

FUNDAMENTALS



Florida State University
Office of the Associate Vice President of Finance and Controller

Tax Changes for 2003

Federal Issues

Faculty and staff should be aware of the following tax changes scheduled for 2003. Employees may wish to reevaluate their W-4 tax withholdings and deferred compensation arrangements in light of these changes.

- The 2003 wage base for social security tax will increase from \$84,900 to \$87,000. The social security tax rate will remain 6.2% on employer and employee contributions.
- There is no limit on earnings subject to medicare tax, and the employer/employee contribution rate remains 1.45%.
- The base 2003 employee contribution limit for ORP and 403(b) plans increases from \$11,000 to \$12,000. Individuals age 50 and over may contribute an additional \$2,000. Eligibility for additional catch-up contributions must be reestablished.
- The base 2003 employee contribution limit for the State Deferred Compensation, 457(b) plan, also increases from \$11,000 to \$12,000. Individuals age 50 and over may contribute an additional \$2,000. Eligibility for additional catch-up contributions should be confirmed with the state program office that administers that plan.

State Issues

The Department of Revenue has advised that the University is required to make estimated sales tax payments beginning with the December 2002 return which will be filed in January 2003.

There are several methods for calculating the estimated tax. Departments that are currently remitting sales tax will be contacted by Mike Ballow, Tax Administration Services, to identify the method that is appropriate for your department.

If you have questions regarding these changes, please phone Mike Ballow at 644-9464 or e-mail mballow@admin.fsu.edu.

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Best wishes
For A
HAPPY HOLIDAY
Season



University Controller's Memoranda

University Controller's Memoranda are released periodically to inform the university community of changes related to legislative action or needed procedural changes. The memoranda are directed to Deans, Directors, Department Heads and representatives affected by the subject.

Controller's Memoranda are available on the web at <http://www.vpfa.fsu.edu/control/memos/html> and include memoranda from 1997-1998 to present. Recent memoranda that are of concern to many are published here for your information.

University Controller's Memorandum #01 (2002-2003)

Sales Tax Rate Increase, November 15, 2002

On November 5, the voters of Leon County approved a one-half cent increase to the existing local option sales tax rate effective January 1, 2003. **The total sales tax rate to charge customers in Leon County beginning January 1 is 7.5%.**

Departments should make appropriate adjustments to all cash registers and other collection equipment/methods to accommodate this increase. *Failure to collect the proper tax amount from customers does not abrogate our responsibility to pay the proper amount to the State.*

If you have any questions about this matter or any other sales tax inquiry, please call Mike Ballow at 644-9464 or e-mail mballow@admin.fsu.edu. Thank you for your assistance with this change.

University Controller's Memorandum #02 (2002-2003)

Travel Issues, November 25, 2002

State Comptroller memorandum No. 5 (2002-2003) has clarified the method of how foreign travel lodging costs can be reimbursed. Effective immediately, foreign lodging costs must be supported by the original paid hotel receipt and will be limited to the maximum lodging amount as specified in the U.S. Department of State tables for that month and the country/city of stay. The tables can be found at the following web address – <http://www.vpfa.fsu.edu/control/forperdiem.html>. As an alternative, the State Comptroller does allow the standard state per diem rate of \$50.00 to be used for foreign travel reimbursements, but this would seldom meet the needs of University travelers.

At our request, the State Comptroller has agreed to allow University travelers to exceed the maximum foreign lodging per diem rates if adequate justification is provided and it is approved by the traveler's Dean, Director, or Department Head. Such justification would include instances where the traveler is staying at a hotel where a conference or training seminar is being held or if the cost of lodging has escalated due to a special event. This added flexibility will be beneficial, but departments should ensure that justification is reasonable and properly documented.

The Travel Office also wanted travelers to be reminded of recent changes in the airline industry as it relates to the use of nonrefundable tickets. In many cases such tickets hold no value if not used for the scheduled flight or not changed prior to flight departure. Additional fees may apply for standby flights, excess baggage and paper tickets. These tightened airline restrictions should be considered when making airline ticket purchases. Your travel agent can provide you useful information in determining which fare options might be best for your flight.

