



KENTUCKY STATE UNIVERSITY

DIVISION OF FINANCE AND BUSINESS AFFAIRS

BUSINESS POLICIES AND PROCEDURES

MANUAL

Kentucky State University

Business Policies and Procedures

Manual

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Overview

General	The Kentucky State University is a non-profit corporation established for the purpose of education.
Delegated responsibility	The responsible budgetary party may delegate another individual in their absence to authorize expenditures except for salary expenses.
Division of Finance and Business Affairs responsibilities	The Division of Finance and Business Affairs plays a central role in assuring that the Regents meet their fiduciary responsibility to donors, government officials, students, employees, and the general public. As such the Division of Finance and Business Affairs establishes the business policies and procedures for the University.
Purpose of manual	The purpose of this manual is to set forth the Kentucky State University business policies and procedures.
Role of business policies and procedures	Business policies and procedures provide a system of internal controls that help to insure that the University's assets are protected against loss and that all financial transactions are recorded properly (i.e., accurately and completely).
Policy on deviation from policies and procedures	These policies apply universally and as written herein to all University departments. Therefore, University departments are held accountable and should not deviate from these policies and procedures.
Additional information	Individuals in departments should contact the Finance Division for general questions. For additional or more specific information contact the Vice President of Finance and Business Affairs or Associate Vice President of Business Operations.

Accounts Payable

Stale Dated Checks	<p>The University is required to review uncashed checks to comply with state unclaimed property laws and U.S. Department of Education regulations concerning federal funds. This review of outstanding checks is performed every 90 days by the business office and includes all reasonable means to locate the payee. Various laws and regulations govern the handling of uncashed checks if the payee cannot be located. Below is a summary of the pertinent laws and regulations that relate to uncashed checks.</p> <p><u>Definitions</u></p> <p>An outstanding check is defined as any check that has not cleared the bank and that has not been cancelled or voided. Outstanding checks may be one of two types:</p> <ol style="list-style-type: none">1. Uncashed – one that has been mailed or delivered to the payee but which remains outstanding. Uncashed checks are those, which no longer are in the possession of the issuing organization.2. Unclaimed – one which is pending delivery to the payee; this includes checks that have been mailed out but then returned to the issuing organization. Unclaimed checks are those, which are in the possession of the issuing organization.3. Unclaimed checks should be returned to the Accounting Department after 10 days if not distributed. These checks are then voided by the Accounting Department and returned to the Accounts Payable Department after they are stamped void. These funds are put into an unclaimed funds account until funds are considered stale dated at which time the funds are turned over to the State as unclaimed property.
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Expenditure authorization policy	<p>Authorization for expenditures is specifically delegated to certain University personnel (i.e., president, vice presidents, deans, department chairs, directors, principal investigators, business managers etc.). Expenditures are authorized via an approving signature. Expenditure reimbursements cannot be made for oneself. Business reimbursements should be approved by the employee's supervisor only not by a subordinate.</p> <p>Note: If the expenditure is related to a grant, authorization must be routed through the Office of Sponsored Programs (Post Award Manager).</p>
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Types of expenditures	<p>Types of expenditures include, but are not limited to:</p> <ul style="list-style-type: none"> • expenses charged to operating budgets through the procurement cycle (see Procurement Procedure), • salary expenses (See Payroll Procedure), • payments for services (independent contractors), • travel expenses (See Travel Procedures), and • renovations to facilities (see Renovations to Facilities Procedures).
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Approving signature defined	<p>An approving signature of responsible University official.</p> <p>Note: Specimen signatures must be submitted annually to both Accounts Payable and the Payroll Departments on respective signature authorization forms.</p> <p>Note: Automated approvals should be used through system controls whenever possible.</p>
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Responsible official defined	<p>The responsible official is the individual specifically delegated to authorize expenditures for a specific budget unit within the University. Individuals may be delegated to authorize only certain types of expenditures (i.e., operating expenses but not salary expenses).</p>
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Approver's responsibilities	<p>Approvers must insure that there are no conflicts of interest and that expenditures are:</p> <ul style="list-style-type: none"> • properly supported by original receipts and invoices, • reasonable and necessary, • correctly coded to the proper account(s), • consistent with established University policies, and • consistent with sponsor or donor restrictions (where applicable).
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Limitations on signature authority	<p>The following are limitations on signature authority:</p> <ul style="list-style-type: none"> • No person may authorize (approve) his/her own expense
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Date: April 30, 2010

	<p>reimbursement.</p> <ul style="list-style-type: none"> • No person may authorize (approve) the expense reimbursement of any individual to whom he/she reports either directly or indirectly. • No person may authorize (approve) any payroll or personnel form that affects his/her salary. • No person may authorize (approve) any payroll or personnel form that affects the salary of an individual to whom he/she reports either directly or indirectly.
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Prepaid expenses	<p>If expenses span multiple fiscal years the expense will be prorated between fiscal years. The amounts benefiting a subsequent fiscal year will be reported as prepaid expenses. Expenditures > \$2,499 spanning over multiple fiscal years will be accounted for in a prepaid account and expensed in the appropriate fiscal year.</p> <p>Exception: Athletic expenditures are not subject to the \$2,500 threshold in order to comply with NCAA requirements.</p>
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Check Distribution	<p><i>Payments to Vendors</i></p> <p>All checks payable to vendors will be mailed to their established "Remit-to" business address. If attachments must accompany the payment, please submit to the Accounts Payable Department before the scheduled due date. Departments <i>may not</i> pick-up vendor checks. We discourage the distribution of vendor checks to the vendor in person; however, we will release vendor checks to the business officer or owner with proper identification. Prior notice is required.</p> <p><i>Payments to Individuals</i></p> <p>Checks payable to individuals will be mailed to the address specified by the payee, including campus addresses if the check is not picked up within 3 days from the check date.</p> <p>Employees should make sure that the Accounts Payable Department has a current address in the system. Human Resources and Payroll have separate modules in the system and employee information is not shared with Accounts Payable.</p>
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	<p><i>Payments Held for Pickup</i></p> <p>The following types of payments can be held for pickup in the Accounting Department. Pickup instructions must be provided.</p> <ul style="list-style-type: none"> ○ Travel advances and travel expenses ○ Honorarium, musicians or similar payments which must be personally presented immediately upon completion of services. ○ Employee Reimbursements. ○ Conference fees or lodging charges to be hand delivered by the attendee. ○ Game officials, speakers, or other such services performed on campus requiring payment at the time of service.
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Check Pickup	<p>For payments to be authorized for pickup, the check request, invoice, or voucher must be marked "hold for pickup" and reflect the name and telephone number or e-mail address of the departmental contact for pickup notification. These forms must be received by Accounts Payable no less than three working days prior to the date the check is desired. Refer to the Vendor Check Disbursement Schedule to determine the date the requests must be submitted and the check date</p> <ol style="list-style-type: none"> 1. Department contacts or individuals will be telephoned or e-mailed regarding check availability. Check pickup hours in Accounting (fourth floor, ASB, 400 East Main Street) from <i>10:30 A.M. - NOON and 2:00 PM - 4:00 PM, Monday through Friday.</i> 2. Checks will not be released without an authorized signature. Employees will be required to present a current Kentucky State University or drivers license. The Accounting Department must be notified in advance by the payee if Departmental representatives will be picking up checks for you. The designated representative must provide identification. Checks not picked up within three (3) will be mailed or canceled as appropriate.
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Exceptions	<p>Requests for exceptions to these policies and procedures should be submitted via e-mail to Katherine Napier, Associate Vice President of Business Operations @ katherine.napier@kysu.edu or Alice Johnson, Vice President of Finance and Business Affairs.</p>
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Accounts Receivable

Accounts receivable policy

Accounts receivable must be reviewed on at least a monthly basis by the Bursar's Office. Collection efforts on all receivables begin after the account is 30 days past due (this does not apply to currently enrolled students who must make financial arrangements with the Bursar). The University calculates an allowance for doubtful accounts in accordance with generally accepted accounting principles. Accounts are turned over to a collection agency when internal collection efforts are deemed unsuccessful. Written approval from the President or Vice President of Finance and Business Affairs is required to forgive past due debts.

Past due amounts are turned over to an outside collection agency after 60 days if internal collection efforts are unsuccessful.

Accounts receivable defined

Accounts Receivable amounts are due to the University from external sources. Accounts receivable categories include student accounts, non-student receivables, third-party receivables, and other receivables.

Note: Amounts due between University departments are not accounts receivable.

Collection effort defined

Communication seeking payment for past due accounts. Communication may be written or oral.

Note: Document the content of all oral collection communications.

Collection procedure

The collection procedure for University receivables are:

Days Past Due	Action
30, 60	Reminder letter and/or telephone call informing of past due status.
> 60 days	Send final demand for payment letter. Advise customer that account will be turned over for collection. Submit to collection agent within 10 days.

Continued on next page

Accounts Receivable, Continued

Collection responsibility

The Bursar is responsible for all collections. University departments may be asked to assist in the following collection efforts for:

If...	Then...
Student loans	Student Affairs
Third Party Receivables	Accounting
Other	Accounting

Debt forgiveness thresholds

The following thresholds apply to debt forgiveness:

Debt Amount	Approval Level Required	
< \$2,500	If...	Then....
	All others	<ul style="list-style-type: none">Bursar and Assoc. VP Business Operations
\$2,500 - \$15,000	If...	Then...
	All others	<ul style="list-style-type: none">Vice President of Finance & Business Affairs and the Assoc. Vice President for Business Operations
> \$15,000	Vice President Finance & Business Affairs	

Continued on next page

Accounts Receivable, Continued

Allowance for doubtful accounts defined

Amount of outstanding receivables that the University estimates it will not recover. The University uses one-half of the amount of outstanding balance >90 days in the accounts receivable aging for the next fiscal year and one-half for the following fiscal year.

Allowance for doubtful accounts calculation procedure

The allowance for doubtful accounts calculation is done, at a minimum, annually as part of fiscal year end processes (June 30). Follow the procedure below to calculate this allowance:

Step	Action
1	Review detailed aged accounts receivable balance by type (student, non-student, and third-party) and category (1-30 days past due, 31-60 days past due, 61-90 days past due, > 90 days past due)
2	Determine from historical records the total amount written off for each account type.
3	Determine what amount represents for each category.
4	Apply this one-half of outstanding balance to fiscal year end balances by type and category to determine overall total.
5	Submit calculations to Director of Accounting for review and posting to financial statements. Year end (i.e., June 30 calculation) is due no later than June 22nd each year.

Allowance for doubtful accounts calculation responsibility

The individual(s) responsible for calculation of the allowance for doubtful accounts are:

Type	Responsible
Student accounts receivable	University Bursar & Director of Accounting

Additional information

Contact the Accounting Department for additional information.

Business Meetings, Entertainment, and Other Occasions

Permitted expenditures

The University permits expenditures for meals and light refreshments provided to faculty or staff members, students, donors, guests, visitors, volunteers, and other individuals for the purpose of conducting substantial and bona fide University business.

At no time will alcoholic beverages be reimbursed.

Expenditures while conducting University business

Expenditures for business meetings may be incurred in connection with meetings of employees to conduct official University business. At least one University employee or other individual representing the University must be present at any business meeting that includes non-University persons.

Expenditures for entertainment may be incurred with events that are primarily social or recreational activities in support of the University's mission. Such activities must support an underlying University business purpose such as promoting goodwill, donor cultivation, etc.

Expenditures for other occasions may be incurred when associated with official employee morale-building and appreciation activities that serve a University business purpose. Examples include a gathering to honor departing employee who is retiring or separating from employment after at least 5 years of University service, employee recognition receptions, and annual faculty/staff picnic. Under no circumstances may University funds be used for occasions such as employee birthdays, weddings, anniversaries, showers, or other occasions of a personal nature.

Frequency of Meals and Light Refreshments

Meals and light refreshments provided by an employer to its employees on a frequent or routine basis are treated by the IRS as taxable income and therefore, are not allowable under University policy. The following guidelines should be followed in providing meals and light refreshments in connection with a business meeting, entertainment event, or morale-building activity:

Meals (catered or restaurant-provided breakfast, lunch or dinner) should be limited to no more than once per month or 12 times per year per group.

Light refreshments (beverages, snacks, hors d'oeuvres, pastries, cookies, fruit, chips, etc.) should be limited to no more than twice per month per group.

Meals or light refreshments provided to a group should be counted on an event basis, e.g. a two-day meeting should be counted as one event in determining compliance with these guidelines.

Meals or light refreshments may be provided to non-employee students on a more frequent basis.

**Maximum
Rates for Meals
and Light
Refreshments**

The maximum per person expenditure for meals and light refreshments furnished by the University may not exceed the following amounts effective fiscal year 2008. These amounts are subject to change without notification.

Meal	Maximum Per Diem Rates (per person)
Breakfast	\$15.00
Lunch	\$20.00
Dinner	\$30.00
Light Refreshments	\$10.00
<p>The reimbursement for a buffet reception cannot exceed the applicable meal rate associated with the type of buffet, i.e. breakfast, lunch or dinner. Reimbursement for a brunch may be made using the lunch rate.</p> <p>The maximum per person expenditures listed above include the cost of the food and beverages, labor, sales tax, delivery charges, and other service fees. If a reception before a meal includes beverages and hors d'oeuvres, the combined charges for the reception and the meal should be treated as a single event for purposes of calculating the per person costs.</p> <p>The costs of room rental, room set-up fees, media rental, decorations, etc. are not included in the per person costs unless those costs cannot be separated by the vendor.</p>	

Campus Account

Campus account policy

University departments and affiliated organizations (student clubs, etc.) must have campus accounts (i.e. general ledger accounts) for processing financial transactions and obtaining campus services (i.e., printing/duplication, maintenance, etc.). Bank accounts using the University's name and/or taxpayer identification number are not permitted for these organizations.

Campus accounts defined

Campus accounts are FRS accounts that represent a financial unit (i.e., budget unit, program, activity, club, etc.) wherein transactions are recorded for financial reporting and budgeting purposes.

Affiliated organizations defined

Those organizations affiliated with the University and using the University's name. Examples include booster organizations, clubs funded through Kentucky Foundation, and other student clubs, which are not separately incorporated (i.e., have separate legal status).

Opening a campus account procedure

Follow the procedure below to open a campus account:

Step	Action										
1	University departments and affiliated organization completes New Account Request form (available on Accounting Department intranet).										
2	<table> <tr> <th>If requestor is...</th><th>Then...</th></tr> <tr> <td>Department</td><td>Submit completed New Account Request form, Faculty/Staff Signature Authorization form (available on Accounting Department intranet), and budget request to Finance Department.</td></tr> <tr> <td>Student organization</td><td>Submit to the Accounting Department the following completed: <ul style="list-style-type: none"> • New Account Request form, • Student Organization Registration Application form (available from Student Affairs), and • Club Registration Signature Card (available from Student Affairs). </td></tr> <tr> <td>Student organization</td><td>Submit completed New Accounting Request form to Director of Accounting.</td></tr> <tr> <td>Other affiliated organizations</td><td>Submit completed New Account form to Direction of Accounting.</td></tr> </table>	If requestor is...	Then...	Department	Submit completed New Account Request form, Faculty/Staff Signature Authorization form (available on Accounting Department intranet), and budget request to Finance Department.	Student organization	Submit to the Accounting Department the following completed: <ul style="list-style-type: none"> • New Account Request form, • Student Organization Registration Application form (available from Student Affairs), and • Club Registration Signature Card (available from Student Affairs). 	Student organization	Submit completed New Accounting Request form to Director of Accounting.	Other affiliated organizations	Submit completed New Account form to Direction of Accounting.
If requestor is...	Then...										
Department	Submit completed New Account Request form, Faculty/Staff Signature Authorization form (available on Accounting Department intranet), and budget request to Finance Department.										
Student organization	Submit to the Accounting Department the following completed: <ul style="list-style-type: none"> • New Account Request form, • Student Organization Registration Application form (available from Student Affairs), and • Club Registration Signature Card (available from Student Affairs). 										
Student organization	Submit completed New Accounting Request form to Director of Accounting.										
Other affiliated organizations	Submit completed New Account form to Direction of Accounting.										
3	Accounting Department establishes account in FRS Financial Reporting System.										

**Additional
information**

Contact the Accounting Department for additional information.

Capital Assets Management

Capital Assets Management Policy

The University maintains records of all its long-lived assets (whether purchased or donated) in a centralized property control system. The original cost of long-lived assets meeting the University's capitalization threshold is capitalized and depreciated over the asset's useful life. Departments are responsible for the care, maintenance, and use of all long-lived assets in their custody. Purchase orders are required for the purchase of long-lived assets.

Long-lived assets defined

Nonexpendable property (i.e., land, buildings, furniture, and equipment)

- having a useful life greater than one year,
 - an original cost of \geq \$2,000, and
 - provides future benefit to the University.
-

Asset Classification

Capital assets refer to all tangible and intangible assets that are used in operations, meet thresholds that have been set up and that have initial useful lives extending beyond one year.

Capital assets should be categorized into the following:

- land; land improvements and infrastructure;
 - buildings;
 - equipment;
 - Vehicles;
 - library books and artwork;
 - Construction in progress.
-

Land

Land is any improved or unimproved tract owned by Kentucky State University. Land is a non-depreciable asset. The following costs related to the acquisition of land should be capitalized:

- Contract/purchase price
- Closing costs
- Title searches
- Title insurance
- Professional services
- Appraisals
- Broker's fees

If the land is purchased for the purpose of constructing a building, all costs incurred up to the excavation for the new building should be considered land costs. Examples of land costs that should be capitalized are as follows:

- Razing and removal
 - Land improvements
-

Continued on Next Page

Capital Assets Management, Continued

- Site improvements
 - Landscaping associated with new construction.
-

Land improvement and infrastructure

Land improvement is any non-building improvement built, installed or established to make land ready, enhance the quality of, or facilitate the use of the land for its intended purpose. Land improvements include items such as excavation, non-infrastructure utility installation, driveways; sidewalks, parking lots, flagpoles, retaining walls, fencing, outdoor lighting, and other non-building improvements intended to make the land ready for its intended use. Land improvements can be further categorized as inexhaustible and exhaustible.

- **Inexhaustible:** Expenditures for improvements that do not require maintenance or replacement. Expenditures for land improvements that do not deteriorate with use or passage of time are additions to the cost of land and are generally inexhaustible and therefore not depreciable.
- **Exhaustible:** Other improvements that are part of a site, such as parking lots, landscaping and fencing, are usually exhaustible and are therefore, depreciable.
- **Infrastructure:** Assets are defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of such infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Improvements to infrastructure or land improvements which extend the useful life or capacity of the asset and meet capitalization thresholds will be capitalized as a separate asset/component and depreciated over its estimated useful life.

Building

A structure that is permanently attached to the land with a foundation, has a roof, is partially or completely enclosed by four walls, has one utility other than electricity, and is not transportable or moveable, and is used for housing people, animals, plants or equipment. Equipment permanently affixed to buildings should be included as part of the building.

Examples of expenditures to be capitalized on purchased buildings are:

- Original contract price or cost of construction;

Continued on next page

Capital Assets Management, Continued

- Expenses incurred in remodeling, reconditioning, or altering a purchased building to make it available for the purpose for which it was acquired Expenses incurred for the preparation of plans, specifications, blueprints, etc.;
- Cost of building permits.
- Payment of non current taxes accrued on the building at date of purchase, if payable by purchaser;
- Professional fees; architects' and engineers' fees for design and supervision
- Costs of temporary buildings used during the construction period.
- Environmental compliance (for example asbestos abatement)
- Cancellation or buyout of existing leases.

Examples of expenditures to be capitalized as a result of constructing a building are;

- Completed project costs such as materials, overhead and labor.
- Interest accrued during construction
- Cost of excavation or grading or filling of land for a specific building
- Expenses incurred for the preparation of plans, specifications, and blueprints etc.
- Cost of building permits
- Professional fees (architect, engineer, management fees for design and supervision, legal).
- Costs of temporary buildings used during construction
- Unanticipated costs such as rock blasting, piling, or relocation of the channel of an underground stream.
- Permanently attached fixtures or machinery that cannot be removed without impairing the use of land
- Additions to buildings (expansions, extensions, or enlargements).

Building replacement/renewal

The total replacement refers to substituting a unit with a new one that serves the same purpose and has the same estimated useful life as the unit being replaced. For example: replacement of old broken windows with a new thermal variety. The purchase of a new unit to replace a worn out unit represents an addition to and deduction from the property and the cost of the new asset is capitalized. The old asset is written off. Replacement parts that do not materially extend the life of an asset are to be considered ordinary repairs and expensed. Expenditures for dismantling or removing an old asset are to be expensed.

Capital Assets Management, Continued

Extraordinary repairs	Extraordinary repairs, not recurring in the routine maintenance process, which extend the useful life of an asset or increase its use value (utility) beyond what it was before the repair, are capitalized. Expenditures to main an asset in efficient operation condition, which do not extend the normal economic useful life, are expensed.
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Examples of building related expenditures to be capitalized

- Conversion of attics, basements etc to usable office, clinic, research or classroom space.
- Structures attached to the building such as covered patios, sunrooms, garages, carports, enclosed stairwells.
- Installation or upgrade of heating and cooling systems, including ceiling fans and attic vents.
- Original installation/upgrade of wall or ceiling covering such as carpeting, tiles, or paneling.
- Structural changes such as reinforcement of floors or walls, installation or replacement of beams, rafters, steel grids or other interior framing.
- Installation or upgrade of window or doorframe, upgrading of windows or doors, built –in closet and cabinets.
- Interior renovation associated with casings, baseboards, light fixtures, ceiling trim.
- Installation or upgrade of plumbing and electrical wiring.
- Installation or upgrade of phone or closed circuit television systems, networks, fiber optic cable, wiring required in the installation of equipment (that will remain in the building).

Continued on next page

Capital Assets Management, Continued

Examples of building related maintenance expense.

The following are examples of expenditures that may not be capitalized as improvements to buildings based on the materiality level.

- Adding and moving of walls relating to renovation projects that are not considered major rehabilitation projects and do not increase the value of the building.
- Improvement projects of minimal or no added life expectancy and/or value to the building.
- Plumbing or electrical repairs
- Cleaning, pest extermination, or other periodic maintenance
- Interior decoration, such as draperies, blinds, curtain rods, wallpapers.
- Exterior decoration, such as awnings, uncovered porches, decorative fences.
- Maintenance type interior renovation such as repainting, touch-up plastering, replacement of tile or panel sections; sink and fixture refinishing.
- Maintenance type exterior renovation such as repainting, repair of deteriorated siding, roof, masonry sections.

Equipment and Leased Equipment

Equipment is defined as fixed or movable tangible assets to be used for operations whose benefit extends beyond one year from the date of acquisition. Improvements to existing equipment assets which extend the useful life or capacity of the asset and meet capitalization thresholds will be capitalized as a separate asset/component and depreciated over its estimated useful life.

Capitalization of equipment costs include but are not limited to, the following:

- original contract or invoice cost;
- freight, import duties, handling and storage costs;
- specific in-transit insurance charges;
- sales, use and other taxes imposed on the purchase;
- costs of preparation of foundations and other costs in connection with making a proper site for the assets;
- installation charges; and
- Costs for reconditioning used equipment to make it usable for the purpose it was purchased.

Capital Assets Management, Continued

Library books Purchased library books should be recorded at cost. Generally, library books acquired by contribution would be recorded at fair market value. The university has established a layered depreciation procedure for library books, where an annual layer for books/volumes purchased is maintained. Although not maintained in the fixed asset accounting system, the useful life of library books, reference materials and information sources is 10 years. As such, a 10 percent charge would be applied the historical cost balance each year. The disposal will be recorded as a reduction of the gross library book value. Additions in the current year will be grouped by a layer and the total asset value would be depreciated over the established average useful life. The university does not capitalize or depreciate qualifying collections. A qualifying collection is subject to all the following provisions:

- The collection is to be held for public exhibition, education, or research in furtherance of public service, rather than for financial gain.
- The collection is to be protected, cared for and preserved.
- The net proceeds from the sales of collection items are to be used to acquire other items for collections.

Construction in Progress (CIP) A CIP asset reflects the cost of construction work undertaken, but not yet completed. For construction in progress assets, no depreciation is recorded until the asset is placed in service. When construction is completed, the asset should be reclassified as building, building improvement, land improvement, or equipment and should be capitalized and depreciated.

General Policy for Capitalization Standard capitalization thresholds are as follows:

- all land acquisitions
- all buildings acquisitions
- building renovations and improvements projects costing more than \$100,000
- land improvements and infrastructure projects costing more than \$100,000
- equipment costing more than \$2,000 with a useful life beyond a single reporting period (generally one year)
- All library books (excluding collections).

Capital Assets Management, Continued

Asset Valuation Capital assets shall be recorded at historic cost or, if the cost is not readily determined, at estimated historic costs. Cost shall include applicable ancillary costs. All costs shall be documented including methods and sources used to establish any estimated costs. In the case of gifts, the asset should be recorded at fair market value at the date of receipt.

Purchased assets – The recording of purchased assets shall be made on the basis of actual costs, including all ancillary costs, based on vendor invoice or other supporting documentation. The historic cost of the asset should include the following:

- Invoice price plus the value of any trade in.
- Installation cost excluding in-house labor.
- Modifications, attachments, accessories or apparatus necessary to make the asset usable.
- Ancillary charges necessary to place the asset in its intended location, such as freight, transportation charges, site preparation costs and professional fees.

Constructed assets – All direct costs (including labor) associated with the construction project shall be included in establishing the asset valuation

Capitalization defined The process by which the long-lived asset is recorded at its original cost in the University's financial records. This cost is then depreciated over the useful life of the asset.

Capitalization threshold defined The minimum amount at which the University will capitalize rather than expense long-lived assets. The University's capitalization threshold is \$2,000.

Note: This threshold applies to individual or constructed items costing at least \$2,000. For example, a piece of furniture with a purchase cost of \$2,000 would be capitalized while a modular workstation having individual detachable components each costing less than \$2,000 would not.

Capitalization methodology Purchased assets, except library collections, meeting the threshold above are capitalized when received by the University. Library collections and construction are capitalized annually as part of year-end accounting procedures. Construction not yet completed (i.e., construction in progress) is capitalized but not depreciated until construction is complete and placed in use.

Property control system defined	A system containing all relevant accounting information for each long-lived asset wherein each asset is given a unique identifying tag number.
Original cost defined: purchased items	<p>Original cost includes cost minus any discounts plus:</p> <ul style="list-style-type: none"> • delivery charges, • taxes, • costs of installation, and • modifications, attachments or accessories required making the item usable for its acquired purpose. <p>Original cost does not include:</p> <ul style="list-style-type: none"> • repairs, or • demolishing, dismantling or disposing of equipment, or • rearrangement, transfer or moving of capitalized items from one location to another, or • maintenance contracts or warranties.
Original cost defined: University-constructed long-lived assets	All direct costs (labor, materials and variable overhead) of University-constructed long-lived assets are capitalized. Capitalized cost may not exceed fair market value.
Original cost defined: donated long-lived assets	To be capitalized in the property management system donated items must have a fair market value \geq \$2,000 and a minimum useful life greater than one year on the date of the gift. Fair market value is used as the original cost amount and is determined by a qualified independent appraisal.
Original cost defined: leased equipment	<p>Equipment leased by the University is capitalized if, at the inception of the lease, the fair market value is \geq \$2,000 (determined by the Purchasing Department), and</p> <ul style="list-style-type: none"> • the lease transfers ownership of the property to the University at the end of the lease term, or • the lease contains a bargain purchase option, or • the lease term is 75% or more of the estimated economic life of the leased property (see Depreciation Policy for useful lives), or • the present value of the minimum lease payments equals or exceeds 90% of the fair market value of the leased property.

