489.97</td>
<td>$520.06</td>
<td>$550.14</td>
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<tr>
<td><strong>FY21 New Premium</strong></td>
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<tr>
<td>Single</td>
<td>$94.12</td>
<td>$103.27</td>
<td>$112.42</td>
<td>$121.58</td>
<td>$130.73</td>
<td>$139.88</td>
<td>$149.03</td>
<td>$158.18</td>
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<tr>
<td>Single+1</td>
<td>$210.39</td>
<td>$230.85</td>
<td>$251.30</td>
<td>$271.76</td>
<td>$292.21</td>
<td>$312.67</td>
<td>$333.12</td>
<td>$353.58</td>
<td>$374.03</td>
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<tr>
<td>Family</td>
<td>$348.81</td>
<td>$382.72</td>
<td>$416.63</td>
<td>$450.55</td>
<td>$484.46</td>
<td>$518.37</td>
<td>$552.28</td>
<td>$586.19</td>
<td>$620.11</td>
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<tr>
<td><strong>Monthly Increase</strong></td>
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<tr>
<td>Single+1</td>
<td>$29.96</td>
<td>$32.88</td>
<td>$35.79</td>
<td>$38.70</td>
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<td>$44.53</td>
<td>$47.44</td>
<td>$50.35</td>
<td>$53.27</td>
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<td>Family</td>
<td>$39.35</td>
<td>$43.18</td>
<td>$47.01</td>
<td>$50.83</td>
<td>$54.66</td>
<td>$58.48</td>
<td>$62.31</td>
<td>$66.14</td>
<td>$69.96</td>
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<tr>
<td><strong>Annual Increase</strong></td>
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<td></td>
</tr>
<tr>
<td>Single</td>
<td>$201.54</td>
<td>$221.14</td>
<td>$240.73</td>
<td>$260.32</td>
<td>$279.92</td>
<td>$299.51</td>
<td>$319.11</td>
<td>$338.70</td>
<td>$358.30</td>
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<tr>
<td>Single+1</td>
<td>$359.55</td>
<td>$394.50</td>
<td>$429.46</td>
<td>$464.42</td>
<td>$499.37</td>
<td>$534.33</td>
<td>$569.28</td>
<td>$604.24</td>
<td>$639.20</td>
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<td>$518.15</td>
<td>$564.06</td>
<td>$609.98</td>
<td>$655.89</td>
<td>$701.80</td>
<td>$747.71</td>
<td>$793.63</td>
<td>$839.54</td>
</tr>
</tbody>
</table>
Benefits Update

Other factors under BAC review

- RFP for Anthem/Express Scripts agreements.
- AFSCME contract negotiations and any impact on the overall benefits budget
- Affordable Care Act Cadillac Plan Tax
  - Tax currently scheduled to be applied to plans starting in 2022
  - State of Ohio law precludes public employers (including universities) from offering plans that hit the tax threshold.
    - This may require more changes to cost sharing such as deductibles, out-of-pocket maximums, copays, and etc.
- Expand types of plans offered (in addition to or instead of the current PPO Plan)
  - Example: High Deductible Plan
Benefits Update

Questions?
Procure to Pay (P2P) Partner Group Charge

• Develop solutions to improve policies, processes, and communications between planning units and the Purchasing & Payments department of the Division of Finance

• Gather feedback, review recommendations, and assist in the prioritization of issues related to university operations centered on purchasing and payments, including contract and insurance services, travel, PCard, and suppliers
P2P Partner Group Representation

Julie Allison, Finance and Administration, Co-Chair
Kelly Broughton, University Libraries, Co-Chair

Emily Chapman, Scripps College of Communication
Diane Cahill, Office of Global Affairs & International Studies
Wayne Chiasson, Physics and Astronomy (Arts & Sciences)
Kelly Coates, Heritage College of Osteopathic Medicine
Kim Hayden, Regional Campuses and Instructional Innovation
David Ingram, Physics and Astronomy (Arts & Sciences)
Keith Leffler, Research and Sponsored Programs
Becky Maccombs, Russ College of Engineering & Technology
Bo Richardson, Foundation
Erin Robb, Culinary Services (Auxiliaries)
Beth Tragert, Health Sciences & Professions
P2P Partner Group 2019 Goals

• Review and update University policies and procedures to align with best practices as well as state & federal regulations for:
  o Travel
  o Purchasing
  o Competitive bidding
  o PCard

