

BUSINESS AFFAIRS SUB-COUNCIL
AGENDA
October 15, 2013
9:00 a.m.
TBR Board Room

1. Chancellor's Remarks

The Chancellor will address the BASC.

2. Report of the Finance Committee

The BASC will discuss the following topics from the Finance Committee meeting:

- Payments to Research Participants (Attachment A)
- Works of Art and Historical Collections
- Moving Allowance (Attachments B & C)
- Scanned Travel Claims
- Findings and Weaknesses (Attachments D & E)
- Review of Policies and Guidelines (Attachments F, G, H & I)

3. Report of the Council of Buyers

The BASC will discuss the following topics from the Council of Buyers meeting:

- Sales and Use Tax
- Fiscal Review Requirements

4. Report of the Human Resource Officers Committee

The BASC will discuss the following topics from the Human Resource Officers Committee meeting:

- Use of 2012 and 2013 FSA Forfeiture Refund Toward Pre-Funding New Vendor

5. Report of the Internal Audit Committee

The BASC will discuss the following topics from the Internal Audit Committee meeting:

- QAR Discussion

6. Report of the IT Sub-Council

Mr. Young will be available to answer questions from the IT Subcouncil meeting.

7. IRS Notice 972CG

The BASC will discuss IRS Notice 972CG, which proposes to levy fines for 2011 Form 1098-T's that were submitted with missing or mismatched taxpayer identification numbers.

8. Athletic Insurance

The BASC will discuss athletic insurance.

9. SciQuest Travel Claim Presentation

Representatives from ETSU will present a demonstration of how they process travel reimbursements through SciQuest.

Finance Committee/BASC Agenda Item Template

Description of Issue: **Use 2012 & 2013 Flexible Spending Account (FSA) Forfeiture Refund toward Pre-Funding for new vendor**

UT did an RFP and procured a new FSA vendor effective January 2013. TBR will need to either do an RFP or join the UT contract effective January 2015. At this point, the feedback from UT and conversations with the UT FSA vendor, PayFlex, lead us toward joining the UT contract.

One of the requirements of joining any new FSA provider is providing pre-funding to cover the cost of claims made, prior to the withdrawals being made from payroll. Payflex originally requested a 15% pre-fund, or approximately \$550,000. However, more recently they agreed to an 8% pre-fund balance or approximately \$296,000 based on current system-wide participation.

The 2012 forfeiture check from our current vendor, FBMC-Wage Works, is \$102,622. This amount reflects approximately \$80,000 in annual forfeitures and the remaining \$22,000 in one-time returned stale dated checks. Rather than disbursing the respective percentage back to the schools, your consideration of using both the 2012 & 2013 forfeiture checks toward the cost of the pre-funding is requested. While the 2013 forfeiture check amount is unknown until summer 2014, the last two years the checks have averaged approximately \$77,000, not including the stale dated checks.

In addition, FBMC has approximately \$92,000 from the prior TPA and in pre-funding that will be returned upon the conclusion of the contractual relationship.

Estimated Pre-Funding required =	\$296,000 (estimate)
2012 Forfeiture Check =	\$102,622
2013 Forfeiture Check =	\$ 77,000 (estimate)
FBMC-Pre-Funding Balance =	<u>\$ 92,000</u>
Remaining pre-funding required	\$ 24,378 (estimate)

Related TBR Policy/Guideline:

Recommended Course of Action (if any):

Approve the use of the 2012 & 2013 forfeiture checks toward the pre-funding required, as well as any other refunds from the FBMC account.