Continued on next page

Capital Assets Management, Continued

Capital asset acquisition procedure and approvals

Follow the procedure below to acquire and place in service long-lived assets:

Step	Action						
1	Department completes an on-line requisition utilizing the FRS System. <u>Note:</u> A purchase order is required to purchase long-lived assets.						
2	Upon receipt, department thoroughly inspects the asset(s). <table border="1"> <tr> <th>If the asset(s)...</th><th>Then...</th></tr> <tr> <td>is received in good order</td><td>Contact the fixed asset accountant to tag the equipment.</td></tr> <tr> <td>is received but not in good order</td><td>Contact the Vendor or Purchasing Department for return instructions.</td></tr> </table>	If the asset(s)...	Then...	is received in good order	Contact the fixed asset accountant to tag the equipment.	is received but not in good order	Contact the Vendor or Purchasing Department for return instructions.
If the asset(s)...	Then...						
is received in good order	Contact the fixed asset accountant to tag the equipment.						
is received but not in good order	Contact the Vendor or Purchasing Department for return instructions.						
3	Fixed Asset Accounting Personnel affixes a pre-numbered University property tag to the asset and completes an Equipment Check-In form.						
4	Notify Fixed Asset - Accounting Department of any long-lived asset transfers or returns. <u>Note:</u> See Surplus Property Disposition Policy for disposal of University property.						

Personal use of University property

Use of University material or property in the care and custody of the University, by University employees for personal purposes is not permitted. It is to be explicitly understood that if University property is used for personal purposes the University insurance policy does not provide for coverage and the liability (i.e., repairs, replacement, etc.). Therefore liability for said property rests with the individual or individuals responsible for the property.

Depreciation defined

Process by which the cost of long-lived assets is expensed over the estimated useful life of the asset. The depreciation process allocates the cost of tangible property over a period of time, rather than deducting the cost as an expense in the year of acquisition. Generally, at the end of an asset's life, the sum of the amounts charged for depreciation in each accounting period will equal original cost less the salvage value.

Capital Assets Management, Continued

Information Needed to Calculate Depreciation

To calculate depreciation on a fixed asset the following five factors must be known:

- The date the asset was placed in service;
- The asset's cost or acquisition value;
- The asset's salvage value;
- The asset's estimated useful life, and
- The depreciation method.

Asset Salvage Value

The salvage value of an asset is the value it is expected to have when it is no longer useful for its intended purpose. In other words, the salvage value is the amount for which the asset could be sold for, at the end of its useful life. This value can be based on general guidelines from some professional organizations such as Government Finance Officers Association (GFOA), internal experience or professionals such as engineers, architects, etc.

University depreciation methodology

The University utilizes straight-line depreciation with a half-year convention in the year of acquisition and year of disposal. Under the half-year convention, assets purchased during the fiscal year will be treated as though they were placed in service on the first day of the seventh month of the fiscal year. Under the straight-line depreciation method the basis of the asset is written off evenly over the useful life of the asset. The amount of annual depreciation is determined by dividing an asset's cost reduced by the salvage value, if any, by its estimated life. The total amount depreciated can never exceed the asset's historic cost less salvage value.

Continued on next page

Depreciation is calculated from the date placed in-service until the date disposed or fully depreciated. The University capitalizes, but does not depreciate, works of art and historical treasures that are held for exhibition, education, research and public service. The following useful lives are used:

Asset Class	Asset Type	Useful Life (in years)
000100	Computer equipment	5
000150	Non-cap computer equipment	5
000300	Copiers	5
000400	Audio visual	8
000410	Audio visual non-cap	8
001000	Furniture	8
001050	Non-cap furniture	5
002000	Lab/scientific equipment	8
002500	Non-cap lab/scientific equip.	8
004000	Athletic equipment	8
00700	General equipment	8
007500	Non-cap general equipment	8
008000	Vehicles	5
009000	Cafeteria equipment	8
009500	HVAC equipment	15
N/A	Buildings	40
N/A	Land Improvement	20
N/A	Library books	10

Confirmation of capital assets

The University will periodically require departments to confirm the presence of capital assets. This confirmation will be done via three methods:

- Equipment manager inspects each piece of property on the **Fixed Assets Property Report** and signs the report indicating inspection complete and notes any changes that need to be made.
- Fixed Asset Manager verifies existence of asset.
- Internal audit verifies existence of asset.
- External audit verifies existence of asset.

Related policies

None

Additional information

Contact the Fixed Asset Accountant for additional information.

Cash Handling

Cash Management Policy	These procedures are to ensure safe handling of all cash receipts and accurate classification of receipts.
Internal controls	Access to cash is limited and all funds are secured at all times. One person checks the work performed by another on a daily basis.
Responsibility for Cash Handling	Any employee who handles cash is responsible for their cash fund. Cash funds are closed the last working day of December and June for year end close. Funds are reopened on the first business day of January and July. The department head is responsible for ensuring security of all funds.
Central Point for Cash receipts	Any cash collected must be receipted and deposited at the Cashier's Office. Deposits can be in the form of currency, coins, checks, money orders, credit card sales.

Cell Phones

Cell phone policy University employees may be eligible for a cell phone allowance for usage of personal cell phones in conducting University business. No other type of reimbursements shall be made to employees receiving a cell allowance.

Cell phone defined Any device that is being used, in any measure, to make or receive wireless calls.

Determining employee eligibility Any university employee who has a frequent need to use a cell phone for business purposes is eligible. A frequent need refers to two types of needs:

- 1) The need for frequent use of a cell phone (e.g., an employee who must be often on the road or in the field, but who needs to remain in touch with others.)
- 2) The need to be frequently available for emergency contact (e.g., an employee whose duties require them to be quickly contacted, anywhere, anytime.)

Determining employee allowance The Cabinet level administrator shall determine eligibility within respective division. Employees may be eligible for one of three allowances based on minutes per plan as follows:

- a. 500 minute plan = \$35.00 per month
- b. 1,000 minute plan = \$40.00 per month
- c. 1,500 minute plan = \$50.00 per month

Establishing allowance

Step	Action
1	Department to contact Vice President of Finance and Business Affairs to obtain Cell Phone Allowance.
2	Department to complete form and obtain necessary signatures.
3	Department to forward form to Vice President of Finance and Business Affairs for review and approval.
4	VP of Finance to route form to Human Resources Department for processing.
5	Human Resources Department to establish allowance in system.

How payment to employee will be made

Payment will be made per pay period, as an addition to the employee's payroll check. Payments will be equally divided among the pay periods.

Note: The allowance does not constitute an increase in base pay and will not be included in any percentage calculations for increase to base.

Contracts

Contract policy This policy designates who, within the University, is authorized to sign contracts on behalf of the University. All previous delegations or communications on this subject are superseded. Contracts may be signed on behalf of the University only by:

- A person in a position specifically authorized by the University Board of Regents.
- A vice president or Provost, to whom the President has delegated the authority, as specified herein.
- A person who has received a sub-delegation in accordance with this policy.

Contract defined For the purposes of this policy, a "contract" is defined as a written agreement between two (2) parties intended to have legal effect in one of the following forms listed below.

- Documents signed by KSU and another party.
- Offers signed by KSU.
- Certain pre-approved KSU forms signed by others.
- Contract forms promulgated by others signed by KSU.

The term "contract" does not include written agreements between different units of the University. University Purchase Orders, encumber funds on behalf of the University.

Contract procedure All contracts must be forwarded to the Office of General Counsel for review and approval. The Office of General Counsel will forward contract to the President's Office for signature.

Contract Storage The Purchasing Department maintains contracts for purchase orders and solicitations issued by the department to include invitations for bid, requests for proposal, and personal services contract. All others, in addition to some of the above, are stored in the Office of General Counsel. For example: memorandum of agreement, memorandum of understanding, sub-agreements, grant agreements, and general contracts.

Unusual obligation defined An unusual obligation is a transaction that is extraordinary and/or rare. For example, patents, royalties, affiliation agreements and/or related party transactions.

Related party transactions

Transactions between the University and:

- Regents members and/or their families, or
- Key management and/or members of their families.

Note: Related party transactions must be disclosed in writing to the Associate Vice President of Business Operations and during the annual Conflict of Interest Disclosure.

Lease defined

A lease is a contractual agreement between a lessor and the University (the lessee) that gives the University the right to use specific property, owned by the lessor, for a specific period of time in return for stipulated cash payments. There are two types of leases: capital and operating.

Capital lease defined

A lease is a capital lease if the equipment costs is \$2,000 or above and the lease meets one of the following criteria:

- The lease transfers ownership of the property to the lessee.
- The lease contains a bargain purchase option.
- The lease term is equal to 75% or more of the estimated economic life of the leased property.

The present value of the minimum lease payments equals or exceeds 90% of the fair value of the property.

Operating lease defined

Any lease that does not meet the criteria for a capital lease.

Related policies

Additional information

Contact the Purchasing Department for additional information.

Entertainment

Entertainment policy	The University will pay for ordinary and necessary expenses to entertain business guests in accordance with IRS regulations.
<hr/>	
IRS regulations	<p>For entertainment expenses to be reimbursable and not subject to taxes the entertainment must be ordinary and necessary and one of the following tests must be met:</p> <ul style="list-style-type: none">• directly-related test or• associated test <p>(Note: See definitions below.)</p>
<hr/>	
Entertainment defined	Entertainment includes any activity generally considered to provide entertainment, amusement, or recreation. Examples include entertaining guests at social, athletic and sporting clubs; at theaters; or at sporting events.
<hr/>	
Business guest defined	<p>Business guests include, but are not limited to:</p> <ul style="list-style-type: none">• donors,• prospective donors,• employees (i.e., special recognition for retirement, service etc., holiday events for faculty or staff; etc.),• prospective employees (i.e., applicants invited to campus for interviews), and/or• visiting dignitaries or lecturers.
<hr/>	
Directly-related test	<p>To be directly related, all conditions below must be met and you must show that:</p> <ul style="list-style-type: none">• The main purpose of the combined business and entertainment was the active conduct of business.• You did engage in business with the person during the entertainment period.• You had more than a general expectation of getting income or some other specific benefit at some future time.
<hr/>	
Associated test	<p>To meet the associated test, both conditions below must be met and you must show that the entertainment is:</p> <ul style="list-style-type: none">• Associated with the active conduct of your trade or business.• Took place directly before or after a substantial business discussion.

Continued on next page

Entertainment, Continued

Associated with a trade or business	Generally you must show that you had a clear business purpose for having the expense. For example, to solicit gifts or to encourage the continuation of an existing business relationship.
Substantial business discussion	In general, a business discussion will not be considered substantial unless you can show that you actively engaged in the discussion, meeting, negotiation, or other business transaction to get income or some other specific business benefit.
Meals as entertainment	Entertainment includes the cost of a meal (including beverages, taxes, and tips) you provide to a business guest.
Who can incur entertainment expenses	Board members or any member of faculty or staff can incur entertainment expenses on behalf of the University provided the expenses are related to official University business, are substantiated, are not disallowed by University or regulatory policy, and are approved by the cognizant University official or supervisor.
Payment	Entertainment expenses are reimbursed on an Employee Reimbursement for Payment form or paid on a Procurement Card.
Requirements for payment	<p>Original receipts or bills must be attached to the Expenditure Authorization Form and the following must be indicated:</p> <ul style="list-style-type: none">• type of entertainment (i.e., breakfast, lunch, dinner, athletic event, etc.),• place of entertainment,• name of person or group entertained as well as company (if applicable),• business relationship, and• business purpose (topic of discussion, etc.). <p><u>Note:</u> If the group entertained is large, attach separate listing to Expenditure Authorization form.</p>

Continued on next page

Entertainment, Continued

Related policies

**Additional
information**

Contact the Accounting Department for additional information.

Expenditure Authorization

Expenditure authorization policy

Only authorized individuals may commit the University for payment of expenditures. Individuals are authorized to certify and approve University business transactions only when given that authority through the Signature Authorization Form. This form formally delegates and authorizes signatures (manual and electronic) for certifying and approving individuals. Individuals are authorized to view, enter, update, and disseminate data only as required in the course of conducting University business.

Expenditures can only be authorized if appropriate budget exist. Any employee who makes such a commitment without proper authorization will be personally liable for the transaction.

Types of expenditures

Types of expenditures include, but are not limited to:

- expenses charged to operating budgets through the procurement cycle (see Procurement Policy),
 - salary expenses (See Payroll Policy),
 - payments for services (independent contractors),
 - travel expenses (See Travel Policy), and
 - renovations to facilities (see plant services or facilities policy).
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Expenditure Authorization, Continued

Approving signature defined

An approved signature is defined as an employee given authority to sign documents for departmental or University expenditures. An approver must hand sign all documents. The use of rubber stamps, signature plates, or other mechanical devices to affix the signature is prohibited with the exception of the use of signature plates for checks and University approved electronic signatures. On carbon set forms only the top copy needs to be signed. A carbon impression signature, or photocopied original, under certain circumstances, is acceptable on the duplicates.

These positions may further delegate that authority only by using the Signature Authority Delegation Form.

All delegations shall be to a position within the University and not to the individual holding the position at the time of the delegation. When there is turnover in a position, the new individual has the authority of the previous incumbent. Persons in an acting or interim position also have the general signature authority of that position.

A signature authorization form must be on file in the Division of Finance and Business Affairs for:

- All deans, directors, unit heads, and administrative officers
- Other employees who may be authorized to enter, review or approve financial documents
- The delegation of paper document and electronic signature authority must be in writing and on the Signature Authorization Form.

The signature authorization form currently contains:

- The name, title, phone number, department name, and address of the person being delegated;
 - The kind of forms for which the person is authorized to sign, including dollar limits;
 - Current payroll system authorizations;
 - The signatures of the person authorized and the person delegating authority; and
 - An expiration date for the signature authorization.
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Expenditure Authorization, Continued

Related policies

**Additional
information**

Contact the Accounting Department for additional information.

Expenditure Transfers

Expenditure transfer policy	The University will post all allowable expenditure transfers to University accounts provided the transfer requests are timely (see below) and complete.
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Expenditure transfer defined	<p>An expenditure transfer is an after-the-fact reallocation of an expense. Expenditure transfers may be for expenses or salary (called salary redistributions).</p> <p><u>Note:</u> Expenditure transfers are different from budget transfers. Budget transfers are used to reallocate budget dollars whereas expenditure transfers reallocate expenses. Budget transfers must be submitted to the Budget Office for processing.</p>
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Why expenditure transfers are used	<p>Typically expenditure transfers are requested for a number of reasons:</p> <ul style="list-style-type: none">• To correct errors (i.e., incorrectly charged expenses, cost overruns or disallowed costs for sponsored programs, to correct procurement card postings, etc.).• To properly allocate expenses related to a sponsored program or construction project paid in advance of FRS account establishment.• To allocate expenses to accounts that specifically benefit from those charges (i.e., indirect costs, etc.).
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Allowable defined	To be allowable, expenditure transfers must be timely, fully documented, conform to allowability standards and have appropriate authorizing signatures. In general, the University will only transfer costs that do not violate generally accepted accounting principles, sponsorship agreements (grants, contracts, etc.), or donor intent.
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Fully documented defined	An explanation and supporting documentation explaining why the transfer is needed.
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Expenditure Transfers, Continued

**Expenditure
transfer
deadlines**

The deadlines for expenditure transfers are as follows:

Quarter Ending	Transfer Deadline
September 30	October 5
December 31	January 5
March 31	April 5
June 30	June 23 rd

**Responsibility
for posting
expenditure
transfers**

The Accounting Department post all operating expense and salary redistribution.

**When
expenditure
transfers are
posted**

The transfer is posted as soon as the properly completed documentation is received. Please allow ten business days.

Continued on next page

Expenditure Transfers, Continued

Expenditure transfer procedure

Follow the procedure below to transfer an expenditure:

Step	Action						
1	Department determines that an expenditure transfer is needed.						
2	The form used depends upon the transfer type: <table><tr><th>If transfer type is...</th><th>Then...</th></tr><tr><td>Operating expense</td><td>Complete an Income/Expenditure Transfer form.</td></tr><tr><td>Salary redistribution</td><td>Complete journal form.</td></tr></table>	If transfer type is...	Then...	Operating expense	Complete an Income/Expenditure Transfer form.	Salary redistribution	Complete journal form.
If transfer type is...	Then...						
Operating expense	Complete an Income/Expenditure Transfer form.						
Salary redistribution	Complete journal form.						
3	Responsibility for processing depends upon the transfer type: <table><tr><th>If transfer type is...</th><th>Then...</th></tr><tr><td>Operating expense</td><td>Accounting Department processes the transfer as a journal entry.</td></tr><tr><td>Salary redistribution</td><td>Payroll Department processes the redistribution once approved by Human Resources Department and Budget Office.</td></tr></table>	If transfer type is...	Then...	Operating expense	Accounting Department processes the transfer as a journal entry.	Salary redistribution	Payroll Department processes the redistribution once approved by Human Resources Department and Budget Office.
If transfer type is...	Then...						
Operating expense	Accounting Department processes the transfer as a journal entry.						
Salary redistribution	Payroll Department processes the redistribution once approved by Human Resources Department and Budget Office.						

Related policies

Additional information

Contact the following for additional information:

If the transfer type is...	And...	Then....
Operating expense	Sponsored program	Sponsored Programs Office
Operating expense	Not sponsored program	Accounting Department
Salary redistribution	Sponsored program	Sponsored Programs Office / Payroll
Salary redistribution	Not sponsored program	Payroll

Financial Reporting

Financial reporting policy

The University's fiscal year end is June 30. Each fiscal year end the University closes its financial records and prepares financial statements in accordance with generally accepted accounting principles (GAAP) and GASB governmental accounting standards board. These statements are audited by a qualified external firm selected by the Board of Regents' Audit Committee. In addition, the University prepares interim financial statements, reconciles its general ledger accounts and reviews operating account activity monthly to provide reasonable assurance that the financial records are not misleading or contain material errors.

Purpose of financial reporting

The purpose for gathering and reporting financial information are to:

- carry out the University's legal and fiduciary responsibilities, and
- assist departments and administrative offices with managing the funds entrusted to them.

Sources of financial information

The Accounting Office maintains the financial records of the University. Each financial transaction is recorded in the accounting system by date, description, account, and dollar amount. This information, available online, is used to prepare monthly and annual financial reports.

Continued on next page

Financial Reporting, Continued

Responsibility for financial reporting

The responsibility for financial reporting is shared between the Accounting Office and departments of the University.

Accounting Office Responsibilities	Department Responsibilities
<ul style="list-style-type: none">• Maintaining the system of internal control over transactions.• Overseeing financial functions responsible for posting financial information.• Working with departments to insure general ledger accounts are reconciled monthly and balances are supported by subsidiary records.• Closing University's financial records.• Preparing financial statements for audit.• Working with external auditors during the course of the audit and presenting the results of the audit to the Board of Regents and Kentucky Council of Postsecondary Education.	<ul style="list-style-type: none">• Reviewing and approving all financial transactions before submission to Accounting Department to insure they are appropriate and properly supported• Reviewing budget activity (revenues, salary, operating, etc.) monthly for accuracy and completeness.• Reviewing general ledger accounts (as appropriate) to insure that balances are supported by detail records.• Reviewing fund balances for accuracy (where appropriate).

Related policies

Additional information

Contact the Accounting Office for additional information

Gift Accounting

Gift accounting policy The University complies with Internal Revenue Service (IRS) regulations for gifts. The Accounting Department must review all potential gifts where issues relating to restriction, terms or valuation are involved. Non-cash gifts are recorded at fair market value on the date the gift is received.

Gift Approval Gifts received by the University must be approved by the President or External Affairs.

IRS regulations The University provides donors written acknowledgements for gifts received. The value of any consideration provided to a donor (i.e., tickets, meals, etc.) is included on the acknowledgement as the IRS does not consider these amounts contributions.

Non-cash gift defined Gifts other than cash or checks. Non-cash gifts include, but are not limited to:

- securities,
- property (both real estate and personal),
- inventory,
- contributed services, and/or
- deferred instruments (i.e., bequests, life insurance, etc.)

Note: Gifts of property \geq \$2,000 to be held by the University must be tagged and entered into the University's property control system.

Fair market value defined Value of an item based upon what a willing buyer would pay and a willing seller would accept in an arms' length transaction (i.e., a transaction between two unrelated parties). Generally fair market value is determined by an independent appraisal.

Continued on next page

Gift Accounting, Continued

Calculating fair market value for securities	Fair market value for securities is the average high and low on the date the University sells the asset.
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External Affairs responsibilities	External Affairs is responsible for: <ul style="list-style-type: none">• Receiving and acknowledging all gifts made to the University,• Compliance with all IRS regulations for acknowledgements and reporting,• Completing IRS Form 8283 and forwarding to Finance and Business Affairs Division as necessary,• Depositing all funds with the University's cashiers in accordance with Receipts Handling Policy.
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Finance Division responsibilities	The Finance and Business Affairs Division is responsible for: <ul style="list-style-type: none">• Insuring that all cash receipts are properly deposited with the University's financial institutions,• Gifts are properly recorded and reported in the University's financial records,• Completing and filing Form 8283 with the IRS as necessary.
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Department responsibilities	Departments are responsible for: <ul style="list-style-type: none">• Insuring that all gifts received by the department are delivered immediately to Development,• Insuring that gifts benefiting departments are spent in accordance with donor wishes,• Complying with Capital Assets Management Policy for any gifts of capital equipment to be held.
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Gifts received by departments	<p>Donors should send all gifts directly to University Development (External Affairs) for processing. In the event a department receives a gift of cash or checks, the department must deliver the gift(s) to the cashiers Office and notify University Development (External Affairs) on the same date received.</p> <p><u>Note:</u> Departments are not authorized to accept non-cash gifts on behalf of the University.</p>
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Continued on next page

Gift Accounting, Continued

Related policies

**Additional
information**

Contact University Advancement for additional information.

Gift Disposition

Gift disposition policy Donated tangible personal property, real property, and other assets will be sold unless the donated property directly contributes to the University's central mission. Absent explicit donor restrictions, income from the sale is credited to the unrestricted or endowment funds of the University.

Tangible personal property defined Tangible personal property includes, but is not limited to:

- antiques,
- art,
- artifacts,
- equipment,
- jewelry or gemstones,
- musical instruments, and
- valuable or rare books and manuscripts.

Gift Property Disposition The process to sell/dispose of tangible personal property is:

Stage	Description
1	Disposal approved in writing by the Vice President for Finance and Business Affairs and President.
2	Vice President for Finance and Business Affairs will determine/notify the University office responsible for disposing of the property.
3	Purchasing Department: <ul style="list-style-type: none">• obtains appraisal (cost deducted from net proceeds),• contracts with broker or auction house to sell property as appropriate,• receives sales proceeds(deposit to cashier),• prepares final report of disposition of property (including any costs related to the disposition) and submits report along with sales proceeds to VP Finance,• provides copies of final report to Accounting Department.
4	Finance Division prepares IRS Form 8283 for property > \$2,000 and sold/disposed of within two years of receipt.

Continued on next page

Gift Disposition, Continued

Real property defined

Real property consists of real estate both improved (i.e., detached single-family residences, condominiums, apartment buildings, rental property, commercial property, etc.) and unimproved (i.e., acreage).

Real property disposition process

The process to sell/dispose of real property is:

Stage	Description
1	VP Finance works with the President and Board to determine appropriate disposition of real property (i.e., whether to retain as investment or sell).
2	Finance Division obtains qualified appraisals and markets the real property accordingly.
3	Broker sells real property and delivers proceeds to Finance Division.
4	Accounting Department credits proceeds in accordance with expressed donor wishes.
5	Finance Division prepares final report of disposition of property (including any costs related to the disposition) and distributes to <ul style="list-style-type: none">• President• Board of Regents,
6	The Accounting Department prepares IRS Form 8283 for real property > \$2,000 and sold/disposed of within two years of receipt.

Other assets defined

Other assets include, but are not limited to, promissory notes, assignment of promissory notes, partnership interests, and restricted or non-publicly traded securities.

Continued on next page

Gift Disposition, Continued

Other assets disposition process

The process to sell/dispose other assets is:

Stage	Description
1	Finance Division obtains appraisal, as deemed necessary, to determine fair market value of the property.
2	Finance Division will arrange for the sale of the property.
3	Finance Division receives proceeds of sale and deposits in accordance with expressed donor wishes.
4	Finance Division prepares final report on the disposition (including any costs related to the disposition).
5	Finance Division prepares IRS Form 8283 for other assets > \$2,000 and sold/disposed of within two years of receipt.

Related policies Surplus Property Disposal

Additional information Contact the Business & Finance Division for additional information.

Gifts, Awards, Prizes

Gift, awards, prizes policy	The University follows IRS regulations with regards to the giving of business gifts, awards and prizes. Personal gifts, awards and prizes are not permitted.
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IRS regulations	<p>All cash gifts, prizes and awards given to University employees by the University constitute gross wages and are subject to FICA and federal and state income taxes. Non-cash gifts, prizes and awards given to employees are subject to taxation unless these items of recognition qualify as one of the following:</p> <ul style="list-style-type: none">• a ‘de minimis’ fringe benefit (see below),• achievement award (see below), or• a traditional retirement gift, (see below)
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De minimis fringe benefit defined	A de minimis fringe benefit is one considered so small that accounting for it would be unreasonable or administratively impracticable. Examples of ‘de minimis’ items include occasional tickets to theater or sporting events and gifts that express sympathy for recent death or major illness of an employee or an employee’s family member, etc.
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Achievement award defined	<p>An achievement award is an item of tangible personal property, not cash (see definition below), that is:</p> <ul style="list-style-type: none">• transferred by the University to an employee for length-of-service achievement or safety achievement,• awarded as part of a meaningful presentation, and• awarded under conditions and circumstances that do not create a likelihood of the making of a payment that comprises disguised compensation.
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Traditional retirement gift defined	A traditional retirement gift is an item of tangible personal property, not cash (see definition below), given to an employee upon his/her retirement in the University’s normal course of business. Examples include, but are not limited to, plaques, University-logo items, etc. Gift certificates are considered cash gifts and as such are subject to taxation.
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Gifts, Awards, Prizes, Continued

Business gifts defined	<p>A gift given in the course of University business. These include, but are not limited to:</p> <ul style="list-style-type: none">• sympathy expressions (death or illness),• appreciation to past donors,• achievement awards,• retirement gifts, and/or• gifts of nominal value to promote goodwill or for promotional purposes
Personal gifts defined	<p>The University considers the following to be personal gifts that will not be paid or reimbursed with University funds:</p> <ul style="list-style-type: none">• birthday gifts (including cakes),• holiday gifts,• wedding gifts, and/or• baby gifts
Cash gift defined	<p>Cash, checks or negotiable items readily convertible to cash (i.e., traveler's checks and gift certificates).</p>
Non-cash gifts defined	<p>Examples include, but are not limited to, gift baskets, flowers, occasional tickets to theatre or sporting events, etc.</p>
Nominal value defined	<p>The University considers nominal value to be both</p> <ul style="list-style-type: none">• occasional and• less than \$100.
Taxation on length-of-service awards	<p>Length-of-service awards are non-taxable if (all four conditions must be met):</p> <ul style="list-style-type: none">• The employee has at least five years service.• The employee has not received a length-of-service award within the last five years.• The awards are presented as part of a meaningful ceremony and should not be determined based upon an employee's classification.• The cost of award is less than \$400.

Continued on next page

Gifts, Awards, Prizes, Continued

Taxation on safety achievement awards

Safety achievement awards that recognize an employee's accomplishments for maintaining or promoting defined safety standards are non-taxable if:

- The award is limited annually to less than 20% of the University's total employees,
 - The award is not presented to managers, administrators, clerical, and professional employees, and
 - The award is limited to \$400 per employee per year.
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Taxation on retirement gifts

Retirement gifts of \leq \$400 are excluded from taxation regardless of the length of service. Gifts $>$ \$400 will be reported as taxable wages and taxed accordingly.

Additional information

Contact the Payroll Department for additional information.

Indirect Costs – Sponsored Programs

Indirect cost policy

Indirect costs are charged to all sponsored programs unless prohibited in writing by the funding agency. The University's indirect cost rate for Federal grants is negotiated with the U.S. Department of Health and Human Services.

Indirect cost defined

Indirect costs (overhead) are costs incurred by the University when conducting research and other sponsored projects/activities. These costs cannot be identified specifically with a particular project or program but are costs incurred in providing services to support the research or sponsored activity. Indirect Costs are real costs to the University. They are difficult to identify with any one specific project without using complicated cost accounting procedures, but they do contribute to the ability of the University to support the research and sponsored activity. Federal granting and funding agencies and most non-governmental entities recognize the existence of indirect costs. Indirect costs are viewed by the federal Office of Management and Budget as real and legitimate costs that may properly and legally be billed to the funding agency. Indirect costs include the cost of using buildings and equipment, accounting and transaction processing, personnel, computing and purchasing, mail processing, printing and duplicating, library services and administration.