• Advise and provide feedback on the development of training and communication strategies for university faculty and staff on policy and procedures within the scope of the partner group
Progress on P2P 2019 Goals

Travel - Policy 41.121: Reimbursement for Official Travel and Entertainment
✓ Effective March 19, 2019
✓ Training and procedures updated at https://www.ohio.edu/finance/travel

Purchasing - Policy 55.030: Purchasing
✓ Effective June 27, 2019
✓ Training and procedures continuously updated at https://www.ohio.edu/finance/purchasing

PCard - Policy 55.074: Payment Card Program
✓ Policy revision in final draft
  • Accompanying procedures in early draft

Competitive Bidding - 55.007: Purchasing - Competitive Bidding
✓ Policy revision in final draft – present to EPSC in December
  • Policy expected to be presented to Executive Staff Policy Committee in December 2019
Ohio University is required to follow the “essential terms” in accordance with Attorney General regulations/state law:
- https://www.ohioattorneygeneral.gov/Business/Commercialization/Essential-Terms

Process for negotiating University terms & conditions in contracts
- Step 1 – Purchasing works with vendors to get contract language into compliance with Essential Terms
- Step 2 – If vendor is willing to work with Legal Affairs, Legal Affairs works with vendor attorney(s) to revise language to meet Essential Terms in contract (but vendors are not always willing to engage with Legal Affairs either)
- Step 3 – Business Necessity process – LAST RESORT and sometimes is still not possible to get to yes
Contract Terms & Conditions – Business Necessity

• **Business Necessity Considerations**
  - MUST meet a true business need! This process cannot and does not cater to “preference”
  - MUST identify how this is directly related to an institutional mission, what that mission is, and how the good/service fulfills that mission
  - No reasonable alternative exists and the university MUST show reasonable diligence on finding an alternative source that can meet the essential terms in a contract
  - Cannot be a medium or high risk activity based on the review process – this will only be used in cases where risk is determined to be low by the decision makers involved in the approval process
  - Cost is not a business necessity but can be considered in weighing the totality of facts and circumstances (Free software is not necessarily OK)
  - This is a process of last resort but - IT DEPENDS on the contract term or condition and is based on the totality of facts. There will still be cases where the answer is no and you must find an alternative good/service
Discussion Questions

• Ideas for communicating upcoming PCARD changes?
  • Reduction in the number of Pcards
  • Introduction of significantly more travel cards in lieu of Pcards
  • Potential new provider as part of banking RFP process

• Priorities for 2020 goals?
Questions?

Julie Allison, Associate Vice President of Finance
allison@ohio.edu

Kelly Broughton, Assistant Dean, University Libraries
brought@ohio.edu
December 10, 2019

Key Announcements
# PDP Certificate Update

## December 9, 2019

- **Over 1,200 employees** have enrolled in at least one PDP course since May, 2018.


- **Peer Learning Network** launched 10/2019 - currently recruiting Content Leaders to provide workshops and informal 1:1 assistance in building Excel skills.

- **Participation in Peer Learning** covered by Professional Development Policy.

- **Relationship-Building Certificate** launched 12/2019 – collaborative effort with several instructor led and Skillsoft courses.

- **Two new certificates**, Personal Effectiveness and Leadership, are being designed.

## Phase 1, Pilot - 2018

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<th>Phases</th>
<th># Courses</th>
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<td>Accounting</td>
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<tr>
<td>Purchasing</td>
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## Phase 3, Y1 2019

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<td>Relationships</td>
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## Phase 3, Y2 2020

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<td>Supervision</td>
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<td>Customer Service</td>
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## Phase 3, Y3 2021

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<tr>
<td>Administration</td>
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</table>

### Estimated completion date 9/30/2021
Questions?

Lewis Mangen,
Director of Organizational and Talent Development
mangen@ohio.edu
Finance Agenda

• Supplier Fair
• Holiday Expense Guidelines
• GASB No. 87 – Lease Accounting
• JET Reminders
• Travel Updates
Join Us for the 4th Ohio University Annual Supplier Fair

• Don we now our ugly sweaters!

• When: Wednesday, December 11th from 10AM-1PM in Baker Ballrooms

Holiday Expense Guidelines

- **PARTIES:** Holiday parties and other office celebratory meals cannot be paid for with University or Foundation funds. If departments choose to host a carry-in “pot luck” meal on campus they must comply with University Policy 47.010: On-Campus Temporary Food Service Practices.

