

University of Kentucky
College of Arts & Sciences
Standard Operating Procedures Manual

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CAPITAL PROJECTS

AS-CPR

University of Kentucky College of Arts & Sciences	Identification AS-CPR-100	Contact: Jennifer Bradshaw	Unexpended Plant Fund Policy
Standard Operating Procedure	Current Date Effective: 5/24/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish guidelines for the College of Arts & Sciences Business Center (ASBC) regarding the establishment, funding, and management of Unexpended Plant Fund Projects in accordance with [BPM E-3-1](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Unexpended plant fund project:** an account set up specifically to track the funding and expenses of a construction, renovation, repair, replacement, major equipment purchase or fabricated equipment project meeting the criteria of project scope, legislative authority and availability of funds.
- **WBS element:** A cost object in SAP where revenues and expenses for an unexpended plant fund project are recorded.

Department Responsibility:

The department will work with our Space and Facilities unit along with the ASBC in approving a need for construction, renovation, repair, replacement, major equipment purchase or fabricated equipment to determine if this is approved by the College.

ASBC Responsibility:

The ASBC will work with Space and Facilities and the department to determine if a need to establish an unexpended plant fund is warranted. The Space & Facilities team submits the project establishment form, copying the appropriate staff in the ASBC. The ASBC creates the journal voucher to fund the project and is responsible for monitoring any overdrafts and reconciliation of ledgers.

Policy:

Establish unexpended plant fund projects for:

- All construction, renovation, repair, and replacement projects estimated to be \$100,000 or more;
- All construction, renovation, repair, and replacement projects funded by special state appropriations (e.g. deferred maintenance pools, state grants) and related matching funds, regardless of scope, for renovations of less than \$100,000 (see [BPM E-3-2](#)); and
- All major equipment purchases when an individual item costs \$200,000 or more. (Purchase equipment costing less than \$200,000 per item on departmental cost centers.)

Resources

[BPM E-3-1](#)

[BPM E-3-2](#)

University of Kentucky College of Arts & Sciences	Identification AS-CPR-101	Contact: Jennifer Bradshaw	Minor Renovation Policy
Standard Operating Procedure	Current Date Effective: 5/24/19		Page 1 of 1
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish guidelines for the College of Arts & Sciences Business Center (ASBC) regarding the establishment of internal orders for renovation, repair, and replacement projects estimated to cost less than \$100,000 in accordance with [BPM E-3-2](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu

Department Responsibility:

The department will work with our Space and Facilities unit along with the ASBC in approving a need for the minor renovation, repair, and replacement projects that cost less than \$100,000 to determine if approved by the College. These two units are responsible for submitting the work/project/estimate to Physical Plant Division and providing this information to the business center.

ASBC Responsibility:

The ASBC is responsible for the reconciliation of ledgers and making sure the renovation is charging the correct accounts.

Policy:

The SAP PM module will be used for renovation, repair, and replacement projects estimated to cost less than \$100,000 that are not funded by special state appropriations (e.g. deferred maintenance pools, state grants) or related matching funds.

Resources:

[BPM E-3-1](#)

[BPM E-3-2](#)

University of Kentucky College of Arts & Sciences	Identification AS-CPR-102	Contact: Jennifer Bradshaw	Fabricated Equipment Policy
Standard Operating Procedure	Current Date Effective: 5/24/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish guidelines for the College of Arts & Sciences Business Center (ASBC) for capturing costs of capitalizable equipment fabricated by College departments in accordance with [BPM E-3-3](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu

Department Responsibility:

The department will work with our Space and Facilities unit along with the ASBC in approving a need for the fabrication of an equipment item with an expected total cost of \$5,000 or greater to determine if approved by the College. These two units are responsible for submitting the work/project/estimate to Physical Plant Division and providing this information to the business center.

ASBC Responsibility:

The ASBC will work with Space and Facilities and the department to determine if a need to fabricate the equipment is the best solution for the College. Once approved by the College, the ASBC submits the documentation to Accounting and Financial Reporting Services in order to initiate the creation of the fabricated equipment WBS Element. The ASBC creates the journal voucher to fund the project, if funding from a grant the unit will work with Research Financial Services and the Office of Sponsored Projects Administration. The ASBC is responsible for monitoring any overdrafts and reconciliation of ledgers.

Policy:

When a department determines the need to fabricate an equipment item with an expected total cost of \$5,000 or greater, a fabricated equipment WBS element must be established to track the expenses associated with the fabrication of the equipment. Charges which should be included in the capitalization of this equipment must be charged to GL account 550090, Fabricated Equipment. Note: Equipment having a total cost of \$200,000 or greater requires legislative approval.

Resources:

[BPM E-3-1](#)

[BPM E-3-2](#)

COST OBJECTS AND GENERAL LEDGER

AS-COB

University of Kentucky College of Arts & Sciences	Identification AS-COB-100	Contact: Jennifer Bradshaw	Chart of Accounts and Cost Object Structure
Standard Operating Procedure	Current Date Effective: 03/25/2019		Page 1 of 2
	Revision History: 02/01/2016 02/01/2015		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding the chart of accounts structure and function of cost objects including: funds, cost/fund centers, WBS elements, internal orders, and G/L accounts in conjunction with the account and internal order structure for Arts and Sciences in with [BPM E-17-1](#)

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Chart of accounts:** The structure of accounting cost objects in SAP. SAP cost objects consist of a ten or twelve digit number. All cost objects have 10 digits except for internal orders that have 12 digits. Following the cost object number is a six digit GL account. The cost objects are segregated into five major categories; funds, cost/funds centers, WBS elements, internal orders, and GL accounts. The funds reflect assets, liabilities and fund balances. The cost/fund centers, internal orders, and WBS elements reflect budgets, revenues, expenditures, recharges and transfers.
- **Fund:** The fund begins with "0" and will consist of a total of 10 digits. It reflects assets, liabilities and fund balances; and it is the lowest level at which a balance sheet can be created. A fund is a fiscal/accounting object containing a self-balancing set of accounts used to control costs and identify source and use of funding.
- **Cost/Fund Center:** These cost objects begin with "1" and will consist of a total of 10 digits. A cost/funds center reflects budgets, revenues, expenditures, recharges and transfers for an organizational unit within a university department.
- **WBS Element:** These cost objects begin with "2", "3", or "4" and will consist of a total of 10 digits. A WBS element reflects budgets, revenues, expenditures, recharges and transfers for land grants, grants, and capital projects respectively.
- **Internal Orders:** These cost objects begin with "8" and will consist of a total of 12 digits. An internal order reflects budgets, revenues, expenditures, recharges and transfers for job orders in the plant maintenance (PM) module.

- **GL Accounts:** GL accounts are six digit numbers that represent assets, liabilities, fund balances, revenues, expenses, recharges, and transfers. More detailed information on G/L accounts are outlined in our [SOP AS-COB-104](#).
- **Requestor:** The end user who submits the request for financial documents through either email, in person, or through Triage.

Department Responsibility:

The Department Manager, Chair or faculty/staff will submit a request to the ASBC and supply documentation to support the account creation (i.e.: award notification, letter from donor, funding email/letter from internal unit).

ASBC Responsibility:

The ASBC Staff will work in conjunction with the department submitting the request, the Assistant Dean of Finance, the College Budget Lead and College Business Analyst Lead to review request and determine the type of account needed and process the appropriate account form that aligns with the University [BPM E-17-1](#) and College account structure.

Policy:

Establish the appropriate cost object to accurately track assets, liabilities, fund balances, revenues, expenses, recharges and transfers for the University and College.

Resources:

[E-17-1 Chart of Accounts and Cost Objects](#)

[Office of Treasury eForms](#)

[E-17-7 Department Codes](#)

[E-17-15 Other Attributes](#)

[E-17-16 Chart of Accounts - Functional Area](#)

University of Kentucky College of Arts & Sciences	Identification AS-COB-101	Contact: Jennifer Bradshaw	Cost Object Transactions
Standard Operating Procedure	Current Date Effective: 03/25/2019		Page 1 of 1
	Revision History: 03/25/2019		

Purpose:

The purpose of this operating procedure is to provide guidance to business center staff on the various document types which may be used when creating a journal voucher with a cost object in accordance with [BPM E-17-5](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Document Types:** Each accounting document in SAP will have a document type code. The code is automatically derived by SAP based on the type of transaction being processed. The document type determines the document number that is automatically assigned to the document in SAP-Financials. An example of a document type code is "SA" which means general ledger accounting document.

Department Responsibility:

N/A

ASBC Responsibility:

The ASBC Staff will have a basic understanding of how the cost objects are created, and the relationships with the SAP-Financial documents created.

Policy:

Establish the appropriate cost object to accurately track assets, liabilities, fund balances, revenues, expenses, recharges and transfers for the University and College.

Resources:

[BPM E-17-5](#)

[Document Types](#)

University of Kentucky College of Arts & Sciences	Identification AS-COB-102	Contact: Jennifer Bradshaw	Reconciliation and Review of Financial Transactions
Standard Operating Procedure	Current Date Effective: 4/2/2019		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding reconciliation and review of financial transactions in accordance with [BPM E-17-6](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Allocable expense:** A cost incurred that is for the benefit of a cost object and directly related to its purpose.
- **Allowable expense:** A necessary, reasonable, and appropriate purchase of goods or services permitted by university policy to be paid from a specific cost object.
- **Approver:** An individual authorized to review and approve work of the responsible person or reconciler.
- **Cost Object:** A 10 or 12-digit number within the University's accounting system used to record revenue, expense, balance sheet data, and/or other productivity measures for an organizational unit or project. In SAP, funds, cost centers, funds centers, WBS elements, and internal orders are all cost objects.
- **Ledger:** The official university record of all financial transactions. Ledgers may list transactions for any SAP object.
- **Reasonable expense:** A payment that is not extreme or excessive and reflects a prudent decision to incur the cost of behalf of University business.
- **Reconciliation:** A process that compares two sets of records to make sure they agree, and identifies and resolves differences. For the purpose of this policy, the comparison is between the [supporting documentation](#) and [Triage](#) maintained by the department and SAP system information.
- **Reconciler:** An individual designated to keep documentation and compare it to the report of transactions generated from SAP and BW.
- **Responsible person:** An individual identified as responsible for managing the funds in this cost object.

- **Supporting documentation:** Records such as payroll documents, procurement card receipts, purchase orders, PRD's, TRIP's, cash transmittals, SAG's, and journal vouchers, etc... that are the source of accounting transactions: may be paper or electronic.

Department Responsibility:

The department is responsible for reviewing reports made available every month and to inform ASBC of any discrepancies.

ASBC Responsibility:

The ASBC is responsible for running monthly reports and reconciling all cost objects on a monthly basis and correcting any errors in a timely manner. Review expenses against budgets to ensure spending stays within allocated budgets. Meet with Chairs/Directors/Faculty to ensure all reconciliations and charges are accurate.

Policy:

The responsible person or designee reconciles all cost objects on a monthly basis to ensure all transactions are reconciled to the [supporting documentation](#). The ASBC maintains appropriate separation of duties as defined in [BPM E-1-4](#) and all discrepancies or errors corrected as soon as possible and always within 90 days with the exception of those occurring in June. The charges that occur in June are corrected according to the [fiscal year-end schedule](#) according to the dates specified. The schedule is published annually by [Accounting and Financial Reporting Services](#).

Resources:

[BPM E-1-4](#)

[BPM E-17-6](#)

[Accounting and Financial Reporting Services](#)

- Year End Schedule
- JV Helpful Hints
- Z4 Payroll JV

University of Kentucky College of Arts & Sciences	Identification AS-COB-103	Contact: Jennifer Bradshaw	Departmental Codes
Standard Operating Procedure	Current Date Effective: 4/2/2019		Page 1 of 1
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding departmental codes in accordance with [BPM E-17-7](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Department code:** A five digit number that identifies a unit, department or College.

Department Responsibility:

The department will work with the ASBC if any changes, updates or new codes need to be established.

ASBC Responsibility:

The ASBC will work with departments if a change, update or new code needs to be established by completing the [department request](#) and submitting to the Provost for approval.

Policy:

To ensure the master data element is updated and accurate at all times, this enables accurate reporting in SAP and BW.

Resources:

[BPM E-17-7](#)

[Department Request Form](#)

[Department Form Instructions](#)

University of Kentucky College of Arts & Sciences	Identification AS-COB-104	Contact: Jennifer Bradshaw	General Ledger (GL) Accounts
Standard Operating Procedure	Current Date Effective: 4/2/2019		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding general ledger (GL) accounts in accordance with [BPM E-17-8](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Balance Sheet GL Account:** A balance sheet is a financial statement that reports the total assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position (fund balance) at a specific time. Balance sheet GL accounts are 6 digits codes, go to the following link for a complete listing and definitions: [Balance Sheet GL Accounts](#)
- **Revenue GL Accounts:** Revenue includes all amounts of money that the University receives from external sources during the fiscal year, net of refunds and other correcting transactions, other than issuance of debt, sale of investment, and agency or private trust transactions. Revenue GL accounts are 6 digit codes beginning with 4. Please go to the following link for a complete listing and definitions: [Revenue GL Accounts](#)
- **Expense GL Accounts:** An expense is any cost of doing business resulting from revenue-generating activities. Expense GL accounts are 6 digit codes beginning with 5. Please go to the following link for a complete listing and definitions: [Expense GL Accounts](#)
- **Recharge GL Accounts:** Recharge accounts are departmental operations that provide goods or services to University departments and are approved service centers or recharge operations. Recharge GL accounts are 6 digits codes beginning with 6. Please go to the following link for a complete listing and definitions: [Recharge GL Accounts](#)
- **Transfer GL Accounts:** A transfer is a movement of funds from one cost object to another. Transfer GL accounts are 6 digit codes beginning with 7. Please go to the following link for a complete listing and definitions: [Transfer GL Accounts](#)

Department Responsibility:

The department will submit a thorough business purpose to the ASBC to ensure that the appropriate GL account is utilized for that financial document.

ASBC Responsibility:

The ASBC will review the information provided by the department and determine the best GL account for the financial document to ensure consistency and accuracy of reporting.

Policy:

To ensure consistency and accuracy when utilizing GL accounts for reporting of financial documents, this is an integral part of maintaining reporting accuracy.

Resources:

[BPM E-17-8](#)

University of Kentucky College of Arts & Sciences	Identification AS-COB-105	Contact: Jennifer Bradshaw	Agency Cost Center
Standard Operating Procedure	Current Date Effective: 5/14/2019		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding agency cost centers in accordance with [BPM E-17-14](#)

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Agency Cost Center:** an account that is either used by a registered student organization and other non-University activities, operations and programs for which the University serves as a fiscal agent.

Department Responsibility & (Responsible Person):

- Approve disbursements. No paying documents will be processed by the University without the approval of the responsible person.
- Maintain a positive cash balance. As the person responsible for the fiscal affairs of the agency, the responsible person will be personally liable for any overdrafts. Any agency cost center that becomes over drafted will be "blocked" until sufficient cash is deposited to return the cost center to a positive balance. Repeated overdrafts will result in the closure of the cost center by Accounting and Financial Reporting Services.
- Pay any liabilities, fines or penalties incurred by the organization.
- Use the cost center only for the purposes described on the current Agency Account Information Sheet/Reauthorization Form. Any revised purpose requires a new form that has been properly completed and approved.
- Submit renewal requests annually to the ASBC before September 30th.
- Obtain a copy of the photo I.D. of the current responsible person to keep on file with each new agency account request or renewal.
- Provide monthly BW reports/detail transaction reports that are made available out in SharePoint from the ASBC and disseminate to the responsible person(s) to review.

ASBC Responsibility:

- Review and authorize organization's request to create an agency account before forwarding the request for creation. This includes verifying that the organization has registered with the Office of Student Involvement. A real time list of registered organizations can be located here.
- Provide monthly BW reports/detail transaction reports to the department manager/Chair who disseminates to the responsible person(s) for review.
- Inform the organization's responsible person(s) of deficit balance status if/when notified of such by Accounting and Financial Reporting Services.
- Fund any deficit balance that is not handled in a timely manner by the organization. A discretionary account within the affiliated department must be provided in the event that the deficit has not been covered by the organization.
- Ensure that the organization's responsible person submits a renewal request each fiscal year before September 30th.
- Reconcile the monthly BW reports/detail transaction reports to verify that no errors have occurred in the agency cost center and that the account does not have a deficit balance.

Policy:

- Agency cost centers will only be established when the following criteria are met:
 - The purpose of the activity must not contradict the mission of the University.
 - Student organizations must be registered with the Office of Student Involvement prior to the establishment of an agency account and must re-register annually, preferably by the end of the spring semester. The registered organization must be directly affiliated with a University department and that department's business officer must agree (by signature approval on the form) to act as a liaison between Accounting and Financial Reporting Services and the student organization. Student organizations seeking application for an agency account must do so through their affiliated University department.
 - The responsible person (SAP contact person) must be a University student, faculty member, staff person, or the treasurer of a fraternity or sorority, depending on the type of organization.
 - The activity must not be carried out as a part of a faculty or staff position's functions as a University employee.
- Checks deposited to the credit of an agency cost center must be made payable to the organization, not the University of Kentucky.
- Funds deposited to agency cost centers do not belong to and are not controlled by the University, nor are they considered to be charitable contributions to the University. Funds deposited into an agency cost center are inherently discretionary in nature.