Sponsored program defined

Sponsored programs are externally funded activities in which the University and the sponsor enter into a formal written agreement. A sponsored program represents an exchange transaction wherein both parties (the University and sponsor) receive something of approximately equal value. Examples of sponsored programs include:

- grants,
- contracts, and
- cooperative agreements

The Principle Investigator and Sponsored Programs Office jointly administer sponsored programs.

Continued on next Page

Indirect Costs – Sponsored Programs, Continued

Indirect cost rate defined

The University's rate agreement is based on salaries and wages, which includes pay for vacation, holidays, paid absences, but excludes all other fringe benefits. The federal indirect cost rate for research is based on salaries and wages since the University's federal projects are less than \$3 million. The rate is determined by the Division of Cost Allocation, U. S. Department of Health and Human Services, in accordance with OMB Circular A-21, "Principles for Determining Cost Applicable to Research and Development Under Grants and Contracts with Educational Institutions." For all projects funded by federal agencies, or funded with federal dollars (including federal dollars passed through other agencies), state and local agencies, private industry and foundations, the applicable rate is based upon the University's current federally negotiated cost rate agreement.

The only exceptions to the negotiated rate are for those programs where a lower rate is specified/mandated and published in the sponsored program announcement OR Sponsored Programs negotiates a lower indirect cost rate, subsequent to approval by the Provost.

If an agency leaves the indirect cost rate silent, the current negotiated cost rate shall be applied. If the funding agency has a policy/guideline prohibiting the full indirect cost recovery or has special requirement regarding indirect costs, a copy of the policy must accompany the proposal at the time it is submitted to Sponsored Programs for review.

Any request for an exception to the applicable indirect cost rate must follow the Allowable Indirect Rate process described herein.

Continue on next Page

Indirect Costs – Sponsored Programs, Continued

Indirect cost distribution	<p>All indirect cost recoveries are deposited at the University for internal allocation in accordance with University guidelines. The Vice President for Finance and Business has responsibility to ensure that all expenditures of these funds are made in accordance with the following University priorities.</p> <ol style="list-style-type: none">1. Full cost of Grants and Contracts Accountant position(s) and support budget for the current year2. Indirect costs recovery reserve equal to one year of the projected costs of the Grants and Contracts Accountant position(s) and support budget for the next fiscal year.3. Residuals in the following allocation<ol style="list-style-type: none">a. 25% to the academic department to support research and encourage research and sponsored activities among facultyb. 25% to the academic dean to support research-related activities such as grant-writing initiativesc. 50% to Sponsored Programs to provide faculty with incentive funds to produce additional proposal submissions and grant awards for the benefit of the University
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Allowable Indirect Rates (Negotiated Rate Agreement)	<p>All project proposals must include the full negotiated indirect cost rate. When the rules of the granting agency do not allow for full cost recovery, the full amount of the indirect cost component must be shown as a note in the pro forma budget. Approval of any reduction in the federally negotiated indirect cost rate agreement or the waiving of such costs must be received and approved in writing by the Vice President for Finance and Business. A copy of the written, approved request for a reduction in or waiver of the indirect cost rate (see Appendix) must be attached to the research proposal, agreement or contract when submitted to Sponsored Programs for review, negotiation or signature.</p>
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When less than the maximum allowable indirect cost is approved, the rationale and/or justification must be noted on the award agreement and any indirect cost that has been voluntarily foregone will be recorded as an in-kind contribution by the University. Principal investigators, program managers/directors/coordinators, and proposal writers should not and are not authorized to negotiate indirect costs rates with a funding agency. Any question about allowable costs should be directed to Finance and Business.

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Indirect Costs – Sponsored Programs, Continued

The University accepts the sponsor's published policy regarding indirect costs if

- the sponsor has a formal, published policy regarding the reimbursement of indirect costs, or
- the sponsor provides written certification of their indirect cost rate policy regarding a specific program, or
- the sponsor provides written certification of their indirect cost rate policy as applicable to all higher education institutions.

This documentation must be included with the submission of the proposal, grant application or contract to Sponsored Programs.

Allowable rates, in accordance with the University's indirect cost rate agreement (see Appendix) are:

**Allowable
Indirect Rates
(Negotiated
Rate
Agreement)**

Agency Type	Award Type	Applicable Rate
Federal	Research	43.4% of salaries and wages (excluding benefits)
Federal	Training (instruction)	43.4% of salaries and wages (excluding benefits)
State	Research	15% of total direct costs (including equipment)
State	Training (instruction)	15% of total direct costs (including equipment)
Business & Industry	Research	43.4% of salaries and wages (excluding benefits)
Business & Industry	Training (instruction)	43.4% of salaries and wages (excluding benefits)

- **Off-campus**

If a project is essentially conducted off-campus and no University facilities are involved, an off-campus indirect cost rate of 20% of direct salaries and wages (excluding benefits) is to be applied for the sponsored research or activity

Indirect Costs – Sponsored Programs, Continued

Responsibility for distributing indirect costs	<p>All indirect cost recoveries are deposited at the University for internal allocation in accordance with University guidelines. The Vice President for Finance and Business has responsibility to ensure that all expenditures of these funds are made in accordance with the following University priorities.</p> <ol style="list-style-type: none">1. Full cost of Grants and Contracts Accountant position(s).2. Residuals in the following allocation<ol style="list-style-type: none">a. 25% to the academic department to support research and encourage research and sponsored activities among facultyb. 25% to the academic dean to support research-related activities such as grant-writing initiativesc. 50% to Sponsored Programs to provide faculty with incentive funds to produce additional proposal submissions and grant awards for the benefit of the University.
Reporting	<p>The Contracts and Grants Accountant shall calculate the collection and allocation of indirect costs recoveries by project and in total for regular (quarterly and annually) reporting to administration. Principal Investigators and the Grants & Contract Accountant are charged with reconciling individual grant indirect costs on a monthly basis to ensure indirect costs are being calculated and charged correctly.</p>
Effective Date	<p>This Administration Regulation is effective for new proposals submitted effective July 1, 2008.</p> <p>Continuing or multi-year projects that have been previously negotiated prior to July 1, 2008 are excluded.</p>
Additional information	<p>Contact the Grants Accountant for additional information.</p>

Journal Entries

Definition	Journal entries are performed by the Accounting Department to properly record transactions not performed through system interfaces or facilitate the movement of financial amounts from one account to another ensuring financial consistency and transparency in accordance to GASB Standards. These transactions may deal with account reallocations, plant fund transactions, investments transactions, banking transactions, etc.
Procedures/ Internal Controls	<p>To ensure proper internal controls over journal entries, the following procedures have been established:</p> <ol style="list-style-type: none">1. The transactions will be initiated by an Accountant or another University personnel.2. A journal entry form will be created and a unique journal entry number for the fiscal year will be assigned.3. The journal entry will be reviewed and/or prepared by the Accounting Department.4. The journal entry will be entered into the reviewable session in the FRS system by the preparer or accounting personnel.5. Once the entry is entered in FRS, it is given to another person in the accounting department to proof.6. The journal entry will be reviewed and approved by an Accountant III or Director of Accounting other than the individual initiating or preparing the journal entry.7. Monthly reconciliations will serve as an additional measure for accuracy and completeness.
Bank Related Journal Entries	<p>Bank entries must be performed utilizing bank transfer journals or GAO's. The system does not allow for GAO's in reviewable session; therefore, these entries will follow the same procedure as above except for entering the transaction into reviewable session.</p> <p>The Controls Accountant will add another level of controls to ensure accuracy. This individual will review daily reports and perform monthly reconciliations to ensure completeness.</p>

Moving Expenses

Moving expense policy	The University adheres to IRS regulations for accounting and reporting of moving expenses.
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IRS regulations	IRS regulations stipulate the taxability of various moving expenses. Qualified moving expenses are generally not taxable while non-qualified moving expenses are subject to taxes. To be considered for reimbursement, all moving expenses, regardless of their taxability, must be related to starting work at a new job. Additionally, there are limits on both time and distance when determining taxability.
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Qualified moving expenses defined	<p>Qualified moving expenses include reasonable costs for:</p> <ul style="list-style-type: none">• moving household goods and personal effects,• en route travel (if by auto, IRS limits standard mileage rate),• en route lodging, and• storage of household goods for up to 30 consecutive days.
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Note: Qualified moving expenses are reported for informational purposes only on the employee's Form W-2. En route travel and lodging are qualified for one trip only. Additional trips are non-qualified moving expenses.

Reimbursement defined	A reimbursement of substantiated expenses incurred by relocating employee and approved by the hiring department, Director of H.R., and the President.
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Moving Expenses, Continued

Non-qualified moving expenses defined

Non-qualified moving expenses include, but are not limited to:

- meals,
- lodging once you arrive at your job location,
- storage of household goods beyond 30 days,
- travel incurred once you arrive at your job location including return trips to former residence,
- temporary living expenses (hotels, apartments, University residence facilities, etc.),
- moving expenses if employee leaves the University within 39 weeks,
- house-hunting trips and/or expenses, and
- moving expenses if the University is not at least 50 miles further from the employee's residence than the previous workplace (i.e., if the employee's previous job was 15 miles from his/her old residence, the new job must be at least 65 miles from the old residence).

Note: The University, at its discretion, may pay for reimbursements and advances not classified as "qualified moving expenses" per IRS regulations. These reimbursements and advances will be added to gross income on the employee's Form W-2.

Hiring department responsibilities

The hiring department approving the relocation generally bears the costs. An offer letter must be sent to the new employee by the Human Resource Department stipulating the terms of authorized relocation costs approved by the President. A copy of this letter will be maintained in the Human Resource Department and must specify:

- the expenses to be reimbursed and the maximum amount to be paid by the University, and
- a statement indicating that some expenses may be subject to tax reporting and withholding.

A reimbursement of substantiated expenses incurred by relocating employee and approved by the hiring department and the Director of Human Resource. The Accounts Payable Department will separate non-qualified moving expenses and sent to the Payroll Department to include in the employees gross income.

Note: The Director of Human Resource will approve all travel moving expenses as approved by the President in the offer letter.

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Moving Expenses, Continued

Moving expense procedure Follow the procedure below for moving expenses:

Step	Action
1	The Cognizant University official with approval from the President determines what will be reimbursed and maximum amount that will be paid by the University.
2	The Human Resource Department prepares the new hire letter explaining terms of offer.
3	Move completed.
4	Employee Reimbursement form prepared and submitted to accounting within 30 days of arrival along with original receipts. Employee Relocation & Moving Expense account is charged for expenses. (Object code 3240) is charged for expenses. Note: In order to better track relocation expenses Object code 3240 is used even when reimbursing for airfare, temporary lodging, meals, packing materials, etc.
5	The Accounts Payable Department provides a copy of the Employee Reimbursement form with the Payroll Department.
6	The Payroll Department determines taxability and takes appropriate action.

Additional information

Contact the Payroll Department for additional information.

Payroll

Payroll policy	The University complies with all Federal and state regulations for payroll. Written approval is required to hire any University employee. Employees are paid semi-monthly via direct deposit or physical check.
Payroll check/ remittance advice distribution	<p>Payroll checks and remittance advices are distributed in the employee's home department on payday. Remittance advices are not distributed before payday.</p> <p>Physical paychecks are only distributed in emergency situations (i.e. to replace a rejected direct deposit disbursement.)</p>
Payroll advances	Payroll advances are prohibited.
Payroll calendar defined	The payroll calendar depicts the pay periods and pay dates for the payroll year (January through December). Employees are paid semi-monthly on the 15 th and last day of the month. If payday falls on a weekend, holiday or seasonal day, employees are paid the last business day before the weekend, holiday or seasonal day. Annual payroll calendars are available in the Payroll Department.
Obtaining direct (electronic) deposit	<p>University employees are required to have their payroll checks electronically deposited in the account(s) of their choice. Complete a Payroll Direct Deposit Authorization form, available in Payroll Department, to initiate this process. Similarly, to change the direct deposit, complete a Payroll Direct Deposit Authorization form.</p> <p><u>Note:</u> The first payroll check after the form is submitted will be pre-noted (the sending of a test file to the bank which verifies the account information) and the individual will receive a physical check. Provided the pre-note process is successful, the second and subsequent payroll checks will be electronically deposited.</p>

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Payroll, Continued

Timesheets defined	<p>Timesheets, available on the KSU intranet, are used by all non-faculty employees and must be signed by the immediate supervisor. See the payroll calendar for due dates.</p> <p>Note: Timesheets are required for all grant wage expenditures unless specified in the Agency Agreement to be a stipend. Stipends are defined in the agency agreement as “stipend” where no hours are required.</p>
Timesheet signatory requirements	<p>Timesheets are due on the deadline. In the event of an absence by an employee, the original timesheet should be completed, signed by the supervisor and forwarded to the Payroll Department. A copy of the timesheet must be retained in the department and signed by the employee upon his/her return. This copy is then submitted to the Payroll Department.</p>
Changes to timesheets	<p>Contact the Payroll Department immediately if you need to change your timesheet.</p>
Manual check defined	<p>Checks issued separately from the regular payroll run are discouraged but may be required for compliance</p>
Changes to tax withholding	<p>Any changes made to an employee’s tax withholding arrangements must be submitted to the Payroll Department via a Form W-4 (Federal) and/or Employee’s Withholding Allowance Certificate form (Kentucky).</p> <p><u>Note:</u> Regulations permit a thirty (30) day waiting period for the changes to take effect. The Payroll Department does not provide tax advice. Please contact your tax professional regarding completion of Form W-4 and/or Employee’s Withholding Allowance Certificate.</p>
Disputes and/or corrections	<p>Contact the Payroll Department immediately with any disputes and/or corrections.</p>

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Payroll, Continued

**Information
available on the
Internet**

The following forms are available on the Payroll Department's website located at <http://www.kysu.edu>:

- payroll calendar,
 - timesheets, and
 - **Payroll Direct Deposit Authorization** form
-

**Additional
information**

Contact the Payroll Department for additional information.

Procurement

Procurement policy

The University purchases goods and services for business purposes in furtherance of its mission. There are several acceptable procurement methods:

- purchase order,
 - Check Request,
 - Procurement card.
-

Purchase order defined

A purchase order represents a commitment of University funds. It is a contract between the University and a vendor for the sale and purchase of goods or services.

Note: Vendor must be established in SCT-Plus (FRS) before purchase order can be issued. . If unable to locate vendor in FRS, please contact the Purchasing Department.

Purchasing authority limits

Except as provided for in the Renovations to Facilities Policy, University funds may be committed in accordance with the following thresholds:

Title	Authorization Limit
Department Chairs and Principal Investigators	Not to exceed \$9,999.99
Directors, Deans, Associate/Assistant Vice Presidents	Not to exceed \$19,999.99
Vice Presidents	Not to exceed \$39,999.99
President	\$40,000.00 and greater
	NOTE: Small purchasing authority as defined by KRS 45A.100 currently established at \$40,000.00

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Procurement, Continued

When to use a purchase order

Purchase orders must be used for the following types of purchases:

- contracts (see Contract Policy),
- construction, repairs and maintenance (see Renovations to Facilities Policy),
- furniture, fixtures or equipment (including software) \geq \$2,000,

Note: Any changes to purchase orders must be processed through Purchasing Department (see below).

When not to use a purchase order

Purchase orders may not be used for:

- contributions to civic or non-profit causes (see below for guidelines),
 - entertainment expenses,
 - independent contractors (i.e., 1099 vendors),
 - interest charges,
 - moving expenses,
 - personal expenses,
 - salary expenses, payroll advances, personal loans,
 - traffic citations or other fines for University or personal vehicles (these are personal expenses),
 - University parking permits (these are personal expenses).
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Procurement, Continued

Purchase order procedure Follow the procedure below to issue a purchase order:

Step	Action										
1	Ensure that sufficient funds are in the budget (both account and budget pool) for the desired item(s).										
2	Ensure that you have express (verbal or written) approval by department head before entering requisition.										
3	<p>Obtain quotes or bids from qualified suppliers as follows:</p> <table> <tr> <th>If...</th><th>Then...</th></tr> <tr> <td>Purchases less than \$4,999.99</td><td>One written quote</td></tr> <tr> <td>Purchases \$5,000 not exceeding \$19,999.99</td><td>Two written quotes</td></tr> <tr> <td>\$20,000.00 - \$39,999.99</td><td>Three written quotes</td></tr> <tr> <td>≥ \$40,000.00</td><td>Formal bid</td></tr> </table> <p>If item can be purchased on existing contract (Commonwealth of Kentucky, other state university, or GSA), the above does not apply, however, price contract number must be noted on quotation.</p> <p><u>Note:</u> The Purchasing Department will obtain quotes on the University's behalf upon request and will provide assistance with evaluating quote. Sole and single source purchases ≥ \$9,999 or deviation from quote requirements must be supported by written justification signed by department head.</p>	If...	Then...	Purchases less than \$4,999.99	One written quote	Purchases \$5,000 not exceeding \$19,999.99	Two written quotes	\$20,000.00 - \$39,999.99	Three written quotes	≥ \$40,000.00	Formal bid
If...	Then...										
Purchases less than \$4,999.99	One written quote										
Purchases \$5,000 not exceeding \$19,999.99	Two written quotes										
\$20,000.00 - \$39,999.99	Three written quotes										
≥ \$40,000.00	Formal bid										
4	<p>Department enters requisition in FRS utilizing FRS requisition data entry procedures. Forward quote/bid information to Purchasing Department with requisition number written in top right corner of documentation</p> <p><u>Note:</u> The University understands that the vendor submitting the lowest quote/bid may not be selected. In the event the lowest quote/bid is not selected, written justification signed by the department head must be submitted.</p>										
5	<p>Purchasing Department processes requisition and issues purchase order to vendor.</p> <p><u>Note:</u> Additional information may be required before the purchase order is processed.</p>										

6	<p>When goods are received, warehouse completes receiving report in FRS for payment.</p> <p>For goods/services not received at warehouse, the department should forward goldenrod copy of purchase order or completed payment authorization to the Purchasing Department to complete receiving report in FRS.</p> <p><u>Note:</u> Vendors must submit original invoices directly to Accounts Payable rather than to University departments. However, if departments receive original invoices from vendors, immediately forward these to the Accounts Payable Department.</p>
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Change order defined

A change order is any change made to an existing purchase order. Change orders are used in the following circumstances:

- The price charged is greater than 10% (excluding freight) from the amount on the original purchase order.
- Departments add additional items to the original purchase order.
- Departments delete items from the original purchase order.
- Departments substitute items on the original purchase order.
- Departments change object, account or both on the original purchase order.
- Departments wish to cancel purchase order.

Note: Departments must not issue additional purchase orders for these types of changes. Contact the Purchasing Department to process a change order.

Check Request defined

Payment for reasonable and necessary expenses incurred by the individual in the conduct of official University activities. A Check Request Form should be completed for this type of request.

Note: Vendor must be established in FRS before payment can be issued. Contact the Purchasing Department.

Continued on next page

Procurement, Continued

When to use a Check Request

The **Check Request** form is used for the following types of purchases:

- advances for travel expenses (including traveler's checks),
- contributions to civic or non-profit causes (see below for guidelines).
- employee morale - reasonable expenses for improvement of working conditions, employer-employee relations, and employee performance (i.e., in-house publications, holiday party, summer picnic, anniversary lunch, retirement reception),
- entertainment expenses (see Entertainment Policy),
- independent contractors (i.e., 1099 vendors),
- moving expenses for faculty and staff,
- retail purchases of supplies, books and other low-cost items (less than \$2,000 each inclusive of tax and shipping),

When not to use a Check Request

The **Check Request** form must not be used for:

- construction, repairs and maintenance to facilities including window treatments (see Renovations to Facilities Policy),
- entertainment expenses except those permitted by the Entertainment Policy,
- interest charges,
- Internet auctions
- payments to other University departments,
- personal expenses (see Travel Policy),
- personal gifts, including birthday cakes etc. (see Gifts, Awards, Prizes Policy),
- purchases prohibited by University policy, grant or research contracts, or which violate the University's tax exempt status (i.e., political lobbying or political action committees),
- purchases required to be made on a purchase order (see above),
- salary expenses, payroll advances or personal loans,
- traffic citations or other fines for University or personal vehicles (these are personal expenses),
- travel expenses,
- University parking permits (these are personal expenses).

Continued on next page

Procurement, Continued

Processing time guidelines	Please allow ten business days from the date received in the Accounts Payable Department for processing. Generally the University issues checks for vendors twice per month, employee checks one per week, and student reimbursements twice per week.
Manual checks defined	<p>Checks issued by the Accounting Department separately rather than as part of normal check run.</p> <p><u>Note:</u> Manual checks are discouraged. However, the Vice President of Finance and Business Affairs or Associate V.P. of Business Operations at his/her discretion may approve the processing of a manual check on a rush basis.</p>
Manual checks Approval	<p>Note: Manual checks are discouraged. However, the Vice President of Finance and Business Affairs or Associate V.P. of Business Operations at his/her discretion may approve the processing of a manual check on a rush basis.</p>
Contributions guidelines	<p>Expenditures for contributions to other non-profit organizations may be made on Check Request form. The cognizant Vice President must approve the Check Request form.</p> <p><u>Note:</u> Political contributions (including political action committees often included with membership dues invoices) are forbidden and violate the University's tax-exempt status.</p>

Continued on next page

Procurement, Continued

Check Request procedure Follow the procedure below to complete an **Check Request** form:

Step	Action
1	Ensure that sufficient funds are in the budget (both object and account pool) for the desired item(s).
2	Gather original receipts and attach to 8-1/2 x 11 inch sheet of paper. Receipts that will be charged to the same account number and object code may be batched together.
3	Complete Check Request form charging the appropriate object code and account number for each business-related expense. Attach the original receipts.
4	Have the responsible department head approve and sign the Check Request form. <u>Note:</u> Individuals may not approve their own expense reimbursements. Expense reimbursements must be approved by the immediate supervisor.
5	Submit the completed Check Request form including original receipts to the Accounts Payable Department.

Procurement card defined A credit card issued to an individual for the purpose of making authorized purchases (including travel) on the University's behalf. The University will issue payment for charges made with the Procurement Card.

When to use a Procurement card The Procurement Card may be used for purchases < \$2,000 that are not required to be processed on a purchase order and for approved travel on official University business.

Continued on next page

Procurement, Continued

When not to use a Procurement card

The Procurement Card may not be used for:

- capital equipment,
- cash advances,
- contracts (including leases),
- contributions to civic or non-profit causes (see guidelines above),
- construction, repairs and maintenance to facilities including window treatments (see Renovations to Facilities Policy),
- entertainment expenses except those permitted by the Entertainment Policy,
- gifts or gift certificates,
- independent contractors (i.e., 1099 vendors),
- interest charges,
- Internet auctions,
- payments to other University departments or campuses,
- personal expenses (see Travel Policy),
- purchases > \$1,999,
- purchases prohibited by University policy, grant or research contract, or which violate the University's tax-exempt status (i.e., political lobbying or political action committees),
- purchases required to be made on a purchase order,
- salary expenses, payroll advances, personal loans,
- traffic citations or other fines for University or personal vehicles (these are personal expenses),
- University parking permits (these are personal expenses).

Note: Receipts must be submitted for all Procurement Card transactions.

Obtaining a Procurement card

Contact the Purchasing Department to obtain a Procurement Card.

Related Policy

Procurement Card Policy.

Continued on next page

Receipts Handling

Receipts handling policy

University receipts must be:

- safeguarded,
- endorsed (checks),
- deposited daily batched by date

Note: All gifts to the University must be processed through the University Development Office.

Receipts defined

Receipts are all cash, checks, money orders drawn on U.S. banks, and credit card payments received by the University for any reason, such as:

- payments on student accounts,
- box office receipts,
- traffic tickets,
- rent,
- fees for workshops, symposia, conferences, athletic camps,
- gifts,
- reimbursement of expense,
- payroll overpayments,
- benefit payments, and
- sponsored program payments.

Note: The University will not accept items drawn on foreign banks.

Deposits defined

The process of depositing funds with cashiers to insure proper crediting of account(s) and deposit with University depository institutions.

Making deposits

Deposits must be made to the cashiers daily. Deposits must also be made on the last day of the month and on the last business day of the University's fiscal year, June 30. The university will be notified of the last day for year-end closing.

Continued on next page

Receipts Handling, Continued

Where to bring deposits

Departments do not make deposits directly to the bank. Deposits should be brought to the following locations for processing:

If deposit is...	Then...
Payment on student account by mail	Bursars Office
Event receipts	Cashiers Office
Fees (i.e., workshops, symposia, conferences, athletic camps, newsletters, etc.)	Cashiers Office
Gifts	Development Office
Reimbursement of expense (including travel advance overpayments)	Cashiers Office
Payroll overpayments	Payroll Office, Cashiers Office
Benefit overpayments	Human Resources Office, Cashiers Office
Sponsored programs payments	Sponsored Programs Office, Cashiers Office

Deposit procedure

Follow the procedure below to deposit receipts with the cashiers:

Step	Action
1	Immediately endorse all incoming checks.
2	Log all checks on Check Transmittal form
3	Present to Cashier's office
4	Cashier will count funds in presence of remitter
5	Record date, and organization
6	Record account number and object code
7	Have remitter initial receipt
8	Distribute receipt to remitter (white copy) Retain receipt for cashier records (yellow) Retain receipt for deposit records (green)

Continued on next page

Receipts Handling, Continued

Endorsement stamp	The endorsement stamp should state “For Deposit Only to the Kentucky State University” and bear the appropriate bank account number.
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Who can endorse checks	Generally, only the following offices may endorse checks: <ul style="list-style-type: none">• Cashier’s Office,• University Development,
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Note: Incoming checks must be endorsed immediately upon receipt.

Additional information	Contact Bursars Office for additional information.
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Records Retention/Destruction – Financial Records

Records retention / destruction policy

The University retains its financial records for seven years. Records are stored on-site at the University or externally with a document management company. Documents containing salary information, social security numbers, taxpayer identification numbers, and/or other confidential information (such as bank account and credit card numbers) must be secured while retained and shredded when destroyed.

Responsibility for records retention

Retention is the responsibility of a central administrative office (i.e., payroll, accounting, purchasing, etc.). Individual University departments are not required, nor encouraged, to maintain copies of financial records that contain bank account, credit card number, or social security numbers.

Purpose

The purpose for retaining records enables the University to comply with governmental regulations, respond to auditors' questions, and provides those responsible for the management of accounts with the means to monitor transactions and resolve problems.

Storage methods

Records are to be protected against unauthorized access and loss (fire, flood, theft, etc.) in a secure area. Storage with off-site records storage companies is permitted.

Financial records retained

Examples of financial records retained by Finance and Business Affairs are:

- award letters (grants),
 - contracts,
 - journal entries,
 - original invoices,
 - original receipts,
 - 1099s,
 - timesheets,
 - time and effort reports,
 - W-2s.
-

Obtaining records

Contact the appropriate department to obtain a copy of the record (see below).

Continued on next page

Records Retention/Destruction – Financial Records, Continued

Records destruction methods

Methods for record destruction are:

- utilizing a cross-cut shredder, or
- utilizing a bonded external business record destruction firm (obtain records destruction certification and retain two years).

Note: Contact the Purchasing Department for assistance with purchasing a shredder or contracting with a bonded external business record destruction firm.

Additional information

Contact the following departments for additional information:

Record	Contact
Award letters	Sponsored Programs
Contracts	Purchasing Department
Journal entries	Accounting Department
Original invoices	Accounting Department
Original receipts	Accounting Department
1099s	Accounting Department
Timesheets	Payroll Department
Time and effort reports	Sponsored Programs
W-2s	Payroll Department

Surplus Property Disposition

Surplus property disposition policy

Property disposition requires the written approval of the department head. Marketable surplus property is sold through the Purchasing Department. Property belongs to the University, not individual University departments; therefore income from the sale of an item is credited to the general funds of the University. Departments may not give or sell property to individuals, including University employees, or to non-University entities.

All surplus property dispositions require the approval of the President and will be handled according to KRS 45A.425.