- **GIFTS:** Holiday gifts cannot be purchased with University or Foundation funds unless the Vice President for University Advancement approves an exception for development purposes in writing. Any gift approved as an exception must be paid for with Foundation funds and comply with IRS guidelines.

- **CARDS:** The use of e-cards is encouraged in order to promote the University’s sustainability efforts as well as reduce costs. University funds cannot be used to purchase holiday cards. Foundation funds can be used only if the cards are being sent to individuals or entities external to Ohio University, who have a business relationship to the University (including donors and prospective donors). To further reduce costs, departments should coordinate plans to send cards with Advancement so that these efforts are aligned with ongoing development activities.

- **DECORATIONS:** Decorations cannot be purchased with either University or Foundation funds.
GASB Statement No. 87 - Leases

• GASB 87 will be effective for FY21 beginning 7/1/20.

• A lease is defined as a contract that conveys control of the right to use another entity’s nonfinancial asset for a period of time in an exchange transaction. It includes buildings, land, vehicles, and equipment.

• It applies to both leases as the lessee and the lessor.

• It establishes a single model for lease accounting based on the principle that leases are financings of a right to use an underlying asset.

• Accounting for long term leases will include recording an asset and a liability on the financial statement. Short term leases will continue to be recorded as outflows and inflows of resources.
We are beginning now to prepare our records to allow for the change in accounting rules which includes:

- Completing a master list of all long term leases (lessee and lessor) along with contracts and needed information.

- Developing a list of items needed to be included in future lease contracts and/or questions to be asked during the contract process.

- Creating new object codes and changing existing object codes for better tracking.

- Modifications to leases may trigger changes to the accounting so continued communication between departments and general accounting will be important throughout the life of the lease.
The following object codes should now be used for recording lease expense. The detailed long description can also be found in the segment object look-up in OBI.

- **732110 - RENTAL AND LEASE – EQUIPMENT AND VEHICLES – SHORT TERM.**
  - This includes rental and lease of equipment and/or vehicles with a SHORT term contract. The lease term is the period during which a lessee has a NONCANCELLABLE right to use an underlying asset plus any periods included in options to extend. Periods for which BOTH the lessee and the lessor have the option to terminate the lease without permission from the other party or if both parties have to agree to extend are CANCELLABLE periods and are EXCLUDED from the calculation of the length of the lease term. A SHORT term lease is a lease that, at the commencement of the lease term, has a maximum possible term, including extensions, under the lease contract of 12 months or less. The lease may contain an OPTION to purchase.

- **732115 - RENTAL AND LEASE – EQUIPMENT AND VEHICLES – LONG TERM.**
  - This includes rental and lease of equipment and/or vehicles with a LONG term contract. The lease term is the period during which a lessee has a NONCANCELLABLE right to use an underlying asset plus any periods included in options to extend. Periods for which BOTH the lessee and the lessor have the option to terminate the lease without permission from the other party or if both parties have to agree to extend are CANCELLABLE periods and are EXCLUDED from the calculation of the length of the lease term. A LONG term lease is a lease that, at the commencement of the lease term, has a maximum possible term, including extensions, under the lease contract of over 12 months. The lease may contain an OPTION to purchase.
• 732520 - RENTAL AND LEASE – FACILITIES, LAND AND BUILDINGS – SHORT TERM.
  • This includes rental and lease of facilities, land, and/or buildings with a SHORT term contract. The lease term is the period during which a lessee has a NONCANCELLABLE right to use an underlying asset plus any periods included in options to extend. Periods for which BOTH the lessee and the lessor have the option to terminate the lease without permission from the other party or if both parties have to agree to extend are CANCELLABLE periods and are EXCLUDED from the calculation of the length of the lease term. A SHORT term lease is a lease that, at the commencement of the lease term, has a maximum possible term, including extensions, under the lease contract of 12 months or less. The lease may contain an OPTION to purchase.

• 732515 - RENTAL AND LEASE – FACILITIES, LAND AND BUILDINGS – LONG TERM.
  • This includes rental and lease of facilities, land, and/or buildings with a LONG term contract. The lease term is the period during which a lessee has a NONCANCELLABLE right to use an underlying asset plus any periods included in options to extend. Periods for which BOTH the lessee and the lessor have the option to terminate the lease without permission from the other party or if both parties have to agree to extend are CANCELLABLE periods and are EXCLUDED from the calculation of the length of the lease term. A LONG term lease is a lease that, at the commencement of the lease term, has a maximum possible term, including extensions, under the lease contract of over 12 months. The lease may contain an OPTION to purchase.
GASB Statement No. 87 - Leases

• 732120 – LEASE – FINANCED PURCHASE.
  • This includes a lease contract that transfers ownership of the underlying asset by the end of the contract and does NOT contain termination options.