Resources:

[BPM E-17-14](#)

University of Kentucky College of Arts & Sciences	Identification AS-COB-106	Contact: Jennifer Bradshaw	Other Attributes
Standard Operating Procedure	Current Date Effective: 5/15/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding the chart of accounts – other attributes in accordance with [BPM E-17-15](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
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- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Company Code:** Company code identifies the self-contained set of accounts that can be aggregated for purposes of external reporting.
 - **UK00:** University of Kentucky
 - **KMSF:** Kentucky Medical Services Foundation
- **Business Area:** Business Area identifies the reporting entity within the University of Kentucky.
- **Fund Group:** Fund group specifies the major funding source for the cost/funds center and fund. It is incorporated into the first three digits of the cost/funds center or fund number.
- **Cost/Funds Center:** A cost/funds center is used to record budgets, revenues, expenditures, recharges and transfers for an organizational unit within a university department.
- **Budget Family:** Budget Family designates how a cost/funds center will be treated in the budget process with respect to centrally funded salary and other adjustments; some fund centers are eligible for centrally funded salary increases and other increases while some cost/funds centers are not eligible. The attribute also provides a means of categorization of accounts for analytical purposes.
- **Funding Category Code:** Funding Category Code is used to designate how the account is funded. This attribute provides a means of categorizing funds for analytical purposes.
- **Research Priority Area (RPA):** RPA codes are used to track research-related expenses by category.
- **Discipline (CIP) Code:** Discipline code is used to identify the class of instruction associated with the account
- **Cancer Research Match:** this attribute is used to track gift accounts that are eligible for the Cancer Research Match from the Tobacco Excise Tax

Department Responsibility:

The department is responsible to relay the business purpose of any account used to the ASBC to be sure the account is being used correctly.

ASBC Responsibility:

Request new accounts according to the attributes listed in [BPM E-17-15](#).

Provide the department with guidance regarding the attributes of the accounts used for their spending and budgeting.

Policy:

Various attributes of the chart of accounts are used for reporting purposes. Definitions of those attributes and links to a source of options, where appropriate are provided in [BPM E-17-15](#). This section should be used as a supplement to the other sections pertaining to the Chart of Accounts.

Resources:

[BPM E-17-15 Other Attributes](#)

[BPM E-17-1 Chart of Accounts and Cost Object Structure](#)

[BPM E-17-8 General Ledger \(GL\) Accounts](#)

University of Kentucky College of Arts & Sciences	Identification AS-COB-107	Contact: Jennifer Bradshaw	Functional Area
Standard Operating Procedure	Current Date Effective: 5/15/2019		Page 1 of 1
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding the use of functional areas when completing account forms in accordance with [BPM E-17-16](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Functional Area Definitions:** differences between assignment of functional area to cost objects in SAP and rooms in EBARS are noted where appropriate, a full list can be found here [functional area codes](#).

Department Responsibility:

The department will submit a thorough business purpose to the ASBC to ensure that the ASBC can determine the appropriate functional area to assign when creating account forms.

ASBC Responsibility:

The ASBC will review the information provided by the department and determine the best functional area code to be used when completing the account forms to ensure consistency and accuracy of reporting.

Policy:

The functional area of all cost objects (funds, funds centers, grants and plant fund WBS elements) will be established, maintained, and used in a manner that ensures compliance with internal and external expense reporting requirements.

Resources:

[BPM E-17-16](#)

DISBURSEMENTS

AS-DIS

University of Kentucky College of Arts & Sciences	Identification AS-DIS-100	Contact: Jennifer Bradshaw	Payments for Services Subject to Tax Withholding and Reporting to IRS
Standard Operating Procedure	Current Date Effective: 05/16/2019		Page 1 of 2
	Revision History:	05/16/2019	

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding Payments for Services Subject to Tax Withholding and Reporting to IRS in accordance with [BPM E-7-1](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Award:** A gift or prize given to an individual as a result of them entering a contest, being selected by a random drawing or being selected from a pool of potential recipients that meet established eligibility criteria (doesn't pertain to UK student or employee).
- **Service:** An act or task completed by an individual on behalf of or for the benefit of the University, such as attorneys, consulting services, entertainers, research participants, visiting speakers, etc.

Department Responsibility:

The Department Manager, and/or faculty/other A&S staff should communicate through Triage, email, phone, and/or in person the citizenship status of the individual visiting the University and provide all necessary documentation for their payment.

ASBC Responsibility:

- The ASBC is will ensure compliance with the University of Kentucky policy and procedures for Payment Request Documents in accordance with the guidelines and restrictions of the [E-7-1: Payments for Services Subject to Tax Withholding and Reporting to IRS](#).
- University Departments must comply with IRS regulations for classifying workers as employees or independent contractors and to properly classify taxpayers as U.S. citizen, resident alien or nonresident alien individuals, sole proprietors or partnerships.

- University Departments must also comply with all IRS and Immigration and Naturalization Service (INS) regulations in gathering the necessary information for tax withholding and/or reporting, and providing proper documentation for all payments.

Policy:

- The ASBC staff will follow all guidelines according to the [BPM E-7-1](#).
- All University departments have authority to make payments to U.S. citizens, resident aliens, and nonresident aliens. In doing so, all departments are responsible for complying with University, State, IRS and Immigration and Naturalization Service regulations. All such payments must be properly authorized, documented and processed in accordance with these regulations.

Resources:

[E-7-1: Payments for Services Subject to Tax Withholding and Reporting to IRS](#)

[Payment Works](#)

University of Kentucky College of Arts & Sciences	Identification AS-DIS-101	Contact: Jennifer Bradshaw	Classifying a Worker as an Employee or Independent Contractor
Standard Operating Procedure	Current Date Effective: 05/16/2019		Page 1 of 2
	Revision History: 05/16/2019		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding Classifying a Worker as an Employee or Independent Contractor in accordance with [BPM E-7-3](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Independent Contractor:** An individual that offers services to the general public on a consistent basis and must also meet the following conditions:
 - An independent contractor cannot be a current University employee and must not have been paid as an employee within the preceding twelve months.
 - Provides services to the University through a written scope of work.
 - Renders a service to the University for a specified time period and a specific amount of compensation.
 - Performs services for which the University does not have the authority to control the methods used to accomplish the results.
- **Honorarium:** Gratuitous payments of an amount determined by the University, made to Visiting Speakers, Guest Lecturers or others, solely to express appreciation for their service to the University when no contractual agreement, neither written or verbal, exists and payment is not expected or legally due. They also must not have been an employee of the University during the previous twelve months. **Note: an agreement to pay an individual's travel expenses does not constitute a contractual agreement.**

Department Responsibility:

The Department Manager, and/or faculty/other A&S staff should communicate through Triage, email, phone, and/or in person to classification of the individual. The Department Manager, and/or faculty/other A&S staff is also responsible for completing a Scope of Work form for the work conducted by the individual.

ASBC Responsibility:

The ASBC is will ensure compliance with the University of Kentucky policy and procedures for Classifying a Worker as an Employee or Independent Contractor in accordance with the guidelines and restrictions of [BPM E-7-3](#). The ASBC is also responsible for completing a Worker Status Evaluation Form for each individual.

Policy:

- The ASBC staff will follow all guidelines according to the [E-7-3: Classifying a Worker as an Employee or Independent Contractor](#).
- All workers retained by departmental administrators and hiring officials to provide services to the University must be properly classified as an employee or independent contractor in accordance with the IRS guidelines for worker classification

Resources:

[E-7-3: Classifying a Worker as an Employee or Independent Contractor](#)

[Payment Works](#)

University of Kentucky College of Arts & Sciences	Identification AS-DIS-102	Contact: Jennifer Bradshaw	Taxpayer Classification for Reporting Payee to IRS
Standard Operating Procedure	Current Date Effective: 05/22/2019		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding Taxpayer Classification for Reporting Payee to IRS in accordance with [BPM E-7-4](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's LinkBlue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **U.S. Citizen:** An individual born in the United States or has received citizenship status through naturalization.
- **Resident Alien:** A classification assigned to an individual that has entered the United States as a lawful, permanent resident for the purpose of working and generally possesses a "green card".
- **Nonresident Alien:** A classification assigned to a non-U.S. citizen, or foreign national, who doesn't possess a "green card" and does not pass the "substantial presence test".
- **Substantial Presence Test:** A standard test utilizing the length of time a Non-U.S. Citizen has been in the United States during the current calendar year, Visa type and other circumstances to determine their classification.

Department Responsibility:

The Department Manager, and/or faculty/other A&S staff should collect/assemble the necessary forms and credentials for classification of individual taxpayers; the individual taxpayer's classification shall be determined prior to them performing any work or service.

ASBC Responsibility:

The ASBC shall provide guidance and assistance in the classification of taxpayers in their respective area and facilitating the vendor set-up in [PaymentWorks](#).

Policy:

All payments made to business entities or individuals by the University of Kentucky shall be in compliance with IRS, State, Office of Immigration and Naturalization Services and Institutional regulations for taxpayer classification and tax withholding and reporting. This includes medical service providers, attorneys, sole proprietors, partnerships and individuals. The taxpayer's classification must be determined prior to performing any work or providing any service.

Resources:

[BPM E-7-5 Payments to U.S. Citizens/U.S. Business Entities](#)

[BPM E-7-6 Payments to Resident Alien Individuals](#)

[BPM E-7-7 Payments to Nonresident Alien Individuals](#)

[PaymentWorks](#)

University of Kentucky College of Arts & Sciences	Identification AS-DIS-103	Contact: Jennifer Bradshaw	Payments to U.S. Citizens/U.S. Business Entities
Standard Operating Procedure	Current Date Effective: 05/16/2019		Page 1 of 2
	Revision History: 05/16/2019		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding Payments to U.S. Citizens/U.S. Business Entities in accordance with [BPM E-7-5](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Requestor:** The end user who submits the request for financial documents through either email, in person, or Triage.

Department Responsibility:

The Department Manager, and/or faculty/other A&S staff should communicate through Triage, email, phone, and/or in person for payments requested to be made to U.S. Citizens/U.S. Business Entities. The request should include the contractor/vendor, all necessary documentation (legible receipt, invoice, scope of work, etc.), funding source (cost center or grant number), business purpose, and date the request needs to be paid.

ASBC Responsibility:

The ASBC is will ensure compliance with the University of Kentucky policy and procedures for Payments to U.S. Citizens/U.S. Business Entities in accordance with the guidelines and restrictions of the [BPM E-7-5](#). The ASBC will determine the appropriate method of payment according to the [Purchasing/AP Quick Reference Guide](#).

Policy:

- The ASBC staff will follow all guidelines according to the [E-7-5: Payments to U.S. citizens/U.S. Business Entities](#).
- Payments made to a taxpayer classified as a U.S. Citizens or U.S. Business Entity shall be in accordance with Internal Revenue Service, State and Institutional regulations.

Resources:

[E-7-5: Payments to U.S. citizens/U.S. Business Entities](#)

[Purchasing/AP Quick Reference Guide](#)

[W-9 Form](#)

University of Kentucky College of Arts & Sciences	Identification AS-DIS-104	Contact: Jennifer Bradshaw	Payments to Resident Alien Individuals
Standard Operating Procedure	Current Date Effective: 05/16/2019		Page 1 of 2
	Revision History: 05/16/2019		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding Payments to Resident Alien Individuals with [BPM E-7-6](#).

Definitions

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Resident Alien:** A foreign-born United States resident who is not a U.S. citizen. Resident Aliens must either meet the green card test or the substantial presence test.

Department Responsibility:

The Department Manager, and/or faculty/other A&S staff should communicate through Triage, email, phone, and/or in person to classification of the individual and provide all necessary documentation for payments to the individual (i.e. copy of green card). The request for payment should include the contractor/vendor, all necessary documentation (legible receipt, invoice, scope of work, etc.), funding source (cost center or grant number), business purpose, and date the request needs to be paid.

ASBC Responsibility:

The ASBC is will ensure compliance with the University of Kentucky policy and procedures for Payments to Resident Alien Individuals in accordance with the guidelines and restrictions of [BPM E-7-6](#).

Policy:

- The ASBC staff will follow all guidelines according to the [E-7-6: Payments to Resident Alien Individuals](#).
- Taxpayer classification and reporting of resident aliens must be in accordance with Internal Revenue Service specifications
- Requests for payment must be in compliance with University of Kentucky purchasing policies and regulations.

Resources:

[E-7-6: Payments to Resident Alien Individuals](#)

[BPM E-7-4 Taxpayer Classification for Reporting Payee to IRS](#)

[Payment Works](#)

University of Kentucky College of Arts & Sciences	Identification AS-DIS-105	Contact: Jennifer Bradshaw	Relocation Expenses for Faculty and Staff
Standard Operating Procedure	Current Date Effective: 05/16/2019		Page 1 of 1
	Revision History: 05/16/2019		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding Relocation Expenses for Faculty and Staff with [BPM E-7-8](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu

Department Responsibility:

The Department Manager, and/or faculty/other A&S staff should communicate through Triage, email, phone, and/or in person regarding the request to pay relocation expenses for faculty and staff. The department shall provide the signed offer letter and all necessary documentation (legible receipts, etc.) and date the request needs to be paid.

ASBC Responsibility:

The ASBC is will ensure compliance with the University of Kentucky policy and procedures for Relocation Expenses for Faculty and Staff in accordance with the guidelines and restrictions of [BPM E-7-8](#).

Policy:

The ASBC staff will follow all guidelines according to the [E-7-8: Relocation Expenses for Faculty and Staff](#).

- The University may provide a relocation allowance payment to an employee when it is in the best interest of the University for a current or prospective employee to move from one location to another. The relocation allowance payment may be offered to assist in certain expenses incurred for relocation, house-hunting, and/or temporary housing, and dependent on department/college funding. Departments will work with the employee to determine the maximum amount(s) to be allowed for relocation, house-hunting, and/or temporary housing and these amounts are to be included in the letter of offer to the employee. A copy of the letter of offer must accompany the appropriate University forms when payment is processed. No payments under this policy can be charged to sponsored projects.

Resources: [E-7-8: Relocation Expenses for Faculty and Staff](#)

University of Kentucky College of Arts & Sciences	Identification AS-DIS-106	Contact: Jennifer Bradshaw	Recruitment Expenses
Standard Operating Procedure	Current Date Effective: 05/16/2019		Page 1 of 2
	Revision History: 05/16/2019		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding Recruitment Expenses with [BPM E-7-9](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu

Department Responsibility:

The Department Manager, and/or faculty/other A&S staff should communicate through Triage, email, phone, and/or in person regarding the request to pay recruitment travel expenses for prospective faculty and staff. The request should include all necessary documentation (legible receipts, citizenship paperwork, etc.), funding source (cost center or grant number), and date the request needs to be paid.

ASBC Responsibility:

The ASBC is will ensure compliance with the University of Kentucky policy and procedures for Recruitment Expenses in accordance with the guidelines and restrictions of the [BPM E-7-9](#).

Policy:

The ASBC staff will follow all guidelines according to the [E-7-9: Recruitment Expenses](#).

Reimbursement of Expenses to Prospective Employees:

1. Prospective employees may be reimbursed for the following expenses incurred during the recruitment process, providing the employee resides 75 miles or more from the campus:
 - Actual cost of transportation to and from the interview site, including local transportation. (Expenses for personal automobile use are limited to the mileage amount authorized by University travel regulations).
 - Actual cost of food and lodging.

- Expenses for transportation, food, and lodging for an accompanying partner (limited to one visit).
- Until the candidate has accepted the position, the candidate is on recruitment status. Multiple trips are acceptable for recruitment purposes. Post-acceptance expenses, such as travel to locate a new home or moving expenses are considered relocation expense. See [BPM E-7-8](#).

Reimbursement to University Host/Employee for Recruitment Expenses:

1. A University Host/Employee maybe reimbursed for expenses incurred when coordinating/hosting recruitment activities (luncheons, dinners, or receptions, etc.) for the purpose of allowing the prospective employee to meet with a search committee, other hosts, and/or faculty/staff within the department.

Resources:

[E-7-9: Recruitment Expenses](#)

[E-7-10: Discretionary Policy](#)

University of Kentucky College of Arts & Sciences	Identification AS-DIS-107	Contact: Jennifer Bradshaw	Discretionary Policy
Standard Operating Procedure	Current Date Effective: 05/17/2019		Page 1 of 1
	Revision History: 05/17/2019		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding Discretionary Policy with [BPM E-7-10](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu

Department Responsibility:

The Department Manager, and/or faculty/other A&S staff should provide through Triage, email, phone, and/or in person an itemized receipt that includes the time, place, and date of purchase; description of the business purpose; and a list of attendees, regardless of funding used.

ASBC Responsibility:

The ASBC is will ensure compliance with the University of Kentucky policy and procedures for Payments to U.S. Citizens/U.S. Business Entities in accordance with the guidelines and restrictions of the [BPM E-7-10](#).

Policy:

The ASBC staff will follow all guidelines according to the [E-7-10: Discretionary Policy](#).

- The University is allowed to reimburse or pay for expenses that are necessary and reasonable. A necessary expense is one where there exists a clear business purpose.

Resources:

[E-7-10: Discretionary Policy](#)

University of Kentucky College of Arts & Sciences	Identification AS-DIS-108	Contact: Jennifer Bradshaw	Establishment of Student Recognition Awards and Prizes
Standard Operating Procedure	Current Date Effective: 5/22/19		Page 1 of 2
	Revision History: 5/22/19		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding the establishment of student recognition awards and prizes (the SOP Topic) with [BPM E-7-11](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **PRD:** Payment Request Document, Universities online payment system
- **PBS:** Accounting form used to authorize Accounts Payable to make a payment or disburse funds to a student in all cases except the following: scholarships, grants, tuition remission, tuition waivers, and any portion of an assistantship fellowship or stipend that is not considered to be compensation.
- **Student Payment Procurement Procard (SPPC):** a type of procurement card to be utilized on behalf of students for travel expenses or awards where goods/material items are awarded
- **SFA:** [The Office of Student Financial Aid and Scholarships](#), processes all SAG forms sent to the resource email sag@uky.edu
- **Student Payment Procurement Card Reconciliation Sheet:** a form used to capture information to report to Student Financial aid each month

Department Responsibility:

The ASDM works with Chairs, Director of Graduate Studies, Director of Undergraduate Studies, Faculty, and other staff to submit the student award number, student name, ID, full address, amount and when the payment should be processed to the ASBC via the triage system. If the award needs to be amended or a new one created, the department must submit this to the ASBC staff for review/approval.

ASBC Responsibility:

The ASBC will ensure compliance with [BPM E-7-11](#) for all awards and prize payments made to students.

Policy:

- Awards in the form of gifts or cash may be made to the University of Kentucky student for the purpose of recognizing and stimulating social, cultural and intellectual development. Cash awards must be coordinated with the Office of Student Financial Aid.
- Award values are limited by funding source and the level of approval must be consistent with the [award guidelines](#).