Surplus property defined

Surplus property includes, but is not limited to, surplus or obsolete moveable equipment. Moveable equipment includes office furniture, office equipment, scientific equipment, musical instruments, vehicles, maintenance equipment.

Surplus Property Disposition, Continued

Surplus property disposition procedure

Step	Action	
1	If surplus property is...	Then
	Computer Equipment	Contact Information Technology Department
	All Others	Contact Purchasing Department
2	If surplus property is...	Then
	Computer Equipment	Information Technology will forward Surplus Disposition Form to department and will schedule pick-up. Information Technology will make arrangements to erase disk drive.
	All Others	Purchasing Department will forward Surplus Disposition Form to department and will schedule pick-up.
Note: Departments should allow five business days for pick-up after Purchasing Department receives the completed form. Surplus equipment should not be stored in hallways.		

3	If surplus property is...	Then
	Computer Equipment	Information Technology will determine disposition and notify Purchasing Department
	All Others	Purchasing Department will determine disposition method of redistribution, sale, or scrap.

**Additional
information**

Contact the Purchasing Department for additional information.

Travel

Travel policy

The University will pay for ordinary and necessary business-related travel expenses in accordance with IRS regulations for accountable plans.

To provide an accurate accounting for any business related travel costs on the records of Kentucky State University (the University) and to insure, within reasonable audit functions, that the recording and reimbursement of these expenses comply with applicable state and federal regulations.

To make reimbursement to any officer or employee who is required to travel in the discharge of official duties to the extent of actual, ordinary and necessary costs incurred within those limitations imposed by state law, contractual agreements, or the administrative regulations of the University.

To ensure all employees have a clear understanding of the University's travel guidelines while providing business travelers with reasonable convenience and comfort in the most efficient and cost-effective manner possible.

To maximize the University's ability to negotiate discounted rates with preferred suppliers thereby reducing travel costs to the University.

To ensure the University complies with applicable cost reimbursement guidelines of Federal, State and local agency requirements.

IRS regulations for accountable plans

For travel-related reimbursements to be accountable and therefore non-taxable, IRS regulations require the University to reimburse only substantiated ordinary and necessary traveling expenses for individuals traveling away from home. All three of the following must be met:

- There must be a business connection for the expense.
 - The traveler must substantiate the expense within a reasonable amount of time.
 - The traveler must return to the employer amounts advanced in excess of substantiated expenses. (The University requires no more than ten business days).
-

Ordinary and necessary defined

An ordinary expense is one that is common and accepted in the field of higher education. A necessary expense is one that is helpful and appropriate for the University's business.

Travel, Continued

Travel expense defined	<p>A travel expense is an ordinary and necessary expense of traveling away from employee's home, business, profession or job. Travel expenses include, but are not limited to:</p> <ul style="list-style-type: none">• transportation (airplane, train, bus, auto, taxi, etc.),• lodging,• meals,• tips,• other such as parking, bridge tolls, shipping,• telephone,• meeting/conference registration fees, and• per diem for meals in lieu of actual meal cost.
Traveling away from home defined	<p>You are traveling away from your home if (both tests must be met):</p> <ul style="list-style-type: none">• You are away from your tax home substantially longer than a day's work.• You need sleep or rest to meet the demands of your work while away from home (sleep and rest rule). <p>Therefore an overnight stay is required before an expense can be considered a travel expense with exception of mileage, tolls, and parking.</p>
Tax home defined	<p>Your tax home is the city in which your regular place of business is located regardless of where you maintain your family home.</p>
One day trips defined	<p>Trips of 50 miles or less one way from your tax home do not qualify for an overnight stay and therefore do not meet the sleep and rest rule. Further, meals consumed during these trips do not qualify for reimbursement as travel expenses. They may qualify as entertainment expenses. See Entertainment Policy for information.</p>
Per diem defined	<p>Instead of substantiating actual meal amounts for travel, the traveler may use a per diem rate. Per diem rates vary by city and are for a full 24-hour day. Per diem rates are found on page 90.</p>

Travel, Continued

Excluded expenses

Examples of expenses deemed as personal by the University and therefore not reimbursed include:

- dependent care services,
 - premiums for travel accident insurance,
 - theft, loss of funds, damage or loss of personal luggage and effects,
 - personal entertainment (including in-room movies, video rentals, barbering services, spa services, health club/recreational club fees, etc.), and
 - dry cleaning.
-

Requirements for substantiation

Original receipts, paid bills, or detailed listing of expense which show

- amount,
- date,
- place, and
- essential character of the expenditure (i.e., meals, lodging, tips, etc.)

If the expense is...	Then...
> \$25	Original receipt or paid bill required <u>Note:</u> Photocopies are not acceptable.
< \$25	Original receipt or paid bill encouraged, but detailed listing (Excel schedule) of expense and amount is acceptable.

Continued on Next Page

Travel, Continued

List of Required Receipts for Reimbursement

Individual Reimbursement

- Lodging
 - Travel by public carrier
 - Rental Car - in traveler's name
 - Gas - date, establishment name and address, amount paid
 - Entry fees
 - Registration fees (including conference textbooks/materials)
 - Taxi and shuttle services receipts where possible - if \$10 or more, must be itemized as to dates and locations
 - Business meals
 - Other Authorized Expenses:
 - Vehicle Parking: expense in excess of \$10, receipts are required
 - Official Phone Calls: receipts are required (personal phone calls are not reimbursable)
 - Baggage Handling: will be reimbursed at a rate of \$1 per bag (no receipt required)
 - Other Miscellaneous Expenses: expenses in excess of \$10, receipts are required. For example: Charges for tolls, postage, copier services, package shipment, etc.
-

Group Reimbursement

- Meals or meal list - date, establishment name and address, amount paid
- Travel advance meal receipts
- Lodging - if not on purchase order, (if on purchase order, list purchase order number)
- Air fare - if not on purchase order, (if on purchase order, list purchase order number)
- Ground transportation - if not on purchase order, (if on purchase order, list purchase order number)
- Rental car - in traveler's name
- Gas - date, establishment's name and address and amount paid; also specify on ticket "KSU Vehicle" or "Rental Vehicle"
- Entry fees
- Registration fees
- Other Authorized Expenses:
- Vehicle Parking: expense in excess of \$10, receipts are required
- Official Phone Calls: receipts are required (personal phone calls are not reimbursable)
- Baggage Handling: will be reimbursed at a rate of \$1 per bag (no

- receipt required)
- Other Miscellaneous Expenses: expenses in excess of \$10, receipts are required. For example: Charges for tolls, postage, copier services, package shipment, etc.

Methods of payment

The University pays for travel expenses with the following methods:

- reimbursement on **Travel Voucher** form, or
- university-issued procurement card.

Who can incur travel expenses

Any individual can incur travel expenses on behalf of the University provided the expenses are related to official University business, are substantiated, are not disallowed by University or regulatory policy, and are approved by the cognizant University official or supervisor.

Note: Non-exempt staff must be paid for travel time. Contact the Payroll Department for additional information.

Spousal travel

In general, the expenses of a spouse, family, or other accompanying the business traveler are not reimbursable. Exceptions may be granted with the approval of the President, a vice president, or the Board of Regents if one of the following conditions are met:

- The spouse has significant role in the proceedings.
- The spouse is involved in fund-raising activities.

The business purpose for the spouse's expenses must be clearly identified on the Travel Voucher form or Procurement card statement.

Note: In accordance with IRS Regulations, spousal travel will be charged to the employee's taxable gross income if deemed unrelated business travel.

Continued on Next Page

Travel, Continued

Combined business and personal travel

In the event University business-related travel is combined with personal travel, the traveler is required to split the costs between business and personal purposes and claim reimbursement only for ordinary and necessary University business-related travel expenses. University funds cannot be used to reimburse personal expenses.

University funds cannot be used to reimburse personal expenses. When a traveler decides to combine personal travel with business travel, **regardless of the type of transportation**, the amount reimbursed will be the costs directly related to the point(s) of business.

A combination trip does benefit the traveler to some extent; therefore, travelers should exercise special care not to seek reimbursement for expenses that could be construed as personal.

When combined personal and business occurs, the following rules apply:

Air Travel

When this occurs, the following rules apply:

1. If the stay at a business location is extended either prior to or after the business mission, the entire ticket may be reimbursed.
2. If any other destination (other than normal connecting airports) is included on the ticket that does not pertain to the business purpose, the amount reimbursed will be the fare directly related to the point(s) of business based on the fare class used.

The traveler must provide a written quote obtained from the airline, travel agency or a printout from a website, e.g., Expedia as proof of expense for the direct route to and from the business location for the dates and time of business. (Tickets purchased separately (one-way) to travel on personal business should not be included in the price when comparing the cost of tickets.)

The quote must be obtained '**PRIOR**' to travel* (preferably at the same time the airfare is purchased or itinerary printed), Request for Reimbursement along with the actual airfare receipt and other required documentation for reimbursement.

*If '**PRIOR**' expense documentation is not provided, the traveler will be

reimbursed as follows:

- a. by doubling the cost of the direct, one-way business portion of the trip plus applicable taxes from the actual ticket receipt provided (See Example Below),
- b. by using the 'current lowest fare with stopovers',
- c. utilizing the cost of co-worker ticket as comparison; or
- d. the amount requested, whichever is less.

Any remaining cost is the traveler's responsibility.

Example:

- The traveler purchases a ticket to travel from City A to City B for University business and to City C for personal reasons, then back to City A. The traveler will be reimbursed for the direct one-way business portion (City A to City B) times two plus taxes.
- The traveler purchases a ticket to travel from City A to City C for personal reasons, then to City B for University business, then returns to City A. Again the traveler will be reimbursed for the direct one-way business portion (City B to City A) times two plus taxes.

**Ground
Transportation**

The traveler must pro-rate the rental based on the number of personal days versus business days.

Parking expense at the airport and hotels must be reduced for personal day expenses.

Travel, Continued

Car Rental

The cost of a car rental is an allowable reimbursable expense provided that such an expense is essential to the business trip and is approved in advance. A copy of the rental contract and invoice must accompany the TV.

Rental vehicles normally should not be used unless the cost is less than that of other available ground transportation. Travelers are encouraged to use taxis and hotel shuttles instead of rental cars when available. The use of private limousines is not allowed. Compact or economy cars should be rented, particularly when traveling alone. When more than one employee is traveling, the party should maximize savings by using as few rental vehicles as possible. In this case, an intermediate size car may be appropriate. When picking up the rental car, please verify that the lowest available rate is being offered. There may be "daily or weekly specials" available that are lower than the corporate rate.

For domestic, business car rentals, the University's insurance will cover the individual as well as the vehicle; therefore, employees should not sign (or initial) for additional insurance coverage provided by car rental companies. This type of coverage is usually called Collision Damage Waiver. Reimbursement for Collision Damage Waiver and Personal Accident Insurance purchased through the car rental company is not reimbursable. Such expenses are the sole responsibility of the traveler. Rental cars should be refueled before being returned to avoid substantially inflated service charges for refueling at the rental location. Employees should understand that due to legal restrictions, rental cars obtained in the U.S. are not permitted to cross the border to Mexico.

Transportation by personal auto

The University will pay a standard mileage rate as posted in public announcement for University-related travel by personal automobile based on actual driving distance by the most direct route. (Please check campus announcements as this rate may change without notice.)

The most direct route avoids side-trips not of a business nature or and is calculated from the University to destination or from the tax home to the destination, whichever is less.

Mileage reimbursement claimed for travel between cities and towns shall be based on the most direct route.

Odometer readings will be required if a traveler's mileage is in excess of the standard round-trip mileage.

Travel within a city or town should be listed separately from travel between cities and towns.

Persons who choose to drive long distances rather than fly should note the following:

Mileage reimbursement will not exceed the lowest airfare available thirty days before the departure date.

Note: Traveler is required to use approved mileage distance table contained on the intranet.

**Standard
mileage rate**

The standard mileage rate is a rate used in lieu of all actual automobile expenses such as fuel and lubrication, towing charges, physical damage to vehicle, repairs, replacements, tires, depreciation, wear and tear, insurance, etc.

Lodging

Lodging expense will be reimbursed based on the location of travel, upon presentation of an original receipt from a commercial lodging establishment. The receipt should show dates of occupancy and the name and address of the place of lodging.

Individual travelers are limited to reimbursement of the single room rate. If a family member or other non-business related person stays in the room with the traveler, it is the traveler's responsibility to have the hotel indicate the single room rate on the receipt at the time of checkout.

Lodging reservations must be made directly with the hotel. If attending a conference, it is customary to stay at the hotel hosting it. If an employee chooses to stay at a different hotel from where the conference is being held, lodging will be reimbursed for no more than the conference rate being offered at the conference hotel. Many times, hotels will lower their rates on the night of arrival if they are trying to fill their rooms. It never hurts to ask for the lowest available rate at check-in to further increase savings opportunities.

Hotel charges should be limited to room charges, taxes, reasonable tips (paid in accordance with local custom) and necessary telephone and facsimile. Travelers should use standard accommodations in reasonably priced hotels.

If a trip is extended for personal travel reasons and the length of the extension exceeds the length of the business portion, the employee must pay for the hotel personally and will be reimbursed only for the portion associated with University business.

The University will not reimburse travel and entertainment expenses incurred by a spouse, family member or other individuals accompanying an employee (unless these expenses are part of a fringe benefits package in an employment contract). A spouse, family member or other companion may accompany an employee at the employee's expense. Lodging will not be paid for above the single occupancy rate to accommodate guests.

In the event it is necessary to change or cancel guaranteed reservations, it is the responsibility of the traveler to cancel the reservations (check your hotel confirmation as cancel times may vary) and obtain a cancellation number.

Reimbursement for lodging shall not exceed the cost of a single room rate. If more than one employee shares lodging, then each employee shall be reimbursed on his or her proportional share of the charge. However, if one employee pays for the lodging charges, that employee can include the full cost on their TV.

Generally, overnight stays will not be approved for trips within 40 miles of your home, except in cases of continuous travel, such as recruiting. Requests for exceptions may be made to the appropriate Divisional Vice President.

**Combining
Business Travel
with Vacation**

Subsistence will not be reimbursed for any days in which an employee is in vacation status. One day is allowed for travel to and from the business destination.

Parking expense at the airport and hotels must be reduced for personal day expenses.

Taxi and shuttle expenses during personal days are not reimbursable.

**Check Request
reimbursement
procedure**

All University travel is documented and requested on the Travel Authorization (TA) form. The form is the official request for University travel and must be approved by the appropriate administrative level for each travel request. A copy of the TA form is included in **Appendix A**. Accounts Payable will confirm (commit to) all University air travel ticket purchases. If traveling by air, the approved TA and supporting documentation must be submitted to Accounts Payable at least 21 days prior to departure in order to ensure that the lowest possible fares are booked.

Note: Traveler is not required to submit leave form to Accounts Payable for in-state travel that does not require an overnight stay and is less \$200.00.

However, the supervisor approving the travel is responsible for making sure that an approved leave form for time away from the University on travel is submitted to the supervisor.

**Travel
chargeable to
Sponsored
Programs**

Travel to conventions or association meetings chargeable to sponsored programs must be related to the purpose of the project and described in the statement of travel on the TA form. The following information should be helpful in preparing the TA. A separate TA must be completed for each trip taken.

**In-State and
Out-of-State
Travel**

A TA form must be completed, properly approved by the department head and authorized signers and should be accompanied by all related and supporting materials, including copies of conference/registrations, brochures and preliminary flight itineraries. An approved leave form for time away from the University on travel must be submitted with the TA for all travel outside the state, for travel in state with an overnight stay, and for in state travel that is over \$200.00. The TA and supporting documentation must be submitted to Accounts Payable not less than 21 days prior to the date of travel, when the circumstance of travel is attendance at in-state or out-of-state conventions, meetings, conferences, workshops, seminars and clinics or other authorized University purposes.

Outside the Continental Limits of the United States

International travel requires not less than 30 days submission of the TA form and requires additional approval of the President.

**Procurement
card procedure**

Consult Procurement card procedures and/or contact the Purchasing Department for information.

Travel, Continued

Traveling with Others

Any employee(s) traveling with student(s) should complete a TA and attach a list of participating students.

Other Situations for Which An Additional Travel Authorization is Required

A separate TA must be filed if the purpose of the trip changes from that which was stated on the original TA form.

Travel advances procedure

The University prohibits the use of travel advances. A travel advance may only be obtained to provide meals for students. A check for meal allowances will be made payable only to the responsible staff person who is charge of the students, the student group or athletic team.

When a travel advance is requested for student-related travel or athletic team travel, an approved Purchase Requisition (PR) must be completed in order to encumber the funds. The on-line PR is not acceptable for this type of request. The PR must contain the following minimum information:

- Name of all travelers and estimated meal cost by date and traveler
 - Purpose, justification, and destination of the trip
 - Inclusive trip dates
 - Mode of transportation
 - Department name
 - Account number
-

Prepaid Travel Expenses

The following are allowable prepaid business expenses: conference registration fees, airline fares and student lodging; and are made payable only to the vendor, such as the hotel or the organization sponsoring the conference or seminar. Travel (cash) advances for these travel-related expenses are not permitted.

Conference registration fees and student lodging associated with student travel can be paid through an online purchase requisition.

Accounts Payable will confirm airline reservations based on the itinerary received and availability of flights requested. The traveler should be as flexible as possible. The traveler should indicate an acceptable block of time

for air travel. For example, indicate on the TA if air travel departure is acceptable between 6-10 am rather than stating a specific time.

- For lodging accommodations for students that can be direct-billed to the University, the department must submit a PR so that a Purchase Order can be issued and forwarded timely to vendor. **Special Notes:** Frequently, a direct-billed account must be established and requires approximately 30 days to set-up. The University does not prepay lodging for employee travel. Employee travel for lodging is reimbursed after completion of the trip.

**Settlement of
Travel
Advances**

Travel advances must be settled within five (5) business days following the end of the travel. Settlement of an advance must be completed with Accounts Payable. Any unused portion of the travel advance should be deposited with the Cashier's Office and a receipt obtained and submitted with receipts. The cash receipt should be submitted with the original meal receipts to Accounts Payable. Original meal receipts must be **itemized** and must reflect that amount used to pay for the meal purchases. The individual obtaining the travel advance (i.e. individual check is made payable to) is solely responsible for the amount of the advance received, and must return itemized receipts (i.e. trip dates must occur during the dates the travel advance was issued) and/or the residual cash totaling the amount of the travel advance received. The traveler is expected to exercise prudence in safeguarding the travel advance. The university will not reimburse the traveler for deposit, withdrawal, or usage fees associated with cash handling. If a trip is cancelled, the travel advance is due immediately.

Tape original cash receipts to letter size paper. Receipts must be arranged in date order. Receipts must be taped in a manner where the top of the receipt that reflects the establishment's information and the bottom of the receipt that reflects the total due, amount paid and method of payment is visible. Do not tape receipts on top of each other or in any other manner that makes reviewing and copying the receipts difficult.

Failure to return original receipts and/or cash will result in an automatic payroll deduction for the amount of the advance and future travel advances will be prohibited.

No more than one (1) outstanding travel advance is permitted at any time.

**Allowable
Travel Cost**

Subsistence- Meals

When traveling on University business, travelers are eligible for a standard meal per diem. Usually the travel must include an overnight stay. Trips of 40 miles or less one way from your tax home generally do not qualify for an overnight

stay as they do not meet the sleep and rest rule. Further, meals consumed during these trips do not qualify for reimbursement as travel expenses; however, they may qualify as entertainment expenses.

Per Diem rates are established and are paid based on whether travel included travel to high-rate or low-rate areas. See **page 90** for per diem rates for high-rate areas. All other locations are considered low-rate areas.

Per Diem payments are meant to cover the cost of the meal as well as any applicable taxes and tips. Tips shall not exceed 20% of the total meal cost excluding taxes. Employees should not request meal per diem for meals that are included in the price of workshops or conferences or which are provided at no cost to the employee. Meal receipts are not required if per diem is claimed. Actual meal costs will be reimbursed up to the per diem amount. **Special Note:** Alcoholic beverages are not reimbursable and should not be included under any condition.

**Combining
actual expenses
and per diem in
a single trip**

The traveler cannot use both the per diem and actual expense method for meals during the same trip. However, on certain occasions, the traveler may be required to provide a meal for an athletic, other student team, donor cultivation, etc. On those days receipts for actual expenses may be submitted even though for the remainder of the trip the traveler claims per diem.

Below are the criteria that must be met for an employee to be reimbursed for meals:

Breakfast and Lunch - An employee is eligible for reimbursement for subsistence for breakfast and lunch expenses while traveling in Kentucky, if authorized work requires an overnight stay and absence during the mealtime hours established by paragraph (d) or (e) of this subsection. An employee shall be in travel status during the entire mealtime. For example, to be eligible for breakfast reimbursement, an employee shall leave at or before 6:30 a.m. and return at or after 9:00 a.m. This requirement shall apply to all meals.

Dinner – An employee shall be eligible for reimbursement for dinner expenses while traveling in Kentucky, if authorized work requires an absence:

At a destination more than 40 miles from the individual's work station or home; and

During the mealtime hours established by paragraph (d) or (e) of this subsection. For example, to be eligible for dinner reimbursement, an employee shall leave at or before 5:00 p.m. and return at or after 9:00 p.m.

An employee shall be eligible for reimbursement for meals while on authorized travel outside Kentucky, but within the United States, its possessions or Canada, at the reimbursement rates established below. (These rates may be revised annually and are subject to change without notice.)

Reimbursement for non-high rate areas:

Non-High Rate Travel		Reimbursement Amounts
Meal	Meal-time Hours	Per diem not to exceed
Breakfast	6:30 a.m. – 9:00 a.m.	\$ 7.00
Lunch	11:00 a.m. – 2:00 p.m.	\$ 8.00
Dinner	5:00 p.m. – 9:00 p.m.	\$15.00

Reimbursement for high rate areas:

High Rate Travel		Reimbursement Amounts
Meal	Meal-time Hours	Per diem not to exceed
Breakfast	6:30 a.m. – 9:00 a.m.	\$ 8.00
Lunch	11:00 a.m. – 2:00 p.m.	\$ 9.00
Dinner	5:00 p.m. – 9:00 p.m.	\$19.00

Note: An employee may, with prior approval of the department head, be reimbursed for the actual cost charged for meals, if the individual is assigned to attend meetings and training sessions.

Travel, Continued

Unused travel advances procedure

Follow the procedure below to return any unused travel advances:

Step	Action
1	Upon return from the trip, submit an Expenditure Transfer form (available from Accounts Payable Department) within five business days to account for actual expenditures.
2	Prepare a Cash Deposit form (See Receipts Handling Policy for guidance) for the excess advance returned. Use the object code originally used for the advance and account number.
3	Deposit the funds with the University's cashiers (see Receipts Handling Policy for guidance).
4	Attach deposit receipt to Check Request form and submit to Accounting Department.

Procedure: claiming per diem

Follow the procedure below to claim a per diem in lieu of actual meal expenses:

Step	Action
1	Visit the Federal government's website at http://gsa.gov .
2	Select the per diem rates link for the year of travel.
3	Select the state or country and print the page(s) which show the city(ies) visited.
4	Rate claimed is the M&IE rate only (meals and incidental expenses). <u>Note:</u> If the city is not specifically listed, the traveler must use the M&IE rate for that locality (i.e., state or country) displayed on the web site.
5	Attach printout from government web site to Check Request form to substantiate the rate claimed.

Continued on next page

Travel, Continued

Related policies

Additional information

Contact the Accounts Payable Department for additional information.

University Provided Vehicles

University provided vehicle policy

Use of University-owned vehicles is limited to faculty and staff members. University-owned vehicles may be used only during the conduct of official University business. The person to whom the vehicle is assigned must be at least 18 years old and have a valid driver's license.

University provided vehicle defined

Any vehicle purchased or leased by the University, regardless of funding source, for the purpose of University business.

University provided vehicle types

University provided vehicle types include:

- Vehicles leased by the University.
- Vehicles purchased by the University.

IRS regulations

Employees who have been pre-approved to drive their agency assigned vehicle to and from work and their residence on a regular basis are considered by the Internal Revenue Code to have derived gross income from such use of their vehicles. The amount of such derived gross income is specified in the Internal Revenue Code, and permits most employees to value commuting use at \$1.50 per one-way trip. The code requires that such income be reported with other gross income on individuals' income tax returns, and that taxes and FICA be paid on such income.

There are other conditions and exceptions that may apply. Internal Revenue Code (Publication 15-B, *Employer's Tax Guide to Fringe Benefits*) should be referenced for additional information. Additionally, institutions may request clarification in writing from the University's Legal Counsel.

The Internal Revenue Code also requires:

- That employees report the number of commuting trips they make to their employers.
 - That the employers withhold associated taxes and FICA.
 - That the employers report such income and withholdings on individual employees' W-2 forms.
 - That the employers remit all withholdings and the employers' share of any owed FICA to the Internal Revenue Service.
-

Continue on Next Page

**University
Vehicle
Approval**

Required Approval

The supervisor and division Vice President which has administrative custody of a University vehicle is responsible for approving usage:

**Responsibilities
for University
Vehicle**

Ascertaining that the person to whom the vehicle is assigned meets the license requirements.

Tracking an employee's license expiration date; following the schedule, notifying and providing an application for a commercial driver's license.

Determining that the vehicle is used only for official University business.

Reviewing and approving the request for assignment of a University vehicle to faculty or staff member in order that such drivers may be protected under the provisions of University liability insurance.

Insurance

Authorized drivers of the University ground vehicle used in the conduct of official University business are insured by the University against bodily injury and property damage liability.

Continued on next page

**New Vehicle
Purchase or
Acquisition**

Required Approval

The President, VP of Finance and Business Affairs, and Division Vice President which has administrative custody of a University vehicle is responsible for approving purchase of new University vehicles.

Contract

The contract for the lease or purchase must be reviewed and approved by the University's Legal Counsel before the purchase can be made.

Leased Vehicles

All leased vehicles must be approved by the President and VP of Finance and Business Affairs. The lease contract is sent to the Assoc. Vice President of Business Operations or the Director of Accounting to properly record the lease payments.

University Provided Vehicles, Continued

Employee responsibilities

Authorized Passengers

Passengers in University vehicles must be faculty members or staff members, students or guests of the University traveling on official University business.

Authorized Passenger as Drivers

Authorized passengers are permitted to assist in the driving of a University vehicle if they are properly licensed to drive in accordance with the above provision.

Personal Use Prohibited

Personal use of a University vehicle is not permitted. This includes:

Any trip or portion of a trip, which is made for the purpose of participating in an activity or function that is not official University business.

Any trip or portion of a trip for which the expenses are not reimbursable by the University.

Any trip or portion of a trip, which is made to transport an unauthorized passenger.

Seat Belts

All drivers and passengers shall wear seat belts in any University vehicle, which is equipped with passenger restraints (seat belt assemblies of the lap or lap/shoulder design). No vehicle shall be operated when the number of occupants exceeds the number of passenger restraints available.

Each driver and passenger is responsible for complying with this policy. Supervisors should ensure compliance by monitoring their employees' use of seat belts. Failure to comply with this policy may result in disciplinary action.

Traffic Violations

The University is not responsible for traffic violations by drivers of University-owned vehicles.

**Payroll
Department
responsibilities**

The Payroll Department annually calculates a personal benefit based upon the information submitted on the **Annual Certification of Business Use** form. The amount of this personal benefit is reported as a non-cash fringe benefit on Form W-2.

**Business miles
defined**

Business miles are those miles driven for official University business. Business miles do not include commuting miles.

**Commuting
miles defined**

Commuting miles are those miles driven between your home and the campus you regularly work at.

**Obtaining a
University
provided
vehicle
procedure**

Follow the procedure below to obtain a University provided vehicle:

Step	Action
1	Contact Motor Pool to obtain estimated charges for travel.
2	Complete hard copy requisition, attach estimated charges, and obtain departmental approval and signature. (Note: The division Vice President must approval all request for University provided vehicle usage.)
3	Department to route requisition to Purchasing for login for tracking purposes.
4	Purchasing to route requisition to Accounting to verify funding availability and encumber interdepartmental request.
5	Accounting to route requisition to Motor Pool to secure reservation.
6	Motor Pool schedules reservation and contacts department of established reservation.

