



Finance Matters

Finance Division Newsletter

June 2018

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FINANCE DIVISION WEBSITE

The Finance Division has a new website! All of the departments within the Finance Division are represented; you will no longer need to search or bookmark multiple websites to search for financial information. A new feature is a section called “I want to—” which provides easy access to frequently asked questions. The new website also includes links to all financial forms, policies, and [archived Finance Matters newsletters](#). In the future, each department within the Finance Division will be updating their individual websites. We will keep you informed of future changes. In the meantime, check out the new [Finance Division Website](#).

PCARD: FOREIGN EXCHANGE FEE

If you've used your PCard for a transaction outside of the U.S., you've no doubt come across foreign transaction fees. A foreign transaction fee, sometimes referred to as an FX fee, is a surcharge on your bill that appears when you make a purchase that passes through a foreign bank, or is in a currency other than the U.S. dollar (USD). The foreign transaction fee is composed of two parts. The first is charged by the credit card network (MasterCard) while the other part is imposed by the issuer, Bank of America (BOA). MasterCard charges a fee of 1% and BOA also charges 1%. When calculating the FX fee, the purchase price is converted to US dollars (USD) and then the combined 2% FX fee is calculated.

POLICY UPDATE: BUSINESS EXPENSE REIMBURSEMENTS

The April 2018 newsletter updated the Brown Community on the Business Expense Reimbursement policy requiring expense report submission in Workday within 60 days of the expense or end of a business trip to avoid becoming taxable income. If the expense report is submitted later than 60 days, the payment is processed through payroll. When the payment is processed through payroll, the expense will default to the employee's home cost center. If needed, the gross can be reallocated to other organizational worktags by submitting a journal entry. If the reallocation is to a sponsored project, the Cost Transfer journal source must be used. More information on this process is available in the [Business Expense Reimbursements](#) policy.

POLICY UPDATES: GIFTS & DONATIONS, PRIZES AND RAFFLES

The Gifts, Prizes & Awards, Donations and Raffles policy has been separated into separate policies. The new policies are located on the [Administrative Policies](#) website and include: Gifts and Donations Policy, Raffles Policy, Prize Policy, and Fellowship Policy. All of the policies have been updated with information on how to administer the policy and process payments. We have also updated related forms. The Student Fellowship, Prize and Award Payment Request form has been removed from the

[Forms website](#) and replaced with the Prize Form and the Fellowship Form. Please begin using the new forms for all prize and fellowship payments.

You can review these and all other financial policies on the [Administrative Policies](#) website.

POLICY UPDATE: MOVING EXPENSES

The [Moving Expenses Policy](#) is managed by University Human Resources, however, payments relating to this policy are processed in both Accounts Payable and Payroll. As a reminder, as of January 1, 2018 all payments for moving and relocation costs will be included in an employee's paycheck and will be reported as taxable wages on the employee's W-2. All payments are subject to federal, state, OASDI and Medicare taxes as required by the IRS.

Brown University will provide moving services for eligible newly hired faculty and staff. Brown has chosen a preferred moving services provider who will coordinate all eligible moves. Use of the preferred moving services provider assists in managing the cost and hassle of a household move, leaving the new employee to focus on settling into a new community. Please review the Moving Expenses Policy for additional information.

WORKDAY PLANNING FOR PROJECTIONS GOES LIVE

Workday Planning is Workday's latest solution for planning, budgeting and forecasting. Planning enables customers to create and execute more efficient, collaborative, and valuable enterprise financial plans using a single system for all transactions as well as budgets and forecasts. Planning lets planners collaborate more effectively across the organization to share, edit, comment on, and finalize plans. It leverages the simplicity of a spreadsheet user experience but with enterprise security and control.

Brown is currently undergoing a multi-phase implementation of Planning. In April 2018, the Quarterly Projection Process was rolled out, replacing an excel-based process, providing real-time results from the entire organization. Brown continues to work with Workday on design and enhancements of functionality. The product continues to evolve as we begin work on phase two – to identify the business needs for the annual budget process and determine the appropriate solution. Over the next several months, the Budget Office and the Workday team will focus on improved functionality and input from initial users. We plan to go live with this solution by January 2019, replacing the current Tidemark process.

PAYMENT TERMS

Payment terms are the conditions under which a supplier completes a sale. The payment terms determine when payment is expected, any conditions on that payment, and any discounts the buyer will receive. At Brown, payment terms choices are: Net 30, check; Net 15-2% discount, check; and EFT Net 5, ACH.

The supplier selects the desired payment terms when completing the supplier registration form. The payment terms are applied to the date of the supplier's invoice to generate the actual payment date. For example, if a supplier has an invoice dated June 1, and the payment terms are Net 30, a check will be process for the supplier on June 30. If an invoice is submitted to Accounts Payable that is older than 30 days, it will be paid immediately.

Supplier payment terms cannot be changed by Brown University staff during the payment process. The supplier can request a change to payment terms by completing and submitting a new [supplier registration form](#) where the new terms are selected.

NEW RFP (BID) SOFTWARE

Purchasing Services has implemented a new cloud-based bid software that will streamline the Request for Proposal (RFP) process and enable our Strategic Sourcing Team to better assist departments with their RFP needs. There is also a Reverse Auction bid feature that will assist us in driving down costs (and already has) for certain types of high dollar, low complexity items. After extensive research, demos, and cost analysis of several software solutions, we chose to partner with Vendorful, an innovative start-up created by a Brown Alum. Not only was this the most cost-effective solution, but it was also the most collaborative in that we have the flexibility to customize and influence the continuous improvement of the tool to meet our needs. This Strategic Sourcing project has been over a year in the making and is currently being

piloted and refined. Departments with a need to do an RFP should contact a member of the [Strategic Sourcing Team](#) for assistance.

STUDENT HEALTH INSURANCE

The Insurance Office has responsibility for managing the University's student health insurance and dental insurance plans. There are typically 4000 students enrolled in the health insurance plan and 1800 enrolled in the voluntary dental plan each year. Staff in the Insurance Office, who manage the annual enrollment for this plan, are available to assist students, staff and medical providers with navigating the process of using the student plans and ensuring that benefits are paid appropriately.

For the Student Health Insurance Plan, full time students are automatically enrolled in the annual plan which runs from August 15th to August 14th each year. Part time students may elect to be insured by contacting the Insurance Office prior to August 15th.

Students who are covered under a health insurance plan that provides them with comparable coverage in the Providence area, can choose to submit an annual waiver to opt out of the University's plan. The waiver deadline is July 31st.

Additional information about the student health insurance plan can be viewed on our website:
<https://www.brown.edu/about/administration/insurance/student-insurances/health-insurance>

TRAINING AND CONTACT INFORMATION

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

Upcoming Training

June 11, 2pm:	Payments to Foreign Nationals, 85 Waterman Street, Room 015 Register in Learning Point
June 19, 9am:	Payments to Foreign Nationals, South Street Landing, Room 498 Register in Learning Point <i>Note: additional sessions of Payments to Foreign Nationals will be offered in September.</i>
June 27, 10am:	PCard drop in session, Robert Center, Room 225
July 9, 10am:	PCard drop in session, South Street Landing, Room 493
July 25, 10am:	PCard drop in session, South Street Landing, Room 492
August 9, 10am:	PCard drop in session, South Street Landing, Room 493

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