# Business Services Advisory Group

GEORGIA 1785

# Finance Committee

*Co-Chairs: Kathy McCarty & Shelly Terrazas*

# *Travel Policy Compliance Initiatives*
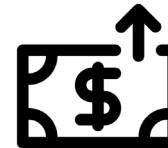
# Strategy #1: TRAVELERS

Automated email to travelers when TA is submitted ✓

Travel fliers covering key points ✓

Series of three short videos on key travel points ✓

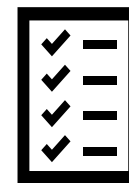Find My Expense Manager webpage ✓

Postcard to all employees ✓

Comprehensive travel policy training in PEP ⏱

Travel collateral to all faculty new hires in orientation packet ✓

Create checklists for HR Supervisors and Expense Managers ✓

# Strategy #2: APPROVERS

Comprehensive travel approver training in PEP

Provide CBOs with reports to see completion rates for team

Communication campaign to approvers

*Several steps in Strategy #1 apply to approvers as well.*

# HR Supervisor

The following responsibilities are the minimum expectations defined by the University for each role.  Units may wish to implement unit level rules to further define responsibilities.

- Confirm that the traveler is due for reimbursement for approved UGA related travel
- Verify purpose of the travel is described with the event/activity in the expense report header
- For out-of-state and international trips, verify that the appropriate travel authorization has been associated with the report (review destination and purpose)
- Verify that expenditures occurred on dates associated with the approved UGA travel
- Review any justifications included to determine if appropriate

# Expense Manager

The following responsibilities are the minimum expectations defined by the University for each role. Units may wish to implement unit level rules to further define responsibilities.

- Verify funding source is appropriate and funding exists for the reimbursement request
- Review travel authorization associated with expense report when applicable to determine:
  - Expenses originally marked to be direct billed to UGA on travel authorization have not been included on the expense report as payable to the employee
  - Dates of departure/return to verify correct expense type was used
- Verify correct expense types used for all transactions
- Verify compliance, appropriateness, and reasonableness of all transactions and amounts with requirements of the UGA travel policy.
- Verify required documentation and receipts are attached and legible. Documentation in a foreign language should have appropriate English translation to properly review expenses.
- Review any justifications to determine if appropriate

# Why is the reporting for SBITAs Changing?

- There is limited guidance currently available for Subscription-Based Information Technology Arrangements (SBITAs), which has led to various ways of recording the related costs (such as expensing versus capitalizing).

- It has become common for government agencies to enter into subscription-based contracts to use vendor provided information technology (IT). In many cases, these subscription-based contracts extended beyond 1-year and create a financial liability for the government agency. GASB's concern is that the current financial statement presentation does not reflect outstanding debt on SBITAs which could result in incorrect assumptions being made by users of the financial statements related to cash solvency of the governmental entity.

- As such, GASB Statement No. 96 establishes a definition for SBITAs, and provides uniform guidance for accounting and financial reporting. Thus, improving the comparability, relevance, and reliability of financial statements.

- All Software Contracts meeting GASB 96 Criteria must report a subscription liability and an intangible right to use subscription asset. Additionally, essential information about the arrangement must be disclosed on the financial statements.

# GASB 96 Standard

- GASB 96 states, "A SBITA is defined as a contract that conveys **control of the right to use** another party's (a SBITA vendor's) **IT software**, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a **period of time** in an **exchange or exchange-like transaction.**"

Terminology in **bold** is broken down as follows:

- *"Control of the right to use"* – requires both a right to obtain present service capacity from the use of the underlying IT assets and the right to determine the nature and manner of use of the underlying IT assets.

- *"Control of the right to use"* – subscription-based information technology arrangements (SBITA) commonly include provisions such as remote access to software applications or cloud data storage and allows for temporary use that ends when the subscription expires.

- *"Period of time"* – the subscription term is the period of time that the government has a noncancellable right to use the underlying IT assets plus any periods that the government or vendor have the option to extend the contract and it is reasonably certain that the option will be exercised. UGA generally enters into subscription-based contracts for multiple year terms with an initial year and additional renewal options of 1-5 years.

- *"Exchange or exchange-like transaction"* – both parties to the contract receive or give up essentially equal value or not quite equal value.

## Ask yourself...

*Will this software still work or will I be able to log in once the contract term ends?*

If your answer is "<u>no</u>", it is likely that a SBITA exists.

