via email

Date: February 13, 2013

To: Vice Presidents, Deans, Chairs, Directors and Administrative Assistants

From: Mary M. Mingenback, Controller
Diana E. Kuhlmann, Associate Vice President of Administration and Fiscal Affairs
Ray Hauke, Vice President of Administration and Fiscal Affairs

Subject: Emporia State University Operating Expenditures

All funds of the University are to be expended for purposes necessary to advance the mission of the University. Since the major sources of the University’s funding come from taxpayers and students, it is imperative that we demonstrate good stewardship of these funds and be accountable for our expenditures. The University’s financial records are subject to review by not only the Kansas Board of Regents but also the State Legislature and, in some cases, the Federal Government. Our financial activity is made available to all Kansas citizens via KanView, a result of the Kansas Taxpayer Transparency Act passed by the 2008 legislature.

**Expenditures to Employees Above Base Salary**

Beginning **January 1, 2013**, if someone’s personal efforts/work/services generate a prize, award or incentive, it will be **compensation**, paid to the recipient via their biweekly paycheck and subject to taxation.

Fringe benefits on compensation are the responsibility of the individual departments when paid from restricted fee funds or general use OOE funds and must be paid from the same source as the salary, i.e., general use funds cannot be used to pay fringe benefits if the related salary is paid from restricted fee funds. The fringe rate for additional payments outside a person’s base salary includes FICA and Medicare, retirement, death and disability insurance, unemployment, workers’ compensation and sick/annual leave assessment. This is without health insurance as the health insurance is related only to the base salary amount.

Faculty professional development moneys currently in departmental RU accounts as of December 31, 2012 will remain there and may be used for travel and/or ordinary and necessary business expenses.
Operating Expenditures

Use of a University purchase order (PO) and/or business procurement cards (BPC) is the best way to pay for allowable expenses from University accounts, ensures that the University remains in full compliance with State policies and procedures, and provides better transparency for the legislature.

Off-contract purchases are allowed if the savings realized from such purchases is at least $100 or more than if purchased on state contract. To facilitate such purchase, a prior authorization form must be completed, including an explanation of why the item is being purchased from other than the contracted vendor, and the explanation must include the amount of savings. (Note: This ESU provision is more generous than the State of Kansas standard, which allows off-contract purchases only if $500 or more will be saved.)

The purpose of professional development funds is to pay for registration, travel and subsistence costs related to an approved conference or meeting.

ESU Operating Funds

As a reminder, ESU operating funds available to departments consist of the following funds:

General use funds (State General Fund and Tuition Fund)

- Annually allocated to departments for use during the current fiscal year (July 1 to June 30) for either salaries and fringes or other operating expenses.
- Unused funds revert back to the University at the end of the fiscal year.

Restricted fee funds

- Either self-generated by the department or collected by the University for a specific department’s operation.
- Year-end cash balances in these funds are carried forward to the next fiscal year and made available for use by the respective departments. These funds are to be spent for the purpose(s) for which collected.