eBuy / Accounts Payable Users Group

January 11, 2019

BFS – Business & Financial Services
A Division of Business & Administration Services (BAS)

UNIVERSITY OF CALIFORNIA, RIVERSIDE

Agenda

- **Staffing Update**

  (Ellery Triche)

- **Independent Contractor Agreements**

  (Gae Purvis)

- **Obtaining Campus Building Permits**

  (Lezlie Howard, Permit Program Manager)

- **ProCard Expanded Use: Air and Hotel**

  (Aver Smith/Dana Allen)

Staffing Updates

Accounts Payable

None

Procurement Services

- Procurement Analyst IV (Science & Research)

  In Recruitment

- Pro-Card Administrator III

  In Recruitment

- Procurement Analyst IV (Information Technology)

  In process

Independent Contractor Agreements

New Independent Contractor Classification Form – Classification Worksheet for Federal Tax Purposes

Gae Purvis

Procurement Analyst

Independent Contractor Policy Update

- The University of California Office of the President updated the Independent Contractor Guidelines for Federal Tax Purposes. This update was to provide a summary of the criteria used to determine a worker's status under Internal Revenue Service (IRS) common law standards.
- To assist in the determination of a worker's correct status for tax purposes, the Independent Contractor Pre-hire Worksheet currently being used has been updated to the **Independent Contractor Classification Form.**

Pre-hire Worksheet/Classification Form

Current Independent Contractor Prehire Worksheet

University of California, Riverside - Procurement Services

INDEPENDENT CONTRACTOR (INDIVIDUAL) PRE-HIRE INFORMATION

Instructions: Complete Parts 1 through 5 of this form prior to contracting or renewing a contract for independent contractor (individual) services. All sections of this form are to be completed before submitting this document along with a purchase requisition to Procurement Services. Failure to complete the following sections truthfully may result in statutory violations (e.g., Internal Revenue Service Code or California Public Contract Code) and result in individual and department financial or criminal penalties. Procurement Services may, at ts discretion, require classification for fields marked N/A, "unknown" or otherwise left incomplete.

PART 1 - To be completed by the Unit or Department submitting the Requisition

REQUESTING DEPARTMENT			
Date:	Purchase Requisition number:	Department name:	
Department contact:	Tel #:	Fax #:	E-mail:
Name of UCR project manager:	Tel #:	Fax #:	E-mail:

PART 2

PROPOSED CONTRACTOR INFORMATION			
Name of proposed contractor:	Tel #:	Fax #:	E-mail:
Address: (Street Address, City, State, Zip Code)			
Has your department hired this Contractor previously? ☐ Yes ☐ No	If yes, please provide Contract or Purchase Order number(s):		
Contractor's Social Security number (SSN) and/or Federal Employer ID Number (FEIN) should be provided on W-9 form only.			
If using SSN, is the individual a US citizen? ☐ Yes ☐ No	If using SSN and individual is **not** a US citizen, provide: Country of Citizenship: ________ Visa type: ________		

PROPOSED CONTRACT WORK INFORMATION	
Describe in full detail the services requested. Include deliverables, milestones, benchmarks and special terms (include additional sheets as necessary):	
Describe how and by whom the proposed contractor was selected including any extenuating circumstances:	
Will work be performed on campus? ☐ Yes ☐ No	Will University equipment or supplies be used? ☐ Yes ☐ No
Period of performance: Start date: ________	End date: ________
Rate of pay: (e.g. 40 hours @ $50/hr. or fixed fee)	Total not to exceed dollar amount: $________

PART 3 - If proposed contractor is a current or previous University employee (within the last 2 years) or is related to a University employee, you must also submit a "REPORT OF PROPOSED TRANSACTION INVOLVING POTENTIAL CONFLICT OF INTEREST" form.

MULTIPLE RELATIONSHIPS WITH THE UNIVERSITY
Is the proposed contractor a current or previous employee (within the last 2 years) or related to a University employee (any UC location)? Departments are advised to consult with their Human Resources recruiter to make this determination. ☐ Yes ☐ No

If the answer to the above question is YES then you must attach a completed "REPORT OF PROPOSED TRANSACTION INVOLVING POTENTIAL CONFLICT OF INTEREST" form.