# Exclusions from GASB 96

- Standalone **IT Support/Maintenance service contracts** that do not include the right to use an underlying IT asset. Can also exclude these portions of a multiple component contract if separately identifiable.

- Contracts that convey control of right to use IT software and tangible assets that meet the definition of a **lease** in *GASB Statement 87*, where the software component is insignificant compared to the cost of the underlying tangible capital asset (for example, a computer with operating software or a smart copier that is connected to an IT system).

- Contracts that meet the definition of **a public-private and public-public partnership and availability payment arrangements** in *GASB Statement 94*.

- Licensing arrangements that provide a **perpetual license** to governments to use a vendor's computer software, which are subject to *GASB Statement 51*. A perpetual agreement gives the buyer the right to use the software for an indefinite amount of time (in perpetuity).

- Short-term SBITA contracts, **under 12 months** including exercised renewal periods.

- **Governments** that **provide the right to use their IT software** and associated tangible capital assets **to other entities** through SBITAs

# Implementation Schedule

- **July 1, 2022 –**
  - GASB 96 Reporting Requirements will become effective. All transactions should reflect SBITA ID Numbers (ALL Departments and Central Departments)

- **October 2022 – February 2023 –**
  - Determine which current contracts meet GASB 96 criteria (October 2022 – January 2023)
  - Establish procedures/processes to identify future SBITAs (January 2023 – February 2023)
  - Campus communications (February 2023)

- **March 1, 2023 –**
  - Departments should start using the GASB 96 Questionnaire for ALL NEW SBITAs. Attachment of questionnaire will be REQUIRED.
  - Renewals of current contracts will require a SBITA ID Number that has been created.
  - Start entering SBITA's in Lease Administration (AM Module)

- **March 30, 2023 –**
  - Board of Regents has required that ALL current SBITAs meeting GASB 96 criteria are to be entered into AM Module.

# How does this affect the university community?

- Requires "retroactive restatement" which means that all current outstanding software contracts have to be reviewed and identified for applicability under the new guidance.
  - Accounting, Procurement, and Asset Management have performed a review of all subscription- based IT arrangements meeting a threshold for contracts totaling > $100,000.
    - 322 Contracts Reviewed → 19 meet SBITA recognition criteria
  - Similar to GASB 87 we will provide campus with a list of SBITA IDs, these will be available on the GASB 96 website.
- Be aware of this new guidance as future software contracts are entered into.  Train employees to identify these types of transactions in order to appropriately identify activity on PO's.

# GASB 96 Training Sessions

- Accounting will host three training sessions on GASB 96 and cover the new questionnaire/workflow process.

- A recording of the training session will also be added to our GASB 96 website.

**Training Dates:**

- February 9, 2023 – 1:30 pm – 3:00 pm *(Add to Calendar)*

- February 16, 2023 – Breakout Session after Status Call *(Status Call)*

- February 23, 2023 – 10:00 am – 11:30 am *(Add to Calendar)*

# Accounting GASB Pronouncements Webpage

- A new website page is being created to provide a one-stop-shop for all things GASB 96.

- Departments will be able to download the following:
    - GASB 96 Questionnaire required to be attached to Requisition *(available March 1st)*
    - GASB 96 Guidance – Step-by-step assistance with completion of questionnaire and other helpful information.
    - GASB 96 Training Webinar & PowerPoint
    - SBITA ID Number listing for use in preparing FY24 SBITA Renewal purchase requisitions *(available March 1st)*
    - Link to actual pronouncement as written by the Governmental Accountings Standards Board *(GASB)*

https://busfin.uga.edu/accounting/gasb96/

New Webpage

# Contact Information:

**Accounting**

*General GASB & Implementation Guidance*

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*GASB 96 Questionnaire Guidance*