Resources:

[BPM E-7-11](#) Establishment of Student Recognition Awards and Prizes

[BPM E-7-14](#) Payments to or on the behalf of Students

[Approved Student Awards](#)

[Student Payment Procurement Card Reconciliation Worksheet](#)

[BPM E-7-16](#)

University of Kentucky College of Arts & Sciences	Identification AS-DIS-109	Contact: Jennifer Bradshaw	Employee Awards and Other Gifts
Standard Operating Procedure	Current Date Effective: 5/22/19		Page 1 of 2
	Revision History: 5/22/19		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding employee awards and other gifts with [BPM E-7-12](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Employee recognition award:** Any type of tangible personal property or cash award made to an employee under a formal, approved program. The award should be based upon objective criteria and presented on a basis that does not discriminate in favor of highly compensated employees.
- **Employee on-the-spot recognition award:** Any type of tangible personal property awarded to an employee in recognition of noteworthy work-related accomplishments which are not part of a formal program. Such awards should be of nominal value and presented on infrequent basis. An employee should not receive more than two such awards in a calendar year. Examples include, but are not limited to, flowers, fruit, a book, a plaque, or similar item. In addition, a ticket to a sporting or cultural event (excluding a season ticket) may be provided to an employee as a recognition award.
- **Employee length of service award:** Any type of tangible personal property or non-negotiable gift certificate may be presented to an employee for meritorious length of service. The award must be given for a length of service achievement of at least five years of service and the recipient must not have received a similar length of service gift in any of the prior four years. The award should be part of a meaningful ceremony.
- **Employee retirement award:** Any type of tangible personal property or nonnegotiable gift certificate for tangible personal property may be presented to an employee upon official University retirement as defined in [AR 3:1](#) and [AR 3:2](#). The award should be part of a meaningful ceremony.
- **Non-negotiable gift certificate:** A certificate that is inscribed with recipient's name; not transferable; and cannot be redeemed for cash or used to reduce the balance due on the recipient's account with the merchant. It can only be for tangible property and not services. Primarily limited to pre-arranged length of service programs where employee selects from multiple options based upon length of service years.
- **Tangible Personal Property:** Any type of property which can be moved (i.e., it is not attached to real property or land) and excludes cash and negotiable gift certificates.

Department Responsibility:

The ASDM works with Chairs to submit the employee award number, student name, ID, full address, amount and when the payment should be processed to the ASBC via the triage system. If the award needs to be amended or a new one created, the department must submit this to the ASBC staff for review/approval.

ASBC Responsibility:

The ASBC will ensure compliance with [BPM E-7-12](#) for all awards to be made to employees.

Policy:

- Employee recognition awards that exceed \$50 in value must be approved as part of a formal program by the President, Provost, Executive Vice President for Health Affairs or Executive Vice President for Finance and Administration.
- All other employee awards must comply with the per person limitations, funding sources and approval levels indicated in the policy table on the next page. In addition, the award must comply with any requirements explained in definitions above.
- No other gifts or awards may be given in recognition of employees for non-work related achievement or events such as weddings, baby showers, housewarmings, or separation from employment (other than official retirement), regardless of fund source. Personal funds should be used for such events.
- Employee memorial or illness flowers or monetary gift to designated charity are allowed on discretionary funds as explained in BPM E-7-10 Discretionary Policy.
- Occasionally, departments may provide prizes and other gifts to encourage participation in an event or completion of a survey. Departments should follow the employee on the spot recognition award per person value of such tangible property gifts.
- Any tangible property awards in excess of the person limits must be approved in advance and will require reporting for taxation using Taxable Fringe Benefit Form.

Resources:

[BPM E-7-12](#) Employee Awards

[Taxable Fringe Benefit](#)

[BPM E-7-10](#) Discretionary Policy

[Approved Employee Award List](#)

University of Kentucky College of Arts & Sciences	Identification AS-DIS-110	Contact: Jennifer Bradshaw	Policy on Waiver of Payment
Standard Operating Procedure	Current Date Effective: 5/23/19		Page 1 of 2
	Revision History:		

Purpose

The purpose of this operating procedure is to establish guidelines for the College of Arts & Sciences Business Center (ASBC) regarding waiving payment for Services Rendered for faculty and staff employees who wish to decline compensation for services rendered and desire that the funds be retained by the University for Department Use in accordance with [BPM E-7-13](#).

Definitions

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Constructive receipt:** a concept of tax law that taxes income at the time an individual has the right to receive the payment regardless of when it is actually received.
 - If the individual has the right to receive the income for services rendered, the income is "constructively received" and is taxable.
 - To avoid constructive receipt the faculty or staff member must never have the right to receive the income, i.e. the lack of the right to receive the income must be established before the services are rendered.

Department Responsibility:

The employee will complete the waiver of payment for services rendered and have their supervisor, unit head approve and then submit to the ASBC in advance of providing the services.

ASBC Responsibility:

The ASBC will review the request and make a determination if approved, if approved will make sure to budget and expend the funds in support of the department's mission with the faculty member and/or staff employee retaining no control over the use of the funds.

Policy

- The University will comply with Internal Revenue Service regulations.
- An employee wishing to donate services to the University instead of receiving payment must waive payment in advance of the services being rendered.
- The faculty member and/or staff employee shall not be involved in decisions regarding the subsequent expenditure of funds.
- Expenditure of funds designated for departmental use shall be in accordance with University of Kentucky policy and procedures for procurement of goods and/or services and approval of disbursements.

Resources:

[BPM E-7-13](#) Waiving Payment for Services Rendered

[Waiver of Payment for Services Rendered](#)

University of Kentucky College of Arts & Sciences	Identification AS-DIS-111	Contact: Jennifer Bradshaw	Student Payments
Standard Operating Procedure	Current Date Effective: 03/01/2019		Page 1 of 2
	Revision History: 02/01/2016 12/18/2017		

Purpose:

The purpose of this operating procedure is to establish guidelines for the College of Arts & Sciences Business Center (ASBC) regarding payments to or on the behalf of students in accordance with federal and state regulations and University policies.

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Sciences Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Requestor:** The end user who submits the request for financial documents through email, Triage or in person.
- **Student Traveler:** travel expenses associated with student status, not for expense incurred as an employee of the institution
- **Student Employee:** payments to students that are considered compensation, this includes assistantships, fellowships and hourly student workers
- **SAG:** The Scholarship and Grant Authorization form used for payments on the behalf of students for scholarships, grants, tuition remission, tuition waivers and any portion of an assistantship that is not considered compensation.
- **PRD:** Payment Request Document, Universities online payment system
- **PBS:** Accounting form used to authorize Accounts Payable to make a payment or disburse funds to a student in all cases except the following: scholarships, grants, tuition remission, tuition waivers, and any portion of an assistantship fellowship or stipend that is not considered to be compensation.
- **Student Payment Procurement Procard (SPPC):** a type of procurement card to be utilized on behalf of students for travel expenses or awards where goods/material items are awarded
- **SFA:** [The Office of Student Financial Aid and Scholarships](#), processes all SAG forms sent to the resource email sag@uky.edu.
- **SharePoint:** Website utilized by the Arts and Sciences Business Center to store, organize secure reports, documents for departments and units.
- **"Dept Prefix" Payroll Master "Fiscal Year":** spreadsheet that captures all of the payroll for a department or unit (run each semester). This is used to gather changes to payroll at the beginning of each semester for student payments processed via payroll.

ASBC Responsibility:

- The ASBC will ensure compliance with [BPM E-7-14](#) for all payments made on behalf of students.

ASDM Responsibility:

- The ASDM works with Chairs, Director of Graduate Studies, Director of Undergraduate Studies, Faculty, and other staff to gather information on all payments to students and submits information to the ASBC via the triage system or the master payroll spreadsheet out on SharePoint at the beginning of the semester and during the semester as changes occur.

Policy:

- Payments to or on the behalf of students for scholarships, grants, tuition remission, tuition waivers, and any portion of an assistantship that is not considered to be compensation, will be processed via the [SAG Form](#).
- Assistantships, Fellowships, Student Non-Work Study payments will be paid on a bi-weekly basis through payroll. The information is collected via the Payroll Master Spreadsheet at the beginning of each semester or via triage. The fellowship payments will be reported to SFA at the end of each semester.
- Reimbursements to students for participation in research studies or survey participation funded by externally funded grants, student travel, recognition of awards and prizes will be processed via a PRD or SPPC along with the PBS form.

Resources:

[BPM E-7-11](#) Establishment of Student Recognition Awards and Prizes

[BPM E-7-14](#) Payments to or on the behalf of Students

[Tuition and Fees](#)

[Graduate School Tuition Scholarship Information](#) (note which fees are not allowable to be paid on behalf of students)

[SAG Form](#)

[SAG-D Form](#)

[SAG Form Instructions](#)

University of Kentucky College of Arts & Sciences	Identification AS-DIS-112	Contact: Jennifer Bradshaw	Disbursement Request
Standard Operating Procedure	Current Date Effective: 05/16/2019		Page 1 of 2
	Revision History: 05/16/2019		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) and provide guidance for processing Disbursement Request in accordance with [BPM E-7-15](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Payment Request Document (PRD):** Financial document used for categories identified [here](#) when approved sources will not accept the University of Kentucky Procurement Card or when the transaction is not authorized on the procurement card or with a Purchase Order ([BPM B-3-2-2](#)).
- **Agency Cost Center:** an account that is either used by a registered student organization and other non-University activities, operations and programs for which the University serves as a fiscal agent

Department Responsibility:

The Department Manager, and/or faculty/other A&S staff should communicate through Triage, email, phone, and/or in person all necessary information including any documentation for the payment to be processed. The request for payment should include the contractor/vendor, all necessary documentation (legible receipt, invoice, scope of work, etc.), funding source (cost center or grant number), business purpose, and date the request needs to be paid.

ASBC Responsibility:

The ASBC will review the request and make a determination if the disbursement request is the appropriate method of procurement and follow the policies outlined in [BPM E-7-15](#).

Policy:

- Generally, University departments must use the Payment Request Document (PRD) to initiate disbursements in settlement of valid claims for goods and services and other assessments incurred under delegated purchasing authority.
- Exceptions to the PRD process are limited to the payment types listed in Section III of [BPM E-7-15](#) and are subject to final approval by University Financial Services.
- University Financial Services will charge fees assessed by the bank for processing a payment by wire transfer to the originating department. Note that bank fees to process ACH transfers are minimal and will not be passed along to other units.

Resources:

[BPM E-7-15](#)

[BPM E-17-14](#)

[Disbursement Request Form](#)

[Disbursement Form Instructions](#)

University of Kentucky College of Arts & Sciences	Identification AS-DIS-113	Contact: Jennifer Bradshaw	Procurement Cards
Standard Operating Procedure	Current Date Effective: 03/18/2019		Page 1 of 4
	Revision History: 06/06/2018 02/20/2018 02/01/2016 04/10/2015		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding the utilization of Procurement Cards in accordance with [BPM E-7-16](#). The University of Kentucky authorizes the use of multiple Procurement Card types to increase the efficiency and internal controls of purchasing. Procurement Cards may be used to pay for small dollar acquisitions, to provide an alternative for imprest cash funds and for travel advances. They may also provide optimal procurement and payment solutions for other suitable projects that have a defined purpose, timeframe and budget.

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts and Sciences Business Center, owner of all financial functions.
- **ASDM:** Arts and Sciences Department Managers, owner of all academic and department functions.
- **Resource Email:** Email for business center (asbc@uky.edu).
- **Requestor:** The end user who submits the request for financial documents through either email, in person, or through Triage.
- **Procard Holder:** Recipient of a University Procurement Card.
- **Editor:** Reviews and edits all procurement card transactions.
- **Approver:** Reviews edited transactions for final approval to cost object and general ledger account.
- **Procard** – Abbreviated term for Procurement Card.
- **Procard Edit** – All procurement card transactions are downloaded to the default g/l account 540348 and cost object associated with each card. Each entry must be edited to an appropriate g/l account based on the nature of the expense and the appropriate cost object. Once the information is updated, the document must be posted. The resulting posted document is referred to as the procard edit.
- **Procard Transaction Edit/Deletion Schedule** – Unedited procurement card transactions are deleted based on a rolling 60 day deadline as published in the Procard Transaction Edit/Deletion Schedule. The deadline is subject to change based on year end processing deadlines, holidays, and University closings.
- **Procard Force Posted Expense** – Unedited procurement card transactions which remain on the general ledger account code 540348 after the 60 day deadline based, on the procurement

transaction edit/deletion schedule, are considered Force Posted Procard Expenses. These expenses are not compliant with the Procurement Card Policy.

- **Procurement Card Types**

- **Standard Procurement Card** – This card is configured to allow the cardholder to make purchases authorized under the University policy for delegated procurement. [BPM B-3-2 Delegated Procurement Authority](#)
- **Enhanced Procurement Card** – Based on an application, this card may be configured to allow the cardholder to make purchases authorized under the University policy for delegated procurement as well as certain discretionary restricted purchases. All Enhanced Procurement Cards require a discretionary account as the default cost object
- **Declining Balance Procurement Cards** – Based on an application, this card may be configured for a specific time period and a specific spend limit that is reduced by each expenditure until the spend balance is exhausted or University Financial Services E-7-16 Procurement Cards Revision Date: October 19, 2017 the time period expires. Declining Balance Cards allow for limited cash access and may be set up in lieu of an imprest cast account. There are two types of declining balance cards:
 - **Effective Date Card** – This card may be set up with an authorized spend limit with a beginning and ending effective date. This type is generally appropriate for international group travel and short term projects (less than 6 months). A reconciliation of the expenditures is required quarterly throughout the travel/project and within 30 days of the end of the travel/project.
 - **Revolving Card** – This card may be set up with an authorized spend limit for an ongoing time period (not to exceed one year) and the spend limit may be replenished periodically. The card is generally appropriate for extended projects with recurring expenditures throughout the project. (Examples are: A research project that includes payments to research subjects/survey participants and study abroad programs that include international group travel.) A reconciliation of the expenditures is required quarterly or with each request to replenish the spend limit, whichever occurs first.
- **Open Procurement Card** – Based on an application, this card may be configured to allow the cardholder to make purchases authorized under the University policy for delegated procurement as well as most other restricted purchases. Issuance is limited and applications must be specifically approved by the President, Provost, the Executive Vice President of Health Affairs or the Executive Vice President of Finance and Administration based on the applicants respective organization. All Open Procurement Cards require a discretionary account as the default cost object
- **Student Payment Procurement Card** – Established for payments on behalf of students covered by BPM E-7-14 Payments to Students Issuance is limited by unit. Cardholder or ASBC designee is responsible for reporting additional information to Student Financial Aid as required by BPM-7-14 Payments to Students

- **Declining Balance Procurement Card Reconciliation Report:** A report of the detail expenditure made on the card, supported with copies of all the documentation for each of the expenses. Reconciliation Reports are required at the end of the validity period and with each request for spend replenishment for Declining Balance Cards.
- **Student Payment Procurement Card Reconciliation Report:** A monthly report of the detail expenditures made on the card must be reconciled to SAP report ZFI_Procard_Detail and submitted to the Student Financial Aid Office within 15 days following the end of each month

Department Responsibility:

The Department Manager, and/or faculty/other A&S staff should communicate through Triage, email, or in person for procurement request. The request needs to include the vendor, item number, item description, funding source (cost center or grant number), business purpose, and date item is needed. The card user will use the card in compliance with the guidelines and restrictions established upon checking out the card from the ASBC and submit proper documentation to the ASBC in a timely manner.

Business Center Responsibility:

- Ensures compliance with the guidelines and restrictions of the [Cardholder User Agreement](#) and the guidelines and restrictions of the policy for delegated purchasing authority [BPM B-3-2 Delegated procurement Policy](#).
- Authorizes/approves all expenditures in accordance with the terms and conditions under which the Procurement Card was issued.
- Properly safeguards the card
- Submits proper documentation and reconciliation reports as due and upon requests for audit.
- Review and approve all Procurement Card Applications.
 - **Editors**
 - Reviews and edits all transactions. See [Cardholder Editing Manual](#) for proper editing instructions and Procard Edit/Deletion Schedule for edit deadlines.
 - Coordinates records retention and maintenance of documentation of all expenditures in accordance with the University Records Retention Policy.
 - Have all transactions approved in accordance with the college/division transaction approval plan.
 - Submits journal vouchers to correct procard force posted expenses according to the [Journal Voucher \(JV\)](#) policy.
 - **Reconciler**
 - Validate that all charges on the Procurement Card have been edited and charged to the appropriate account.
 - Verify that documentation meets the required standards.
 - Verify that all records are stored in accordance with the University Records Retention Policy.
 - Verify that electronically stored records are legible.
 - Arts and Sciences Administration
 - Review and approve all procurement card applications

Policy:

All cards are issued in the name of the applicant and the cardholder is personally accountable for using the card in strict compliance with all University policies and procedures. Each card may only be used for expenditures directly related to the purpose/project/event for which the card is established. The records of expenditures must be maintained in accordance with the University's record retention policy and available for audit upon demand. Procurement Cards may be made available to Regular faculty and staff upon approval of an application and a signed Procurement Card User Agreement for each specific card, the College is a centralized business center and the staff are the Procard holders with a limited number of staff and faculty holder cards in their name outside of the business unit.

Resources:

[Procard Application](#)

[Procard Application Instructions](#)

[Business Procedure B-1 \(Authority and Governing Regulations\)](#)

[BPM B-2 \(General Purchasing and Contracting Authority](#)

[Business Procedure E-7-16 \(Procurement Cards\)](#)

[Cardholder Manual/Policies](#)

[Cardholder Editing Manual](#)

[Cardholder User Agreement](#)

[AP Purchasing Guide](#)

[UK Price Contracts](#)

[UK Discretionary Policy](#)

University of Kentucky College of Arts & Sciences	Identification AS-DIS-114	Contact: Jennifer Bradshaw	Void/Stop Payments for Vendor Checks
Standard Operating Procedure	Current Date Effective: 05/16/2019		Page 1 of 2
	Revision History: 05/16/2019		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding Void/Stop Payments for Vendor Checks in accordance with [BPM E-7-17](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Void:** Cancellation of a check with or without reissuance of the check. Will be done when the original check is in hand.
- **Stop payment:** Cancellation of a check with or without reissuance of the check. Will be done when the original check is not available.