Is it expected that the University will hire this contractor as an employee upon the conclusion of proposed service?	☐ Yes ☐ No

1 of 2

New Independent Contractor Classification Form

UC RIVERSIDE UNIVERSITY OF CALIFORNIA

Independent Contractor Classification Form

Part 1 – To be completed by the Unit or Department submitting the Requisition		
Classification Worksheet For Federal Tax Purposes		
This portion of the worksheet addresses federal tax compliance only. There are other state and federal laws regarding classification of workers as independent contractors or employees. For example, to determine whether a worker is an employee for unemployment insurance purposes, please refer to the Employment Determination Guide issued by the State of California Employment Development Department (EDD), which is available at http://www.edd.ca.gov/pdf_pub_ctr/de38.pdf. For more information on unemployment insurance, you may also consult the Accounting Manual Chapter T-182-77.5, Payroll: Unemployment Insurance, on the internal payroll site.		
Department: Click here to enter text.		
Name of Contractor Click here to enter text.	**Check the box that applies:** ☐ Sole Proprietor ☐ Partnership ☐ Corporation	
Name of Company	**Contactor Phone Number**	**Contactor E-mail address**
Click here to enter text.	Click here to enter text.	Click here to enter text.
Contractor Address (street address, city, state, zip code) Click here to enter text.		
If a foreign national or non-US citizen provide:	**Country of Citizenship** Click here to enter text.	**Visa Type** Click here to enter text.

Is the proposed contractor a current employee?	☐ Yes ☐ No
If no, is it expected that the University will hire this proposed contractor as an employee following the termination of this service?	☐ Yes ☐ No
Was the proposed contractor a University employee any time during the last year and did he or she provide the same or similar services while an employee?	☐ Yes ☐ No
Part 2 – To be completed by the Unit or Department submitting the Requisition	
IRS Classification Factors	
Before the University enters into a contract with an independent contractor, the following checklist must be completed to help determine whether an employer/employee relationship exist.	
IRS Classification Factors (Yes = Employee and No = Contractor)	
Behavioral Control: Right to direct and control details and means by which worker performs services.	
1. **Instructions.** Will the University have the right to give the worker instructions about when, where and how he or she is to do the job?	☐ Yes ☐ No
Financial Control: Right to direct and control economic aspects of the worker's activities.	
2. **Significant Investment.** Has the worker failed to invest in facilities (such as an office) used to perform services?	☐ Yes ☐ No
3. **Payment of Expenses.** Will the University pay the worker's business or travel expenses?	☐ Yes ☐ No

Independent Contractor Information Form
Formerly known as the Independent Contractor Pre-Hire worksheet v1.3
Revised September 2018

Page 1 of 2

The New Classification Form

- The new form captures much of the same information as the previous form with two main changes:
- Evaluation of Classification Factors; and
- Determination

EVALUATION OF CLASSIFICATION FACTORS	
List areas that support employee status	**List areas that support contractor status**
Click here to enter text.	Click here to enter text.

Determination		
Consulted with Central Human Resources' Policy Analyst (**Required**)	☐ Yes	☐ No
Consulted with Finance (Accounts Payable Supervisor for tax compliance)	☐ Yes	☐ No
Hire worker as an employee	☐ Yes	☐ No
Enter into contract with worker as an independent contractor	☐ Yes	☐ No

Classification Form (con't.)

- Requesting departments will now have to list reasons that support hiring the individual as an employee, and also reasons that support hiring the individual as a contractor. (These reasons can be pulled from the IRS Classification Factors section).
- In addition, as part of the new policy, the form must be reviewed by the Central Human Resources' Policy Analyst ***prior*** to submitting a purchase requisition.
- As currently required, departments will still be required to obtain a Certificate of Liability Insurance from the supplier *prior* to submitting their requisition.
  - For more details about the supplier/contractor insurance program and/or to apply go online to: Campus Connexions (ucriver.campusconnexionsuc.com).

Classification Form (con’t.)

- Another important change to the policy is that the Agreement term <u>CANNOT</u> exceed a total of 12 months.
- As was previously required, department’s must complete the Potential Conflict of Interest form and have it reviewed by Procurement before submitting their purchase requisition. The form has been streamlined to flow with the new Independent Contractor Classification form.
- *Reminder: Personal or Professional Services are required to be submitted as a purchase requisition regardless of the dollar amount. DAPO’s are not allowed (as per Policy 750-39).*

STEPS FOR PROCESSING

- Complete Independent Contractor Classification Form
- Review form with Central Human Resources Policy Analyst to confirm if independent contractor or employee
- Obtain Certificate of Liability Insurance. (For questions regarding insurance, contact Risk Management).
- If necessary, complete the Conflict of Interest form
- Attach all completed documents to the purchase requisition and submit to Procurement

Questions?