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# Human Resources Committee

*Co-Chairs: David Maddox & Chandra Echols*

# OneUSG Connect: March 10-14 Downtime and Update

## Impacts:

- System will be down from 11:00 p.m. Friday until 7:00 a.m. Tuesday.
- No access to W2s nor any portion of Employee Self Service or Manager Self Service during the outage.
- Changes coming to the look and feel of OneUSG Connect user interface.
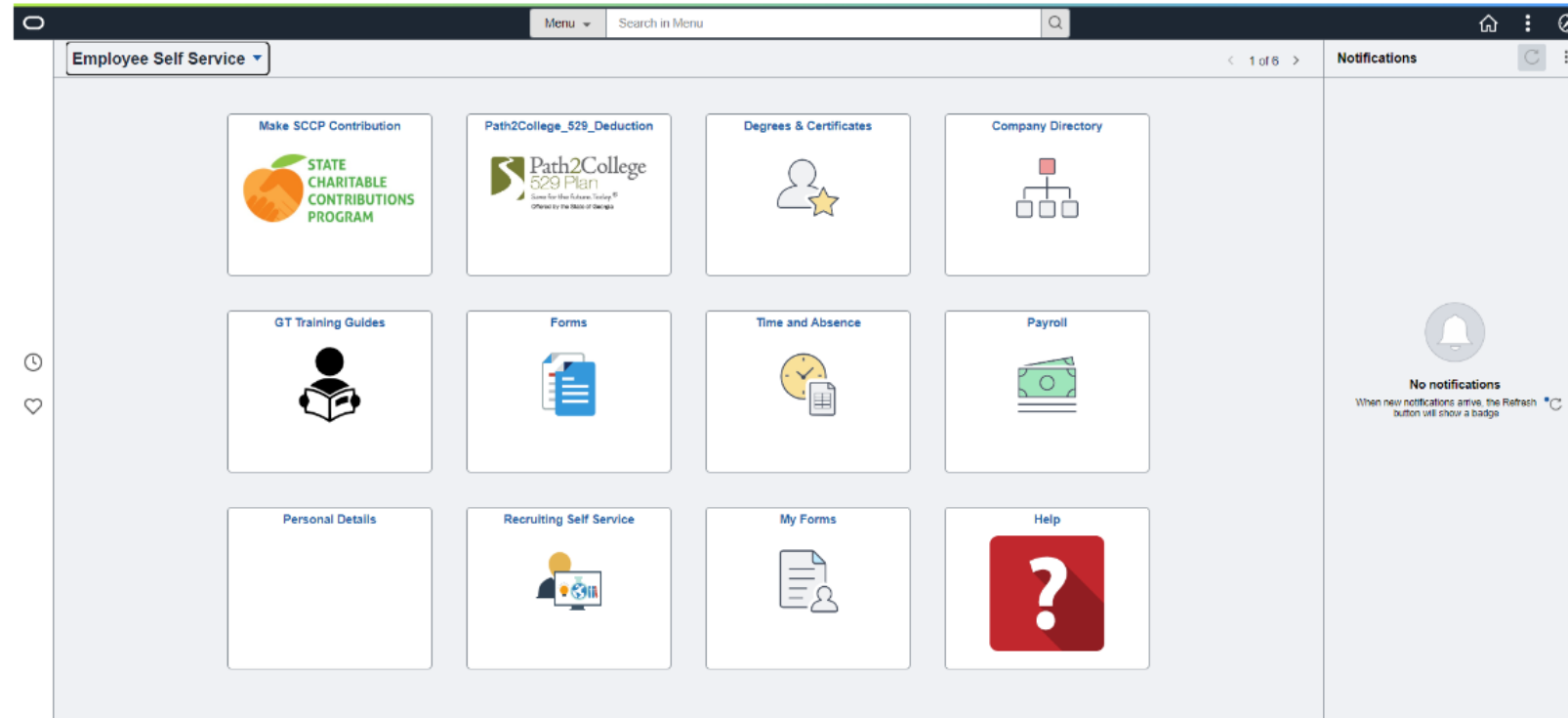
## Action Items:

- Communicate impacts with your unit.
- Faculty and staff should plan to download W2s or submit leave requests in advance.