Department Responsibility:

The Department Manager, and/or faculty/other A&S staff should communicate through Triage, email, phone, and/or in person if a check recipient has contacted them regarding payments not being received.

ASBC Responsibility:

The ASBC will review the notification from the department and research to see if the check needs to be cancelled or reissued per the guidelines in [BPM E-7-17](#)

Policy:

- Checks can only be voided or stopped that have outstanding status in both SAP and at the bank.
 - If a check has been cashed and the recipient verifies that they did not cash it, Accounting and Financial Reporting Services will assist with a forgery investigation.
- A ten day waiting period is required after the issuance of a check before a replacement check can be issued. This allows time for the original check to arrive in the mail.

Resources:

[BPM E-7-17](#)

[PRD Payment Information Lookup](#)

[Purchase Order Check Lookup](#)

ControlDesk@uky.edu control desk resource email

FACULTY EFFORT

AS-FES

FISCAL YEAR END

AS-FYE

University of Kentucky College of Arts & Sciences	Identification AS-FYE-100	Contact: Jennifer Bradshaw	Fiscal Year-End Closing – Account Transactions
Standard Operating Procedure	Current Date Effective: 5/15/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding fiscal year-end closing for account transactions in accordance with [BPM E-10-1](#).

Definitions:

- **Triage:** College of Arts & Sciences’ internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee’s linkblue ID and password. Each request creates a number “ticket” that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Accrual:** A method of measurement in accounting that requires all transactions to be recorded when expense is incurred or revenue earned, regardless of when cash payment is made or received.
- **Fiscal year:** A twelve-month period for which an organization determines its financial condition.
- **Period 12:** June posting period that generally closes the first Friday in July. Refer to the fiscal year closing schedule for specific dates.
- **Period 13:** June posting period that generally closes the second Friday in July. Refer to the fiscal year closing schedule for specific dates. This posting period is primarily for posting corrections to transactions that posted to June during the first week of July.
- **Periods 14 and 15:** June posting periods for University Financial Services staff to prepare the audited financial statements of the University.

Department Responsibility:

- Adhere to all deadlines related to the fiscal year-end closing.
- Forward packing slips and invoice to the ASBC promptly.

ASBC Responsibility:

- Adhere to all deadlines related to the fiscal year-end closing.
- Make a year-end schedule that assigns tasks to individuals and holds them accountable for completion.
- Ensure key personnel are available to meet all year end closing deadlines.
- Contact vendors to send May and June invoices promptly
- Forward invoices to Accounts Payable Services immediately upon receipt.
- Contact Purchasing to release encumbrances on open purchase orders. Open regular encumbrances will carry forward to the new fiscal year.
- Reconcile cost objects monthly during the year as required by [E-17-6 Reconciliation and Review of Financial Transactions](#).
- Reconcile daily in June and during the entire year-end closing process. Review parked documents routinely and resubmit if not posted or delete if appropriate.
- Meet the final posting deadlines for all payrolls, including monthly.
- Process all monthly corrections and retroactivity related to the old year on the June payroll.
- Avoid unusual transactions such as one-time payroll payments in the last biweekly payroll posting within June as they will skew the accrual amount.

Policy:

As an agency of the Commonwealth of Kentucky, the University of Kentucky's fiscal year begins July 1 and ends June 30. In compliance with accounting standards, the University must record all financial transactions in the fiscal year in which they occur.

Resources:

[BPM E-10-1 Fiscal Year-End Closing - Accounting Transactions](#)

[E-17-6 Reconciliation and Review of Financial Transactions](#)

University of Kentucky College of Arts & Sciences	Identification AS-FYE-101	Contact: Jennifer Bradshaw	Penalty for Late Payment to Vendors
Standard Operating Procedure	Current Date Effective: 5/15/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding penalties for late payments to vendors in accordance with [BPM E-11-1](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu

Department Responsibility:

- Document the date goods and services were received and forward packing slips and invoice to the ASBC promptly.
- Notify the ASBC and/or the vendor in writing of any improper performance which would negate the need to pay the penalty.

ASBC Responsibility:

- Document date goods and services were received;
- Notify vendor in writing of any improper performance which would negate the need to pay the penalty;
- Forward any invoices received by the department in a timely basis to Accounts Payable Services or process Payment Request Document (PRD) in a timely basis; or
- Include the one percent penalty on PRD's initiated by the department beyond the 30 day working day period or notify Accounts Payable Services of authorization for late payment penalty on Purchase Orders.

Policy:

[KRS 45.451 to KRS 45.458](#), enacted by the 1984 General Assembly, states that effective January 1, 1985, the University of Kentucky is required to pay all invoices within thirty (30) working days of the receipt of a satisfactory vendor's invoice and satisfactory delivery of goods and services. Failure to pay obligations as required will result in a penalty of one percent of the amount due for each full or part month that the payment exceeds thirty (30) days.

- The one percent penalty will be charged as an operating expense to the responsible organizational unit. If the department determines that the vendor has not delivered the goods/services as ordered or that the billing is not correct, the vendor should be notified in writing so that the thirty (30) day payment period and associated penalty will not apply.
- The thirty (30) working days period begins on the day the good or services are received. For partial shipments, the thirty (30) day period would begin on the day the last shipment is received. If the goods or services have been received but the vendor's invoice has not been received, then the thirty (30) day period will begin when the vendor's invoice is received.

Resources:

[BPM E-11-1 Penalty for Late Payment to Vendors](#)

[KRS 45.451 to KRS 45.458](#)

GIFT AND PLEDGE

AS-GFT

University of Kentucky College of Arts & Sciences	Identification AS-GFT-100	Contact: Jennifer Bradshaw	Soliciting, Receiving, Recording and Acknowledging Gifts
Standard Operating Procedure	Current Date Effective: 5/15/19		Page 1 of 3
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding soliciting, receiving, recording and acknowledging gifts in accordance with [BPM E-22-1](#)

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Advancement Fee:** The University assesses a one-time fee on non-endowed gifts to support its advancement initiatives and those of the college(s) or program(s) to which the contribution is directed. <https://www.kentuckykan.uky.edu/ways-to-give/advancement-fee>.
- **Charitable Gift Annuity:** A contract between a donor and the University where the donor contributes assets to the University. The University agrees to pay the donor, or the donor's designee(s), a fixed amount for a specified period of time, generally until the death of the annuitant.
- **Charitable Remainder Annuity Trust (CRAT) (with the University serving as trustee):** A trust agreement between a donor and the University where the donor contributes assets to the trust and the University, as trustee, establishes a separate trust account and manages the trust assets.
- **Charitable Remainder Unitrust (CRUT) (with the University serving as trustee):** A charitable trust similar to a CRAT, but with an amount agreed upon, usually 4 – 8% of market value, to be paid to the donor for life or a term of years.
- **Endowment Agreement:** An agreement between the University and the donor(s) outlining the purpose and administration of an endowment fund.
- **Endowment Fund:** A fund established with gifts from donor(s), appropriations from the Commonwealth of Kentucky or grants from an agency, with the requirement that they be held and invested in perpetuity to generate annual E. University Financial Services E-22-1 Soliciting, Receiving, Recording and Acknowledging Gifts Revision Date: April 1, 2019 Page 2 of 13 distributions for support of University programs. Endowment fund may also refer to the collection of individual funds.

- **External Trust:** Charitable trusts set up in an outside financial institution, where the University is the beneficiary of the spending distribution according to the terms and conditions of the trusts.
- **Gift Acceptance Committee:** A committee comprising of UK Philanthropy, UFS, Risk Management, Healthcare Corporate Compliance, and other staff to determine acceptability of a gift by the University, to determine how these gifts are counted in the University's overall fundraising results, and to provide guidance to internal stakeholders relative to non-cash gifts.
- **Non-cash Gifts (Gifts in-Kind):** Nonmonetary gifts including securities; life insurance contracts; real estate; tangible personal property such as art, coin collections, gems/jewelry, books, stamp collections, vehicles, and equipment; and intangible personal property such as computer software, business interests, patents and copyrights.
- **Private Business Use:** The use of tax-advantaged bond financed property, including property financed with tax-exempt bonds or build America bonds, in a trade or business carried on by a person other than a state or local government entity.
- **Quasi Endowment:** A fund established by the Board of Trustees with unrestricted or restricted resources that are otherwise expendable. A quasi endowment is generally established upon receipt of large, unexpected or unusual revenues, such as an estate gift or litigation settlement, and should be viewed as a permanent investment for purposes of generating a reliable revenue stream in the form of endowment spending distributions.
- **Restricted Gifts:** Funds available for financing current operations, endowments, or capital expenditures, but which are limited by donors and other external agencies to specific expenditure purposes, programs, or organizational units.
- **Securities:** Financing or investment instruments bought and sold in financial markets, such as bonds issued by corporations or government agencies, shares of corporate stocks and mutual funds.
- **Unrestricted Gifts:** Funds available for financing current operations, but which are not limited by donors to specific expenditure purposes, programs, or organizational units.
- **Term Endowment:** A fund established by an external donor or other outside party with the requirement that the principal be held and invested until the passage of a specified period of time or the occurrence of a particular event.
- **True Endowment:** An endowment fund established by an external donor or other outside party with the requirement that the principal be held and invested in perpetuity.
- **UK Philanthropy (UKP):** University's central philanthropy office.
- **University Financial Services (UFS):** University's central financial services division.

Department Responsibility:

- Forward all gift checks and information to the ASBC for processing

ASBC Responsibility:

- Manage expenditures from restricted gifts and endowment fund distributions in accordance with the limits imposed by the donors and other external agencies, and
- Reconcile gifts received to the University's accounting system in accordance with [BPM E-17-6 Reconciliation and Review of Financial Transactions](#).

Policy:

- In accordance with Governing Regulation II.E.2.d., private gifts and pledges of \$1,000,000 or more paid over five (5) years or less shall be presented to the Board of Trustees.
- The University will utilize gifts only for the purpose stated by the donor in compliance with regulations, restrictions, or limitations imposed by donors providing such funds.
- The University assesses a one-time fee on non-endowed gifts to support its advancement initiatives and those of the college(s) or program(s) to which the contribution is directed.
<https://www.kentuckycan.uky.edu/ways-to-give/advancement-fee>
- An endowment gift made by a donor during his/her lifetime must be accompanied by a signed endowment agreement.
- All gifts for deposit to the University must be made payable to the University and managed in accordance with [BPM E-2-1 Treasury Operations Manual](#).
- No member of the administration, faculty or staff shall form, or assist in forming, any entity, corporate or otherwise, for the purpose of soliciting or receiving any gift, without prior written approval of UK Philanthropy.
- No member of the administration, faculty or staff shall establish any account on behalf of the University in a banking institution into which gift funds are, or may be, deposited.
- Due to specific IRS regulations and case law regarding private inurement, University employees cannot donate to funds over which they have expenditure authority and receive a charitable gift tax acknowledgment.

Resources:

[BPM E-22-1 Soliciting, Receiving, Recording and Acknowledging Gifts](#)

<https://www.kentuckycan.uky.edu/ways-to-give/advancement-fee>

[BPM E-2-1 Treasury Operations Manual](#)

[BPM E-17-6 Reconciliation and Review of Financial Transactions](#)

University of Kentucky College of Arts & Sciences	Identification AS-GFT-101	Contact: Jennifer Bradshaw	Pledge Processing Manual
Standard Operating Procedure	Current Date Effective: 5/24/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding the pledge process manual be clearly defining the responsible areas and tasks in accordance with [BPM E-22-2](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Advancement Fee:** The University assesses a one-time fee on non-endowed gifts to support its advancement initiatives and those of the college(s) or program(s) to which the contribution is directed. www.kentucky.can.uky.edu/ways-to-give/advancement-fee.
- **Comprehensive Pledge Report (CPR):** A monthly report produced by University of Kentucky Philanthropy (UKP) and distributed to units documenting outstanding pledges, current period pledge activity, and past due pledge payments.
- **Daily Department Notifications (DDN):** A daily report produced by UKP and distributed to units documenting pledge and payment activity from the previous day's data entry.
- **GASB 33:** Governmental Accounting Standards Board Statement #33 establishes standards related to accounting and financial reporting for nonexchange transactions such as donations.
- **Millennium:** Abila Millennium is the official database used by the University to record giving and donor/prospect activity.
- **Pledge (or Pledge Commitment):** A gift commitment to be paid at some future period.
- **Pledge Reminder:** A correspondence sent by UKP-Gift Receiving serving as a reminder to donors that a pledge payment is due.
- **Pledge Write-off:** Removal of a pledge from active status. A pledge is subject to write-off if 25 or more months past due, or if a donor has indicated that the pledge schedule is to be changed or otherwise will not be fulfilled.
- **Standard Pledge Form:** The official document produced by UKP or unit gift officers and signed by the donor(s) illustrating the purpose, designation and payment schedule of the pledge.
- **UFS:** University Financial Services
- **UKP:** University of Kentucky Philanthropy

- **UKP-Gift Receiving:** The office within UKP responsible for the documenting, recording, and acknowledgement of gift and pledge transactions to the University.

Department Responsibility:

Philanthropy Officers are responsible for completion of the standardized pledge documentation form along with reviewing the monthly CPR and monitoring collectability of pledges over 25 months past due.

ASBC Responsibility:

Philanthropy Representative (ASBC staff that handles gifts and endowments) assist the Philanthropy officer with reviewing the monthly CPR and monitoring collectability of pledges over 25 months past due.

Policy:

- The University recognizes that an important aspect of fundraising is the ability to accept pledges of philanthropic support to the University.
- UFS is responsible for University financial statement reporting and UKP is responsible for the pledge process and sharing/publicizing gift receiving results.
- UKP is responsible for:
 - The accurate recording of pledges and payments
 - Sending pledge payment reminders for current and past due payments
 - Monthly reporting and reconciliation of pledges and payments
 - The write-off of past due pledges and payments and
 - Developing and implementing a report request document for University parties for the purpose of data extraction from the Millennium database.
- UFS is responsible for:
 - Developing and implementing cash handling procedures related to pledges and payments
 - Financial reporting of pledge data and
 - Determining the appropriate pledge receivable allowance based on the historical pledge collection rate.

Resources:

[BPM E-22-2](#)

JOUNRAL VOUCHER

AS-JOU

University of Kentucky College of Arts & Sciences	Identification AS-JV-100	Contact: Jennifer Bradshaw	Journal Vouchers
Standard Operating Procedure	Current Date Effective: 3/20/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding Journal Vouchers (JVs) in accordance to [BPM E-4](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Journal Voucher:** The official document used to record assets, liabilities, revenues, expenses and transfers between SAP funds, cost centers, internal orders, WBS elements and general ledger (GL) accounts. JVs are typically used for four types of transactions:
 - Corrections related to previously recorded transactions including:
 - Force posted procard transactions; and
 - Cost transfer on sponsored projects.
 - Posting charges for goods or services rendered by one department for another University department when a satellite billing system is not used.
 - Journal entries to record accounting transactions such as accruals for accounts receivable and accounts payable and transfers between business areas.
 - Allocations of costs to accounts based on a reasonable, verifiable method.
- **Cost Transfer:** A cost transfer is a transfer of an expense involving a sponsored project. Refer to the [Appendix 2 Cost Transfers for Sponsored Projects](#) for these transactions.
- **Cost Object (CO):** SAP cost objects are segregated into five major categories; funds, cost/funds centers, WBS elements, internal orders, and G/L accounts
- **General Ledger (G/L):** Six-digit code that represent assets, liabilities, fund balances, revenues, expenses, recharges, and transfers
- **Cost Center:** An organizational unit within a Cost Object that represents the location where revenues and costs occur.
- **Fund:** A fiscal/accounting object containing a self-balancing set of accounts used to control costs and identify source and use of funding.
- **Fund group:** Fund group specifies the major funding source for the cost/funds center and fund. It is incorporated into the first three digits of the cost/funds center or fund number.

- **Principal Investigator (PI):** An individual who has primary responsibility for the design, execution, and management of a research project and who will be involved in the project in a significant manner
- **Signature Authority:** Formal permission to execute transactions up to limits established by relevant University policies and permission to approve transactions for execution on behalf of another individual.
- **Sponsored Project:** Projects and/or activities which are originated and conducted by members of the faculty or, in some instances, by staff members that are supported wholly or in part by external restricted funds awarded to the University
- **WBS Element:** A cost object similar to a cost center and designed for project management. It is used to represent grants/contracts, land grants, and capital projects (unexpended plant) within Cost Object.

Department Responsibility:

The Department Manager, Chair, and/or faculty/staff designee will review monthly reports as provided by the Office of the Treasurer and ASBC staff to ensure that all expenses were posted appropriately and accurately. If discrepancies are discovered, the DM will notify the ASBC staff via the resource email, updating the original Triage ticket, or verbally during regularly scheduled meetings with the ASBC Staff to initiate a correction.

ASBC Responsibility:

The ASBC Staff will review cost centers and sponsored projects monthly to verify expenses are posted as intended according to the original request and approval process. The ASBC is responsible for creating and submitting the journal voucher to the appropriate Office of the Treasurer (OT) unit.

Policy:

The type of transaction on the JV determines the appropriate explanations, documentation, and signatures required. The ASBC will follow the policy outlined in BPM E-4 when executing a journal voucher for a specific transaction, cost object.

