



Finance Matters

Finance Division Newsletter

December 2018

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GIFTS TO EMPLOYEES

As we approach the holiday season, both the Accounts Payable Department and Tax and Payroll Services would like to remind you that buying gift cards with University funds to give to faculty, staff, or students is against University policy. Under IRS regulations, gift cards provided by employers to employees are deemed to be wages and are subject to employment taxes without regard to their value.

Please refer the [gift card policy](#) for further information.

Email accounts_payable@brown.edu with any questions.

YEAR END TAX FORMS

W-2 Forms and Distribution Methods

Brown University is responsible for reporting to Federal and State agencies all employee taxable wages, and the associated taxes paid. At the end of each calendar year, Brown University compiles and distributes a W-2 to each employee. The information on the W-2 Form is used by employees to file their Federal and State income tax returns. Federal law requires that these be distributed to employees no later than January 31 following the close of the calendar year.

As a default, W-2 Forms are mailed to employees address on file in Workday. Please update your address information in Workday prior to December 31, 2018 to ensure the correct information is on file. In addition, employees are encouraged to access their W-2 Form electronically as they will be available in Workday prior to the January 31 deadline.

International Employee (Staff and Student) Information

In order to prepare for year end and the upcoming new calendar year, the tax department has sent an email requesting that you update your Foreign National Information System information (FNIS). It is imperative that all individuals update their information in order to receive the proper tax benefits and treaties, if applicable. Please follow the instructions received in the email in order to update your information.

2018 Form 1042S will be generated and will be available for download from your FNIS account prior to January 31, 2019.

Should you have any questions regarding the updating of your information or regarding a 1042S, please reach out to controller_payroll@brown.edu.

1099 Forms and Distribution

Brown University is responsible for reporting to the Federal government supplier payments of \$600 or more for services, rents, prizes & awards, and other payments made to the suppliers during the calendar year. In addition, Brown must report royalty payments of \$10 or more. Each January, Brown University compiles supplier payments that meet this criteria and distributes a Form 1099-MISC to these suppliers. Federal law requires that these forms be distributed no later January 31 following the close of the calendar year. Forms are mailed to the address on record in the supplier record.

Should you have any questions about Form 1099-MISC please email accounts_payable@brown.edu.

SPEND CATEGORIES

Why are spend categories important?

There are over 700 spend categories available in Workday. The spend category a user chooses on a Purchase Order, Supplier Invoice, Expense Report or PCard transaction needs to accurately describe how money was spent. This information is analyzed by the Purchasing Department to develop strategic supplier relationships to improve pricing and service. Spend categories are also used to route transactions that require additional regulatory compliance review. They are important to ensure accurate reporting in Workday: data in Workday is used for decision making and accurate data is essential when evaluating options and making decisions.

Before selecting a spend category; ask yourself – Does this spend category accurately describe the expense transaction that I am processing? The [spend category list](#) on the [Controller's Office website](#) provides detail on the spend categories available for purchase and reimbursement transactions. If you have questions about spend categories, please email purchasing@brown.edu.

RECORDS MANAGEMENT

Records contain information regardless of format (paper or digital) that document the functions, transactions, policies, decisions, procedures, or other activities of Brown University. Employees of the university generate recorded information in the transaction of daily business.

It is important to manage records for the entire life of the record: from creation, to use, storage, then finally to disposition. Managed records can be effectively located, reduce the need for storage space, save money through utilization of resources, and safeguard information.

All records are covered by the Brown University [Record Retention Schedule](#), it establishes how long records should be retained and how they should be disposed once their retention has been met this includes financial records. The destruction of records should not have a negative connotation, it makes room for new records, reduces the amount of records to maintain, and provides liability protection since sensitive information is destroyed.

Records that have been uploaded into a digital system like Workday or others, become a copy and can be destroyed. Workday is considered the official record. Convenience or reference copies are not official records and can be destroyed appropriately when they are no longer needed.

Brown's [Records Management Program](#) is supported by Records Manager, Andrew Majcher (andrew_majcher@brown.edu) who is available to provide guidance, discuss, and present on Records Management topics and issues.

PAYMENT SOLUTIONS DROP-IN SESSIONS

Beginning Thursday, January 3, Brown University staff looking for advice and/or assistance with PCard, expense reimbursements, or supplier purchasing & payment challenges may drop in for assistance during the Payment Solutions Drop-in. The Payment Solutions Drop-in takes the place of the PCard Drop-in session and will include specialist in PCard, Accounts Payable and Purchasing processes. If you are new to the PCard, having trouble with PO receipts, or just want to learn a little more about the procure-to-pay process and gain confidence performing those tasks, *drop in* at any of the scheduled sessions listed in the [Upcoming Training](#) box, below. The first drop-in session is scheduled for Thursday, January 3, 2019.

AMERICAN EXPRESS CORPORATE CARD

American Express (AMEX) is making an **important change** to the terms and conditions that govern cardholder usage of the America Express Corporate Card.

Beginning January 1, 2019, if cardholders do not pay the required payment by the *Next Statement Closing Date*, American Express will charge a late fee.

The *Next Statement Closing Date* is the last day in the current AMEX card cycle. Every purchase you've made from your prior closing date is included in the current cycle. When your AMEX card hits its statement closing date, the cycle is closed and your statement is generated.

Under the current terms and conditions of the corporate AMEX card, cardholders have to make the required payment by the 14th day after the *Next Statement Closing Date* to avoid the late fee. However, beginning January 1, 2019, that policy lapses and all required payments are due by the *Next Statement Closing Date*.

The late fee is the greater of \$39.00 or 2.99% of all amounts not credited for at least one statement billing period.

What you can do: Contact AMEX using the telephone number on the back of your card to confirm your card cycle and statement closing date so that you can pay your monthly bill timely and avoid late fees.

LOCAL SUPPLIERS

A reminder that the University is committed to supporting the local economy, as well as providing opportunities for small business and diversity suppliers. You can help by remembering to include local and diversity suppliers in bid opportunities.

Please visit the [Supplier Diversity Policy](#) page, to find links to resources that are available to help you identify suppliers to include.

Purchasing Services staff members can also help you to connect with SupplyRI, an initiative through the RI Commerce department that Brown is participating in with other local companies to encourage the use of local suppliers.

PCARD UPDATES AND REMINDERS

The PCard default spend category for all purchases is General Supplies (S3010). The spend category should be reviewed and changed, as necessary, along with the driver and optional worktags. For example, if purchasing lab supplies, change the spend category to Lab Supplies (S3011). Taking the time to make sure the spend category is correct will save you time and allow for correct budget reporting. A complete list of spend categories is available in the Controller's Office page.

Gift cards purchased using the PCard that do not comply with University policy will result in a suspension of the PCard holders charging privileges. Please review the [gift card policy](#) for further information about gift cards.

If you have any questions, comments or suggestions for future issues of *Finance Matters*, please send them to finance-division@brown.edu.

Upcoming Training

December 12, 9am:	Resolving Accounts Payable Payment Issues, South Street Landing, Multi-Purpose Rooms 497 & 498 Register in Workday Learning
January 3, 10am:	Payment Solutions Drop-in, South Street Landing, Room 492
February 6, 10am:	Payment Solutions Drop-in, South Street Landing, Room 492
March 6, 10am:	Payment Solutions Drop-in, South Street Landing, Room 492

Contact Us

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