If you have any questions regarding these travel issues, please contact the Travel Office Manager, Jennifer Pittman, at 644-9410. ABA supported sites may also contact Maria Whitaker at 443-7247.

Project AIM Takes Its Show on the Road

Although the PeopleSoft system is in the very early stages of implementation, the Project AIM team is taking a small show on the road to share information with the campus. Several departments have taken advantage of the ERP Department's offer to provide short presentations about ERP.

The main issues of discussion focus on why the University is involved, the approach the University has taken, and the vision, goals and objectives of the project. The reception in the departments visited has been warm, friendly, and very open to fresh ideas and new approaches to FSU business procedures. In addition to the project sharing information with the departments, the departments have an opportunity to share their ideas, hopes and needs for the new system. It's a win-win scenario!

If you would like a member of the Project AIM Communications and Training Team to come to your department and bring you up-to-date on the project status, please contact Colleen Henderson, chender-son@admin.fsu.edu, or Kristian Bjornstad, kbjornstad@admin.fsu.edu.

ERP=AIM

Stay tuned for the next update!



Getting To Know Us

New Employees assigned to ERP

Janelle Robinson, Spring 2002 graduate, has returned to the University as an employee! Janelle earned her Masters degree in the Business Administration Program. While pursuing her degree, she was employed as a manager with the Target Corporation.

Diana Hyde joined the Sponsored Research team on December 2. She has worked in the research administration field for over 18 years, six of which were in FSU's Office of Sponsored Research Service. Diana's experience will be useful as she focuses on the People Soft pre-award processes.

Lisa Crutchfield, a previous employee of the Controller's office, has returned as an Assistant Director of Business & Financial/Auxiliary Services. Having previously worked at the Department of Agriculture and Consumer Services, the State Technology Office, and FSU, Lisa has over 12 years of financial experience with the State of Florida. She has a B.S. in Accounting from FSU.

Jennifer Hamilton joined the University in September. Jennifer graduated from FSU in 1986 with a B.S. in Marketing. Her background is in corporate management, budget and planning.

New Employees—Function—Area

Rhonda Murray, Financial Aid Distribution, Student Financial Services; Christina Quick, Accounting, Student Financial Services; Kathleen Fletcher, Quality Control, Sponsored Research Accounting Services; Kenneth Gesser, Compliance Coordinator, Sponsored Research Accounting Services;

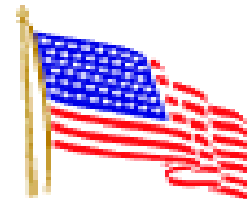
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Florida State University
Office of the Associate Vice President of
Finance and Controller

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UNITED WE STAND
Fly the flag proudly!



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Ted Wynn, Grant Accountant, Sponsored Research Accounting Services; Donna Jarriel, Manager, General Accounting Services; Livetra Wilson, Encumbered Payments, Payables; Kelly Kindell, Security Coordinator, Internal Control Assessment.

Awards and Recognition

Associate Vice President/Controller, Larry Reese and Assistant Controller, Mike Ballow were recipients of a Davis Productivity Award given at the 2002 ceremony on December 3. A plaque was presented to acknowledge their implementation of the Pre-tax Parking Benefit Program that provides tax savings for employees as well as the University.

At the fall meeting in Orlando, Larry Reese also received special recognition from the Southern Association of College and University Business Officers (SACUBO) as Outstanding Workshop Coordinator for hosting the March 2002, SACUBO Drive-In Workshop in Tallahassee.

Student Financial Services and Administrative Information Systems (AIS) earned a Certificate of Commendation for their implementation of Automated Departmental Charge Adjustments. Glenn Scanlan, Glendora Lomack, Oliver Austin, Debbie Atkinson, Corinne Herring, Greg Farnsley, and Tom Nelson worked together to streamline the input of charge adjustments to the Accounts Receivable System, thereby improving services for high volume campus users.

WELCOME NEW EMPLOYEES AND CONGRATULATIONS TO OUR
AWARD WINNERS!!