Resources:

[BPM E-4 Journal Voucher](#)

[Appendix 2 Cost Transfers for Sponsored Projects](#)

[E-1-3 Fiscal Roles & Responsibilities](#)

[BPM E-17- Chart of Accounts – General Ledger \(G/L\) Accounts](#)

[General Accounting JV Helpful Hints](#)

[BPM E-7-10 Discretionary Expenditure Policy](#)

[Appendix 4 Service Center and Recharge Operations](#)

PAYROLL

AS-PAY

University of Kentucky College of Arts & Sciences	Identification AS-PAY-100	Contact: Jennifer Bradshaw	Retroactive Payroll Adjustments
Standard Operating Procedure	Current Date Effective: 4/17/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding retroactive payroll adjustments in accordance with [BPM E-8-2](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Business officer/department administrator:** an employee authorized to approve expenses and reconcile financial information for a unit
- **Earliest Retroactive Date (ERD):** the date set on infotype 0003 in the SAP HR/Payroll module beyond which a payroll adjustment record cannot be entered. This includes entries on IT0027 Cost Distribution, IT0014 Recurring payments/Deducts and IT0015 Additional Payments
- **Ecrt:** software utilized by the University of Kentucky to review and complete project payroll confirmations on sponsored projects
- **Payroll Authorization Record (PAR):** a record requesting action by Human Resources and/or Payroll Services department employees
- **Payroll administrator:** an employee in a unit responsible for entering and verifying information in the SAP HR/Payroll module
- **Project payroll confirmation:** a report contained in the ecrt software that is accessed by principal investigators to confirm pay is reasonable in relation to work performed on sponsored projects that include federal funds

Department Responsibility:

- Review payroll reports for accuracy and communicate payroll distribution changes as early as possible.

ASBC Responsibility:

- Monitor and adhere to Payroll Authorization Record (PAR) and payroll deadlines as recorded on the [payroll schedules](#), including when documents are submitted to Compensation, to ensure accurate, timely payroll processing and financial reporting.
- Ensure information entered in SAP/HR payroll module matches documentation to support change.
- Reconcile payroll transactions monthly in compliance with [BPM E-17-6 Reconciliation and Review of Financial Transactions](#) to ensure appropriate pay, benefits and cost objects were debited/credited.

Policy:

Payroll transactions must be processed promptly in order to limit retroactivity. Retroactive adjustments are limited to the earliest retroactive dates (ERD) set in the payroll schedules. Changes to cost distribution prior to the ERD should be submitted to Accounting and Financial Reporting Services or Research Financial Services for review as a Z-4 JV document according to [BPM E-4 Journal Voucher](#).

Resources:

[BPM E-8-2](#)

[BPM E-4 Journal Voucher](#)

[BPM E-17-6 Reconciliation and Review of Financial Transactions](#)

University of Kentucky College of Arts & Sciences	Identification AS-PAY-101	Contact: Jennifer Bradshaw	Cost Distribution Methods
Standard Operating Procedure	Current Date Effective: 4/17/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding Cost Distribution Methods in accordance with [BPM E-8-4](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Business officer/department administrator:** an employee in a unit responsible for entering and verifying information in the SAP HR module
- **Cost Allocation/Distribution:** a process of charging payroll wages and benefits across one or more cost objects
- **Infotype:** an information unit used to store employee relevant data required for HR administration purposes. It has a 4 digit code and a related name. It stores similar data into one screen.
- **Payroll administrator:** an employee in a unit responsible for entering and verifying information in the SAP HR module

Department Responsibility:

- Update the A&S payroll team of all employee's cost object allocations
- Approve all time entry transactions in a timely manner

ASBC Responsibility:

- Update salaries and other master data according to approved PARs and Salary Recommendation Forms or other HR documents.
- Remind supervisors of deadline to approve leaves and/or working time for pay period.
- Review non-exempt each pay period to validate that all hours were transferred, processed and paid.
- Review exempt to validate leave time.
- Reconcile salary and benefit charges according to [BPM E-17-6 – Reconciliation and Review of Financial Transactions](#).

Policy:

An employee's salary and benefit charges may be allocated across several cost objects based upon sound financial practices. Each cost object may have specific regulatory requirements that must be met in order to allow for a portion or all of the salary and benefits to be allocated. The distribution may be updated as often as necessary, but will not take effect until the next biweekly or monthly payroll has completed processing and posted to accounting.

Resources:

[BPM E-8-4](#)

[BPM E-17-6 – Reconciliation and Review of Financial Transactions](#)

University of Kentucky College of Arts & Sciences	Identification AS-PAY-102	Contact: Jennifer Bradshaw	Direct Deposit
Standard Operating Procedure	Current Date Effective: 4/17/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding direct deposit in accordance with [BPM E-8-5](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Direct Deposit:** the electronic transfer of a payment directly from the account of the payer to the recipient's account
- **Phishing:** the fraudulent practice of sending emails purporting to be from reputable companies in order to induce individuals to reveal personal information, such as passwords, bank account numbers and credit card numbers.

Department Responsibility:

- Direct all employees to the A&S Payroll team to fill out all employment documentation
- Encourage employees to be aware of phishing attacks

ASBC Responsibility:

- Verify that new employees have completed the direct deposit bank information by established deadlines.
- If [Authorization Agreement for Direct Deposit](#) form is used, validate government issued identification prior to forwarding to Payroll Services for processing.
- Notify supervisor of new employee if direct deposit information has not been completed by established deadlines.
- Encourage employees to be aware of phishing attacks.

Policy:

University of Kentucky employees are required by [Administrative Regulation 3:3 Payment of University of Kentucky Employees](#) to utilize direct deposit as the method for receiving their net pay each pay period. Direct deposit is a mandatory condition of employment for all University of Kentucky employees with the exception of Work Study students who by federal regulations are exempt from this Policy.

Resources:

[BPM E-8-5](#)

[Administrative Regulation 3:3 Payment of University of Kentucky Employees](#)

University of Kentucky College of Arts & Sciences	Identification AS-PAY-103	Contact: Jennifer Bradshaw	Name and Social Security Changes
Standard Operating Procedure	Current Date Effective: 4/24/19		Page 1 of 1
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding name and social security changes in accordance with [E-8-8 Name and Social Security Changes](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu

Department Responsibility:

The Department will inform employees that the social security card showing the name or social security number change must be presented to the payroll administrator in the ASBC.

ASBC Responsibility:

The ASBC Payroll Administrator will only make changes in the HR/Payroll system when presented with the updated social security card by the employee.

Policy:

HR/Payroll system changes to an employee's name or social security number must only be made upon presentation of an employee's social security card to Payroll Services or employee's unit.

Resources:

[E-8-8 Name and Social Security Changes](#)

University of Kentucky College of Arts & Sciences	Identification AS-PAY-104	Contact: Jennifer Bradshaw	Pay Check Distribution
Standard Operating Procedure	Current Date Effective: 4/24/19		Page 1 of 1
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding pay check distribution in accordance with [BPM E-8-9 Pay Check Distribution](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu

Department Responsibility:

Refer all pay check distribution questions to the ASBC Payroll Department.

ASBC Responsibility:

Process payrolls according to the dates outlined in the [Payroll Schedules](#) with advance notification of changes to the established schedule

Policy:

- The University will make funds payable to employees in the form of direct deposit (see [E-8-5 Direct Deposit](#)) each monthly or biweekly pay date.
- Pay statements will be made available to all employees via Employee Self Service. The University no longer prints pay statements.
- In rare cases including new employees, missing deposit bank information or returned bank transfers, the University will provide payment via check.

Resources:

[E-8-5 Direct Deposit](#)

[BPM E-8-9 Pay Check Distribution](#)

[Payroll Schedules](#)

University of Kentucky College of Arts & Sciences	Identification AS-PAY-105	Contact: Jennifer Bradshaw	Pay Periods, Pay Dates and Processing Schedules
Standard Operating Procedure	Current Date Effective: 5/1/19		Page 1 of 1
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding pay periods, pay dates and processing schedules in accordance with [BPM E-8-10](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **ecrt:** system of record for project payroll confirmation statements.
- **Off-cycle:** payroll process where payroll cost distributions are adjusted and where net pay is equal to zero
- **Pay period:** a biweekly or monthly period by which employees are paid
- **Pay date:** a date on which employee net pay is made available to employees

Department Responsibility:

- Adhere to the deadlines published in the [Payroll Schedule](#) for entering and approving time.

ASBC Responsibility:

- Adhere to deadlines in the published the [Payroll Schedule](#)
- Ensure employees and supervisors are aware of payroll deadlines
- Match leave and time data and transfer time according to published the [Payroll Schedule](#)

Policy:

- The University has established biweekly and monthly pay cycles for all employees.
- Payroll Services will maintain and process pay in accordance to the published [Payroll Schedule](#)

Resources:

[Payroll Schedule](#)

[BPM E-8-10 Pay Periods, Pay Dates and Processing Schedules](#)

University of Kentucky College of Arts & Sciences	Identification AS-PAY-106	Contact: Jennifer Bradshaw	Missed Pay Request
Standard Operating Procedure	Current Date Effective: 5/1/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding a missed pay request in accordance with [BPM E-8-11](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu

Department Responsibility:

- Notify ASBC payroll administrator of missing hours or missing pay amounts

ASBC Responsibility:

- Request college/department manager approval to process a missed pay Payment Request Document (PRD);
- Ensure employee's missing hours or missing pay have been entered into HR/Payroll;
- Submit missed pay email, with business officer's approval, to appropriate payroll analyst in Payroll Services for approval;
- Receive Payroll Services approval to process missed pay PRD according to documented procedures in [Payroll Procedures for Payment Request Document \(PRD\)](#)
- Notify employee of payment method and timing

Policy:

- Payroll missed pay requests must be extremely rare in occurrence and limited to situations involving employees who receive less than 50% of their pay period wages or where financial hardship occurs.
- Missed pay requests will process as a check which will need to be picked up in Payroll Services.
- Repeated missed pay requests from a single department may indicate internal control issues and may be referred to Internal Audit.

Resources:

[BPM E-8-11 Missed Pay Request](#)

[Payroll Procedures for Payment Request Document \(PRD\)](#)

University of Kentucky College of Arts & Sciences	Identification AS-PAY-107	Contact: Jennifer Bradshaw	Payroll Overpayments
Standard Operating Procedure	Current Date Effective: 5/1/19		Page 1 of 1
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding payroll overpayments in accordance with [BPM E-8-12](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu

Department Responsibility:

Departments are required to notify the ASBC Payroll Administrator of any employee overpayment regardless of reason or cause.

ASBC Responsibility:

The ASBC is responsible for the collection of all overpayments from current and former employees in adherence with [BPM E-2-10](#).

The ASBC is to request immediate repayment of the entire repayment amount.

Employee or the ASBC may request Payroll Services to establish a payment plan for financial hardship cases.

Policy:

The University will seek reimbursement for all overpayments made to current and former employees.

Resources:

[BPM E-8-12 Payroll Overpayments](#)

[BPM E-2-10 Collection of Amounts Owed to the University from Overpayment](#)

University of Kentucky College of Arts & Sciences	Identification AS-PAY-108	Contact: Jennifer Bradshaw	Taxable Fringe Benefits
Standard Operating Procedure	Current Date Effective: 5/1/19		Page 1 of 1
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding taxable fringe benefits in accordance with [BPM E-8-13](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu

Department Responsibility:

- Department Managers are responsible to inform ASBC Payroll Administrator of any taxable fringe benefits given to employees.

ASBC Responsibility:

- Adhere to [BPM E-7-12](#) regarding employee awards and gifts.
- Report any taxable fringe benefits provided by department to an employee, employee relative or dependent to the Payroll Services Director or Assistant Director within five business days of employee receiving benefit.
- Contact Payroll Services Director to determine the taxability of a fringe benefit in advance of providing to employee.

Policy:

The University complies with IRS rules which considers all compensation paid to, or on behalf, of an employee as taxable unless specifically excluded by IRS code. Fringe benefit is any form of pay other than money to an employee, including gift certificates and property.

Resources:

[BPM E-8-13 Taxable Fringe Benefits](#)

[BPM E-7-12 Employee Awards and Other Gifts](#)

PURCHASING

AS-PUR

University of Kentucky College of Arts & Sciences	Identification AS-PUR-100	Contact: Jennifer Bradshaw	General Purchasing
Standard Operating Procedure	Current Date Effective: 05/14/2019		Page 1 of 2
	Revision History: 05/14/2019		

Purpose

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding General Purchasing and Contracting Authority in accordance with [BPM B-2](#).

Definitions

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Contract:** The entire written agreement between the parties including, but not limited to, the Invitation for Bid or Request for Proposal and its specifications, terms, and conditions, solicitation instructions, solicitation addenda, contractor's offer, the contract document, and contract amendments if any
- **Contractor:** A person, company, corporation, organization or other legal entity with whom the University has executed a Contract.

Department Responsibility:

The Department Manager, and/or faculty/other A&S staff should communicate through Triage, email, phone, and/or in person for all purchasing needs. Purchasing requests should include the vendor, all necessary documentation (legible itemized receipt, invoice, quote, reimbursement form if necessary, etc.), funding source (cost center or grant number), business purpose, the date the item needs to be received, and the date the vendor needs to be paid.

ASBC Responsibility:

The ASBC is will ensure compliance with the University of Kentucky policy and procedures for General Purchasing in accordance with the guidelines and restrictions of the BPM [B-2: General Purchasing and Contracting Authority](#).

Policy

- Purchases and contracts must not be made with an employee of the University of Kentucky for any item of supply, equipment, or service, nor may an employee have any interest, directly or indirectly, in any purchase made by the University of Kentucky. Purchases for the University are made for the purpose of meeting program requirements of the various units.

Resources:

[B-1: Authority and Governing Regulations](#)

[B-2: General Purchasing and Contracting Authority](#)

[B-3: General Policies on How to Procure Supplies, Equipment and Services](#)

[B-3-1: Use of Existing Contracts](#)

[B-3-2: Delegated Procurement Policy for Departments](#)

[UNIVERSITY OF KENTUCKY GENERAL TERMS AND CONDITIONS](#)

[UK Purchasing Division](#)

University of Kentucky College of Arts & Sciences	Identification AS-PUR-101	Contact: Jennifer Bradshaw	Payment Request Document (PRD)
Standard Operating Procedure	Current Date Effective: 04/23/2019		Page 1 of 2
	Revision History: 02/01/2016 12/18/2017 04/23/2019		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding Payment Request Documents (PRD) in accordance with [BPM 3-2](#) and [BPM B-3-2-2](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's Linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions.
- **Resource Emails:** (asbc@uky.edu)
- **Requestor:** The end user who submits the request for financial documents through either email, in person, or Triage.
- **Payment Request Document (PRD):** Financial document used for categories identified [here](#) when approved sources will not accept the University of Kentucky Procurement Card or when the transaction is not authorized on the procurement card or with a Purchase Order ([BPM B-3-2-2](#)).

Department Responsibility:

The Department Manager, and/or faculty/other A&S staff should communicate through Triage, email, phone, and/or in person for Payment Request Documents. The request should include the vendor, all necessary documentation (legible receipt, invoice, reimbursement form, etc.), funding source (cost center or grant number), business purpose, and date the request needs to be paid.

ASBC Responsibility:

The ASBC is will ensure compliance with the University of Kentucky policy and procedures for Payment Request Documents in accordance with the guidelines and restrictions of the [B-3-2-2 Payment Request Document](#) and the guidelines and restrictions of the policy for delegated purchasing authority [BPM B-3-2 Delegated Procurement Policy](#).

Policy:

- The ASBC staff will follow all guidelines according to the [B-3-2-2 Payment Request Document](#).
- The Purchasing Division must review and sign all contracts or agreements required by the vendor/contractor as a supplementary document to the PRD. Departmental employees or officials may not sign such agreements or contracts on behalf of the University.
- Departments must maintain the original invoice and supporting documentation until PRD has been posted in SAP as verified through the unit's monthly [Reconciliation and Review of Financial Transactions](#).

Resources:

[B-1 \(Authority and Governing Regulations\)](#)

[B-2 \(General Purchasing and Contracting Authority\)](#)

[B-3 General Policies on How to Procure Supplies, Equipment and Services](#)

[B-3-1 Use of Existing Contracts](#)

[B-3-2 Delegated Procurement Policy for Departments](#)

[B-3-2-2 Payment Request Document](#)

[E-9-1 Compensation to Research Subjects or Survey Participants](#)

[Purchasing/AP Quick Reference Guide](#)

[Purchasing PRD Items](#)

[UK Discretionary Policy](#)

University of Kentucky College of Arts & Sciences	Identification AS-PUR-102	Contact: Jennifer Bradshaw	Shopping Carts (SRM)
Standard Operating Procedure	Current Date Effective: 05/09/2019		Page 1 of 2
	04/23/2019		
	Revision History: 05/09/2019		

Purpose

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding Shopping Carts (SRM) in accordance with [B-3-3-5](#).

Definitions

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's Linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Requestor:** The end user who submits the request for financial documents through either email, in person, phone, and/or Triage.
- **Shopping Cart (SRM):** Financial document used for categories identified [here](#) when approved sources will not accept the University of Kentucky Procurement Card or when the transaction is not authorized on the procurement card or with a Payment Request Document ([BPM B-3-2-2](#)).

Department Responsibility:

The Department Manager, and/or faculty/other A&S staff should communicate through Triage, email, phone, and/or in person for Purchase Orders or Shopping Carts. The request should include the vendor, all necessary documentation (legible itemized receipt, invoice, quote, reimbursement form if necessary, etc.), funding source (cost center or grant number), business purpose, the date the item needs to be received, and the date the vendor needs to be paid.

ASBC Responsibility:

The ASBC is will ensure compliance with the University of Kentucky policy and procedures for Shopping Carts (SRM) in accordance with the guidelines and restrictions of the [B-3-3-5 SRM Shopping Carts](#).

Policy

- The ASBC staff will follow all guidelines according to the [B-3-3-5 SRM Shopping Carts](#).

- Specifications regarding pricing, quantity, product and/or service description, delivery address, date of delivery and accounting must be accurate and clearly stated in the shopping cart to insure the correct goods or services are provided.
- The Purchasing Division will insure any required document is in accordance with procurement statutes and University policy and will secure the appropriate University signatures.