Continued on next page

University Provided Vehicles, Continued

Annual certification procedure

Follow the procedure below annually to certify business use:

Step	Action
1	Maintain mileage log tracking business miles and total miles driven each calendar year (January – December)
2	Complete Annual Certification of Business Use form, available from Payroll Department.
3	Submit completed form to Payroll Department by due date.

Additional information

Contact the following departments for additional information:

Department	Purpose
Motor Pool Department	Obtaining vehicle.
Payroll Department	Taxation issues. <u>Note:</u> The Payroll Department does not provide tax advice. Consult your tax preparer for income tax advice.

APPENDICES

I. IDENTIFY THEFT POLICY

KENTUCKY STATE UNIVERSITY

IDENTITY THEFT POLICY

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OVERVIEW	The Federal Trade Commission has issued an amendment to the Fair and Accurate Credit Transactions Act of 2003 effective November 1, 2008, which requires colleges and universities acting as “creditors” with “covered accounts” to adopt and implement a written, duly approved policy that addresses Identity Theft for new and existing accounts.
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Purpose	The purpose of this policy is to comply with the Federal Trade Commission regulations relevant to 16CFR 681.2 and The Red Flags Rule under section 114 and 315 of the Fair and Accurate Credit Transactions Act amended the Fair Credit Reporting Act.
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Delegated responsibility	The policy will be administered by the Director of Risk Management or a designee assigned by the President.
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Requirements	<p>The Red Flag Rule requires the University to establish policies and procedures for each program that addresses processes for dealing with identity theft prevention. The policy and procedures must address the following:</p> <ol style="list-style-type: none"> 1. Identify relevant “red flags” and incorporate them into the program for new and existing covered accounts; 2. Detection of “red flags” incorporated into the program; 3. Respond to “red flags” to prevent and mitigate adverse occurrences of identity theft; 4. Update the program periodically to reflects changes in risks; Obtain approval of the initial written program or an appropriate committee designated by the Board of Regents; and 5. Staff training as necessary to effectively implement the program.
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Definition	Identify Theft	A fraud committed or attempted using the identifying information of another person without authority.
	Red Flag	A pattern, practice or specific activity that indicates the possible existence of Identity Theft.
	Covered Accounts	Accounts offered for personal, family, or household purposes, that involves or is designed to permit multiple payments or transactions (e.g. participating in the Federal Perkins Loan program; participating in the Federal Family Education Loan program (FFEL); offering institutional loans to students, faculty or staff (i.e. emergency student loans, employee accounts receivable, etc), offering tuition payment plans throughout the semester rather than requiring full payment at the beginning of the semester.
	Creditor	Includes student accounts or loans where payment for services rendered is deferred.
	Identifying Information	Any name or number that may be used, alone or in conjunction with any other information, to identify a specific person (e.g. name, address, telephone number, social security number, date of birth, driver's license, state identification, alien registration number, passport number, taxpayer identification number, student identification number, etc.).
	Red Flags	Patterns, practices, and specific activities that signal possible identify theft.

Additional information	Family Education and Privacy Act (FERPA), Gramm Leach Bliley (GLB), Fair Credit Reporting Act (FCRA)
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IDENTIFYING RED FLAGS

University knowledge, suspicion or notification from a student, university personnel, law enforcement, or identify theft victim would constitute a red flag under this policy. A red flag is anything that raises suspicion of the identity of the individual.

Suspicious Documents	<ol style="list-style-type: none">1. Identification document appears to be forged, altered or fictitious;2. Identification document where a photograph or physical description is present appears to be inconsistent with the person presenting the document;3. Other documents on file with the information presented appears inconsistent with student information; and4. Documents presented for services appear to be altered or forged.
Suspicious Personal Identification Information	<ol style="list-style-type: none">1. Personal identifying information presented is inconsistent with:<ol style="list-style-type: none">a. other information the student has provided (e.g. birth date does not match student record);b. other sources of information (e.g. address does not match and address on loan application);2. Identifying information presented is the same as information found to be fraudulent;3. Identifying information is the same as one presented by another student (e.g. social security number same as another student on file); and4. A person fails to provide completed personal identifying information when asked to do so.
Suspicious Covered Account Activity	<ol style="list-style-type: none">1. Change of address for an account followed by a request to change the students name;2. Stop payment on a active account where the account is never past due;3. Signature on document does not match that on file;4. Activity on the account is inconsistent with prior transactions;5. Mail sent to the student is returned as undeliverable;6. Notice from the student that University mail is not received;7. Notice of unauthorized activity;8. Student's address is one of a prison;9. Social Security Number does not match birth date or name;10. Breach in University computer system security;11. Notification of unauthorized access to or use of student account information; and12. ANY inconsistent information.

RED FLAG DETECTION

To detect “Red Flags” as identified above, the following procedures should be followed to obtain and verify the identity of the person conducting business.

Student Enrollment	<ol style="list-style-type: none">1. Require certain identifying information such as name, date of birth, academic records, home address or other information that would allow you to validate the identity of the person.2. Verify the student’s identity when issuing a student identification card (i.e. review driver’s license or other government-issued photo identification).
Existing Accounts	<ol style="list-style-type: none">1. Verify the identity of students if they are requesting information whether it’s in person, via telephone, facsimile, or email;2. Verify the validity of requests to change addresses by mail or email and provide the student a reasonable means of promptly reporting incorrect address changes (i.e. send notification of all address changes if the request is not made in person and the individual is unable to present proper identification); and3. Verify the validity of requests to apply or change payment information (i.e. credit card, banking account information, student pay card, etc.)
Consumer Reports	<p>In order to detect any of the Red Flags associated with employment or volunteer positions where a credit or background report is required, University personnel will perform the following steps to uncover address discrepancies:</p> <ol style="list-style-type: none">1. Obtain written verification that the address provided is accurate at the time the request for the consumer report is made to reporting agency; and2. Verify the consumer report pertains to the applicant for whom the requested report was made.
Service Provider Arrangements	<p>The University from time to time engages in services that are provided by external businesses in which identifying information may be given to the external party to provide these services. To ensure that the service provider’s business practices are designed to detect or prevent identity theft in accordance with reasonable policy and procedures the Program Administration will</p> <ol style="list-style-type: none">a. require, by contract, the service provider to have such policies and procedures in place;b. obtain a SAS 70 report annually; and

	c. require the service provider to provide the University notice of any breach in security that may affect student or employee data.
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PREVENTING IDENTITY THEFT

In the event that University personnel detect Red Flags, the following steps should be taken:

Prevent and/or Mitigate	<ol style="list-style-type: none"> 1. Continuously monitor covered accounts for evidence of identity theft; 2. Contact the student or applicant if suspicious information is obtained; 3. Change passwords or other security devices that permits access to covered accounts every 90 days or less as required; 4. Change passwords immediately if suspicion of a breach exists; 5. Verify identifying information before activating or opening a covered account; 6. Close students account and provide the student with a new student identification number if the students account has been compromised; and 7. Notify the Program Administrator, law enforcement, or other appropriate agencies of any breach of student accounts.
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Protecting Student Information	<p>The following steps should be taken to prevent the likelihood of Identity Theft occurring:</p> <ol style="list-style-type: none"> 1. Ensure that the website is secure when entering identifying information; 2. Ensure complete and secure destruction of paper documents and computer files containing student account information in accordance of records retention policy; 3. Ensure that office computers with access to student or employee information is password protected; 4. Avoid using social security numbers on documents or files (i.e. use the CWID number whenever possible); 5. Ensure computer virus protection is up to date; and 6. Maintain only student or employee information that is necessary for University purposes.
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RESPONDING TO RED FLAGS

Upon identification of potential identity theft, University employees must act quickly to protect the student, employee or university from damages or losses as a result.

Gathering documents	<ol style="list-style-type: none">1. Retain all related documentation and write a detailed description of the situation. Present this information to the Program Administrator'2. The Program Administrator will obtain additional information, as necessary, and determine the authenticity of the documents and whether the transaction constitutes a breach;3. If the situation is established to be a breach, the Program Administrator will immediately cancel the transaction, notify University Policy and/or law enforcement agency; determine the extent of liability to the University; and notify the student or employee of a possible breach.
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POLICY UPDATES

The Identity Theft Policy will be re-evaluated to determine whether updates are required periodically not to exceed two year intervals.

II. GRANTS MANAGEMENT GUIDE

KENTUCKY STATE UNIVERSITY

GRANTS MANAGEMENT PROCEDURES

2008

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Travel Policy and Procedures

Asset Management Policy and Procedures

Revised Date: April 30, 2010

Kentucky State University

Guide to Grants Management

Introduction

As the official recipient of federal and state grant funds, Kentucky State University is, ultimately, legally and financially responsible and accountable to the sponsor for the performance of the activity funded and for the proper use of funds. To ensure University compliance with the rules, regulations, policies and/or procedures that apply to grant awards, Grants Accounting in the Department of Accounting Services will be the primary source of financial assistance and reporting for contracts and grants. The Sponsored Programs Office is primarily for the oversight of principal investigators/project directors (PI/PD) in the management of their funded projects.

Contacts for Grants Management Assistance:

Dr. Herman Walston
Herman.walston@kysu.edu
502-597-5906 office

Angela.curry@kysu.edu
Angela Curry, Title III Administration 502-597-6414

Claudine Gee
Compliance Officer
Claudine.gee@kysu.edu
502-597-6976

Alicia Mapp
Grants Accountant
Alicia.mapp@kysu.edu
502-597-6175

Primary Grants Accountant Responsibilities

Repository for all contract/grant documentation
Liaison with other university administrative support units, sponsors and auditors
Liaison for PI/PD to the Division of Finance
Assists in the establishment of expenditure accounts
Reviews hiring requests for consistency with agency requirements
Obtains prior approval and management review for all requests for expenditures of grant funds
Monitors expenditures of grant funds for compliance with sponsor, University and other Administrative policies
Prepares and monitors subcontracts
Prepares and submits inventions and equipment reports
Monitors the submission of financial and technical reports and secure copies of all reports
Reviews Labor Distribution Reports Grant Accounts

Primary Compliance Officer Responsibilities

The CO is responsible for monitoring budgetary impact of grants on the University budget.
The CO is responsible for ensuring required matches are reserved, budgeted and transferred during the budget process.
The CO reviews and ensures that required documents for program certifications are maintained.
The CO prepares reports to the Vice President on grant spending progress.
The CO includes grant spending in Division Monthly Financial Reports.
The CO works with Associate Vice President of Business Operations to assist with grant oversight and reconciliations, as requested.

Primary PI/PD Responsibilities

The PI/PD is responsible for the proper conduct of the project
The PI/PD must comply with all of the Terms and Conditions imposed by the agency/sponsor
The PI/PD must operate the project within the approved budget
The PI/PD must prepare and submit required technical reports in a timely manner. A copy of these reports must be submitted to the Grants Accounting.
The PI/PD must submit to Grants Accounting appropriate Time and Effort Reports certifying their work on the project and that of other project-funded personnel.
The PI/PD must notify Grants Accounting of accounting and/or labor discrepancies/errors found in the project budget.

The PI/PD is the one individual designated by the applicant to provide scientific and technical direction to a project supported by the funding agreement.

Compliance

Every award of extramural funds comes with “strings attached.” Whether the sponsor is a federal or state agency, a private foundation, or an individual, grant recipients are expected to properly carry out the project for which funds were awarded; adhere to the terms and conditions of the award; and comply with the regulations that govern the program through which funding was awarded.

Regulations that govern publicly-funded grants include:

- OMB A-21 Cost Principles for Educational Institutions
- 2 CFR 215 (formerly OMB A-110) Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations Maryland Administrative Code
- Sponsor Guidelines
- Education Department General Administrative Guide (EDGAR)
- PHS Grants Policy Statement
- NSF Grants and Agreement Conditions
- Code of Federal Regulations
- University Policies and Procedures (e.g., Procurement, Travel, Asset Management)

Types of Awards

Grant: a financial assistance mechanism providing money, property or both to an eligible entity to carry out an approved project or activity. A grant is used whenever a federal agency anticipates no substantial programmatic involvement with the awardee during performance.

Contract: an agreement between two parties to perform a specific task within a specified period of time. The recipient is obligated to complete the task(s) for which funds have been awarded within the established time period. Little latitude is given to make changes to the scope of the agreement or to the approved budget.

Cooperative Agreement: a financial assistance mechanism used when substantial federal programmatic involvement with the awardee during performance is anticipated by the issuing agency. The Cooperative Agreement contains the responsibilities and respective obligations of the parties.

Step-by-Step Grant Administration

Step 1 (Notification of Award)

Upon receipt of a formal award notification, the PI/PD must meet with Grants Accounting staff to review the terms and conditions of the award and to prepare the forms (Request for Department ID and Request for New Budget) required for establishing an expenditure account.

Step 2 (Setting up the Expenditure Account)

The expenditure account requests are forwarded to the Grant Accounting Office by Sponsored Programs. The Grant Accounting staff confirms the distribution of funds and the proper classification of the award. The new budget request is forwarded to the Budget Office which has responsibility for entering the new budget into the financial system. The Grant Accounting staff assigns both the Department ID and Project Number. These numbers are then forwarded to the PI/PD and Sponsored Programs.

Grant activity is recorded in the “6” ledger. Accounting Services will assign the account number, establish it on the general ledger and other locations. Grants must be established according to function expense purpose which are:

- Instruction
- Research
- Public Service
- Academic Affairs
- Student Support
- Instructional Support
- Operations and Maintenance
- Scholarships and Fellowships

Step 3 (Establishing a Cost Sharing Account)

When a funded proposal budget includes project costs that will be borne by the University (grantee) and/or its external partners, there is a requirement to maintain records of those costs which may be audited. If the cost sharing is in the form of a cash match, an account must be established to which charges will be applied. For example, if the University has stated that \$100,000 in equipment will be purchased with University funds in support of a funded project, an expenditure account with a budget of that amount must be set up in the Financial Management System. The PI/PD would be able to expend those funds during the period of the project for the purpose(s) stated in the approved budget.

If the cost sharing is in the form of in-kind services, records must be maintained by the PI/PD that show how the value of those services has been determined. For example, the value of the time contributed by an individual at no cost to the project (attendance at meetings, development of materials, coordinating group activities, etc.) would be calculated based on their base salary. Logs, minutes, reports, etc. must show that the individual contributed the time proposed.

Step 4 (Hiring Project Personnel)

When project personnel (including the PI/PD) are to be hired, the PI/PD must initiate the hiring request(s) using the following the established hiring procedures.

All requests to hire project funded personnel must be submitted and approved through Human Resources **prior** to the performance of the work. The OPAL system documents the hiring process. Upon creation of an OPAL, the PI/PD must include approvals established in the OPAL business process documentation. Human Resource Services is the final approver of hiring decisions and extends all offers to work at the University. This process may take 5 to 10 business days to complete. The Office of Human Resource Services, not the PI/PD, must notify personnel that they are approved to begin working. Failure to follow this procedure places the University in non-compliance with federal and state regulations, and at risk for potential liability.

Time and Effort Reporting: Persons who are paid fully or in part from grant funds must certify the level of effort worked as follows:

Faculty: at the end of each term (Fall and Spring semesters and Summer Session)

Staff: at the end of each month

Students: certification is not required

The Certification of Personnel Activity form is used for this purpose, and when completed is submitted to the Sponsored Programs Office. A copy of each completed certification is provided to Grant Accounting for their files.

Employees are permitted to take advantage of **Remission of Tuition** if such funds are available in the sponsored program. While the employee is not required to pay full tuition, the reduced cost is charged to their grant account. **The PI/PD on the project must include the funds in the budget request along with a justification.**

Employees taking courses that are paid for through the sponsored project must take courses that are designed to enhance the employee's ability to assist in achieving the objectives of the project.

Step 5 (How to Procure Goods and Services)

Upon receipt of the account number, the PI/PD may begin to expend grant funds in keeping with the approved budget. Procurement activities (purchases of services, equipment, materials and supplies, etc.) are conducted using the following:

- **On-line Procurement Forms.** The process of procurement is performed using the Financial Accounting System. The PI/PD must receive training in order to be given access to the module. Once trained, the PI/PD or his/her designee may enter requisitions. Once a requisition is approved, Procurement Services staff will review the requisition for completeness and create a Purchase Order. **A PI/PD may not authorize a vendor to begin work before a Purchase Order has been issued.**

No vendor should begin work until the vendor has received an official Purchase Order from the University. The Purchase Order authorizes the work and binds the University to pay the vendor upon

completion of the work. Requisitions are to be used to purchase equipment, materials and supplies, printing, and consultant services. Requestors are required to provide Procurement Services with a written quote (via email or fax) for every requisition to document the vendor's price, product availability, shipping date, etc. **Confirming requisitions** (those requisitions submitted after the goods or services have already been received) **are unauthorized purchases** and will not be approved.

- **On-Line Purchases of Supplies:** The University currently uses the on-line services of *Office Max* for the purchase of office supplies. While we are expected to use this vendor to purchase general office supplies, certain items may, with the approval of the procurement manager, be purchased from other vendors.
- **Printing:** The Xerox Copy Center provides printing services for the campus. If the Center is unable to perform or complete the job, a suitable vendor will be selected. All purchases estimated to cost over \$5,000 must be competitively bid. Details may be found in the attached Procurement Policy and Procedures Manual.

Step 6 (Travel)

Travel that has been approved by the sponsoring organization is also subject to the Kentucky State University Travel Policy and Procedures, located on the University intranet.

Step 7 (Equipment Purchases)

Equipment purchases must be carried out using the Financial Reporting system. Except in extreme emergencies, Purchasing Cards may not be used for this purpose.

All equipment purchases must be tagged by the Asset Management staff. The policy of Asset Management is attached.

Step 8 (Student Stipends)

Stipends are paid to students who are participants (in a learning capacity) in the project – not project staff. If students are to be employed as project staff on a funded project, an OPAL must be prepared and approved before the student can begin working. The Time Sheet must be approved by the PI/PD. Some grants provide tuition support for students. In this instance, the PI/PD must initiate the transfer of funds from the project budget to the student's account with Grant Accounting staff.

Step 9 (Subcontracts)

A formal agreement between the university and an external organization to carry out specific work outlined in the funded proposal is a **Subcontract**. If the proposal results in a grant award, the agreement assumes the work to be performed has the approval of the sponsor. The agreement is drawn up in Sponsored Programs and approved by legal counsel before it is executed. A copy of the subcontract must be forwarded to Grants Accounting.

Step 10 (Budget Modifications)

It is expected that on occasion, a **budget modification** will be needed in order to facilitate the achievement of project objectives. The Terms and Conditions of each grant are reviewed by Sponsored Programs staff to determine the limits, if any, placed on the PI/PD's ability to make budget modifications. **If the prior approval of the sponsor is required for the modification, a written request is made through Sponsored Programs.** The budget modification will not be processed until written approval is received from the sponsor.

Step 11 (Over Expenditures)

It is the responsibility of the PI/PD to manage the expenditure of grant funds so that there are no over expenditures in any of the approved budget categories. Sponsored Programs and the Division of Finance will work hand-in-hand with the PI/PD to ensure that this does not occur. Over expenditures cannot be charged to the grant and thus they become the responsibility of the University. The University charges those overages to the PI/PD's Department budget. It is therefore vital that these budgets be effectively and efficiently managed.

Step 12 (Project Reporting)

Each grant award includes information on the types and frequency of reports that are required from the PI/PD and the University. PI/PD's are required to submit Technical/Performance Reports either monthly, quarterly, semi-annually or annually. The University is required to submit Financial Reports either quarterly, semi-annually, or annually. These reports must be submitted in a timely manner to ensure compliance, and to provide justification to the sponsor that continued funding is warranted.

Sponsors may permit Technical Reports to be submitted in a simple letter format, on-line format or require that they be submitted in a more detailed format that is pre-determined and provided to the PI/PD by the sponsor. **These reports must be submitted to Sponsored Programs prior to their submission to the Sponsor.**

Grant Accounting staff prepares all Financial Reports for submission to the Sponsor. PI/PD's are not to submit such reports on behalf of the University. Copies of these reports are provided to Sponsored Programs and to the PI/PD.

Step 13 (Project Extensions)

At least 45 days prior to the established end date of the sponsored activity, the PI/PD, in collaboration with Sponsored Programs, will determine whether an extension to the project is needed. The need for an extension must involve unfinished activities or new activities that are needed to achieve the objectives of the project. **A request for an extension may not be for the sole purpose of expending the remaining grant funds.** Project extensions are awarded at no cost to the Sponsor.

Step 14 (Project Closeout)

The basic requirements for closing out a project typically include:

- A Final Technical/Performance Report
- A Final Financial Report
- A Final Equipment Report (if appropriate)
- A Report of Inventions (Patent)

The Sponsor will usually allow up to 90 days after the project end date for the University to submit these reports. If all reports are accepted by the Sponsor, the University will receive a letter officially closing out the project. The Sponsor also reserves the right to conduct an audit of the project.

Conclusion

Kentucky State University is committed to carrying out sponsored projects in full compliance with the regulations, policies and procedures that govern them. The Office of Sponsored Programs has been designated as the unit that will lead this effort. Sponsored Programs will work with all units of the University as necessary to achieve this goal.

III. FISAP GUIDE/INSTRUCTIONS

FISAP GUIDE/INSTRUCTIONS

KENTUCKY STATE UNIVERSITY
Institutional Procedures for Completing the FISAP Report

Part

I Identifying Information, Certification and Warning

Section

A Identifying Information

- Consult with university officials (from President and Cabinet via VP for Finance) to determine if institutional status
- 1-5 has changed.
 - 6 Change the information relating to the financial aid director if there has been a staffing change.
 - 7 Obtain response from the financial aid director.

Section

B Certification and Warning

- Confirm that there has not been any change in the information that is listed which automatically rolls from year to
- 8 year.

Part

II Application to Participate for Award Year

Part Section

II A Request for Funds

- 1 Federal Perkins Loan Level of Expenditures
 - a. Current Perkins cash balance plus estimated annual collection.
- 2 Federal Perkins Loan Federal Capital Contribution
 - a. Estimation is \$0.
- 3 FSEOG federal funds
 - a. Use prior year request as the basis for the request for funds (Obtain eCampus-Based Institutional Worksheet for FSEOG tentative funding from financial aid director. See line #4).
- 4 FWS federal funds
 - a. Use prior year request as the basis for the request for funds (Obtain eCampus-Based Institutional Worksheet for

FWS tentative funding from financial aid director. See line #4).

Section

B Federal Perkins Loan Program Liquidation Request

- Determine if university administration has decided to discontinue the program. The VP for Finance will confirm
5 President's and Cabinet's decision.

Section

C Waiver Request for the Underused of Funds

- 6 Financial Aid director will provide the appropriate response.

Part

II. Application to Participate for Award year

Section

D Information on Enrollment

- 7 Total number of student for the year reporting
a. Obtain enrollment information from the Institution Research office.
8-21 Does not apply

Section

E Assessments and Expenditures

- 22 Total tuition and fees for award year reporting
a. Use FBM 70 g2 end of the year final report to summarize information by undergraduate and graduate.
23 Total Title IV, Part A, Subpart I, Grants
a. Use final federal award notice (obtain from financial aid director).
24 Total expended for state grants and scholarships made to undergraduates
a. Use FBM 095 report- object code range 5200 - 5299. Review the account descriptions for accuracy.
25-40 a. Obtain information from SBA 680 report
b. Lines 25-39 a & b Dependent Undergraduate information is obtained from SBA 680 reports B1-B6.

c. Lines 25-39 c , d & e Independent Undergraduate and Graduate information is obtained from SBA 680 reports C1-C6.

d. Line 40 is the summary of information listed on lines 25 through 39.

Part

III Federal Perkins Loan Program for Award Year

Section

A Fiscal Report Cumulative as of June 30

1.1 a. Record amount listed on Perkins report # 14 line 1.1 as of the cut off report dated June 30.

1.2 Estimate \$0.

2 Funds receivable from federal government

a. Record amount listed on Perkins report # 14 line 2 as of the cut off report dated June 30.

3 Funds receivable from school

a. Record amount listed on Perkins report # 14 line 3 as of the cut off report dated June 30.

4 Funds advanced to students

a. Record amount listed on Perkins report # 14 line 4 as of the cut off report dated June 30.

5 Loan principal collected

a. Record amount listed on Perkins report # 14 line 5 as of the cut off report dated June 30.

6 Loan principal assigned to and accepted by the United States

a. Record amount listed on Perkins report # 14 line 6 as of the cut off report dated June 30.

Loan principal canceled for the following categories:

7-19 a. Record amount listed on Perkins report # 14 lines 7-19 as of the cut off report dated June 30.

20 Federal Capital Contributions

a. Record amount listed on Perkins report # 14 line 20 as of the cut off report dated June 30.

21 Repayment of fund capital to federal government

a. Record amount listed on Perkins report # 14 line 21 as of the cut off report dated June 30.

22 Institutional Capital Contributions

a. Record amount listed on Perkins report # 14 line 22 as of the cut off report dated June 30.

23 Repayment of fund capital to school

a. Record amount listed on Perkins report # 14 line 23 as of the cut off report dated June 30.

- 24 Interest income on loans
 - a. Record amount listed on Perkins report # 14 line 24 control total as of the cut off report dated June 30.
- 25 Other Income
 - a. Record amount listed on Perkins report # 14 line 25 control total as of the cut off report dated June 30.
- 26 Reimbursement to the amounts canceled on loans made 07/01/72 and after
 - a. Record amount listed on Perkins report # 14 line 26 as of the cut off report dated June 30.
- 27.1 -
- 27.3 Administrative cost allowance
 - a. Record amount listed on Perkins report # 14 lines 27.1, 27.1 and 27.3 as of the cut off report dated June 30.
- Cost of loan principal and interest canceled for the following categories**
- 28-40 a. Record amount listed on Perkins report # 14 lines 28 through 40 as of the cut off report dated June 30.
- 41 Other costs or losses
 - a. Record amount listed on Perkins report # 14 line 41 and 41.a as of the cut off report dated June 30.
- 42-43 Balancing adjustments
 - a. Use rounding number
 - b. Cash in suspense should be recorded as rounding number and explained in FISAP as Other Information.

Section

B Fund Activity (annual) During the Award year

- 1 Final adjusted Federal Capital Contribution (FCC) authorization
 - a. Record amount listed on Perkins report # 14 Section B line 1 as of the cut off report dated June 30.
- 2 FCC transferred to FSEOG and FWS
 - a. Record amount listed on Perkins report # 14 Section B line 2 as of the cut off report dated June 30.
- 3 The unexpended amount of final adjusted authorized FCC .
 - a. Record amount listed on Perkins report # 14 Section B line 3 as of the cut off report dated June 30.
- 4 Institutional Capital Contribution (ICQ) deposited into the fund during award year
 - a. Record amount listed on Perkins report # 14 Section B line 4 as of the cut off report dated June 30.
- 5 Loan advanced to students from fund during award year
 - a. Record amount listed on Perkins report # 14 Section B line 5 as of the cut off report dated June 30.

- 6 Administrative cost allowance claimed for award year
 - a. Record amount listed on Perkins report # 14 Section B line 6 as of the cut off report dated June 30.
- 7 Total principal and interest repaid by borrowers from all sources during award year.
 - a. Record amount listed on Perkins report # 14 Section B line 7 as the control total as of the cut off report dated June 30.

Total principal repaid by borrowers from all sources during award year for loans in default for more than 2 years
- 8 but not more than 5 years.
 - a. Record amount listed on Perkins report # 14 Section B line 8 as of the cut off report dated June 30.
- 9 Total principal repaid by borrowers from all sources during award year for loans in default for more than 5 years.
 - a. Record amount listed on Perkins report # 14 Section B line 9 as of the cut off report dated June 30.

Section

C Cumulative Repayment Information as of June 30

- 1.1 - 1.2 a. Record amount listed on Perkins report # 14 Section C line 1.1 as of the cut off report dated June 30.
- 2-2.2 a. Record amount listed on Perkins report # 14 Section C lines 2, 2.1 and 2.2 as of the cut off report dated June 30.
- 3 a. Record amount listed on Perkins report # 14 Section C line 3 as of the cut off report dated June 30.
- 4 a. Record amount listed on Perkins report # 14 Section C line 4 as of the cut off report dated June 30.
- 5.1 - 5.4 a. Record amount listed on Perkins report # 14 Section C lines 5.1, 5.2, 5.3, and 5.4 as of the cut off report dated June 30.