# Release 6.40

## User Experience Changes

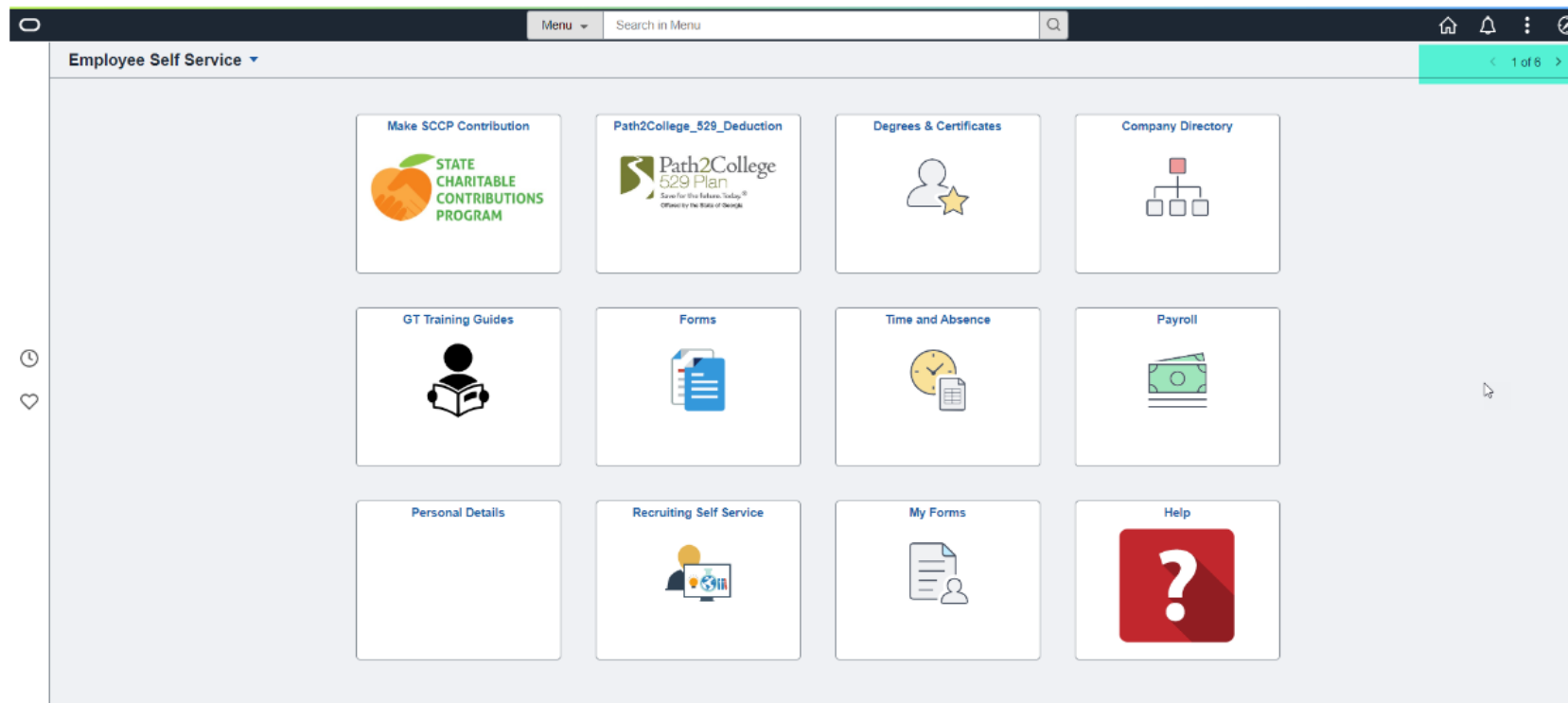- New Look on Landing Page (Notifications can be hidden)

# Release 6.40

## User Experience Changes
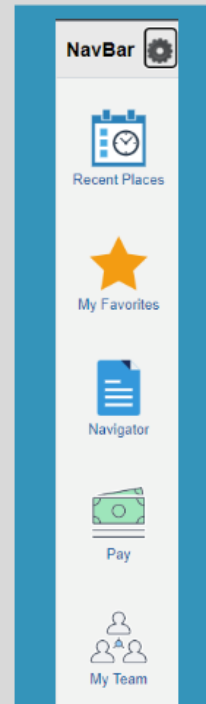
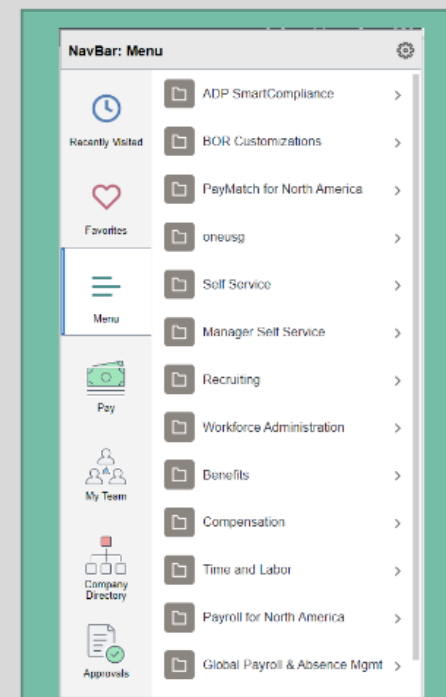- Notifications Hidden, Scroll in Upper Right-Hand Corner