PRO-CARD HOLDER TRAINING

ProCard Expanded Use: Airfare and Lodging

January 10 & 11, 2019

Presented By: Aver Smith & Dana Allen

BFS – Business & Financial Services

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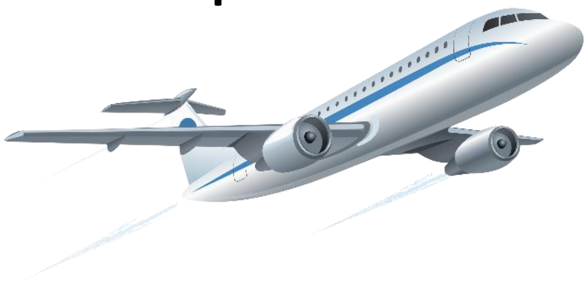
UNIVERSITY OF CALIFORNIA, RIVERSIDE

What changed?

Effective 1/15/19, the Procurement card (Pro-card) will be expanded to allow current University cardholders to purchase:



- Airfare

- Lodging

Why are we doing this?

- Providing departments with increased flexibility to pay travel expenses on behalf of others.
- Reducing out-of-pocket travel expenses for university employees, students, and guests.

What does this mean?

Cardholders can now assist business travelers by booking business related airfare and hotel expenses

- Airfare and lodging expenses can be charged to a department ProCard rather than using a personal charge card
  - Note: traveler may need to provide a credit card upon check-in for incidental expenses.
  - Travel expense reports are still required to document these expenses but should show ProCard purchases as pre-paid expenses.
- Airfare and lodging expenses for UCR guests (faculty recruits, guest speakers, etc.,) can be charged to department ProCard rather than creating a purchase order or reimbursing travelers after the trip.

Note: Cardholders should NEVER give the card or card information to travelers to take on a trip or use for other travel expenses.

How To's: Booking Airfare and Lodging

BEFORE charging travel expenses to the ProCard:

- Travel Coordinator should create a "Trip" in iTravel so the trip number can be referenced on the travel related payments paid via a ProCard; also should be referenced on the PCT.
  - Use the "Travel Planning" functionality in iTravel to a obtain a valid trip ID.
  - All travel charges must be properly documented and accounted for as required by UC Travel Policy (G-28).
- The "Trip ID" established via "Travel Planning" must be used to clear expenses at the completion of the trip.
  - Determine if the trip will be placed in the Traveler's queue or remain in the Travel Coordinator's queue

How To's – cont'd
Booking Airfare and Lodging

All ProCard airfare charges should be made through Connexxus to access UC discounted rates, UC Preferred Travel agencies and supported online booking tools and to ensure:

- Travel insurance registration (iJet) of the trip
  - Note: airfare purchased via SWABIZ are not automatically registered
- UC travel accident insurance coverage
- Airfare credits and refunds to UCR for cancellations/refundable tickets are tracked properly
- Access to pre-negotiated UCOP Travel Program benefits

How To's – cont'd
Booking Airfare and Lodging

Booking through one of our preferred travel agencies and online booking tools ensures the business trip is covered under the UC Travel Accident Insurance program

- If airfare is booked outside of the Connexxus system or via SWABIZ, the traveler must manually register the trip on the UCR Risk Services website and complete the Traveler Insurance form **before** an out-of-state trip occurs to ensure coverage.
  - Registration is not required for travel within California as coverage is automatic.
- Note: if the traveler wishes to continue to receive the supplemental travel insurance associated with their individual US Bank T&E card, the traveler will need to use their US Bank T&E card and be reimbursed as part of the trip.

How To's – cont'd
Booking Airfare and Lodging

If airfare is purchased on-line, but not through Connexxus, please be aware:

- As a security measure, for e-tickets booked online, some airlines may require the traveler to present the credit card used to purchase the ticket prior to check-in.
- This is true whether the ticket is booked directly on the airline's Web page (UAL.com, AA.com, etc.) or an on-line booking agency (travelocity.com).
- If a traveler does not have the credit card used for the purchase, they may be denied boarding and possibly required to purchase a new ticket to continue their travel.

Airlines do not require this extra security measure for tickets booked through a travel agency or for paper tickets.

Booking through Connexxus ensures the UCR traveler will not be asked to show the credit card used.