Resources:

[B-2 General Purchasing and Contracting Authority](#)

[B-3 General Policies on How to Procure Supplies, Equipment and Services](#)

[B-3-1 Use of Existing Contracts](#)

[B-3-3-5 SRM Shopping Carts](#)

[SRM Information Page](#)

[SRM Quick Reference Cards Page](#)

University of Kentucky College of Arts & Sciences	Identification AS-PUR-103	Contact: Jennifer Bradshaw	Contract and Purchase Order Administration and Maintenance
Standard Operating Procedure	Current Date Effective: 05/14/2019		Page 1 of 2
	Revision History: 04/23/2019 05/13/2019		

Purpose

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding contract and purchase order administration and maintenance in accordance with [BPM B-3-4](#) and [B-3-1](#).

Definitions

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's Linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu

Department Responsibility:

The department will request purchases from the ASBC using University Price Contracts established by the Purchasing Division or other methods of procurement per AS-PUR-102 or AS-DIS-113 when making purchases for any good or service covered by these contracts and policies.

The department will open all shipments promptly and notify the ASBC of any damage.

ASBC Responsibility:

The ASBC will use University Price Contracts established by the Purchasing Division when making purchases for any good or service covered by these contracts.

If the requirement is not covered by an existing contract, University departments may use other methods of procurement to secure the supplies, equipment and services necessary to accomplish the mission of the University. These methods are listed in section Delegated Procurement Authority (DPA) for University Departments.

Departmental requirements not covered by existing contracts or not included in a DPA delegation must be submitted to the Purchasing Division via an on-line requisition/shopping cart.

Policy

- The University's Purchasing Division has established contracts for internal clients to utilize to obtain quality goods and services at the best value to the University Community.
- University departments and administrators do not have authority to sign contracts that obligate the University for Goods and services.
- Consideration will be given to establishing a contract any time it is determined that a contract would provide enhanced services or prices for the requirements needed.
- All goods purchased must be "FOB Destination, Freight Prepaid and Allowed." The vendor pays the freight charges and retains title to the merchandise until it is delivered to the University.
- All Shipments must be promptly opened and inspected and the Purchasing Division is to be immediately notified in writing of any damage to a shipment.
- For outgoing shipments, other than Parcel Post, for which transportation charges are to be pre-paid, the shipping company should invoice the department making the shipment and payment should be made via the Procurement Card.

Resources:

[B-3-4: Contract and Purchase Order Administration and Management](#)

[B-3-1 Use of Existing Contracts](#)

[B-3-2 Delegated Procurement Policy for Departments](#)

University of Kentucky College of Arts & Sciences	Identification AS-PUR-104	Contact: Jennifer Bradshaw	Personal Service Contracts, Single Source, Memorandum of Agreements
Standard Operating Procedure	Current Date Effective: 04/23/2019		Page 1 of 2
	Revision History: 04/23/2019		

Purpose

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding personal service contracts, single source purchases, and memorandum of agreements in accordance with [BPM B-4](#), [BPM B-5](#), [BPM B-4-3](#)

Definitions

- **Triage:** College of Arts & Sciences’ internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee’s linkblue ID and password. Each request creates a number “ticket” that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Personal Service Contracts:** All contracts requiring professional skill and judgment including consultants, legal (KRS 12.210), medical, scientific research, architectural and engineering services.
- **Single/Sole Source:** Required for competitive bids solicited for purchases of \$40,000 or more.
- **Memorandum of Agreements (MOA):** Used to contract for services required that can be furnished to the University by another governmental body or political subdivision of the Commonwealth that involves an exchange of resources or responsibilities.

Department Responsibility:

The Department Manager, and/or faculty/other A&S staff should request through Triage, email, phone, and/or in person personal service contracts, single source, or memorandum of agreements. The request should include the vendor, all necessary documentation (legible receipt, invoice, reimbursement form, etc.), funding source (cost center or grant number), business purpose, and date the request needs to be paid.

ASBC Responsibility:

The ASBC is will ensure compliance with the University of Kentucky policy and procedures for contracts, bids for purchases, and MOA’s in accordance with the guidelines and restrictions of the [BPM B-4 Personal Service Contracts \(PSC\)](#), [B-5: Non-Competitive Negotiations for Single/Sole Source Purchases](#), and [B-4-3: Memorandum of Agreement](#).

Policy

Personal Service Contracts:

- Personal service contracts (PSC's) for \$10,000 or less must be reported by the Purchasing Division to the Government Contract Review Committee (GCRC) within 30 days of their effective date, and PSC's exceeding \$10,000 must be forwarded and received by the (GCRC) prior to their effective date.
- Personal Service Contracts over \$10,000 require a Request for Proposal to be issued to solicit proposals for the service desired.
- Contractor must be registered to conduct business in the Commonwealth of Kentucky. Such registration is obtained from the Secretary of State

Single Source:

- The University of Kentucky's Procurement Division solicits competitive bids for all purchases over \$40,000 following the Kentucky Revised Statute 45A-100. Exceptions to this must be justified in written form. Justifications must be approved by the appropriate purchasing official.
- Both the University and its agents can be held liable for contracts or purchase orders issued through the single/sole source procedure if the decision is based on false or incomplete information. All such requests must be fully substantiated.

Memorandum of Agreements:

- These types of agreements may also be used as the contract vehicle for agreements between the university and other state agencies as required by federal or state law or non-financial agreements between the university and other state agencies or political subdivisions.

Resources:

[B-4: Personal Service Contracts \(PSC\)](#)

[B-4-1: Procedures for Personal Service Contracts \\$10,000 or Less](#)

[B-4-2: Procedures for Personal Services Exceeding \\$10,000](#)

[B-4-3: Memorandum of Agreement](#)

[B-5: Non-Competitive Negotiations for Single/Sole Source Purchases](#)

University of Kentucky College of Arts & Sciences	Identification AS-PUR-105	Contact: Jennifer Bradshaw	Computer and Computer Related Equipment and Software
Standard Operating Procedure	Current Date Effective: 5/24/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding the purchase of computer and computer related equipment and software in accordance with [BPM B-7](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu

Department Responsibility:

The Department Manager, and/or faculty/other A&S staff should communicate through Triage, email, phone, and/or in person information to purchase computer or computer related equipment. The request should include the vendor, all necessary documentation, funding source (cost center or grant number), business purpose, and date the item(s) are needed.

ASBC Responsibility:

The ASBC is will ensure compliance with the University of Kentucky policy and procedures for computer and computer related equipment and software per the guidelines in [BPM B-7](#) and the [AP Quick Reference Guide](#).

Policy:

- This policy outlines procedures related to the acquisition of all software from external sources. For purposes of this policy, there are four defined categories of software:
 - Enterprise Applications: Software to be used throughout the University. Examples of enterprise applications include SAP, SCM, Exchange, Outlook, PICIS, Kronos, FES and Blackboard.
 - Department/Division Supported Applications: Software to be used by two or more departments/divisions that require network level support, interfaces with other systems (e.g., SAP), or share data with other systems.

- Department/Division Independent Applications: Software to be used by two or more departments/divisions that do not require network level support or interfaces with enterprise applications.
- Limited Use Applications: Software to be used for specialized applications within a department(s) that does not replicate, in full or in part, data and/or functionality of an enterprise application.

Resources:

[BPM B-7](#)

[AP Quick Reference Guide](#)

RESEARCH SUBJECTS

AS-RES

University of Kentucky College of Arts & Sciences	Identification AS-RS-100	Contact: Jennifer Bradshaw	Research Subject Payment
Standard Operating Procedure	Current Date Effective: 03/26/2019		Page 1 of 2
	02/01/2016 12/18/2017		
	Revision History: 03/25/2019		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding Research Subject Payments in accordance with [BPM E-9-1](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions.
- **Resource Emails:** (asbc@uky.edu)
- **PRD:** Financial document used for categories identified [here](#) when approved sources will not accept the University of Kentucky Procurement Card or when the transaction is not authorized on the procurement card or with a Purchase Order ([BPM B-3-2-2](#)).
- **Human subject/Research Participant:** A living individual about whom an investigator conducting research obtains (1) data through intervention or interaction with the individual, or (2) identifiable private information.
- **Imprest fund:** An advance from the University to an individual custodian to provide change or make payments of relatively small amounts for authorized purchases of supplies, non-personal services and research subjects.
- **Principal Investigator (PI):** The holder of an independent grant administered by the University and the lead researcher for the grant project
- **Declining Balance Procurement Card:** A procurement card with limited time and value used to make authorized purchases of award items for research subjects or survey participants and, if approved, cash payments to research subjects or survey participants.
- **Incentive Awards and Prizes:** Under Kentucky Charitable Gaming guidelines {KRS 238.505 (7)}, provided there is no requirement of ticket purchases, a drawing may be used to encourage participation in a particular research protocol. The prize(s) may be in the form of cash, check, gift card or other incentive. (The dollar value of a prize is limited to \$500 or less and must be in

accordance with the Office of Research Integrity guidelines for compensation to research subjects.)

Department Responsibility:

- The Principal Investigator is responsible for authorizing all compensation to research subjects.
- The Principal Investigator or lab employee/student designee should communicate through Triage, email, or in person after a need is requested by faculty, students, or staff. The request needs to include the research subject, amount to be paid, name and description of research study, and funding source (cost center or grant number).

ASBC Responsibility:

- The ASBC is will ensure compliance with the University of Kentucky policy and procedures for Procurement Card purchases/payments for all research subject payments in accordance with [BPM E-9-1](#)
- The ASBC receives the payment request and will process as soon as possible as required in [BPM E-9-1](#)

Policy:

The University will compensate research participants in strict accordance with Internal Revenue Service (IRS) regulations and University policies and procedures. The College will follow the policy outlined in [BPM E-9-1](#).

Resources:

[E-7-16 Procurement Cards](#)

[E-9-1 Compensation to Research Subjects or Survey Participants](#)

[Request and Authorization for Payment to Human Research Subjects and/or Participants](#)

[Purchasing/AP Quick Reference Guide](#)

RISK MANAGEMENT

AS-RIS

University of Kentucky College of Arts & Sciences	Identification AS-RIS-100	Contact: Jennifer Bradshaw	Motor Vehicle Insurance
Standard Operating Procedure	Current Date Effective: 5/28/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding motor vehicle insurance in accordance with [BPM D-1-1](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **UK vehicles:** vehicles owned by the University of Kentucky
- **Non-UK owned vehicles:** personal vehicles or rental vehicles operated by employees on official business
- **Fleet Insurance Policy:** the policy that covers vehicles used on official business by University employees. The University is authorized as a self-insurer by the Commonwealth of Kentucky

Department Responsibility:

- Be sure employees submit a [Motor Vehicle Record Release and Information Form](#) to Risk Management prior to driving for official business and comply with all other guidelines detailed in [D-1-2 Use of Motor Vehicles When Conducting University Business](#).
- The department works with our Space and Facilities unit to submit claim forms to the University's third party administrator per Section V of [BPM D-1-1](#). These two units are responsible for providing this information to the business center.
- For at-fault accidents, the department works with our Space and Facilities unit to pay costs of damage claims up to \$500. The invoice is submitted to the ASBC for payment.
- The department notifies the Risk Management Office in the event a driver does not assist in the forms preparation or otherwise fails to cooperate and updates the Space and Facilities unit and the ASBC of the progress.

ASBC Responsibility:

Be sure employees have submitted a [Motor Vehicle Record Release and Information Form](#) to Risk Management prior to driving for official business and comply with all other guidelines detailed in [D-1-2 Use of Motor Vehicles When Conducting University Business](#).

Policy:

The Fleet Insurance Policy provides financial protection to:

- The University against any claim for loss, damage or injury involving any vehicle owned or operated by the University for which it may be held legally liable.
- The driver against claims for loss, damage or injury when they are acting as an agent of the University.

The Fleet Insurance Policy covers:

1. UK vehicles
 - a. Bodily Injury to third parties (Employees are covered by Worker's Compensation).
 - b. Damage to property of others
 2. Non-UK owned vehicles
 - a. Personal vehicles

Excess Liability protection for the University when employees drive their personal vehicles as an agent of the University while on official business, limited to the amount for which the University is liable in excess of insurance carried by employees on their own vehicles
 - b. Rental vehicles
 - i. Liability and physical damage coverage when an employee rents or hires vehicles
 - ii. Rental car physical damage coverage includes actual cash value comprehensive and \$500 deductible collision
 - iii. Purchasing additional insurance from rental car vendors is not allowable for domestic rentals, but is encouraged for international rentals. Insurance in conjunction with rental vehicles is not an allowable or reimbursable expense except for international rentals as stated in [E-5-1 Reimbursement of Travel Expenses](#) Section VI.A.5.c.2
- Workers' compensation insurance covers any employee injured while driving or riding in a vehicle while on official business. Report injuries to UK Workers Care by calling 1-800-440-6285.
 - Insurance coverage not provided
 1. Drivers are not covered under the Fleet policy for any personal responsibility for which they are legally liable.
 2. Personal responsibility occurs when the driver exceeds authorized use or violates traffic regulations or other statutes.

Resources:

[BPM D-1-1](#)

[D-1-2 Use of Motor Vehicles When Conducting University Business](#)

[Motor Vehicle Record Release and Information Form](#)

[E-5-1 Reimbursement of Travel Expenses](#)

University of Kentucky College of Arts & Sciences	Identification AS-RIS-101	Contact: Jennifer Bradshaw	Use of Motor Vehicles When Conducting University Business
Standard Operating Procedure	Current Date Effective: 5/28/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding the use of motor vehicles when acting as an agent of the University of Kentucky or its affiliated corporations listed in [BPM E-1-0](#) in accordance with [BPM D-1-2](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Driving:** Operating any motor vehicle on behalf of the University of Kentucky on an active roadway with the motor running, including while temporarily stationary because of traffic, a traffic light or stop sign, or otherwise. It does not include operating a motor vehicle with or without the motor running when one has pulled over to the side of, or off, an active roadway and has halted in a location where one can safely remain stationary.
- **Motor Vehicle Record (MVR) Release and Information Form:** a form used by the [University's Risk Management Department](#) to obtain information used to verify the driving records of employees traveling on behalf of the institution
- **Text Messaging or Texting:** reading from or entering data into a personal communication device capable of two-way audio or text communication that emits an audible signal, vibrates, displays a message, or otherwise summons or delivers communication to the possessor, including but not limited to a paging device and a cellular telephone. It does not include the following:
 - use of a global positioning system feature of a personal communication device
 - reading, selecting or entering a telephone number or name in a personal communication device for the purpose of making a call
 - use of a personal communication device to report illegal activity, prevent injury to a person or property, summon medical help or summon a law enforcement or public safety agency

Department Responsibility:

Heads of departments are responsible for ascertaining that vehicles are used for official purposes and that the use of such vehicle is not abused.

ASBC Responsibility:

The ASBC will ensure compliance with the University of Kentucky policy, procedures, guidelines and restrictions of the [BPM D-1-2 Use of Motor Vehicles When Conducting University Business](#).

Policy:

- A person employed by the University may be permitted to drive a University-owned, personal or rental vehicle when traveling on University business when the following guidelines have been met:
 1. Department administrator or chair approves
 2. The driver
 - A. possesses a valid operator's license
 - B. submitted an [MVR Release Form](#) to [Risk Management](#)
 - C. has a minimum of five years driving experience
 - D. has no health problems that limit or restrict driver licensing
 - E. has been involved in no more than two at-fault accidents in the past three years
 3. MVR's that have six or more deficiency points, as determined by the State Motor Vehicle Records, will result in the review of driving privileges
- When the conditions listed above are followed and a driver is acting as an agent of the University of Kentucky, the driver will be covered by the University's Motor Vehicle Insurance Policy. See [BPM D-1-1 Motor Vehicle Insurance](#) for further information.
- University employees shall not engage in text messaging when driving any motor vehicle on behalf of the University of Kentucky.
- While the use of cell phones when driving is not currently prohibited by University policy, the University of Kentucky strongly recommends that employees follow the text messaging guidelines when using a cell phone while operating a motor vehicle on behalf of the University of Kentucky.
- The Arts & Sciences staff and faculty will follow all guidelines according to Section III.E of [BPM D-1-2 Use of Motor Vehicles When Conducting University Business](#) regarding University of Kentucky-owned vehicles.

Resources:

[BPM D-1-2 Use of Motor Vehicles When Conducting University Business](#)

[BPM E-1-0 Relationship with the Commonwealth of Kentucky](#)

[BPM D-1-1 Motor Vehicle Insurance](#)

[Motor Vehicle Record \(MVR\) Release and Information Form](#)

[University's Risk Management Department](#)

SALES AND TAX

AS-TAX

University of Kentucky College of Arts & Sciences	Identification AS-TAX-100	Contact: Jennifer Bradshaw	Sales and Use Tax
Standard Operating Procedure	Current Date Effective: 4/1/2019		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to provide guidance for the College of Arts & Sciences Business Center (ASBC) regarding the collection of sales and use tax in accordance with [E-6-1 Sales and Use Tax](#) and [KRS139.495](#) that requires any higher education institution engaged in making taxable sales to hold a sales tax permit and to report and pay to the Kentucky Department of Revenue the tax on such sales.

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Sales Tax:** A tax on sales or the receipts from sales.
- **Use Tax:** A sales tax on purchases made outside one's state of residence for taxable items that will be used, stored or consumed in one's state of residence and on which no tax was collected in the state of purchase.
- **Examples and Definition of Course Materials:** See [E-6-1, II, A.](#)
- **Examples of Taxable Sales:** See [E-6-1, II, B.](#)
- **Examples of Nontaxable Sales:** See [E-6-1, II, C.](#)

Department Responsibility:

The department will collect sales tax in accordance with [KRS139.495](#).

ASBC Responsibility:

The ASBC will complete the [sales tax form](#) and send it to Accounting and Financial Reporting Services.

The ASBC will retain sales tax supporting documentation for no less than four years from sale in accordance with [KRS139.720](#).

Policy:

The University will collect from the consumer and remit to the Kentucky State Treasurer sales tax on all sales of tangible personal property which are not otherwise exempt per the Kentucky Revised Statutes and Kentucky Administration Regulations.