Cohort Default Rate (sections D & E)

Section

D Schools with 30 or more borrowers who entered repayment in past year leading to current award year.

- 1.1 Number of borrowers who entered repayment in past award year
 - a. Record amount listed on Perkins report # 14 Section D line 1.1 as of the cut off report dated June 30.
- 1.2 Number of borrowers from Field 1.1 above with loans in default by June 30 of current award year.
 - a. Record amount listed on Perkins report # 14 Section D line 1.2 as of the cut off report dated June 30.
- 1.3 Cohort default rate $((\text{Field 1.2} / \text{Field 1.1}) \times 100)$
 - a. Calculate as directed by instructions.

Section

E Schools with fewer than 30 borrowers who entered repayment in the past year leading to current award year.

- 2.1 - 2.5 a. Use Perkins report # 14 page 4 if the not required to report under Section D.

Part

**IV Federal Supplemental Educational Opportunity Grant (FSEOG) Program for Award Year
Section**

A Federal Funds Authorized for FSEOG

- 1 Final Adjusted FSEOG authorization
a. Request financial aid director to complete. Use final federal award notice provided by financial aid director to confirm.

Section

B Federal Funds Available for FSEOG Expenditures

- 2-9 a. Request financial aid director to complete.
10 Total federal funds available for FSEOG award year
a. Calculate total based on 2-9 above.

Section

C Funds to FSEOG Recipients

- 11 Total funds to FSEOG recipients (fields 12 & 13)
a. Request financial aid director to complete.
12 Nonfederal share of funds to FSEOG recipients (25% of Field 11)
a. Calculate only if matching waiver is not approved.

Section

D Federal Funds Spent for FSEOG Program

- 13 Federal share of funds to FSEOG recipients (75 percent of Field 11)
a. Request financial aid director to complete.
b. Use FBM Report 95 as of the final end of the fiscal year report for June 30 (appropriate account number for award year activity) to confirm amount reported by financial aid director.
c. Calculate at 75% only if matching waiver is not approved, otherwise calculate 100%.
14 Administrative cost allowance claimed

- a. Use amount as calculated on FISAP Part VI line 23b
- 15 Federal funds spent for FSEOG (fields 13 + 14)
 - a. Calculate as indicated.

Section

E Use of FSEOG Authorization

- 16 Expended FSEOG authorization (fields 7+8+9+15) minus (fields 2+3+4+5+6)
 - a. Calculate as indicated.
- 17 Unexpended FSEOG authorization (Field 16)
 - a. Calculate as indicated.

Part

V Federal Work-study (FWS) Program for Award Year July 1 XXXX through June 30 XXXX

Section

A Federal Funds Authorized for FWS

- 1 Final adjusted FWS authorization
 - a. Request financial aid director to complete. Use final federal award notice provided by financial aid director to confirm.

Section

B Federal Funds Available for FWS Expenditures

- 2-9 a. Request financial aid director to complete.
- 10 Total federal funds available for FWS award year
 - a. Calculate total based on 2-9 above.

Section

C Total Compensation for FWS

- 11 Total earned compensation for FWS Program
 - a. Request financial aid director to complete.
 - b. Use FBM Report 95 as of the final end of the fiscal year report for June 30 (appropriate account number for award year activity) to confirm amount reported by financial aid director.

- 11 c-d a. Request financial aid director to complete if the university participates in these programs.
- b. Use FBM Report 95 as of the final end of the fiscal year report for June 30 (appropriate account number for award year activity) to confirm amount reported by financial aid director.
- 12 Total institutional share of earned compensation.
- a. Use FISAP instructions

Section

D Funds Spent from Federal Share of FWS

- 13 a-d Total federal share of FWS earned compensation
- b. Use FBM Report 95 as of the final end of the fiscal year report for June 30 (appropriate account number for award year activity).
- b. Apply the appropriate approved waiver percentage (obtain DOE letter approving waiver from the financial aid director.)
- 14 Administrative cost allowance claimed
- a. Use amount as calculated on FISAP Part VI line 23b
- 15 Federal share of Job Location and Development (JLD) Program expenditures
- a. If required, request financial aid director to complete.
- b. If required, use FBM Report 95 as of the final end of the fiscal year report for June 30 (appropriate account number for award year activity) to confirm amount reported by financial aid director.
- 16 Total federal funds spent for FWS (fields 13 + 14 + 15)
- a. Calculate as directed

Section

E Use of FWS Authorization

- 17 Expended FWS authorization (fields 3 + 7 + 8 + 9 + 16) minus (fields 2 + 4 + 5 + 6)
- a. Calculate as directed
- 15 Unexpended FWS authorization (Field 1 minus Field 17)
- a. Calculate as directed

Section F. Information About the Job Location and Development (JLD Program

- 19-22 Develop process if the program is implemented

Part

V Federal Work-study (FWS) Program for Award Year July 1 XXXX through June 30 XXXX
Section

G Information About FWS Students Employed in Community Service Activities

- 23 Number of students in community service employment
 - a. Request financial aid director to complete.
- 24 Federal share of community service earned compensation
 - a. Request financial aid director to complete.
 - b. Apply the appropriate approved waiver percentage (obtain DOE letter approving waiver from the financial aid director.)
- 25 Nonfederal share of community service earned compensation
 - a. Apply the appropriate approved matching percentage, if required.

Section Information About FRS Students Employed as Reading Tutors of Children or Employed in Family Literacy
H Activities

- 26 Number of FRS students employed as reading tutors of children or employed in family literacy activities
 - a. Request financial aid director to complete.Federal share of earned compensation for FW students employed as reading tutors of children or employed in
- 27 family literacy activities
 - a. Request financial aid director to complete.Total earned compensation for FWS students employed as reading tutors of children or employed in family literacy
- 28 activities
 - a. Request financial aid director to complete.

Section

I Information About FW Students Employed as Mathematics Tutors of Children

- 29-31 Develop tracking method if program is implemented.

Part

VI Program Summary for Award Year July 1, XXXX through June 30 XXXX

Section

A. Distribution of Program Recipients and Expenditures by Type of Student

- a. Report information obtained from SIS Program SBA 680, Section A, lines 1-7, Report OPT D1, Undergraduate
- 1-7 Dependent
 - a. Report information obtained from SIS Program SBA 680, Section A, lines 1-7, Report OPT D2, Undergraduate
- 8-14 Independent
 - 15 a. Obtain information from SIS Program SBA 680, Section A, line 15, Report OPT D3,
 - 16 a. Obtain information from SIS Program SBA 680, Section A, line 16, Report OPT D4,
 - 17 a. Obtain information from SIS Program SBA 680, Section A, line 17, Report OPT D5,
 - 18 a. Obtain information from SIS Program SBA 680, Section A, line 18, Report OPT D6,

Section

B Calculating the Administrative Cost Allowance

- Step 1 Calculate the amount spent in award year on which the administrative cost allowance is based.
 - 1-4 a. Follow direction as outline in 1-4
- Step 2 Calculate the administrative cost allowance.
 - 5-7 a. Follow direction as outline in 5-7.
 - 8-21 b. Skip number 8-21
- Step 3 Decide how much administrative cost allowance your school claimed.
 - 22 How much administrative cost allowance did your school claim?
 - a. Request financial aid director to complete.
 - 23 How much administrative cost allowance did your school claim in each program?
 - a. Request financial aid director to complete.

IV. POSITIVE PAY FILE UPLOAD INSTRUCTIONS

POSITIVE PAY FILE

The 1st step in this process is to determine and establish a communication (or file transfer) method. This is what you will use to transmit positive pay files to the bank. Log onto to www.53.com to use the 5/3 Direct web-site using your id and password.

SET UP PREFERENCE

Host Name: (Contact Fifth Third Direct Administrator)

Local Name: Assign a Local Name so you are able to identify what you are uploading.

POSITIVE PAY SUBMISSION

Once the communication method is in place, the next step will be for you to transmit a positive pay file for each vendor run with Accounts payable. Accounting should receive VBC025 Check Cycle update that shows the total amount of the check run for a particular day. On the T:\FIFTH THIRD - POS PAY AP, you will find a file (AP03112008.txt) that corresponds to the Check Cycle from AP. To upload the file, go to file transfer tab and click on send, browse and send the file.

TRANSMISSION VERIFICATION

Each time you transmit a production positive pay file, you will need to send an email which will confirm your file totals. This is Fifth Thirds way of check and balance to ensure that the totals you have reported in your email match those in the file you've transmitted. If these totals do not match, the contact person listed on the email will be notified.

When transmitting test positive pay files, you will need you to send a verification email. The email needs to be sent to PositivePay.Cincinnati@53.com and needs to be formatted as such:

- In the subject line of the email, type: TRANSMISSION VERIFICATION

- In the body of the email, please provide the following information: Company Name, Account # in File, Total # of Checks in File, Total Dollar Amount of File, Job Name, and Contact Name/Number.

Once you've transmitted a file, fifth third positive pay programmers will review the layout. If any changes need to be made, Fifth Third will ask that you retransmit with these corrections. Only once the programmer has verified that the layout of your test file is correct will I then be able to schedule a production date for this service.

EXCEPTION DECISIONING

If checks clear the bank and are not on your positive pay file, they will be presented to you as exceptions via our internet product, Fifth Third Direct. You will then need to make pay or return decisions for each check presented (via exceptions). You will have until 2 p.m. (EST) to make your decisions and submit them to the Bank. These exceptions are also known as Paid No Issues (PNIs).

Example of Positive Pay file

10043xxxxxxxxx00158056802005121100001163200
 10043xxxxxxxxx00158056812005121100000000928
 10043xxxxxxxxx00158056822005121100000005561
 20043xxxxxxxxx00000000102005121100001169689
 30043999999999900000000102005121100001169689

SWANSON DESIGN STUDIOS PC
 OSCODATREAS (COURT COSTS)
 AR CLEARINGHOUSE

POSITIVE PAY FILE – MANUAL CHECKS

This process is used for manual checks only.

After checks have been fully signed, log on to www.53.com

Click on treasury management tab.











Click on check management tab.

Under check management tab click on add/edit issues option.

The following screen will open up.

Check Management - Add/Edit Issues

Use this form to add issues. Cannot input payee name field for a non payee line positive pay account. The payee name field is only available and required for payee line positive pay accounts.

Issue or Void	Account Number	Check Number	Amount	Payee Name (Exactly as Issued on Check)	Issue Date (MM/DD/YYYY)	Additional Data
Issue 		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> 	<input type="text"/>
Issue 		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> 	<input type="text"/>
Issue 		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> 	<input type="text"/>
Issue 		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> 	<input type="text"/>
Issue 		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> 	<input type="text"/>

Issue or Void – select the issue option

Account number – account checks are written on. For example vendor/payroll

Check number – type in the check number. Omit any spaces or special characters.

Input amount of check, skip the payee name as per instructions on the screen and finally enter the issue date.

Click on the save tab. The bank will automatically upload their files with this information.

V. 2007-2008 FINANCIAL AID POLICIES AND PROCEDURES

[Section 1: Student Responsibilities](#)

[Section 2: WIRED](#)

[Section 3: 2007-2008 Costs](#)

[Section 4: Application Process](#)

[Section 5: Federal Aid](#)

[Section 6: Kentucky State Aid](#)

[Section 7: Tuition Waiver/Benefit Programs](#)

[Section 8: Scholarships](#)

[Section 9: Other Resources](#)

[Section 10: Award Notification](#)

[Section 11: Award Disbursement](#)

[Section 12: Satisfactory Academic Progress Policy](#)

[Section 13: Return of Title IV Financial Aid](#)

[Section 14: All 'F' Grade Recipients](#)

[Section 15: Students With Loans](#)

(1) Student Responsibilities

This publication regards all students attending Kentucky State University for Fall 2007, Spring 2008, and/or Summer 2008.

You are responsible for familiarizing yourself with the information contained in this publication. The following list contains essential student responsibilities:

Monitoring your mail and your official KSU email account for correspondence particularly from our office, the Bursar's Office, Registrar's Office, and Office of Admissions.

Responding to our requests for additional information via mail or email.

Accessing your WIRED account at <https://ksuwired.kysu.edu> when notified by our office.

Monitoring your financial aid and bill on your WIRED account.

Notifying our office of the following:

All estimated and actual financial assistance from both university and non-university sources.

Changes or errors in your enrollment, career, residency, or academic program with the Registrar's Office or Office of Admissions.

Errors on your Free Application for Federal Student Aid (FAFSA).

Changes in your financial situation since filing the Free Application for Federal Student Aid (FAFSA) and unique circumstances not reflected on the FAFSA.

If you have defaulted or filed bankruptcy on a student loan or you are in the process of filing bankruptcy on an educational loan.

If you have been awarded or disbursed federal or state aid at an institution other than Kentucky State University.

If you attend less than full-time.

Our office is room 348 in the Academic Services Building on the KSU campus. Our office hours are 7:30 to 5:00 Monday through Friday. Telephone: 502-597-5960. FAX: 502-597-5950.

(2) WIRED

WIRED is a KSU website designed for students. Access to this website is available once you complete an application for admission to KSU. Our office will notify you when you need to access this website for financial aid purposes. You can access WIRED at <https://ksuwired.kysu.edu>. Log-in using your student identification number as your user ID and date of birth (mmddyy) as your pin number. If this does not work, new students should contact the Admissions Office at 502-597-6813 and continuing students should contact the Registrar's Office at 502-597-6340 to have your account set up.

(3) 2007-2008 Costs

This section contains information on direct costs per semester for students attending for Fall 2007 and Spring 2008. Please contact the Bursar's office or view your WIRED account for your actual charges. Note that online courses are a different tuition rate.

2007-2008 Direct Costs per Year (Fall/Spring)

(ALL FEES ARE SUBJECT TO CHANGE WITHOUT ADVANCE NOTICE.)

	IN STATE				OUT OF STATE			
	12 CREDIT HOURS	13 CREDIT HOURS	14 CREDIT HOURS	15 CREDIT HOURS	12 CREDIT HOURS	13 CREDIT HOURS	14 CREDIT HOURS	15 CREDIT HOURS

		HOURS						
Tuition	2555	2590	2625	2660	6140	3175	6210	6245
Board	1520	1520	1520	1520	1520	1520	1520	1520
Room: CH/KY	1650	1650	1650	1650	1650	1650	1650	1650
CO/HU	1620	1620	1620	1620	1620	1620	1620	1620
YOUNG	1580	1580	1580	1580	1580	1580	1580	1580
Single Occupancy:								
CH/CO/HU/KY	2170	2170	2170	2170	2170	2170	2170	2170
YOUNG	2070	2070	2070	2070	2070	2070	2070	2070
Suite/Apartment:								
CH/KY	1935	1935	1935	1935	1935	1935	1935	1935
McCullin	2000	2000	2000	2000	2000	2000	2000	2000
Activity Fee	170	170	170	170	170	170	170	170
Health Insurance*	149	149	149	149	149	149	149	149

Key to room charges: CH = Chandler Hall CO = Combs Hall HU = Hunter Hall KY = Kentucky Hall

IN STATE		OUT OF STATE	
UNDERGRADUATE	GRADUATE	UNDERGRADUATE	GRADUATE
11 HOURS OR LESS	FULL OR PART-TIME	11 HOURS OR LESS	FULL OR PART-TIME
PER CREDIT HOUR	PER CREDIT HOUR	PER CREDIT HOUR	PER CREDIT HOUR
190	300	450	700
**ONLINE	**ONLINE	**ONLINE	**ONLINE
PER CREDIT HOUR	PER CREDIT HOUR	PER CREDIT HOUR	PER CREDIT HOUR

240	300	240	300
-----	-----	-----	-----

High school students attending part-time are assessed \$80. per credit hour.

*Health insurance is assessed to all full-time undergraduate students, in or out-of-state. However, the fee may be waived should a student provide verification of his or her own insurance in addition to signing the corresponding health insurance waiver form.

**These rates are applicable to students who are registered part-time. A full-time student that supplements traditional courses with online courses shall be charged based on the normal full-time schedule per residency. A student registered for 12 or more hours online, exclusively, will be classified as a full-time student and shall be charged based on the normal full-time schedule per residency.

(Activity fee and health insurance may apply if the student resides on campus.)

***Please contact the Bursar's office or view your WIRED account for your actual charges.**

1. Contact the Bursar's Office at (502) 597-6250 for information concerning tuition costs.
2. Financial Aid is applied to your bill at the Bursar's Office.
3. Contact Housing at (502) 597-5951 for information concerning your on-campus housing rates.

Cost of Attendance

The Federal Government requires that Financial Aid Offices establish a cost of attendance (COA) in calculating your eligibility for need-based aid programs. The cost of attendance is also referred to as a budget. Student budgets are differentiated by residency (Kentucky resident/non-resident) and career (undergraduate, graduate, etc.). The components of the budget are tuition, travel, room and board, books, and personal expenses. If you have unusual circumstances that are not reflected in your budget, please contact our office for professional judgment (PJ) consideration. The tables below list the student budgets per residency status and career.

2007-2008 Cost of Attendance for Fall and Spring:

		UNDERGRADUATE BUDGET				GRADUATE BUDGET			
		On Campus		Off Campus		On Campus		Off Campus	
		In	Out	In	Out	In	Out	In	Out

	State	State	State	State	State	State	State	State
Tuition/Fees	5320	12492	5320	12492	6270	14154	6270	14154
Loan Fees	200	200	200	200	200	200	200	200
Room & Board	6840	6840	8540	8540	6840	6840	8540	8540
Books	1200	1200	1200	1200	1200	1200	1200	1200
Travel	510	1190	288	685	510	1190	288	685
Miscellaneous	1800	1800	1800	1800	1800	1800	1800	1800
	_____	_____	_____	_____	_____	_____	_____	_____
TOTALS:	15,870	23,722	17,348	24,917	16,820	25,384	18,298	26,579

Cost of attendance for a single semester or for summer is prorated according to the length and amount of enrollment.

Over award Policy

An over award is financial aid that exceeds a student's financial need and/or cost of attendance. When a student receives federal and/or state aid, Kentucky State University is required to adhere to all associated regulations. All aid, including scholarships, grants, loans, tuition remission, awards, and prizes must be counted as estimated financial assistance in a student's total aid package.

It is the student's responsibility to report all sources of estimated financial assistance including departmental scholarships, employee tuition remission, outside scholarships, and third party assistance, to the Student Financial Aid Office. Reporting this information to the Student Financial Aid Office early will help prevent changes in eligibility that can result in reductions to financial aid.

When the Student Financial Aid Office identifies an over award, adjustments will be made to the student's aid package to ensure compliance with federal and state regulations. Self-help aid, such as loans and work-study awards, are adjusted before grant or scholarship aid is

affected. If an over award occurs after aid has been disbursed, the student may be required to repay all or a portion of their financial aid to the University.

Undergraduate Stacking Policy

The sum of all institutional aid received by a student cannot exceed the Kentucky State University's direct costs. Direct costs include tuition, room, board, and books. For the 2007-2008 academic year, the stacking limit is \$15,870 for residents and \$23,722 for non-residents. This stacking policy only applies to students new to the university as of the Summer 2007 term.

Any funding paid by Kentucky State University may be considered institutional aid. Some examples are admission-based scholarships, departmental awards, employee tuition remission, KRS benefits, and athletic scholarships.

Kentucky State University reserves the right to adjust institutional scholarship awards when a student's total institutional aid exceeds the designated limit.

(4) Application Process

The Student Financial Aid Office coordinates a variety of programs to help remove financial barriers to the cost of education. These programs, which include scholarships, grants, work-study, and loans, may be awarded in various combinations and amounts to help meet your individual needs. However, there are situations when the university's funding levels limit the percent of financial need that can be met.

Your need for financial aid is determined from data contained on the Free Application for Federal Student Aid (FAFSA). You can fill out an application on the web at www.fafsa.ed.gov, or call 1-800-433-3243 (1-800-730-8913 TDD for hearing impaired) to receive an application or pick up an application from our office. We suggest that you file the FAFSA online, because it will take less time for the Central Processing Office to complete the review process. The priority FAFSA filing date for Kentucky State University is April 15th. First-time freshmen should complete the admission application prior to January 15th with the Office of Admissions for consideration for scholarships. If you do not have internet access you may come to our office and use our self-service computers.

Federal regulations require each institution to verify FAFSA data for a percentage of its applicants. If you are selected for verification, you must verify certain items you reported on your application (i.e. taxable income, nontaxable income, taxes paid, veterans' benefits, etc.). You will receive a correspondence outlining additional information needed to complete the verification process. You may view this and other required information and print forms by logging into **WIRED** and going to "**Student Requirements**" under the "**Financial Aid**" heading.

We verify the FAFSA information for the following:

Students selected by the Central Processing System (CPS)

Renewal Procedures for Federal Programs

You must renew your FAFSA each year for consideration of federal and state aid. You can renew your FAFSA online at www.fafsa.ed.gov. Submit your FAFSA no later than April 15th for priority consideration for the upcoming fall semester. Applications received after April 15th, will be subject to the availability of funds from programs such as the university's Need-Based Grant, KY CAP Grant, SEOG Grant, Work-Study, and Perkins Loan.

Summer Financial Aid

You must complete a summer aid application. For Summer 2008, you must have a complete 2007-2008 FAFSA and all requested documentation to apply. At the university, summer is considered a trailer of the preceding academic year. Students are only eligible for Pell Grants, Academic Competitiveness Grant (ACG), National SMART Grant, and Direct Loans if they did not receive their full annual eligibility during the academic year. To be considered for Parent PLUS or Graduate/Professional PLUS Loans for summer, you must complete the summer aid application in addition to a PLUS request form. We will not recalculate eligibility for the Pell Grant, ACG, and National SMART Grants after the census date. The census date is the last day a student can drop or add a class at 100% tuition credit. Only eligible pre-registered and/or registered students who have submitted the summer aid request form will be considered for Federal Direct Loans. The summer aid request form will become available on March 1. Some types of financial aid must be canceled if not disbursed by June 30.

Professional Judgment

If you have any unusual family or financial circumstances that you do not feel have been reflected properly in the determination of your financial need, you are encouraged to contact us. These unusual circumstances may include one or more of the following: loss of job, change in income, IRA rollover, divorce, death, private elementary or secondary education costs. In most cases, processing of professional judgments involving loss of income begins in October of the current award year. If you have additional educational costs that exceed the university's published cost of attendance such as child care, computer purchase, study abroad, or additional tuition charges, please contact our office.

(5) Federal Aid

The university participates in the following Federal Aid Programs:

- Federal Pell Grant
- Academic Competitiveness Grant (ACG)
- National SMART Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Federal Work-Study
- Direct Loan (Subsidized and Unsubsidized)
- Parent PLUS Loan
- Graduate/Professional PLUS Loan

- Federal Perkins Loan

You must submit the FAFSA application to be considered for these federal aid programs. Some aid programs are designated for particular types of students (i.e. undergraduate, graduate, and professional) and level of federal need. General information on some of these programs is online in Funding Education Beyond High School, which is also available upon request by calling 1-800-433-3243. The basic eligibility requirements for federal aid are as follows:

Be a U.S. citizen or eligible non-citizen (for most programs) with a valid Social Security number (SSN).

Be working toward a degree or certificate in an eligible program.

Have a high school diploma or a General Education Development (GED) Certificate or pass an approved ability-to-benefit (ATB) test (if you don't have a diploma or GED, a school can administer a test to determine whether you can benefit from the education offered at that school). Or complete a high school education in a home school setting approved under state law.

Register (if you haven't already) with the Selective Service, if you're a male between the ages of 18 and 25.

Maintain satisfactory academic progress once in school.

You have not defaulted on a federal student loan and do not owe funds back on a federal student grant.

You have not been convicted for the possession or sale of illegal drugs while receiving federal aid.

You can access the regulations governing these federal aid programs online at www.gpoaccess.gov in Title 34 Chapter VI.

Federal Pell Grant

This grant is awarded to eligible students who are working on their first bachelor's degree or associate's degree. The amount of this grant is determined by the payment chart published by the U.S. Department of Education according to your official expected family contribution (EFC) calculated from your FAFSA information. The EFC must be between 0 and 4,110. The maximum award for the 2007-2008 award year is \$4,310. We award this grant assuming you will be attending full-time (12 credit hours). If you do not enroll as a full-time student your grant will be adjusted according to the payment chart.

Academic Competitiveness Grant (ACG)

This grant program is for full-time undergraduate students enrolled in an eligible program, who receive Federal Pell Grants and are U.S. citizens. Students also must have completed a rigorous secondary school program of study and be enrolled in a bachelor's degree program as a freshman or sophomore. Students with less than 30 credit hours are considered first-year students. Students with 30 or more but less than 60 credit hours are considered second-year students. Credit hours are taken from the records in the Registrar's Office.

A rigorous secondary school program of study includes one of the following:

Programs proposed by a state in response to the U.S. Department of Education's request. See list at www.ed.gov/admins/finaid/about/ac-smart/state-programs06.html.

An advanced or honors diploma program.

A required set of courses similar to the State Scholars Initiative. This program of study includes four years of English, three years of mathematics (including Algebra I and higher-level courses such as Algebra II, Geometry, or Data Analysis and Statistics), three years of science (including at least one year each of two of the following: biology, chemistry or physics), three years of social studies, and one year of a foreign language other than English.

Completion of two or more AP courses and a score of 3 or better on at least two AP exams for the courses completed or completion of two or more IB courses and a score of 4 or better on at least two IB exams for the courses completed.

First academic year undergraduate students must:

Be enrolled in an eligible program;

Have completed a rigorous secondary school program of study;

Not have been previously enrolled as a regular student in an undergraduate education program; and

Have graduated from high school after Jan. 1, 2006. The award is up to \$750 for first academic year undergraduate students.

Second academic year undergraduate students must:

Be enrolled in an eligible program;

Have completed a rigorous secondary school program of study;

Have graduated from high school after Jan. 1, 2005; and

Have at least a 3.0 GPA for the first academic year for their eligible program. The award is up to \$1,300 for second academic year undergraduate students.

National SMART Grant

This grant program is for full-time undergraduate students enrolled in an eligible program, who receive Federal Pell Grants and are U.S. citizens. Students must be enrolled in a bachelor's degree program as a junior or senior. Students with less than 60 credit hours are considered third-year students. Students with 90 or more credit hours are considered fourth-year students. Credit hours are taken from the records in the Registrar's Office. Students must be majoring in a qualifying KSU major and have at least a 3.0 cumulative GPA. The award amount is up to \$4,000 per year. For students transferring into KSU, for determination of eligibility for the first semester a GPA will be calculated based on the courses that are accepted. For subsequent semesters, the official KSU GPA will be used.

Federal Supplemental Educational Opportunity Grant (SEOG)

This grant is awarded to undergraduate students with exceptional financial need. Federal Pell Grant recipients are given priority. At KSU, the maximum award amount is \$900 a year (\$450 for the fall or spring semester). Until funds are exhausted, our office awards from the pool of applicants who filed their FAFSA by the April 15th priority deadline. You must be enrolled full-time (12 hours per semester).

Federal College Work-Study Program (FCWS)

The funds for this award are earned by working a part-time job. Receiving this award depends on when you apply, your level of financial need, and availability of funding.

If you have been awarded Federal Work-Study, you will be given the opportunity to seek employment on the university's campus. Hopefully, you will be able to secure a job related to your vocational goals, previous work experience, or special skills. At KSU, your pay rate will be at least \$5.85 an hour. You must be enrolled as at least a half-time degree-seeking student for Federal Work-Study eligibility.

Your work-study award amount listed on your award notification is the maximum that you may earn during the award period. This is not a guarantee that you will earn this amount, but rather it is a reasonable estimate of what you should be able to earn if you work all of your assigned hours.

Information regarding obtaining an assignment will be available on the CWS website in mid August. A bulletin with the CWS website address and important dates/ deadlines will be included with your award letter. If for some reason you are denied employment by three or more departments and/or have difficulties finding a job, you should contact our office.

If you were not initially awarded Federal Work-Study, our office reviews the funding available for this program later in each fall and spring semester due to cancellations by students who were initially awarded. After late registration, you may contact us concerning availability of funding. If you had work-study in the fall semester, the

same amount will be available to you for the spring semester, as specified on your CWS work authorization form. Federal Work Study for summer is awarded based on availability of funding and as requested on the summer school application.