• The object codes for recording lease revenue will also be reviewed and updated and communicated as soon as completed.
JET Reminders

- Select the correct Journal Category
  - Object Codes 48XXXX and 78XXXX – Journal Category “Internal Billing”
  - Corrections to Internal Billing – Journal Category “Corrections – Internal Bill”
  - Correcting ‘Transfer’ entries with both debits and credits using either object code 6xxxxx or 8xxxxx – Journal Category “Transfer-Funding/Investment”
  - If a journal entry uses any deferred/prepaid/accrual object code (starts with a 22XXXX) as either the debit or credit – Journal Category “Deferral/Prepaid” or “Accrual”
- Do not book any entry to object codes 300200 or 300100 – used by back office only to keep fund balances in balance
- Other Tips & Tricks When Using JET
  - Do not combine internal billings and other corrections in one journal entry. These need to be separate entries using the correct journal categories
  - If correcting charges to an account, make sure the debits or credits are made to the account where the original transactions were booked
  - For corrections, make sure to include in the line description details of the original transaction that is being corrected, for example, invoice #, invoice description, vendor name, etc.
  - For transactions 60 days or older include in the line description the unusual circumstances for corrections. Sixty days is measured from the original transaction date in Oracle
  - Journal Header Long Description need to explain why the entry is necessary, what the journal entry is doing, or what is its purpose. You must also include contact information such as name, number, email
Holiday Travel Reminders

• #1 – Monitor your flight details
• #2 – Reserve parking early
• #3 – Help is always available
  • Phone: 866.266.8806
    • For individual travel assistance, press 1
    • For group travel assistance, press 2
    • For technical and navigational assist, press 3
  • For assistance while traveling internationally, call: 682.233.1914
  • Email: ohio@cbtravel.com
Hertz

- New provider in Concur and available through CBT
- Hertz rates only available by booking through Concur or by calling CBT agent
- Contract pricing, in some cases, Hertz is the better deal
- Insurance is included if traveling domestically so don’t purchase additional coverage for business travel. If traveling internationally refer to the insurance requirements on the Risk Management webpage below
  - https://www.ohio.edu/hr/additional-resources/vehicle-rental
December 10, 2019

ETHICS WHEN CONTRACTING
How to Ensure Compliance

Employees have a personal responsibility:

• to know and follow university policies;
• to know and follow the law;
• to exercise prudent business judgement;
• to act in the best interests of the university.
University Policies 41.002 and 55.030

- Should the additional compensation be treated as an overload or a contract for the purchase of goods or services?
  - Policy 41.002 governs the various types of additional compensation, limits on payment amounts, criteria to determine when appropriate, and the HR process to follow.
  - Policy 55.030 discusses conflicts of interest and public contracts. Employees are obligated to receive the approval of Legal Affairs if a university employee or employee’s family member wants to enter into a contract to sell the university goods or services.
- Employee v. Independent Contractor
Definitions

• A “public official or employee” is any person who is employed by a public agency.

• A “public contract” is any purchase or acquisition of goods or services by the university.

• An interest includes a direct or indirect financial benefit from a public contract.
Definitions Continued…

• Business associate includes any individuals, companies, or organization with which the official is acting together to pursue a common business purpose.
  • i.e. partners, co-owners, outside employee, co-members of an LLC, band mates

• Family members include:
  • Spouse, parents or grandparents, children or grandchildren, siblings, and step-children or step-parents, regardless of whether they live in the same household.
  • Uncles and aunts, cousins, nieces and nephews, in-laws and anyone else related to the official or employee by blood or marriage if they live in the same household.
Having an unlawful interest in a public contract ORC 2921.42

(A) No public official shall knowingly do any of the following:

(1) Authorize, or employ the authority or influence of the public official’s office to secure authorization of any public contract in which the public official, a member of the public official’s family, or any of the public official’s business associates has an interest;
Authorization and Nepotism

- Authorized if public official:
  - Voted to award the contract;
  - Signed the contract;
  - Recommended the contract to other officials or employees; or
  - Took any other official action on the contract.