Resources:

[E-6-1 Sales and Use Tax](#)

[KRS139.495](#)

[KRS139.720](#)

[Sales Tax Form](#)

University of Kentucky College of Arts & Sciences	Identification AS-TAX-101	Contact: Jennifer Bradshaw	Revenue Producing Activities
Standard Operating Procedure	Current Date Effective: 4/1/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to provide the guidelines for the establishment of revenue producing activities by University departments, units and individuals, consistent with the University mission and that of the unit generating the revenue for the College of Arts & Sciences Business Center (ASBC) in accordance with [E-6-2 Revenue Producing Activities](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Revenue Producing Activity (RPA):** Revenue generated from the sale of products and/or services provided by the University and/or University employees in the course of their duties. Activities that meet the definition of a grant or contract as described in AR 7:3 Policies and Procedures for Soliciting, Receiving, Recording, and Administering Grants and Contracts for Sponsored Projects or that otherwise involve research or intellectual property are expressly excluded, and such arrangements must be referred to Office of Sponsored Projects Administration (OSPA).
- **Program income:** Reportable revenue generated from University RPA on contract and grant accounts.
- **Unrelated Business Income (UBI):** The net income (revenues less expense) from any activity that is not substantially related to the University mission or for which there does not exist a specific exemption under the Internal Revenue Code.
- **Unrelated Business Income Tax (UBIT):** The tax assessed by the Internal Revenue Service for the aggregated unrelated business income.

Department Responsibility:

To work with the ASBC Business Officer to complete the RPA Questionnaire and prepare the business plan for the activity.

ASBC Responsibility:

Prepare the revenue/cost analysis, establish oversight, appropriate accounts receivable activity for sales billings, collections and cash handling

Establish the appropriate cost objects to track RPA

Establish appropriate procedures for fiscal control of activity as outlined in [E-1-3 Fiscal Roles](#) and Responsibilities and [E-1-4 Internal Control](#).

Policy:

Prior to initiating any revenue producing activity, University department personnel documents the purpose of the activity, activity risks, business plan, pricing and obtains appropriate approvals. The normal timing of the request would be during the budget cycle but can be initiated at any time. Approval should also be obtained when any change is contemplated for an existing approved RPA occurs.

Resources:

[E-6-2 Revenue Producing Activities](#)

[E-1-3 Fiscal Roles](#)

[E-1-4 Internal Control](#)

University of Kentucky College of Arts & Sciences	Identification AS-TAX-102	Contact: Jennifer Bradshaw	Unrelated Business Income Tax - UBIT
Standard Operating Procedure	Current Date Effective: 4/2/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to provide guidance for the College of Arts & Sciences Business Center (ASBC) to identify new or current activities that may be subject to unrelated business income tax (UBIT) in accordance with [E-6-3 Unrelated Business Income Tax - UBIT](#)

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Unrelated business income tax (UBIT):** Tax imposed by the IRS on income from a trade or business (with intent of realizing a profit), that is regularly carried on, and the conduct of the trade or business does not relate to the tax exempt mission of the University.
- **Trade or business:** A trade or business generally includes any activity for the production of income from selling goods or performing services. It is not limited to integrated aggregates of assets, activities, and goodwill that comprise businesses for purposes of certain other provisions of the Internal Revenue Code. Activities of producing or distributing goods or performing services from which gross income is derived do not lose their identity as trades or businesses merely because they are carried on within a larger framework of other activities that may, or may not, be related to the organization's exempt purpose.
- **Regularly carried on:** Business activities of an exempt organization ordinarily are considered regularly carried on if they show a frequency and continuity, and are pursued in a manner similar to comparable commercial activities of nonexempt organizations.
- **Substantially related:** To determine if a business activity is substantially related requires examining the business activity and the relationship between the activities that generate income and the accomplishment of the organization's exempt purpose. Trade or business is related to exempt purposes, in the statutory sense, only when the conduct of the business activities has causal relationship to achieving exempt purposes (other than through the production of income). The causal relationship must be substantial. The activities that generate the income must contribute importantly
- **Tax exempt mission:** The tax exempt mission of the University relates to education, research and public service

Department Responsibility:

Work with ASBC Business Officer to complete the Annual UBI Questionnaire as requested on current activities and the Revenue Producing Activities Questionnaire for any new revenue generating activity as explained in [BPM E-6-2](#)

ASBC Responsibility:

Review UBIT policy and understand the importance of identifying all activities subject to UBIT.

ASBC Business Officer will complete the Annual UBI Questionnaire as requested on current activities and the Revenue Producing Activities Questionnaire for any new revenue generating activity as explained in [BPM E-6-2](#)

Notify Accounting Financial Reporting Services (AFRS) immediately of all activities that may be subject to unrelated business income tax

Policy:

The University of Kentucky (the University) is excluded from federal income taxes as an organization described in Section 115 of the Internal Revenue Code of 1986. Each of the University's affiliated non-profit organizations has received a determination from the Internal Revenue Service granting exemption from federal income taxation pursuant to the provisions of Internal Revenue Code section 501(c)(3). However, the University is required to pay federal income tax on net income from activities unrelated to the exempt mission of the University: education, research and public service.

An activity is an unrelated business (and subject to unrelated business income tax) if it meets three requirements:

1. It is a trade or business, with the intent of realizing a profit;
2. It is regularly carried on; and
3. It is not substantially related to the tax exempt mission of the University.

It is very important that all unrelated business activities of the University be approved as described in [BPM E-6-2](#) and reported on the federal tax return. The Internal Revenue Service can and will assess costly penalties and interest charges for underpayment of taxes.

See examples of activities currently **exempt** from unrelated business income taxation: [BPM E-6-3, II](#)

See examples of activities that **may be subject** to unrelated business income taxation: [BPM E-6-3, II](#)

Resources:

[E-6-3 Unrelated Business Income Tax - UBIT](#)

[BPM E-6-2 Revenue Producing Activities](#)

SPONSORED PROJECTS

AS-SPO

University of Kentucky College of Arts & Sciences	AS-SPO-100	Contact: Jennifer Bradshaw	Application of On/Off Campus Facilities & Administrative (F&A) Cost Rates
Standard Operating Procedure	Current Date Effective: 6/21/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding Application of On/Off Campus Facilities & Administrative (F&A) Cost Rates in accordance with [BPM E-50-1](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Off-Campus (defined in DHHS, DCA rate agreement):** For all activities performed in facilities not owned by the institution and to which rent is directly allocated to the project(s), the off-campus rate will apply. Grants or contracts will not be subject to more than one F&A cost rate. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project.
- **On-Campus:** Facilities owned by the University of Kentucky (regardless of physical location), or rented facilities where the University pays the lease.
- **Rented Facilities:** Architectural structures such as a building, warehouse, mobile office building, or commercial space which are rented/leased over a significant period of time as an alternative to purchasing or constructing new facilities. Facility rental/lease payments do not include expenditures for conference room rentals or lodging

Department Responsibility:

Principal investigator

- If the project activity will take place both on and off-campus, provide a list of individuals to be located in the on-campus space and the off-campus space.
- Provide the percentage of effort for personnel in each location when a portion of the project will take place both on and off-campus.
- Confirm the appropriate F&A rate with OSPA prior to proposal submission and budget development. (All supporting documentation for the rented space should be submitted at least 10 days prior to proposal submission for OSPA's review.)

- If multiple projects will be taking place in the rented space, an allocation plan must be submitted to Research Financial Services (RFS).
- Lease agreement for the rented facility must be available upon request.

ASBC Responsibility:

The ASBC will work with the Principal Investigator, Office of Sponsored Projects Administration and Research Financial Services on communicating the sponsor guidelines for F&A and offering guidance where necessary.

Policy:

- A project is considered to be performed off-campus if:
 - Any of the sponsored project activity is taking place in rented facilities and the project budget includes rent for facilities; or the space is provided at no cost to the University AND
 - More than 50% of the effort for the project is taking place in the rented or no cost facility (A list of individuals located in both the rented space and campus space must be provided to the Office of Sponsored Projects Administration prior to proposal submission.)
- A project is considered to be performed on-campus if it does not meet the criteria in A. above for off-campus. This includes situations where the project is not charged directly for rent, but the University is paying the lease.

Resources:

[BPM E-50-1 Application of On/Off Campus Facilities & Administrative \(F&A\) Cost Rates](#)

[Office of Sponsored Projects Administration](#)

[Facilities and Administrative \(F&A\) Costs](#)

University of Kentucky College of Arts & Sciences	AS-SOP-101	Contact: Jennifer Bradshaw	Cost Sharing
Standard Operating Procedure	Current Date Effective: 6/21/19		Page 1 of 3
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding cost sharing in accordance with [BPM E-50-2](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Allowable Costs:** an expense that is eligible for reimbursement by the federal government or sponsor
- **Cost Sharing:** Project costs not borne by the sponsor; also known as matching or in-kind contributions
- **Cost Sharing Fund:** Fund associated with the grant/WBS element where all cost sharing expenses are posted. This must be entered on every posting.
- **Direct Costs:** An expense charged to the sponsor fund that can be directly identified with a specific goal or achievement of the project and would not have been incurred or required for any other purpose
- **Facilities and Administrative Costs (F&A):** Cost that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. F&A costs are synonymous with "indirect costs."
- **Mandatory Committed Cost Sharing:** Cost sharing that is required by law, statute or regulation, written in the application guidelines for a specific program, or included in the award document. Mandatory committed cost sharing is recorded in the University's accounting system and must be reported to the sponsor.
- **Third-Party Cost Sharing:** Support from a non-University source.
- **Unfunded F&A Costs:** The difference between the University's full federally negotiated F&A rate for a project and the maximum F&A allowed by the sponsor.
- **Voluntary Committed Cost Sharing:** Cost sharing that is not required by law, statute or regulation, nor written in the application guidelines, but was offered by the investigator in the proposal.

Voluntary committed cost sharing is recorded in the University's accounting system and must be reported internally.

- **Voluntary Uncommitted Cost Sharing:** Cost sharing that is not offered in the proposal and is not included in the award document. Voluntary Uncommitted Cost Sharing is not recorded in the University's accounting system and is not reported internally or externally. Uncommitted cost sharing most commonly results from an investigator's effort which is over and above that committed in a proposal or award.

Department Responsibility:

The principal investigator is responsible to provide timely information to the ASBC, OSPA and RFS about cost sharing commitments and changes. The PI is responsible to review charges posted to ledgers for reasonableness and accuracy on a monthly basis.

ASBC Responsibility:

The ASBC submits, reviews and charges the cost share budget, processes JV's to fund cost share and provides documentation of third party cost sharing.

Policy:

The University will only provide cost sharing when required by the sponsor or in exceptional situations when the institution determines that such a contribution is necessary to ensure the success of a competitive proposal.

When cost sharing is mandated by the sponsor, it must be committed only to the extent necessary to meet the specific requirements. Principal investigators and departments may not include voluntary cost sharing commitments in a proposal without the prior approvals

Criteria for cost sharing

To be acceptable as cost sharing, an expense must satisfy all of the following criteria:

- Verifiable from the official University accounting system or third-party certifications
- Incurred during the effective dates of the grant or agreement
- Allowable under the applicable cost principles, OMB Circular A-21, if federally funded.
- Necessary, reasonable and allocable for proper and efficient accomplishment of project objectives
- Itemized in the approved budget if this is a requirement of the sponsor
- Not used as cost sharing for any other sponsored project

Effort Commitments

- The presumption is a principal investigator (PI) will need time and effort to complete the scope of work on a sponsored project. If the sponsored award does not include funds for PI effort, the presumption is the PI's department will cost share the effort. In rare cases, a justifiable reason may exist to over-ride this presumption if no cost sharing was committed in the proposal to the sponsor or award from the sponsor.

- For faculty with a nine (9) or ten (10) month appointment contract, the presumption is a PI will use academic year time and effort to complete the scope of work on a sponsored project. An exception would exist if the project period for the award is limited to the summer (May through August).
- When an individual spends more effort on a project than originally proposed or required by the sponsor, this is considered voluntary uncommitted cost sharing. This effort is not required to be tracked in the institutional accounting systems.

Acceptable Expenditures

- In general, costs normally treated as direct costs on sponsored projects may be used to meet a cost sharing commitment and costs normally treated as F&A costs on sponsored projects may not. For more information see the [Costing Guidelines for Sponsored Projects Exhibit I](#) or the [listing of general ledger accounts](#).

Resources:

[BPM E-50-2 Cost Sharing](#)

[Costing Guidelines for Sponsored Projects Exhibit I](#)

[Listing of general ledger accounts](#)

University of Kentucky College of Arts & Sciences	AS-SPO-102	Contact: Jennifer Bradshaw	Cost Transfers for Sponsored Projects
Standard Operating Procedure	Current Date Effective: 6/24/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding cost transfers for sponsored projects in accordance with [BPM Appendix 2](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Cost Transfer:** A cost transfer is any transfer of an expense involving a sponsored project via an Interdepartmental Invoice Voucher (IDIV).

Department Responsibility:

The Department will be sure that all spending requests are allowable, reasonable, allocable and directly applicable to the activity on the grant and a request for a transfer of cost is made in a timely manner.

ASBC Responsibility:

The ASBC staff will follow all guidelines according to the [BPM Appendix 2](#) Cost Transfers for Sponsored Projects.

Policy:

A cost transfer is any transfer of an expense involving a sponsored project via an Interdepartmental Invoice Voucher (IDIV). Institutions receiving federal funds are potentially subject to audit disallowances without sufficient control and documentation of cost transfers. For a cost transfer, just as for any other expenditure transaction, the federal government is looking for documentation to establish that the expenditure is appropriate to the account receiving the charge, i.e., that it is generally allowable, reasonably allocable, and directly applicable to the activity represented by the charged account. Any cost transfer should be so complete or detailed, that a person completely removed from the situation (For example, an Auditor) will be able to look at the request five years from now and know what and why this entry was made.

In the event that a cost transfer does not meet the government requirements, the dollar amount of the transfer will be disallowed and the College or School responsible for the grant/contract will be responsible for the disallowed cost transfer. If a significant number of cost transfers do not meet government requirements, the auditors may extrapolate the disallowances and recommend disallowing a percentage of ALL cost transfers for a particular department, college/school, or University-wide.

Resources:

[BPM Appendix 2 Cost Transfer for Sponsored Projects](#)

[BPM E-4 Journal Vouchers](#)

University of Kentucky College of Arts & Sciences	AS-SPO-103	Contact: Jennifer Bradshaw	Costing Guidelines for Sponsored Projects
Standard Operating Procedure	Current Date Effective: 6/25/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding costing guidelines for sponsored projects in accordance with [BPM Appendix 3](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Direct Costs:** Direct costs are those costs that can be identified specifically with a particular sponsored project, an instructional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.
- **Indirect Costs (Facilities and Administrative (F&A) Costs):** Costs that are incurred for common or joint objectives [of the University] and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity or any other institutional activity.
- **Reasonable Costs:** The nature of the goods or services acquired and the amount involved reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision was made to incur the cost.
- **Allocable Costs:** The goods or services involved are chargeable or assignable to the project in accordance with the relative benefits received.

Department Responsibility:

The Principal Investigators and ASDM's are responsible for following these guidelines. The Principal Investigator is to provide guidance and oversight of the research unit.

ASBC Responsibility:

The ASBC will ensure compliance with the University of Kentucky policy and procedures for costing guidelines for sponsored projects for faculty and staff in accordance with the guidelines and restrictions of [BPM Appendix 3](#).

Policy:

- Universities are required to comply with the four cost accounting standards below:
 1. CAS 501 - Consistency in Estimating, Accumulating, and Reporting Costs
 2. CAS 502 - Consistency in Allocating Costs for the Same Purpose
 3. CAS 505 - Accounting for Unallowable Costs
 4. CAS 506 - Cost Accounting Period
- Direct costs must be reasonable and allocable to a sponsored agreement. Charges to a sponsored project should support the project's purpose and activity and represent those costs necessary to meet the project's scientific and technical requirements.
- Documentation that links the cost incurred to the sponsored agreement activity should be done by someone who is in a position to know the sponsored agreement activity. Documentation must be maintained for a period of three years following the date the final expenditure report is submitted to the sponsor. If any litigation, claim, or audit is started before the expiration of the three year period, the records must be retained until all issues are resolved and final action taken.
- Indirect costs, also referred to as Facilities and Administrative (F&A) costs, cannot be identified readily and specifically with a particular sponsored project, an instructional activity or any other institutional activity and are not normally directly charged to the sponsored project.

Resources:

[BPM Appendix 3](#)

University of Kentucky College of Arts & Sciences	AS-SPO-104	Contact: Jennifer Bradshaw	Service Center and Recharge Operations
Standard Operating Procedure	Current Date Effective: 6/25/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding service center and recharge operations in accordance with [BPM Appendix 4](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Service Centers:** Service centers are operating units that provide goods and/or services, primarily to University departments, for a fee based upon actual incurred costs and have total annual direct costs exceeding \$50,000.
- **Recharge Operations:** Recharge operations are departmental units, which provide goods and/or services, primarily to University departments, for a fee and have total annual direct cost of providing those goods and/or services of less than \$50,000.
- **Direct Costs:** Costs specifically assignable to the operations of a service center or recharge operation.
- **Indirect Costs:** Facilities costs allocated to a service center for building depreciation, equipment depreciation and operations and maintenance
- **Depreciation:** An allocation of the cost of property and capital equipment over its useful life. Annual depreciation is calculated by dividing the cost by the number of years of useful life (straight-line depreciation).
- **External User:** Customers outside the organizational/administrative structure of the university. This category includes students and members of faculty or staff acting in a personal capacity
- **Operations and Maintenance:** Utilities, minor building repairs and janitorial services allocated to the service center based on square feet of space occupied.

Department Responsibility:

The Service Center Manager assures that:

- Plant Assets is notified immediately of new equipment purchases so that depreciation will be calculated accurately;
- The approved rate schedule is applied uniformly to all users.
- Billings are timely and adequately documented, receivables are controlled and reconciled; and records are maintained in accordance with the procedures set forth in this policy so that inquiries concerning charges may be addressed.

ASBC Responsibility:

The ASBC will ensure compliance with the University of Kentucky policy and procedures for Service Centers and Recharge Operations in accordance with the guidelines and restrictions of [BPM Appendix 4](#).