Direct Loan

This award is a low interest loan that must be repaid. There are two types of Direct Loans: subsidized and unsubsidized. You must have financial need as determined by the FAFSA to qualify for the subsidized loan and have not exceeded your aggregate loan limit. The U.S. Department of Education pays the interest on the subsidized loan while you are enrolled at least half-time in a degree-seeking status, for the first six months after leaving school, and for authorized periods of deferments. Unsubsidized Direct Loans do not require financial need and the student is responsible for the interest on this loan from the time of disbursement. In order to process your loan, you will need to accept the loan.

	Dependent	Independent
Freshman*	\$3,500	\$7,500 No more than \$3,500 of this amount may be in subsidized loans.
Sophomore*	\$4,500	\$8,500 No more than \$4,500 of this amount may be in subsidized loans.
Junior*	\$5,500	\$10,500 No more than \$5,500 of this amount may be in subsidized loans.
Senior*	\$5,500	\$10,500 No more than \$5,500 of this amount may be in subsidized loans.
Career Limit>	\$23,000	\$46,000 No more than \$23,000 of this amount may be in subsidized loans.

Graduate/Professional Students

Annual Limit*	\$20,500 No more than \$8,500 of the annual amount may be in subsidized loans.
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Career Limit \$138,500
No more than \$65,500 of this amount may be in subsidized loans.
The graduate debt limit includes Direct Loans received for undergraduate study.

* Annual limits cover fall, spring, and summer.

\$7000 in Unsubsidized Direct Loan funds for undergraduates in a graduate prep or a teacher certification program.

If you have previously signed an MPN at another college/university with Direct Loans, you will simply need to accept the loan on WIRED or sign and return your award notification to our office that lists the amount of your loan. You will also need to complete an entrance interview for university records.

If this is your first Direct Loan at the university, you will need to complete an entrance interview whether or not you completed one at a prior school. You can complete this entrance interview online at www.dl.ed.gov and the Master Promissory Note at www.dlenote.ed.gov. You can sign the Master Promissory Note with your U.S. Department of Education Personal Identification Number. If you do not have a PIN, you may register for one at www.pin.ed.gov.

Parent PLUS Loan

The Parent PLUS is a loan to parents of dependent undergraduate students. To apply for this loan you must have a complete 2007-2008 FAFSA and all requested documentation and have accepted your full Direct Loan eligibility. You must be enrolled at least half-time as a degree-seeking student. Each year your parent must pass a credit check for the Parent PLUS. If your parent's credit is denied, the student will qualify for an additional unsubsidized loan in the amount of \$4,000. for the academic year. If you anticipate your parent will be approved for credit or your parent's credit is approved follow these instructions:

- In order to receive the Federal Parent Loan for Undergraduate Students (Parent PLUS), the parent must complete a Parent PLUS Master Promissory Note (MPN). By signing the Parent PLUS MPN, that parent is promising to repay all loans borrowed under this note. The online MPN process requires parents to have a U.S. Department of Education PIN for authentication purposes. This is the same PIN you may have used to sign the FAFSA on the Web. If the parent has lost their PIN or need to apply for a new one, they can do so at the federal government's PIN Registration Website (www.pin.ed.gov). After the parent obtains their PIN:

1. Go to the Direct Loan website (www.dlenote.ed.gov)
2. Click on "What to Expect"
3. Select "Complete New MPN for Parent Plus Loans" and follow the instructions.

- If approved, your lender will send you a disclosure statement that details the terms of the loan, including the interest rate, scheduled disbursement date(s), and amount(s) at or prior to disbursement. Funds will be delivered to the school in accordance with the school's disbursement schedule via electronic funds transfer (EFT).

We will receive the funds from the lender, confirm eligibility, and then post the funds to your account at the Bursar's Office. Parent PLUS funds are always applied/re-applied towards the student's charges. If the Parent PLUS proceeds exceed the student's charges, the university's Bursar's Office will mail a check to the parents' mailing address.

Graduate/Professional PLUS Loan

Graduate and professional students may apply for Graduate/Professional PLUS to help pay their educational costs. The Graduate/Professional PLUS requires a credit review and that the student attend at least half-time in a degree program. For 2007-2008 academic year, the PLUS interest rate will be 8.5%. Typically the student begins repaying interest and principal within 60 days of the second disbursement unless the lender offers a deferment option.

To apply for this loan you must have a complete 2007-2008 FAFSA and all requested documentation and have accepted your full Direct Loan eligibility. You must be enrolled at least half-time as a degree-seeking student. Each year you must pass a credit check for this loan.

- In order to receive this loan, you must complete a Parent PLUS Master Promissory Note (MPN). By signing the MPN, you are promising to repay all loans borrowed under this note. The online MPN process requires parents to have a U.S. Department of Education PIN for authentication purposes. This is the same PIN you may have used to sign the FAFSA on the Web. If you lost your PIN or need to apply for a new one, you can do so at the federal government's PIN Registration Website (www.pin.ed.gov). After the parent obtains their PIN:

1. Go to the Direct Loan website (www.dlenote.ed.gov)
2. Click on "What to Expect"
3. Select "Complete New MPN for Parent Plus Loans" and follow the instructions. .

- If approved, your lender will send you a disclosure statement that details the terms of the loan, including the interest rate, scheduled disbursement date(s), and amount(s) at or prior to disbursement. Funds will be delivered to the school in accordance with the school's disbursement schedule via electronic funds transfer (EFT).

Federal Perkins Loan

The Perkins Loan is a campus-based loan with a 5% fixed-interest loan you must pay back. We primarily award the Perkins Loan to Pell Grant eligible students who filed the FAFSA by

April 15th. Receiving this award depends on when you apply, your level of financial need, and availability of funding.

At KSU, the maximum award amount is \$2,000 per year (fall/spring) for an undergraduate degree-seeking student enrolled at least half-time.

In order to process your loan, you will need to accept the loan. The university is the lender for the Perkins Loan and you will need to sign the Promissory Note and entrance counseling at the Bursar's Office.

(6) Kentucky State Aid

The State of Kentucky has several financial aid programs for Kentucky residents administered by the Kentucky Higher Education Assistance Authority (KHEAA). The University of Louisville participates in the following state programs: College Access Program (CAP), Kentucky Educational Excellence Scholarship (KEES), KHEAA Teacher Scholarship, Early Childhood Development Scholarship (ECDS), and the Go Higher Grant. Please visit www.kheaa.com website for information on these programs.

College Access Program (CAP) Grant

The State of Kentucky provides need-based grants to undergraduate Kentucky residents through the College Access Program (CAP). To be eligible for CAP, you must meet requirements for Pell Grant, be working on your first bachelor's degree, and be enrolled at least half-time. You must complete the FAFSA prior to the State of Kentucky's March 15th priority deadline for determination of your eligibility. You will be notified of your eligibility directly by KHEAA. However, to be awarded the CAP grant, there must be remaining availability of State funds. You need to apply through the FAFSA each year; however, you can receive the CAP grant for up to 8 semesters during fall and spring only. You may be awarded an additional semester if a previous CAP award had been reduced due to part-time enrollment. This award is adjusted to the number of hours you are enrolled as illustrated.

2007-2008 CAP Grant

Enrolled Hours per Semester Award per Semester

6	\$474
7	\$553
8	\$632
9	\$711
10	\$790
11	\$869
12	\$950

Kentucky Educational Excellence Scholarship (KEES)

You may have earned KEES if you graduated from a certified Kentucky High school and maintained a high school grade point average of 2.5 or higher, and/or received a score of 15 or better on your ACT (or SAT equivalent score). You may view your award amount at www.kheaa.com. Be sure to review your social security number and date of birth. If they are incorrect, please contact your high school counselor to have them corrected.

If you were home-schooled, a GED recipient, or graduated from a non-certified Kentucky high school, you need to contact our office to determine your eligibility.

If your award notification includes the KEES scholarship, the estimated award amount listed is based on preliminary information provided to the Student Financial Aid Office from both the University's Office of Admissions and from KHEAA, and is subject to change. The final award amount will be determined by KHEAA and disbursed to your account, once the Student Financial Aid Office has received official authorization and verified eligibility, approximately 30 days after the first day of classes.

You may view the Kentucky Revised Statutes regarding KEES online at <http://www.lrc.state.ky.us/KRS/164-00/7877.PDF>. An additional source of information and frequently asked questions regarding the determination and criteria for renewal of this scholarship award is available online at www.kheaa.com.

(7) Tuition Waiver/Benefit Programs

Faculty/Staff Benefits

The Kentucky State University offers tuition benefits for some faculty and staff and their spouses and dependents. These programs are administered by the Human Resource Office. For information on these tuition benefits call 502-597-6278.

Tuition Waiver for Senior Citizens

The University offers tuition remission to individuals who are classified by Admissions as residents of Kentucky and are at least 65 years of age. Special costs, such as parking, are not covered by this program and are the financial responsibility of the student. Proof of age may be shown by presenting a driver's license or other age verification document at the Human Resource Office.

Other Tuition Waivers

The Student Financial Aid Office administers the following tuition benefit programs mandated by Kentucky General Assembly. The details for these programs are available on our website www.kysu.edu listed under Tuition Waiver).

Tuition benefits for a spouse or child of deceased veteran of war (KRS 164.507)

Tuition benefits for a dependent, widow, or widower of a member of the Armed Forces or a member of the National Guard killed while in service or having died as a result of service-connected Disability (KRS 164.505)

Tuition benefits for a disabled child of a veteran (KRS 164.512)

Tuition benefits for a spouse or child of a permanently disabled member of the National Guard, war veteran, prisoner of war, or member of the Armed Services missing in action. (KRS 164.515)

Tuition benefits for a survivor of a police officer, firefighter, or volunteer firefighter killed in line of duty; or a survivor of other state-administered retirement system participant who died as a result of duty-related injury (KRS 164.2841)

Tuition benefits for a survivor of a police officer, firefighter, or volunteer firefighter permanently and totally disabled in line of duty; or a survivor of other state administered retirement system participant disabled as a result of duty related injury (KRS 164.2842)

Tuition Waiver of all or a portion of tuition for Kentucky foster and adopted children affiliated with the Cabinet for Families and Children (CFC) or the Department for Juvenile Justice (DJJ) (KRS 164.2847)

Tuition Waiver in recognition of valuable service to the preparation of teachers and the need for all teachers to have continual professional growth, a supervising teacher or a resource teacher for teacher interns may, with prior approval of the course-offering institution, take a maximum of six (6) credit hours per term at any public postsecondary institution and pay no tuition. The postsecondary institution shall waive the tuition up to a maximum of six (6) credit hours. (KRS 164.2845)

(8) Scholarships

Admission Based Scholarships

The Office of Admissions offers scholarships for graduating high school seniors. For most scholarships, the deadline to apply is January 15th. For further information please visit the Office of Admissions website at www.kysu.edu or call (502) 597-6813. Below is a list of the available scholarships:

Presidential Scholarship

Excellence Scholarship

Thorobred Scholarship

Service County Scholarship

Commonwealth Scholarship

Lexington/Louisville Black Achievers Scholarship

Academic Incentive Scholarship

Transfer Student Scholarship

KEES Scholarship

Once awarded, your continued eligibility is monitored by the Student Financial Aid Office. If you do not maintain the requirements for your scholarship, you may appeal through the Student Financial Aid Office. Contact our office or visit our website at www.kysu.edu regarding the appeal process and deadline.

Continuing Undergraduate Student Scholarship

A limited number of academic scholarships are available to currently enrolled undergraduate students seeking their first bachelor's degree, who have earned at least 24, but not more than 144 KSU credit hours, and compiled a cumulative 3.0 Grade Point Average(GPA) or better at the Kentucky State University.

Students in receipt of renewable university scholarships are not eligible to participate in this program. Awards are based on funds available and enrollment of 15 credit hours or more. Students enrolled for less than 12.0 credit hours are not eligible. The deadline to apply is March 15 prior to the next academic school year. Applications are available online at www.kysu.edu listed under the Financial Aid section.

Departmental Scholarships

You should contact your department of study or interest to see if they have any scholarships available. If you are awarded a scholarship through your department, they will notify us and we will place the department award on your financial aid account. The department is responsible for certifying your award to our office.

Outside Scholarships

Our office maintains a webpage of outside scholarship information that we receive. You can access a list of outside scholarships at the bottom of the *Scholarships* webpage. Students are encouraged to review this webpage and search free websites for scholarship opportunities. However, we caution students from pursuing scholarship searches that require fees to participate. You must notify our office if you are receiving a scholarship from outside sources such as through a community or service organization.

(9) Other Resources

Kentucky Department of Vocational Rehabilitation

If you have a disability you may be eligible for state aid toward the cost of your education. “The Kentucky Department of Vocational Rehabilitation assists Kentuckians with disabilities to achieve suitable employment and independence.” You may review information on vocational rehabilitation at www.kydvr.state.ky.us/.

Kentucky National Guard

If you receive tuition benefits from the Kentucky National Guard, you need to complete your enrollment as soon as possible for each term. We send an enrollment file to the Kentucky National Guard following the last day to drop/add classes for the term. The funds usually arrive within 30 days. If you add additional classes later in the semester, you need to contact us immediately. This is because the Kentucky National Guard funds are limited. If you have any questions regarding these benefits while attending the university, please contact the Registrar’s Office at 502-597-6236.

Americorps

If you have earned an Americorps award that you intend to use toward your university bill, you need to submit the appropriate Americorps documentation to the Bursar’s Office. In addition to this, you need to notify us of this award. You may notify us by sending us a copy of the Americorps documentation you submitted to the Bursar’s Office. Federal regulations mandate that aid received from other resources be counted when determining your eligibility for federal student aid.

Veteran Educational Benefits

If you file a FAFSA and receive educational benefits from the U.S. Department of Veteran Affairs (VA), you will be notified to submit certification of your monthly stipend to the Student Financial Aid. Federal regulations mandate that your veteran’s educational benefits be counted when determining your eligibility for federal student aid. These benefits must be included with any other financial aid on your account and may not exceed your cost of attendance. You need to submit a copy of your award letter (or similar documentation) to the Student Financial Aid Office from the Veterans Administration showing the chapter and amount of veteran educational benefits to be received. It is imperative that students anticipating receipt of VA educational benefits contact the Registrar’s Office to complete the certification process.

Bursar Payment Plans

The Bursar’s Office offers several payment plans students may use to settle their bills. Information on these plans is available online at the Bursar’s Office website www.kysu.edu.

Alternative Loans

An alternative student loan (also referred to as a private student loan) is not a federal student loan, but one through a private bank or other lending institution. Generally, alternative loans have interest rates, repayment terms, and deferment options that are substantially less favorable than those of the Federal Stafford, Perkins, Parent PLUS and Graduate/Professional PLUS Loan programs.

You will need to contact these lenders regarding information on these loans.

(10) Award Notification

Determining your Award

In determining whether you have financial need, the university maintains certain principles and practices. First, the primary responsibility for financing your education rests with you and your family. Second, financial aid is a resource, which is only available to fill the gap between your family's contribution and your yearly cost of education. Third, in determining your family's ability to contribute toward the cost of a college education, the institution must utilize a fair, consistent, and equitable method of measuring a family's resources. The process of need analysis utilizes the federal methodology (FM) as approved by the U.S. Congress and calculated by the U.S. Department of Education.

In determining need, many factors are considered including the taxable income of your parents, you the student, and spouse, value of assets, untaxed income such as TANF, social security benefits, and veteran's benefits, number of people in the household, and number of family members in college.

Once we have received and processed any requested documentation from you, your application for financial aid at Kentucky State University is reviewed and an award notification is sent. Note that you will only receive an award notification if you have been awarded federal aid such as the Federal Pell Grant, Academic Competitiveness Grant (ACG), National SMART Grant, Federal Supplemental Education Opportunity Grant, Federal Work-Study, Federal Perkins Loan, Direct Loan, and the PLUS loan programs.

If you receive KEES and/or institutional aid with no federal aid, you will not receive an award notification. You receive notification of your KEES award from the Kentucky Higher Education Assistance Authority and notification of institutional aid from the Office of Admissions or the particular university department.

You are not packaged or awarded aid until you are admitted to the university.

Awarding Philosophy & Procedures

In an effort to establish a consistent means of packaging financial aid, we have established the following minimum standards for awarding student financial aid:

You will not be awarded federal or state need based aid unless you have a complete 2007-2008 FAFSA with an official expected family contribution (EFC) on file with our office. The priority deadline to file the FAFSA each year is April 15th. This priority deadline applies to the awarding of programs such as the Kentucky supported College Access Program Grant (CAP) program and the federal campus-based programs (Federal SEOG, Federal Work-Study, and the Federal Perkins Loan.)

You will not be awarded federal or state aid until you have a complete financial aid file including an official 2007-2008 FAFSA, all requested documents, and an active application in our computer system. No ineligible or hold flags may exist on your account. All federal database match problems must be resolved. Deadlines for aid consideration for each semester are available on our website www.kysu.edu.

You will not be awarded federal or state need based aid if you are determined not to be maintaining Satisfactory Academic Progress (SAP) as determined by the university's SAP policy. SAP determination is made at the end of the spring semester each year and students who do not meet the SAP requirements are notified in writing.

You must meet all federal, state, and institutional eligibility program requirements.

You will not be awarded financial aid in excess of determined financial need except for Unsubsidized Direct Loan, Parent PLUS, Graduate/Professional PLUS, and alternative loan funds, and/or scholarship funds, which are not primarily need based.

All scholarships, grants, loans, tuition remission, awards, prizes, allowances, incentives, and outside scholarships, must be counted as estimated financial assistance in determining a student's total aid package. Funding paid through the payroll office is not included in the total financial aid package.

All undergraduate students will be required to have their Federal Pell Grant eligibility established before being considered for campus-based, Academic Competitiveness Grant (ACG), National SMART Grant, or Direct Loan funds.

All undergraduate students will be required to have their Direct Loan eligibility established before being considered for Parent PLUS, Graduate/Professional PLUS Loans, or alternative loan funds.

At the university, the academic year consists of the fall and spring semesters and summer is treated as a trailer. You only receive federal aid in the summer if you do not use your full eligibility during the fall and spring semesters. Most state aid and scholarship aid is not available in the summer.

For the academic year, you are not awarded federal or state aid until you have been admitted to the university. Provisionally admitted students are not awarded federal or state financial aid.

For summer and spring, you must register for classes to be considered for aid and you must be enrolled at least half-time to be packaged with aid other than the Federal Pell Grant.

The federal government's federal aid programs are primarily for degree-seeking students and you may only receive federal financial aid if you enroll at KSU in a degree-granting program. Exceptions can be made for students who are taking courses necessary for admission to a degree-granting program or approved certification program.

All initial awards are made on the assumption of full-time enrollment. Awards will be adjusted according to your actual enrollment at the end of registration (census date).

The Federal Pell Grant, Academic Competitiveness Grant (ACG), and National SMART Grant cannot be adjusted for classes added after a particular semester's census date. The Fall 2007 census date is August 25th and the Spring 2008 census date is January 12th. The summer term has multiple census dates depending upon which session you are registered.

The university participates in a consortium program for students to attend other institutions. The university will enter into a consortium agreement if your home institution initiates it with aid being processed by the home institution. The university will enter into consortium agreements if you are enrolled in an approved study abroad program coordinated through the International Center and if you are enrolled in the Kentucky Virtual University (KYVU). We require proof of payment for KYVU classes prior to disbursing aid based on those hours. Exceptions may apply.

In most cases, federal regulations prohibit the receipt of federal and state student aid for concurrent enrollment at multiple institutions.

If you are enrolled at another university as a visiting student, are eligible and are approved by the Dean and the Registrar from KSU, you will be awarded federal aid by the Student Financial Aid Office.

If you submit a degree application for graduation, your financial aid must be prorated. This requires a re-calculation of your eligibility based on the hours you are enrolled and an adjustment of your budget from a 9 month to a 5 month period.

If you receive aid from a third party source in a previous term, we will place an estimate on your account for the upcoming year.

We establish our annual awarding philosophy, including award minimums, maximums, and EFC cutoffs according to federal guidelines. We reserve the right to use professional judgment and to make exceptions to our awarding philosophy.

Reviewing, Accepting, Reducing, and Declining an Award

Once you receive an award notification, please follow the instructions for reviewing, accepting, reducing, and declining awards.

If you have been offered a federal loan award(s), action is required from you to accept, reduce, or decline your award. You may complete this process online at <https://ksuwired.kysu.edu> (click on Accept awards listed under the Financial Aid section on the Student Services tab) or you may submit a signed statement to our office.

Finally, it is important for you to understand that all financial aid awards are dependent upon institutional, private, state, and/or federal funding. All financial aid awards are subject to change or cancellation if it is determined you do not meet the eligibility requirements. We fully intend to be able to adequately fund any commitments which are made to you, but there is a possibility a program may be discontinued or that funds may not be appropriated to the university. If this happens, we will notify you and either change your award or withdraw the offer.

(11) Award Disbursement

Anticipated Aid

If you have financial aid that has been awarded, but has not been disbursed to your customer account, it will be reflected as anticipated aid on your customer account. You need to apply early if you are dependent on financial aid for settling your bill and/or for living expenses. If your bill is not settled by the published due date with anticipated aid, you will have to use other means for settling your account. Descriptions of other methods for settling your bill is available on the Bursar's Office website (www.kysu.edu).

Disbursement of Financial Aid

All financial aid disbursements made to you by the university will occur only after verification of all program eligibility requirements and verification of enrollment information in the student records system. If any discrepancies exist, the disbursement of financial aid may be delayed or canceled. Satisfactory Academic Progress must also be verified for each award year before aid is disbursed. Transfer students should note that the National Student Loan Data System (NSLDS) data from previous colleges must be reviewed by the Student Financial Aid Office before disbursement can occur. If your award is based on full-time

enrollment, and you are enrolled part-time, your aid will not be disbursed until after registration. You must be enrolled full-time for the Academic Competitiveness Grant (ACG) and the National SMART Grant. You must be enrolled as at least a half-time student in order to receive a Direct Loan, Parent PLUS Loan, Graduate/Professional PLUS Loan, Federal Perkins Loan, Federal Work-Study Funds, Federal Supplemental Education Opportunity Grant, KEES, and CAP grant. Half-time is considered 6 hours for undergraduates and 4.5 hours for graduates. During the summer term, the Graduate School has determined that 6 hours will be considered full time for graduate students and 3 hours half time.

If you register during early registration, you are required to pay all charges on your account by the Bursar Office's due date unless you have anticipated aid. If you register during drop/add registration, you usually have 72 hours to settle your account. Please contact the Bursar's Office for your due date.

Most financial aid awards credit to your customer account at the Bursar's Office. Disbursement of Federal Work-Study funds will be by check payable to you. Federal Work-Study funds will be disbursed on the 15th of each month and the last day of the month for the hours submitted on your timesheet once you have been properly set up on payroll. Outside scholarship checks may require your endorsement before they can be applied to your account. Some PLUS and alternative loans will be disbursed by check available for pick-up in the Bursar's Office.

If you have accepted a federal loan, you will need to follow the procedures sent with the award notification to complete the promissory note and entrance interview. Federal regulations require all loan proceeds to be disbursed by the lender in at least two equal installments during the period of enrollment for which the loan is made.

The first disbursement of federal financial aid funds is scheduled for 14 days after the start of each semester.

Excess Funds and Balances Due

In all cases, you are responsible for paying the balance due after financial aid has been disbursed. Disbursed financial aid that exceeds your balance owed the University is considered excess funds..

If your award is for more than one semester, you will be issued your aid at the beginning of each semester. For summer, your aid will begin disbursing after the census date for the first summer session for which you are enrolled. Your award notification shows the amounts that will be disbursed to you each semester.

If you receive excess funds as a result of a change in your registration status (enrolled hours, college, residency, housing), please be aware that your financial aid will be re-evaluated at the end of the Registrar's 100% drop/add date (census date) and you will be responsible for repaying any funds that you were not eligible to receive.

(12) Satisfactory Academic Progress (SAP) Policy

INTRODUCTION:

The Higher Education Act of 1965 as amended by Congress in 1976 mandates institutions of higher education to establish minimum standards of “Satisfactory Progress” for students receiving federally funded financial aid. This policy is consistent with the federal guidelines that identify both full-time and part-time students as being eligible for federally funded financial assistance.

CHANGES IN SATISFACTORY ACADEMIC PROGRESS:

Previously, a student had to complete 24 credit hours per academic year. This policy has changed so that the minimum number of credit hours a student must successfully complete is 75% of the attempted hours during the academic year.

The minimum GPA of 1.8 has changed to 1.7, depending upon the number of credit hours attempted.

TYPES OF AID COVERED:

All Federal Pell Grants, Federal Supplemental Education Opportunity Grant (FSEOG), College Access Program (CAP Grant), Federal Work-Study, Federal Perkins Loans and William D. Ford Federal Direct Loan Program (Direct Loans).

POLICY AND PROCEDURES:

Satisfactory Academic Progress is based on **BOTH** completing the required number of attempted hours **AND** maintaining a minimum grade point average.

Attempted hours are defined as those for which a student receives a grade of A, B, C, D, F, I, W, WP, or WF.

Grades A, B, C, and D shall be considered as credits earned.

Grades F, W, I and Audit—No credit hours will be considered as earned, however, these hours will be considered as hours attempted for the purpose of determining Satisfactory Academic Progress.

A student who fails to maintain satisfactory progress as defined will not be permitted to receive federal or institutional financial aid.

A student must successfully complete a minimum of 75% of the credit hours attempted during the academic year. Successful completion for this purpose is defined as receiving a grade of “D” or better.

<u>If you are:</u>	<u>Fall/Spring Hours Attempted:</u>	<u>Hours Required to Earn:</u>
Undergraduate	36 Hours	27 Hours
	30 Hours	22.5 Hours
	24 Hours	18 Hours
	18 Hours	13.5 Hours
	12 Hours	9 Hours
Graduate	24 Hours	18 Hours
	18 Hours	13.5 Hours
	12 Hours	9 Hours

Satisfactory progress standards are reviewed at the end of the spring semester.

Example:

If a student attempts 14 credit hours in the fall semester and 16 credit hours in the spring semester, a total of 30 credit hours would be considered and the student would be required to earn 22.5 credit hours for that academic year (75% of the total attempted credit hours).

The following chart establishes minimum GPA requirements:

Revised Date: April 30, 2010

<u>If you are:</u>	<u>Attempted Hours:</u>	<u>Cumulative GPA:</u>
Undergraduate	1 – 29	1.70
	30 – 59	1.80
	60 – 89	2.0
	90 +	2.0
Graduate	1 – 36	3.0

A Student who repeats courses, withdraws frequently or takes courses not related to a degree objective is not making progress toward graduation and is subject to loss of eligibility for financial aid. A student who changes his/her major is still responsible for completing his/her degree or certification in the maximum time frame.

FOR A BACHELOR DEGREE: Upon completion of 160 attempted credit hours, a student will be put on financial aid probation. Upon completion of 192 attempted credit hours, a student is no longer eligible for Federal or State financial aid.

FOR AN ASSOCIATE DEGREE: Upon completion of 80 attempted credit hours, a student will be put on financial aid probation. Upon completion of 96 attempted credit hours, a student is no longer eligible for Federal or State financial aid.

FOR A GRADUATE DEGREE: Upon completion of 37.5 attempted credit hours a student will be put on financial aid probation. Upon completion of 45 attempted credit hours, a student is no longer eligible for Federal financial aid.

PROBATION PERIOD:

Students who have attended college at least two semesters, and are not making SAP, will be placed on financial aid probation for two semesters. Students are permitted to receive financial aid during the probationary period. After four semesters of attending college, any student who is currently on financial aid probation and does not meet satisfactory academic progress will be subject to financial aid suspension for a period of one year.

NOTE: If a student is suspended or dismissed from the University, they will automatically be placed on financial aid suspension.