Cardholder Responsibilities

Cardholder Responsibility

- Although departments can now pay for airfare, lodging and conference registration fees directly via the ProCard, this new capability comes with additional responsibilities:
  - Cardholders need to continue to keep receipts and coordinate with travel coordinators.
  - A good system of internal controls will allow these expenses to be properly reported on the travel expense reports as prepaid items and avoid erroneously reimbursing the traveler for expenses paid via the ProCard.
  - Travelers, Travel Coordinators and Department Approvers will need to be diligent in reviewing travel expense reports for accuracy.
- Per UC Policy, a travel expense claim must be processed for travel related expenses, even if no reimbursement of expenses is due to the traveler.

Cardholder Responsibility – Cont’d

Use of the ProCard for Personal Travel Expenses

- **Is NOT allowed under any circumstances**
- Multi-leg air travel cannot contain any personal travel legs (i.e., a destination other than the primary business destination must not be purchased with the ProCard).
    - ✓ If a personal travel expense cannot be separated, the traveler must book the entire trip with personal funds and request reimbursement of the business portion as an out of pocket expense after the completion of the trip.

Allowable Expenses and Required Documentation

Allowable Expenses and Required Documentation

Allowable Expense	Receipt/Documentation Required
Airfare Including exchange fees and travel agency service fees.	Itinerary provided by the travel agency at the time of booking that shows routing, dates, and class of service.
Hotel Deposits	Deposit invoice and signed agreement that verifies the amount of the deposit required and charged.
Lodging Including room charges and related taxes. Please note incidentials and personal expenses such as business phone/faxes, local or phone access charges, movie, personal phone calls, par or spa charges should be paid for personally upon check out and should NOT be charged to the ProCard.	Final Check out folio, showing an itemization of all nightly room charges, taxes and other business related expenses. Please check G-28 for maximum hotel allowances.

ProCard T&E Do's & Don'ts Reminders

Do's

- Airfare, lodging for business travel for others can be paid via the ProCard.
- Use Connexxus to book through UC's Preferred Travel Agencies.
- Remember to manually register trips booked outside of Connexxus or via SWABIZ, on the Risk Services website and complete the Traveler Insurance form <u>**before**</u> an out-of-state trip occurs.
- Establish a "Trip" in iTravel before charging travel expenses on the ProCard.
- Reference the trip number on travel related payments paid via a ProCard and on the PCT.
- Process travel related payments paid via a ProCard as **prepaid items** on the travel expense claim, <u>even if no reimbursement of expenses is due to the traveler</u>.
- Conference registration can be paid via the ProCard.

Don'ts

- Airfare that contain **any personal legs of travel.** (i.e. a destination other than the primary business destination) <u>**may not**</u> **be purchased on a ProCard**.
- The ProCard cannot be used for meals.
- **The ProCard cannot be given to a traveler to take on a trip (unless he/she is the ProCard holder).**

Reminder

The Cardholder is responsible for ensuring that any purchase made on a ProCard complies with all University policies and procedures including the Travel and Procurement Card Programs.

ProCard Administration

ProCard Administration Notes

- Supplier and commodity specific ProCards will remain restricted/blocked
- Auxiliary Distribution Services (i.e. Storehouse) *cannot* procure lodging and airfare for the campus.
- A PCT is required to move air travel and lodging from the ProCard Aging Report and the trip number should be referenced
- Reconciliation will include both ProCard and Travel requirements
  - Prior approval and a TRIP ID# must be available for the DCA to move the expense (PCT).
  - Support documentation (e.g., a copy of the booking confirmation) must be included in the ProCard files and iTravel, so coordinate with your unit's travel coordinator.
  - No Personal Travel (to include extra flight routes, extended hotel stay) is allowed on the ProCard.

ProCard Administration Notes – cont'd

As of 1/15/19, the below travel related expense accounts will be available via the PCT:

710110 - Travel, In-state-Airfare

710140 - Travel, In-state-Lodging

711110 - Travel, Out-State – Airfare

711140 - Travel, Out-State – Lodging

712110 - Travel, Foreign-Airfare

712140 - Travel, Foreign-Lodging

714110 - Conf & Event Registration Fees (added 8/2018)

New Card Timeline

- Applications will be processed on Monday’s.
  - Applications should be received no later than C.O.B. on Friday to be considered.
  - Approx. 2 -3 weeks turn-around to receive card from US Bank.
- Issuing cards
  - Required trainings must be successfully completed before cards are scheduled for pick-up.
- New Email Address for ProCard Programs:
  - procard@ucr.edu

Questions?

Send to procard@ucr.edu and/or travelfeedback@ucr.edu