Policy:

- Each service center must have a separate discrete cost center (10438XXXX0) for the purpose of budgeting and accounting for its operations.
- All direct costs of service center operations, actually incurred and documented, must be charged to the service center account.
- Permitted indirect costs for building depreciation, equipment depreciation, and maintenance and operations must be charged to the service center account if included in the billing rate.
- All recharges and external revenues must be credited to the service center account using the appropriate g/l accounts
- Service center recharges and external revenues must generally equal cost. Any surplus of 10% or less in a fiscal year must carry forward to the succeeding year to calculate future billing rates. Deficits of 10% or less may be carried forward to calculate future billing rates.
- Surplus amounts in excess of 10% of operating costs must be refunded to the users in proportion to their use of the service center.
- Federal grants and contracts cannot be charged a higher rate for goods and/or services than any other internal or external users. No discounts or free service may be given to any user.
- External users may be charged a higher rate than internal users

Resources:

[BPM Appendix 4](#)

TRAVEL

AS-TRV

University of Kentucky College of Arts & Sciences	Identification AS-TRV-100	Contact: Jennifer Bradshaw	Reimbursement of Travel Expenses
Standard Operating Procedure	Current Date Effective: 05/14/2019		Page 1 of 2
	Revision History: 05/14/2019		

Purpose

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding the Reimbursement of Travel Expenses Documents in accordance with [BPM E-5-1](#).

Definitions

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Incidental Expense:** Non-reimbursable minor expenditures associated with business travel.
- **Per Diem:** A specific amount of money given to an individual (i.e. faculty or employees) per day to cover living expenses when traveling for business.

Department Responsibility:

The Department Manager, and/or faculty/other A&S staff should communicate through Triage, email, phone, and/or in person regarding their travel reimbursement.

ASBC Responsibility:

The ASBC is will ensure compliance with the University of Kentucky policy and procedures for the Reimbursement of Travel Expenses Documents in accordance with the guidelines and restrictions of the [BPM E-5-1](#).

Policy

- Official University travel must be in support of the University's mission and consistent with the business and professional needs of the institution.
- Written approval must be secured prior to travel at the level required by department or division. Employees must disclose plans for combining personal with business travel.
- International travel must be registered with the UK International Travel Registry prior to departure.

- Travelers must use the most direct and usually traveled routes, incur the lowest reasonable travel expenses, and exercise care to avoid impropriety and/or the appearance of impropriety. Expenses incurred by traveling alternate routes or using less economical sources are the responsibility of the traveler.
- Employees must complete and approve the TRIP travel expense report for all business expenses within 60 calendar days of the date when business travel ends.

Resources:

[E-5-1: Reimbursement of Travel Expenses](#)

[Over 60 Day Taxation Form](#)

University of Kentucky College of Arts & Sciences	AS-TRV-101	Contact: Jennifer Bradshaw	Travel Advances and Repayments
Standard Operating Procedure	Current Date Effective: 05/19/2019		Page 1 of 1
	Revision History: 05/19/2019		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding Travel Advances and Repayments in accordance with [BPM E-5-2](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Travel Advance:** cash advance to defray travel expenses

Department Responsibility:

The Department Manager, and/or faculty/other A&S staff should communicate through Triage, email, phone, and/or in person regarding their travel.

ASBC Responsibility:

The ASBC is will ensure compliance with the University of Kentucky policy and procedures for Travel Advances and Repayments in accordance with the guidelines and restrictions of the [E-5-2: Travel Advances and Repayments](#).

Policy:

- Generally the University does not provide travel advances so faculty, staff and administrators traveling on behalf of the University. Certain travel-related expenses may be paid in advance using a University procurement card or Payment Request Document to help defray travel costs.
- It is understood that a travel advance may be appropriate due to special circumstances. So, upon acceptable justification and proper documentation, an advance may be approved by the Provost, Executive Vice President for Finance and Administration, Vice President for Research, or the Executive Vice President for Health Affairs.

Resources:

[E-5-2: Travel Advances and Repayments](#)

[Request for Imprest Account or Travel Advance](#)

TREASURY

AS-TRS

University of Kentucky College of Arts & Sciences	Identification AS-TRS-100	Contact: Jennifer Bradshaw	Cash Handling
Standard Operating Procedure	Current Date Effective: 03/05/2019		Page 1 of 3
	Revision History: 03/05/2019 02/01/2016 04/10/2015		

Purpose:

The purpose of this operating procedure is to establish Standard Operating Procedures for the College of Arts & Sciences Business Center (ASBC) regarding cash handling in accordance with the University's [BPM E-2-1](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** Emails for each ASBC (ASBC@uky.edu)
- **Cash:** U.S. coin and currency.
- **Check:** A written order that directs a bank to pay a stated sum from the drawer's account to a payee.
- **Cash Equivalent:** Checks drawn on U.S. banks and issued in U.S. dollar values, ACH credit transactions, credit card sales draft, wire transfers and foreign funds (currency or check).
- **ACH:** Automated Clearing House. A nationwide electronic funds transfer (EFT) system that provides for inter-bank transfers of funds. The ACH is a secure, private electronic payment transfer system that connects U.S. financial institutions. ACH transfers typically take one to two days to complete and are the most cost effective form of electronic funds transfer.
- **Wire Transfer:** A method of electronic transfer of funds from one bank to another bank. The Federal Reserve Wire Network typically processes domestic wire transfers and the Society for Worldwide Interbank Telecommunications (SWIFT) typically handles international wire transfers. Domestic wires take place within one day while international wires may take five days or longer.
- **Credit Card:** A card issued by a financial company giving the cardholder an option to borrow funds at a point of sale: also called "Payment Cards" or "Merchant Cards."
- **Custodian:** A full-time University employee responsible for an Imprest fund's safekeeping and proper usage (typically a staff/faculty member or principal investigator).
- **Imprest Fund:** an advance from the University to an individual custodian to provide change or make payments of relatively small amounts for authorized purchases of supplies, non-personnel services and research subjects.
- **Merchant:** Any unit that accepts credit card payments
- **Merchant Department Responsible Person (MDRP):** the person within the department/unit/college who has primary responsibility for credit card transaction processing.

- **PRD:** Financial document used for categories identified [here](#) when approved sources will not accept the University of Kentucky Procurement Card or when the transaction is not authorized on the procurement card or with a Purchase Order ([BPM B-3-2-2](#)).

Department Responsibility:

- The ASDM, Chair, and/or faculty/staff designee will receive cash, checks, and cash equivalent on behalf of the University for gifts, goods, or services and responsible with providing information to the ASBC via the triage system, or in person per the timeframe designated in [Treasury Operations Manual](#).
- Faculty/Principal Investigator will submit a request to the ASBC Staff with justification for the need of an Imprest account including a completed [Imprest Request Form](#).
- The Custodian of the Imprest account is responsible for maintaining accurate records of all payments that are made out of the account. Reimbursements to Imprest accounts must occur regularly and in accordance with University fiscal year-end procedures and deadlines. To request a reimbursement/replenishment of the Imprest account, the custodian needs to submit the original receipts to the ASBC for processing.
- The Custodian of an Imprest Account is responsible to reconcile the account no less than monthly, per the University guidelines.
- The Custodian is responsible to close the Imprest fund when the original authorization period expires, the need for the fund no longer exists, or he/she leaves the University. It is the responsibility of the custodian to balance and replenish the fund to its original amount, providing cash or check to the ASBC to process.

ASBC Responsibility:

- The ASBC is will ensure compliance with the [Treasury Operations Manual](#) for all deposits.
- ASBC staff will work with the faculty member/PI and the Treasurer's Office to determine the type of Imprest account that is needed.
- The ASBC receives the reimbursement request and will be processed via the appropriate procurement method as required in [B-3-2](#).
- The ASBC Staff is responsible to maintain records on all Imprest accounts and ensure that reconciliations are done on a monthly basis.
- The ASBC will work with the Custodian to ensure that the account is replenished in accordance with [E-2-1](#). Once the account is fully replenished, the custodian must submit cash or check to the ASBC to close the account. The ASBC will complete the cash or check transmittal to close the Imprest account.
- The ASBC staff designated as the MDRP will ensure merchant compliance in accordance with [E-2-1](#).

Policy:

- The ASBC staff will follow all guidelines for the safekeeping/security of all cash and data (Merchant, Imprest, Cash, Coin, Check, Credit Card) as outlined in [E-2-1](#).
- All deposits received in the ASBC will be processed according to the timeframe in [E-2-1](#).
- All deposits will be reviewed, approved, and reconciled per the [E-2-1](#) and [E-1-3](#).
- Credit Card Payments (not processed through Merchant Accounts), information will be sent to Gifts Receiving for that unit to process (Credit Card Payments are rare and occur from donors – donations to endowment/gift accounts).
- All refunds requested will be processed according to timeframe in [E-2-1](#).

- The ASBC will offer assistance to the Imprest Custodian at any point and will oversee that compliance is followed per [E-2-1](#).
- The MDRP ASBC staff will ensure that all merchant accounts are in compliance with the [PCI DSS Regulations](#) as outlined in [E-2-1](#) and work with Treasury when issues arise.

Resources:

[Treasury Operations Manual](#)

[Relationship with Commonwealth of Kentucky](#)

[Duties and Responsibilities of UFS](#)

[Fiscal Roles and Responsibilities](#)

[Internal Controls](#)

[Compensation to Research Subjects or Survey Participants](#)

[Fiscal Year-End Closing – Accounting Transactions](#)

[Reconciliation and Review of Financial Transactions](#)

University of Kentucky College of Arts & Sciences	Identification AS-TRS-101	Contact: Jennifer Bradshaw	Requests for Exceptions to Business Procedure
Standard Operating Procedure	Current Date Effective: 5/30/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding requests for exceptions to business procedure in accordance with [BPM E-1-2](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu

Department Responsibility:

The Department Manager, and/or faculty or other A&S staff should request through Triage, email, phone, and/or in person an exception to policy from the ASBC sufficiently in advance of the purchase, event or travel taking place to allow for review, approval and processing.

ASBC Responsibility:

The ASBC is responsible to review, approve, prepare and process the exception to policy.

Policy:

- The University's regulations, policies, procedures, and established practices are based on sound business principles, regulatory requirements, or law and are intended to ensure the integrity of all transactions and the appropriate use of University funds regardless of source.
- Business Procedure [E-1-3 Roles and Responsibilities](#) holds individual administrators responsible for being fully knowledgeable of all University requirements governing transactions and business activities for their respective areas.
- When uncertain about the interpretation of a policy or unable to find an applicable policy, such knowledge must be obtained before executing a transaction.
- Exceptions cannot be granted to federal laws and regulations (including Internal Revenue Service), state laws, contract provisions, or restrictions imposed by external donors and sponsors.

- E. Requests for exceptions shall be rare and only approved in extenuating circumstances.
- F. Requests for exceptions shall be requested sufficiently in advance to allow them to be reviewed and approved prior to the purchase, event, or travel taking place.

Resources:

[BPM E-1-2 Requests for Exceptions to Business Procedures](#)

[E-1-3 Roles and Responsibilities](#)

University of Kentucky College of Arts & Sciences	Identification AS-TRS-102	Contact: Jennifer Bradshaw	Fiscal Roles and Responsibilities
Standard Operating Procedure	Current Date Effective: 5/30/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding fiscal roles and responsibilities in accordance with [BPM E-1-3](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu

Department Responsibility:

The Department Manager, and/or faculty or other A&S staff are responsible to conduct themselves according to the guidelines and requirements of [BPM E-1-3](#).

ASBC Responsibility:

The ASBC is responsible to ensure compliance of all its employees with the University of Kentucky policy regarding fiscal roles and responsibilities detailed in [BPM E-1-3](#).

Policy:

A. The University maintains an environment that fosters compliance with:

1. Federal laws, regulations, and policies;
2. Kentucky Revised Statutes (KRS) and Kentucky Administrative Regulations (KAR);
3. University and unit-level policies and procedures including, but not limited to, the [Governing Regulations \(GR\)](#), [Administrative Regulations \(AR\)](#), [Human Resources Policy and Procedure Manual](#), [Business Procedures Manual \(BPR\)](#), and [University of Kentucky Information Technology](#) policies.
4. Contract, grant, and donor stipulations;
5. Accreditation requirements; and
6. Generally accepted accounting principles.

B. Each organizational unit (e.g., administrative area, college, department, division, center, office) shall institute and maintain internal controls in compliance with [BPM E-1-4 Internal Control](#).

- C. Each organizational unit head is accountable for the sound financial management of the unit and retains this fiscal responsibility if authority for transactional processing, record keeping, approving, and monitoring is delegated to others.
- D. Each organizational unit head shall ensure that at least two individuals are involved in each fiscal transaction process as evidenced by signatures or electronic workflow.

Resources:

[BPM E-1-3 Fiscal Roles and Responsibilities](#)

[Governing Regulations \(GR\)](#)

[Administrative Regulations \(AR\)](#)

[Human Resources Policy and Procedure Manual](#)

[Business Procedures Manual \(BPR\)](#)

[University of Kentucky Information Technology](#)

University of Kentucky College of Arts & Sciences	Identification AS-TRS-103	Contact: Jennifer Bradshaw	Internal Controls
Standard Operating Procedure	Current Date Effective: 5/30/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding internal controls in accordance with [BPM E-1-4](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu
- **Internal control:** a process adopted by an organization's Board of Trustees, administration, employees and others who are responsible for handling University transactions, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:
 - efficiency and effectiveness of operations
 - reliability and integrity of financial reporting
 - compliance with applicable laws, regulations and policies
 - safeguarding of assets
- **Components of internal control:**
 - **Control environment:** the "tone at the top" that is the foundation for all other components of internal control, including such factors as the administration's integrity, ethical values, operating style, and commitment to competence
 - **Risk assessment:** the identification of relevant threats to the achievement of the University's objectives
 - **Control activities:** the policies and procedures, approvals, reconciliations, physical controls, segregation of duties, and other processes used to ensure the administration's internal control objectives are carried out and risks addressed
 - **Information and communication:** information systems used to identify, capture, process and report data that, along with other internal and external communications, provides the administration with reports on performance
 - **Monitoring:** the process that assesses the quality of internal control activities as a part of regular administrative and supervisory responsibilities, including corrective actions when the system does not perform as intended

- **Generally accepted accounting principles (GAAP):** the standard framework of guidelines for financial accounting
- **Cost object:** a 10 or 12-digit number within the University's accounting system where revenue, expense, balance sheet data, and/or other productivity measures for an organizational unit or project are recorded
- **Clearing or suspense account:** a temporary holding account used to house funds until an appropriate financial transaction can be recorded or an appropriate cost object can be created
- **Financial reporting:** summarization of financial data usually prepared at the end of an accounting period and used to assess the performance of an entity
- **Costing practice:** system of computing the cost of running a business by allocating expenses to various operations

Department Responsibility:

All employees are expected to comply with the requirements outlined in [BPM E-1-4 Internal Control](#).

ASBC Responsibility:

The ASBC is responsible to ensure compliance with the University of Kentucky internal control requirements in [BPM E-1-4 Internal Control](#) for all its employees.

Policy:

- The Board of Trustees, President, Provost, executive and administrative officers, area fiscal officers, deans, chairs, directors, principal investigators, and all others functioning as area or unit heads are responsible for setting a tone of accountability and high ethical standards.
- All employees are expected to:
 - Comply with the requirements outlined in [Governing Regulation, Part XIV, Ethical Principles and Code of Conduct](#), [AR7:2 Financial Conflicts of Interest in Research](#), and [AR 7:9 Institutional Conflicts of Interest Involving Research](#); and
 - Maintain a strong internal control environment for the University as defined in Business Procedure [E-1-3 Fiscal Roles and Responsibilities](#) in accordance with their roles.
- All units must have the control activities that are listed in [Section IV in BPM E-1-4 Internal Controls](#) in place.

Resources:

[BPM E-1-4 Internal Control](#)

[E-1-3 Fiscal Roles and Responsibilities](#)

[Governing Regulation, Part XIV, Ethical Principles and Code of Conduct](#)

[AR7:2 Financial Conflicts of Interest in Research](#)

[AR 7:9 Institutional Conflicts of Interest Involving Research](#)

TUITION AND PROGRAM FEES

AS-TPF

University of Kentucky College of Arts & Sciences	Identification AS-TPF-100	Contact: Jennifer Bradshaw	Tuition and Student Fee Policy
Standard Operating Procedure	Current Date Effective: 5/30/19		Page 1 of 2
	Revision History:		

Purpose:

The purpose of this operating procedure is to establish procedures for the College of Arts & Sciences Business Center (ASBC) regarding tuition and student fee policy in accordance with [BPM E-20-1](#).

Definitions:

- **Triage:** College of Arts & Sciences' internal ordering system; web-based and is located on the A&S Business Center website found [here](#). This site requires the employee's linkblue ID and password. Each request creates a number "ticket" that the end user is associated with and will receive emails as the ticket is updated by the ASBC, ASDM, faculty, or other staff.
- **ASBC:** Arts & Science Business Center, owner of all financial functions.
- **ASDM:** Arts & Sciences Department Managers, owner of all academic and department functions
- **Resource Email:** asbc@uky.edu

Department Responsibility:

The department chairs will submit requests to add, revise or eliminate program, course and administrative fees to the ASBC in the spring during the College of Arts and Sciences budget process.

ASBC Responsibility:

During the annual operating budget cycle for the University, colleges and university units will request to add, revise, or eliminate program, course and administrative fees through the appropriate university area official (e.g., President, Provost, or Executive Vice President). All fee requests must be consistent with the parameters defined by the operating budget guidelines issued by the University Budget Office.

Policy:

KRS 164.020 authorizes the Kentucky Council on Postsecondary Education to determine tuition for the Kentucky public colleges and universities. The Council has determined that their authority to set tuition also includes mandatory student fees. The University of Kentucky Board of Trustees recommends tuition and mandatory fees to the Council as requested. The Board has the authority to approve other student fees. See [Administrative Regulation 8:7 Student Fees](#) for related information.

Resources:

[BPM E-20-1 Tuition and Student Fee Policy](#)

[Administrative Regulation 8:7 Student Fees](#)