APPEAL OF FINANCIAL AID SUSPENSION:

Students who fail to meet satisfactory progress standards as defined may appeal the ruling to the Satisfactory Academic Progress Committee if they believe extenuating circumstances led to their failure to maintain satisfactory progress. The Committee is comprised of faculty and/or staff members from various departments on campus. The Committee meets as needed to review appeals. The Associate Director of Student Financial Aid prepares and presents the appeals to the Committee, but does not vote on the appeal decision except in the case of a tie vote. The student is sent a letter from the Associate Director on behalf of the Committee notifying them of the Committee's decision. All appeals and relevant documents are kept in the student's file. **The Committee's decision is final and cannot be appealed.**

Appeals must include:

A Satisfactory Academic Progress Appeal form which is completed and signed. This form can be found on our web site at www.kysu.edu.

A letter written by the student which clearly states the extraordinary circumstances which may have adversely affected the student's academic performance and reasons why his/her aid should not be terminated.

Documentation of the extraordinary circumstances identified in the student's letter.

Send your completed appeal to:

Kentucky State University

Office of Financial Aid

C/o SAP Committee

Suite 349—ASB

Frankfort, KY 40601

Reestablishing Eligibility for Federal Student Aid:

A student, who loses his/her eligibility for FSA funds because the student fails to satisfy a school's standard of satisfactory academic progress other than when an appeal is granted for unusual or mitigating circumstances, can reestablish eligibility only by taking action that brings them into compliance with the qualitative and quantitative components of the school's standard including the maximum timeframe.

Should a student's financial aid eligibility be terminated for failure to maintain satisfactory progress as defined, his/her financial aid will not be reinstated until the student enrolls for a subsequent academic term (fall, spring or summer term) at his/her own expense and completes the term satisfying the satisfactory progress definition. The student should then file an appeal with the Office of Financial Aid, explaining that they have completed a subsequent term at their own expense.

Financial aid eligibility will be reinstated immediately for all students whose appeals are approved.

Important Dates:

Summer 2007 SAP Appeal Deadline: June 8, 2007

Fall 2007 SAP Appeal Deadline: September 28, 2007

Spring 2008 SAP Appeal Deadline: March 3, 2008

(13) Return of Title IV Financial Aid

The Higher Education Amendments of 1998 changed the formula for calculating the amount of aid a student and school can retain when the student totally withdraws from all classes. If a student withdraws from Kentucky State University, the school, the student, or both, may be required to return some or all of the federal funds awarded to the student for that semester. A student who withdraws from all classes prior to completing 60% of the enrollment term is subject to having his/her eligibility adjusted based on the percentage of the term completed. *(For example, a student withdraws from all classes after completing only 20% of the term. Therefore the student only earned 20% of aid disbursed or received on his/her account. This results in the school or student having to return 80% of the disbursed/received aid that was not earned.)* The Student Financial Aid Office encourages all students to read this policy carefully. This policy applies to all Title IV federal aid recipients with disbursed aid from any of the following Federal programs: ***Federal Direct Loans (subsidized and unsubsidized), Federal Perkins Loan, Federal PLUS Loans (Graduate and Parent), Federal Pell Grant, Federal Academic Competitiveness Grant (ACG), Federal National SMART Grant (SMART), and Federal Supplemental Education Opportunity Grant (SEOG).***

The new formula used in the federal Return to Title IV (R2T4) calculation divides the aid disbursed to student accounts into “**earned aid**” and “**unearned aid**”. The Student Financial Aid Office must complete the “R2T4” withdrawal calculation within 45 days from the date the University determines the student withdrew. Students contemplating withdrawal from all classes **PRIOR** to completing 60% of the term should please contact the Student Financial Aid Office to discuss how this will affect their financial aid.

During the first 60% of the period of enrollment (semester), students "earn" Title IV funds in direct proportion to the length of time the student remains enrolled. If a student remains enrolled beyond the 60% point, then aid is considered earned for the period. "Unearned" aid is the amount of disbursed Title IV aid that exceeds the amount of aid earned under the new formula.

The percentage of the period a student remains enrolled is derived by dividing the number of days you attended by the number of calendar days in the period (excluding breaks of 5 consecutive days or more). This is referred to as the percentage completed.

The number of days enrolled divided by the number of calendar days in a term/semester equals the percentage completed (% completed).

EARNED aid is calculated as follows: Total aid disbursable *multiplied* by % completed

If EARNED aid equals disbursed aid, no action is required.

If EARNED aid exceeds disbursed aid, the University must calculate a Post-Withdrawal Disbursement. We will notify the student by letter, email, or phone call regarding the aid to be disbursed to the student account and verify whether or not the student wants funds disbursed for the term. The student will be given 14 days from the offer to respond to the inquiry and our office has up to 120 days to disburse funds after the withdrawal date has been determined.

If EARNED aid is less than disbursed aid, the University must calculate the difference to be returned by the University and by the student.

[A]UNEARNED aid: Total aid disbursable *minus* EARNED aid

[B]Percentage of UNEARNED aid (% UNEARNED): 100 *minus* % completed

The University's share of the "unearned" aid is the lesser of the total amount of "UNEARNED aid" [A] or the school charges multiplied by the "Percentage of UNEARNED aid" [B]. This amount must be returned by the University.

The student's share is the difference between the total unearned amount and the University's share. UNEARNED aid *minus* University's share *equals* student's share. This amount must be returned by the student.

If the Bursar's Office determines a student owes a return of financial aid funds, the student will be sent a new statement of account by the Bursar's Office. This is the student's financial obligation to the University. The Return of Title IV funds calculation is separate from the University's Tuition/Fee Reduction schedule. Please refer to the Registrar's Office published refund/withdrawal calendar (aka: tuition/fee reduction period).

KSU Refund Policy (not the same as the Federal Return policy)

The school may bill the student for any unpaid institutional charges.

The Bursar's Office will evaluate tuition/fee reductions to non-title IV aid programs on a case-by-case basis.

Aid will be returned to aid programs in the following priority: Federal Unsubsidized Direct Loan, Federal Subsidized Direct Loan, Federal Perkins Loan, Federal Graduate PLUS Loan, Federal Parent PLUS Loan, Federal Pell Grant, Federal Academic Competitiveness Grant, Federal National SMART Grant, Federal SEOG program, other Title IV or Title VII aid, other Federal, State, private, or institutional student financial aid and to the student.

The net amount (as opposed to the gross amount of the loan borrowed) of Federal Direct (subsidized and unsubsidized) and Federal PLUS Loans (graduate and parent) will be used in the return calculation.

Please remember that all financial aid recipients will be held accountable under the University's Satisfactory Academic Progress (SAP) policy.

The Financial Aid Office is required by federal regulation to evaluate students receiving all Failing, Incomplete, or Unsatisfactory grades for the semester. These are generally students neglecting to officially withdraw from classes through the Registrar's Office. Our office will notify you by letter and email within 30 days after the last day of term period if you fall into this category.

Examples of Return policy:

Jane received a Federal Subsidized Loan for \$1313 and Federal Pell Grant for \$2025, then dropped class enrollment from 12 to 6 credit hours during the 100% tuition/fee reduction period. The student's Federal Subsidized Loan will remain the same, since the student only needs 6 credit hours or more to receive the loan funds, but the Federal Pell Grant award will be reduced from \$2025 to \$1012. This will probably result in the student having to return a portion of residual funds (credit balance) received. The Return of Title IV calculation is not needed since the student did not withdraw from all classes.

Donovan dropped class enrollment from 9 to 6 hours during the 50% tuition/fee reduction period and only has Federal Unsubsidized Stafford Loan. The Return of Title IV aid calculation is not required since the student is still enrolled. The student would receive the tuition/fee reduction, but would be evaluated at the end of the academic year based on the current SAP policy.

Lucille dropped classes from 6 to 3 hours during the 100% tuition/fee reduction period. The student receives Pell Grant for \$1013 which must be reduced to \$507. The Return to Title IV calculation is not needed since the student is still enrolled. The student enrolls in another 3 credit hours, but after the 100% tuition/fee reduction period is over. The Student Financial Office will not adjust the Pell Grant back to the 6 credit hour rate because the class was added after the scheduled 100% tuition/fee period. The Student Financial Aid Office uses the 100% tuition/fee reduction schedule to determine the census date (which is the last day of the 100% period of the University) to determine when federal awards should or should not be adjusted. In this case, even though the student is now enrolled in 6 credit hours, she is only receiving Pell Grant for the 3 credit hours based on the enrollment as of census date.

Sally Sue withdrew from all classes (12 hours, resident/undergraduate) during the 50% tuition/fee reduction period. The term is 107 days in length, after excluding the spring break and holiday schedule. The date of withdrawal was on the 11th day of the term. The student received Federal Subsidized Direct (\$1750), Federal Perkins loan (\$1000), Federal Pell Grant (\$1650), Federal SEOG (\$200), **KY CAP grant** (\$950) and **Need Based Grant** (\$500) for the term. The Return of Title IV calculation is completed as follows:

a)Percentage completed	0.103 { 10.30%} (11/107)
b1)Total Loans disbursable aid	\$2750 (Direct + Perkins)*
b2)Total Grant disbursable aid	\$1850 (Pell Grant + SEOG)*
b3) Total aid disbursable for term	\$4600 (b1 + b2)
c)Earned aid	\$473.80 (b3 x a)
d)Total Unearned aid	\$4126.20 (b3 – c)
e)School charges x % unearned	\$2835.42 (\$3161 x 0.897 { 89.70% })
f)University's TIV return share	\$2835.42 (lesser of d or e)
g)Student's TIV return share	\$1290.78 (\$4126.20-\$2835.42) {d-e}
h)Repayment of Student's loans	\$0.00 (b1 – f {loan portion of \$2750 only})
i) Initial Amt of Grant funds to Rtn	\$1290.78 (g – h)
j)Amt of Grant Protected	\$925 (b2 x 50%)
k)Amt Grants student returns	\$365.78 (\$366) {i – j}*

Allocation of Title IV aid to be returned is as follows:

Aid to be returned by KSU= \$ 2,835.42		Aid to be returned by student= \$ 1,290.78	
Source	Amount	Source	Amount
Unsubsidized Loan	\$ 0.00	Unsubsidized Loan	\$ 0.00
Subsidized Loan	\$ 1,750.00	Subsidized Loan	\$ 0.00
Perkins Loan	\$ 1,000.00	Perkins Loan	\$ 0.00
Parent PLUS Loan	\$ 0.00	Parent PLUS Loan	\$ 0.00
GRAD/Professional PLUS	\$ 0.00	GRAD/Professional PLUS	\$ 0.00
Pell Grant	\$ 85.42 (\$85)*	Pell Grant	\$ 365.78 (\$366)*
SEOG Grant	\$ 0.00	SEOG Grant	\$ 0.00
ACG Grant	\$ 0.00	ACG Grant	\$ 0.00

SMART Grant	\$ 0.00	SMART Grant	\$ 0.00
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CAP and **Need Based Grants** are excluded from the Return to Title IV calculation since they are non-federally funded programs.

The amount of grants the student must return: **(k - \$365.78 {\$366})**, is returned by the University on behalf of the student leaving the student owing a balance to the University of Louisville.

All grant adjustments/returns are rounded to the nearest dollar.*

The student will be sent a letter outlining the funds returned by school, amount she owes, and the amount returned on her behalf. The letter will contain the detailed information about the funds returned and the date of the transaction.

(14) All “F” Grade Recipients

Students receiving all ‘F’ grades are required to comply with the federal Title IV Refund Policy as well as Kentucky State University Satisfactory Academic Progress Policy. When federal financial aid either partially or fully pays educational expenses and the student receives all ‘F’ grades, our office is required by federal regulation to treat the student’s financial aid file as an "unofficial withdrawal." The student can avoid this status if acceptable proof of attendance or participation in a class related activity beyond the midpoint of the semester (see below) is provided to the Student Financial Aid Office.

If not, then an unofficial withdrawal status is considered and our office must cancel and return fifty percent of aid disbursed to the student’s account or university charges (which ever is lesser) back to the following Title IV programs: ***Federal Direct Loans (subsidized and unsubsidized), Federal Perkins Loan, Federal PLUS Loans (Graduate and Parent), and Federal Pell Grant, Federal Academic Competitiveness Grant (ACG), Federal National SMART Grant (SMART), and Federal Supplemental Education Opportunity Grant (SEOG)***. SFAO also reviews students receiving a grade of Incomplete and Unsatisfactory. For the Incomplete class, this is to verify the student is still in progress of finishing up work for a passing grade. For the Unsatisfactory, this is to verify that the student did maintain enrollment in class the entire term or at least past the mid point of the term.

Students will be notified by letter and email (University email) if they fall into this “unofficial withdrawal” category. The University has up to 30 days after the last day of the semester to inform students of their status and inform them of the deadline to provide proof acceptable grades were earned to SFAO. Late proof acceptable grades will not be accepted unless **PRIOR** arrangements were made before the deadline date. If acceptable proof is not received by the deadline, then SFAO has 45 days to make the adjustments to the accounts, return aid to the appropriate federal programs, and to notify students that their accounts have been adjusted by fifty percent.

**An invalid or outdated mailing address will not be considered as a legitimate excuse since it is the student's responsibility to maintain accurate home address information with the University. Students can update their addresses at the Registrar's Office.*

If the student's account is classified as an "unofficial withdrawal", the Bursar's Office uses several components to determine the percentage and amount of financial aid not earned. In order to calculate that percentage, the Bursar's Office uses the midpoint date of the semester, total federal aid disbursed or could have been disbursed to account, and the amount of University charges.

For example: The student is receiving Unsubsidized Direct Loan for \$2500, Subsidized Direct Loan for \$2,750, and Pell Grant for \$700. The student fails all classes for a semester. At this point, the University charges totaled \$3161, and the midpoint date was MM/DD/YY (to be determined for each term). Then, the student does not provide acceptable proof of class participation past the midpoint and/or does not respond to the notice. SFAO will calculate the required fifty percent of total aid disbursed to account ($\$5950 \times 50\%$) or **\$2975**, and take the total University charges ($\$3161 \times 50\%$) or **\$1580.50**, and then take the lesser amount of the two (\$1580.50). This amount, \$1580.50, will be refunded back to the Unsubsidized Direct Loan program, which will decrease the loan debt of the student, but will probably result in the student owing the University that balance (assuming the account balance was \$-0- prior to calculation).

What is acceptable proof of attendance or participation in a class related activity?

A letter on departmental letterhead from a professor, instructor or academic advisor noting the last date of attendance in the class or involvement in a class related activity. Examples of academically related activities include: an exam, a tutorial, computer-assisted instruction, academic counseling or advisement, turning in a class assignment, paper or project, or attending a study group that is assigned by the professor.

Why does SFAO monitor students receiving all 'F' grades?

The Student Financial Aid Office is obligated by federal regulation to review aid recipients receiving all 'F' grades. Failure to do so would result in monetary fines to Kentucky State University and jeopardize our continued participation in federally funded aid programs. The assumption behind the law is that a student receiving all 'F' grades probably did not complete the semester, but rather walked away from school without officially withdrawing.

(15) Students with Loans

Exit Interview

Once you are no longer enrolled for 6 months, our office will send you information on how to complete an Exit Interview. This is a requirement for student borrowers and updates contact information with your lender. Note that you are responsible for repayment whether or not you complete the Exit Interview.

Sample loan repayment schedule based on 6.8 %.

Payment #	Payment Amount	Principal	Interest	Cumulative Principal	Cumulative Interest	Remaining Amount Owed
-	-	-	-	-	-	\$5500
1	\$63.29	\$32.12	\$31.17	\$32.12	\$31.17	\$5467.88
2	\$63.29	\$32.31	\$30.98	\$64.43	\$62.15	\$5435.57
3	\$63.29	\$32.49	\$30.8	\$96.92	\$92.95	\$5403.08
4	\$63.29	\$32.67	\$30.62	\$129.59	\$123.57	\$5370.41
5	\$63.29	\$32.86	\$30.43	\$162.45	\$154	\$5337.55
6	\$63.29	\$33.04	\$30.25	\$195.49	\$184.25	\$5304.51
7	\$63.29	\$33.23	\$30.06	\$228.72	\$214.31	\$5271.28
8	\$63.29	\$33.42	\$29.87	\$262.14	\$244.18	\$5237.86
9	\$63.29	\$33.61	\$29.68	\$295.75	\$273.86	\$5204.25
10	\$63.29	\$33.8	\$29.49	\$329.55	\$303.35	\$5170.45
11	\$63.29	\$33.99	\$29.3	\$363.54	\$332.65	\$5136.46
12	\$63.29	\$34.18	\$29.11	\$397.72	\$361.76	\$5102.28
13	\$63.29	\$34.38	\$28.91	\$432.1	\$390.67	\$5067.9
14	\$63.29	\$34.57	\$28.72	\$466.67	\$419.39	\$5033.33
15	\$63.29	\$34.77	\$28.52	\$501.44	\$447.91	\$4998.56
16	\$63.29	\$34.96	\$28.33	\$536.4	\$476.24	\$4963.6
17	\$63.29	\$35.16	\$28.13	\$571.56	\$504.37	\$4928.44
18	\$63.29	\$35.36	\$27.93	\$606.92	\$532.3	\$4893.08
19	\$63.29	\$35.56	\$27.73	\$642.48	\$560.03	\$4857.52
20	\$63.29	\$35.76	\$27.53	\$678.24	\$587.56	\$4821.76
Payment #	Payment Amount	Principal	Interest	Cumulative Principal	Cumulative Interest	Remaining Amount Owed
21	\$63.29	\$35.97	\$27.32	\$714.21	\$614.88	\$4785.79
22	\$63.29	\$36.17	\$27.12	\$750.38	\$642	\$4749.62
23	\$63.29	\$36.38	\$26.91	\$786.76	\$668.91	\$4713.24
24	\$63.29	\$36.58	\$26.71	\$823.34	\$695.62	\$4676.66
25	\$63.29	\$36.79	\$26.5	\$860.13	\$722.12	\$4639.87
26	\$63.29	\$37	\$26.29	\$897.13	\$748.41	\$4602.87
27	\$63.29	\$37.21	\$26.08	\$934.34	\$774.49	\$4565.66
28	\$63.29	\$37.42	\$25.87	\$971.76	\$800.36	\$4528.24
29	\$63.29	\$37.63	\$25.66	\$1009.39	\$826.02	\$4490.61
30	\$63.29	\$37.84	\$25.45	\$1047.23	\$851.47	\$4452.77
31	\$63.29	\$38.06	\$25.23	\$1085.29	\$876.7	\$4414.71
32	\$63.29	\$38.27	\$25.02	\$1123.56	\$901.72	\$4376.44
33	\$63.29	\$38.49	\$24.8	\$1162.05	\$926.52	\$4337.95
34	\$63.29	\$38.71	\$24.58	\$1200.76	\$951.1	\$4299.24
35	\$63.29	\$38.93	\$24.36	\$1239.69	\$975.46	\$4260.31

36	\$63.29	\$39.15	\$24.14	\$1278.84	\$999.6	\$4221.16
37	\$63.29	\$39.37	\$23.92	\$1318.21	\$1023.52	\$4181.79
38	\$63.29	\$39.59	\$23.7	\$1357.8	\$1047.22	\$4142.2
39	\$63.29	\$39.82	\$23.47	\$1397.62	\$1070.69	\$4102.38
40	\$63.29	\$40.04	\$23.25	\$1437.66	\$1093.94	\$4062.34
Payment #	Payment Amount	Principal	Interest	Cumulative Principal	Cumulative Interest	Remaining Amount Owed
41	\$63.29	\$40.27	\$23.02	\$1477.93	\$1116.96	\$4022.07
42	\$63.29	\$40.5	\$22.79	\$1518.43	\$1139.75	\$3981.57
43	\$63.29	\$40.73	\$22.56	\$1559.16	\$1162.31	\$3940.84
44	\$63.29	\$40.96	\$22.33	\$1600.12	\$1184.64	\$3899.88
45	\$63.29	\$41.19	\$22.1	\$1641.31	\$1206.74	\$3858.69
46	\$63.29	\$41.42	\$21.87	\$1682.73	\$1228.61	\$3817.27
47	\$63.29	\$41.66	\$21.63	\$1724.39	\$1250.24	\$3775.61
48	\$63.29	\$41.89	\$21.4	\$1766.28	\$1271.64	\$3733.72
49	\$63.29	\$42.13	\$21.16	\$1808.41	\$1292.8	\$3691.59
50	\$63.29	\$42.37	\$20.92	\$1850.78	\$1313.72	\$3649.22
51	\$63.29	\$42.61	\$20.68	\$1893.39	\$1334.4	\$3606.61
52	\$63.29	\$42.85	\$20.44	\$1936.24	\$1354.84	\$3563.76
53	\$63.29	\$43.1	\$20.19	\$1979.34	\$1375.03	\$3520.66
54	\$63.29	\$43.34	\$19.95	\$2022.68	\$1394.98	\$3477.32
55	\$63.29	\$43.59	\$19.7	\$2066.27	\$1414.68	\$3433.73
56	\$63.29	\$43.83	\$19.46	\$2110.1	\$1434.14	\$3389.9
57	\$63.29	\$44.08	\$19.21	\$2154.18	\$1453.35	\$3345.82
58	\$63.29	\$44.33	\$18.96	\$2198.51	\$1472.31	\$3301.49
59	\$63.29	\$44.58	\$18.71	\$2243.09	\$1491.02	\$3256.91
60	\$63.29	\$44.83	\$18.46	\$2287.92	\$1509.48	\$3212.08
Payment #	Payment Amount	Principal	Interest	Cumulative Principal	Cumulative Interest	Remaining Amount Owed
61	\$63.29	\$45.09	\$18.2	\$2333.01	\$1527.68	\$3166.99
62	\$63.29	\$45.34	\$17.95	\$2378.35	\$1545.63	\$3121.65
63	\$63.29	\$45.6	\$17.69	\$2423.95	\$1563.32	\$3076.05
64	\$63.29	\$45.86	\$17.43	\$2469.81	\$1580.75	\$3030.19
65	\$63.29	\$46.12	\$17.17	\$2515.93	\$1597.92	\$2984.07
66	\$63.29	\$46.38	\$16.91	\$2562.31	\$1614.83	\$2937.69
67	\$63.29	\$46.64	\$16.65	\$2608.95	\$1631.48	\$2891.05
68	\$63.29	\$46.91	\$16.38	\$2655.86	\$1647.86	\$2844.14
69	\$63.29	\$47.17	\$16.12	\$2703.03	\$1663.98	\$2796.97
70	\$63.29	\$47.44	\$15.85	\$2750.47	\$1679.83	\$2749.53
71	\$63.29	\$47.71	\$15.58	\$2798.18	\$1695.41	\$2701.82
72	\$63.29	\$47.98	\$15.31	\$2846.16	\$1710.72	\$2653.84

73	\$63.29	\$48.25	\$15.04	\$2894.41	\$1725.76	\$2605.59
74	\$63.29	\$48.52	\$14.77	\$2942.93	\$1740.53	\$2557.07
75	\$63.29	\$48.8	\$14.49	\$2991.73	\$1755.02	\$2508.27
76	\$63.29	\$49.08	\$14.21	\$3040.81	\$1769.23	\$2459.19
77	\$63.29	\$49.35	\$13.94	\$3090.16	\$1783.17	\$2409.84
78	\$63.29	\$49.63	\$13.66	\$3139.79	\$1796.83	\$2360.21
79	\$63.29	\$49.92	\$13.37	\$3189.71	\$1810.2	\$2310.29
80	\$63.29	\$50.2	\$13.09	\$3239.91	\$1823.29	\$2260.09

Payment #	Payment Amount	Principal	Interest	Cumulative Principal	Cumulative Interest	Remaining Amount Owed
81	\$63.29	\$50.48	\$12.81	\$3290.39	\$1836.1	\$2209.61
82	\$63.29	\$50.77	\$12.52	\$3341.16	\$1848.62	\$2158.84
83	\$63.29	\$51.06	\$12.23	\$3392.22	\$1860.85	\$2107.78
84	\$63.29	\$51.35	\$11.94	\$3443.57	\$1872.79	\$2056.43
85	\$63.29	\$51.64	\$11.65	\$3495.21	\$1884.44	\$2004.79
86	\$63.29	\$51.93	\$11.36	\$3547.14	\$1895.8	\$1952.86
87	\$63.29	\$52.22	\$11.07	\$3599.36	\$1906.87	\$1900.64
88	\$63.29	\$52.52	\$10.77	\$3651.88	\$1917.64	\$1848.12
89	\$63.29	\$52.82	\$10.47	\$3704.7	\$1928.11	\$1795.3
90	\$63.29	\$53.12	\$10.17	\$3757.82	\$1938.28	\$1742.18
91	\$63.29	\$53.42	\$9.87	\$3811.24	\$1948.15	\$1688.76
92	\$63.29	\$53.72	\$9.57	\$3864.96	\$1957.72	\$1635.04
93	\$63.29	\$54.02	\$9.27	\$3918.98	\$1966.99	\$1581.02
94	\$63.29	\$54.33	\$8.96	\$3973.31	\$1975.95	\$1526.69
95	\$63.29	\$54.64	\$8.65	\$4027.95	\$1984.6	\$1472.05
96	\$63.29	\$54.95	\$8.34	\$4082.9	\$1992.94	\$1417.1
97	\$63.29	\$55.26	\$8.03	\$4138.16	\$2000.97	\$1361.84
98	\$63.29	\$55.57	\$7.72	\$4193.73	\$2008.69	\$1306.27
99	\$63.29	\$55.89	\$7.4	\$4249.62	\$2016.09	\$1250.38
100	\$63.29	\$56.2	\$7.09	\$4305.82	\$2023.18	\$1194.18

Payment #	Payment Amount	Principal	Interest	Cumulative Principal	Cumulative Interest	Remaining Amount Owed
101	\$63.29	\$56.52	\$6.77	\$4362.34	\$2029.95	\$1137.66
102	\$63.29	\$56.84	\$6.45	\$4419.18	\$2036.4	\$1080.82
103	\$63.29	\$57.17	\$6.12	\$4476.35	\$2042.52	\$1023.65
104	\$63.29	\$57.49	\$5.8	\$4533.84	\$2048.32	\$966.16
105	\$63.29	\$57.82	\$5.47	\$4591.66	\$2053.79	\$908.34
106	\$63.29	\$58.14	\$5.15	\$4649.8	\$2058.94	\$850.2
107	\$63.29	\$58.47	\$4.82	\$4708.27	\$2063.76	\$791.73

108	\$63.29	\$58.8	\$4.49	\$4767.07	\$2068.25	\$732.93
109	\$63.29	\$59.14	\$4.15	\$4826.21	\$2072.4	\$673.79
110	\$63.29	\$59.47	\$3.82	\$4885.68	\$2076.22	\$614.32
111	\$63.29	\$59.81	\$3.48	\$4945.49	\$2079.7	\$554.51
112	\$63.29	\$60.15	\$3.14	\$5005.64	\$2082.84	\$494.36
113	\$63.29	\$60.49	\$2.8	\$5066.13	\$2085.64	\$433.87
114	\$63.29	\$60.83	\$2.46	\$5126.96	\$2088.1	\$373.04
115	\$63.29	\$61.18	\$2.11	\$5188.14	\$2090.21	\$311.86
116	\$63.29	\$61.52	\$1.77	\$5249.66	\$2091.98	\$250.34
117	\$63.29	\$61.87	\$1.42	\$5311.53	\$2093.4	\$188.47
118	\$63.29	\$62.22	\$1.07	\$5373.75	\$2094.47	\$126.25
119	\$63.29	\$62.57	\$0.72	\$5436.32	\$2095.19	\$63.68
120	\$64.04	\$63.68	\$0.36	\$5500	\$2095.55	\$0

Deferment Forms

Loan Deferment forms may be obtained from the lender on your student loans. These include the following:

In-School Deferment Request

Economic Hardship Deferment Request

Education Related Deferment Request

Temporary Total Disability Deferment Request;

Unemployment Deferment Request

Public Service Deferment Request

Parental Leave/Working Mother Deferment Request

PLUS Borrower with Dependent Student Deferment Request

Further information is available on your Master Promissory Note, which you sign when you borrow your first Stafford Loan.

Contact Information for the FSA Student Loan Ombudsman's Office

Email: fsaombudsmanoffice@ed.gov

Web Address: <http://www.ombudsman.ed.gov>

Telephone: 877-557-2575 (Toll Free)
202-377-3800

Fax: 202-275-0549

Mail: U.S. Department of Education • FSA Ombudsman • 830 First Street, N.E. •
Washington, D.C. 20202-514