- When the university hires an employee, that employment is a public contract. This also applies when a public official authorizes a family member’s hire = nepotism.
Interest in a Public Contract
ORC 2921.42 (A)(4)–(5)

(A) No public official shall knowingly do any of the following:
(4) Have an interest in the profits or benefits of a public contract entered into by or for the use of the political subdivision or governmental agency or instrumentality with which the public official is connected;
(5) Have an interest in the profits or benefits of a public contract that is not let by competitive bidding if required by law and that involves more than one hundred fifty dollars.
ORC 2921.42(C)(1)–(4) Exception Test:

• (C) This section does not apply to a public contract in which a public official, member of a public official's family, or one of a public official's business associates has an interest, when all of the following apply:

(1) The subject of the public contract is necessary supplies or services for the political subdivision or governmental agency or instrumentality involved;
Necessary

• This is evaluated on a case by case basis.
• It is the responsibility of the department to document in writing that entering into the contract is necessary.
Exception Test Continued...

(C)(2) The supplies or services are unobtainable elsewhere for the same or lower cost, or are being furnished to the political subdivision or governmental agency or instrumentality as part of a continuing course of dealing established prior to the public official's becoming associated with the political subdivision or governmental agency or instrumentality involved;
Unobtainable Elsewhere or Continuing Course of Dealing

- Are supplies or services obtainable elsewhere? You must research and document it.
- To bid or not to bid?
- Is the service available from another source within a geographical area?
- If the university already has a contract, what is changing? Just the term? Or is the financial deal or scope changing?
- Is the employee involved with making the decision?
Exception Test Continued...

(C)(3) The treatment accorded the political subdivision or governmental agency or instrumentality is either preferential to or the same as that accorded other customers or clients in similar transactions;
No Preferential Treatment

- Is the cost charged to the university the same as charged to any other similar customer?
- Same product or services for same cost?
- Did the university set the price or did the employee?
Exception Test Continued...

(C)(4) The entire transaction is conducted at arm's length, with full knowledge by the political subdivision or governmental agency or instrumentality involved, of the interest of the public official, member of the public official's family, or business associate, and the public official takes no part in the deliberations or decision of the political subdivision or governmental agency or instrumentality with respect to the public contract.
Arm’s Length with Full Knowledge

- Is the employee in a decision-making position with the university?
- The university has written documentation of the process taken to choose the employee.
- Is the employee negotiating on behalf of him/herself or of a family member?
- Is the employee on a board, council, etc. that votes on the contract?
(2) Authorize, or employ the authority or influence of the public official’s office to secure the investment of public funds in any share, bond, mortgage, or other security, with respect to which the public official, a member of the public official’s family, or any of the public official’s business associates either has an interest, is an underwriter, or receives any brokerage, origination, or servicing fees;

• A university employee cannot authorize an investment of public funds in which a family member or business associate has an interest or from which a family member or business associate receives a fee.
(3) During the public official's term of office or within one year thereafter, occupy any position of profit in the prosecution of a public contract authorized by the public official or by a legislative body, commission, or board of which the public official was a member at the time of authorization, unless the contract was let by competitive bidding to the lowest and best bidder;

- This restriction prohibits a public official or employee from occupying a position of profit in the any public contract that he/she authorized.
- A public official cannot receive a definite and direct financial benefit from any contract that was authorized: by the official; or by any board or commission on which he/she served (even if the official didn’t vote on the authorization).
- This restriction applies to the employee during public service and for one year after leaving public service.
- The restriction does not apply to competitively bid contracts awarded to the lower and best bidder.
ORC 102.03(E)

• No public official or employee shall solicit or accept anything of value that is of such a character as to manifest a substantial and improper influence upon the public official with respect to that person’s duties.
  • “Anything of value” – money, gifts, meals, travel, golf outings, future employment.
  • “Substantial and improper influence” – a situation or an opportunity that presents an incentive to act in your personal interest to the detriment of the university.
Consequences

- **Immunity**
  - Employees have personal liability only if:
    - Actions manifestly outside the scope of employment or official responsibilities; or
    - Acted with malicious purpose, in bad faith, or in a wanton or reckless manner.
  - If didn’t follow a university policy then may not be in the course and scope of employment.

- **Criminal Penalties**
  - A violation of 2241.42(3), (4) or (5) = 1\textsuperscript{st} degree misdemeanor
  - A violation of 2241.42(1) or (2) = 4\textsuperscript{th} degree felony
Suggestions?

If you have suggestions for Business Forum topics, please share them via email to finadmin@ohio.edu. Your input is welcome!
Next Business Forum
Wednesday, February 19
10 am - 12 pm
Baker University Center 241 - 242