# Release 6.40

## Experience Changes

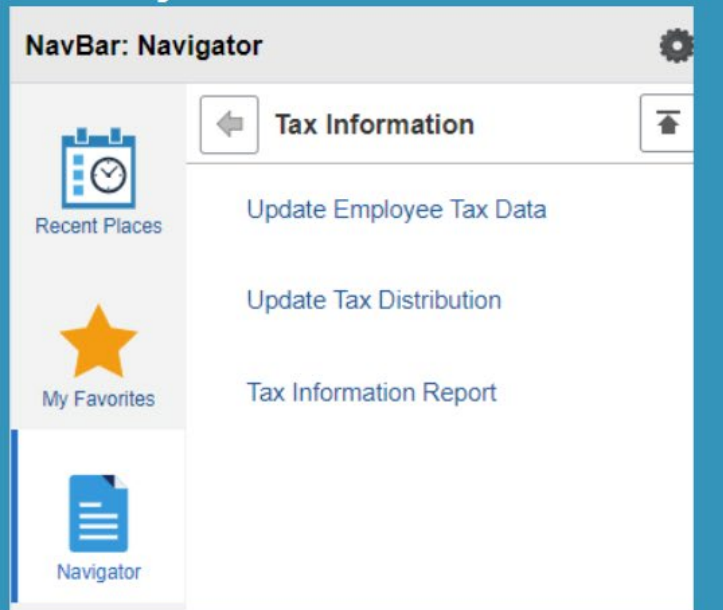- New NavBar Icons (Navigator becomes Menu)

# Release 6.40

## Experience Changes

- Breadcrumbs are back!

**Currently in OneUSG**

NavBar: Navigator

Recent Places

My Favorites

Navigator

Tax Information

Update Employee Tax Data

Update Tax Distribution

Tax Information Report

**After Release 6.40**

NavBar: Menu

Recently Visited

Favorites

Menu

Menu > Payroll for North America > Employee Pay Data USA

**Tax Information**

Update Employee Tax Data

Update Tax Distribution

Tax Information Report
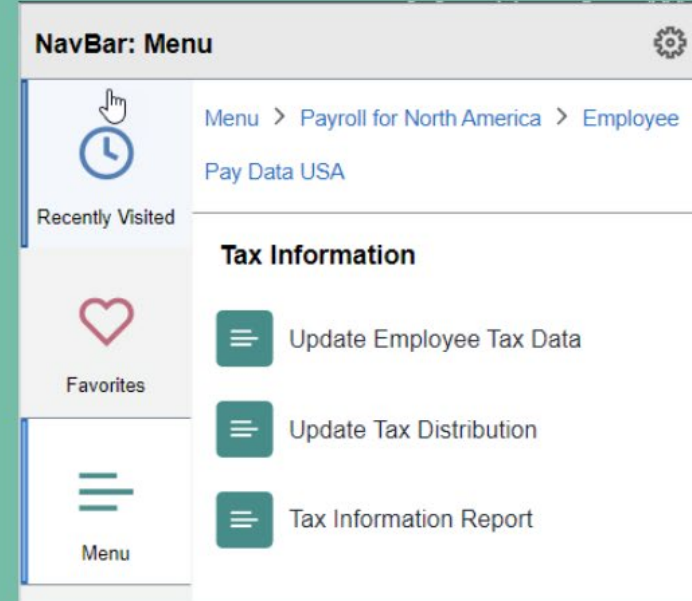
# Process Improvements: Upcoming Projects

## SWB/RWB:

- Utilize Smartsheet process piloted by Franklin College of Arts & Sciences.
- Uses OneUSG Connect query to automatically populate intake form with GAs information.
- Reports to provide visibility into which requests are still in process.

## Position Inactivation:

- Utilize Smartsheet process like the SWB/RWB process.
- OneUSG Connect query will be used to automatically populate Inactivation request.

# Faculty Affairs Committee

*Co-Chairs: Carly Surratt & Mike Gorman*

# Foundation Committee
*Co-Chairs*: Elizabeth Prince & Sadie Brown

# Reporting Committee

*Co-Chairs*: Brooke Rooks, Hailey Normandia, and Susan Cowart

# Other Business

# Open Discussion

**Next meeting:**
April 12, 2023

View past meeting materials on the BSAG website