Joint Audit & Compliance Committee
Agenda

10:00 am – 10:45 am – Executive Session
10:45 am – 12:00 pm - Public Meeting

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<td>Executive Session to discuss:</td>
<td>Approval</td>
<td>None</td>
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<td>• C.G.S. 1-200(6)[E] – Preliminary drafts or notes that the public agency has determined that the public’s interest in withholding such documents clearly outweighs the public interest in disclosure. [1-210(b)(1)]</td>
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<td>• C.G.S. 1-200(6)[E] – A discussion of any matter which would result in the disclosure of public records or the information contained therein pertaining to strategy and negotiations with respect to pending claims regarding Recovery Audit Contractor (RAC) Audits [1-210(b)(4)]</td>
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<td>• C.G.S 1-200(6)(E) – A discussion of any matter which would result in the disclosure of public records or the information contained therein pertaining to or communications privileged by the attorney-client relationship. [1-210(b)(10)]</td>
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<td>• C.G.S. 1-200(6)[C] – Records of standards, procedures, processes, software and codes not otherwise available to the public, the disclosure of which would compromise the security of integrity of an information technology system. [1-210(b)(20)]</td>
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<td>Opportunity for Public Comment</td>
<td>None</td>
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<td>Minutes of the February 10, 2015, JACC Meeting</td>
<td>Approval</td>
<td>1</td>
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<td>Storrs &amp; UConn Health Significant Compliance Activities</td>
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<td>• Research Compliance – Storrs and UConn Health</td>
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<td>• ICD-10 – Storrs and UConn Health</td>
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<td>• Open Payment Update – Uconn Health</td>
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<tr>
<td>Revised Travel and Entertainment Policies and Procedures</td>
<td>Approval</td>
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May 7, 2015

Individual Responsibility, Institutional Success
# Joint Audit & Compliance Committee Agenda

10:00 am – 10:45 am – Executive Session  
10:45 am – 12:00 pm - Public Meeting

## Issue

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### Significant Audit Activities (Storrs & UConn Health)
- Status of Audit Assignments
- Audit Follow-up Activity

### Auditor of Public Accounts – FY14 Statewide Single Audit Findings and Management Responses

- University of Connecticut Research and Development
- UConn Health Research and Development
- University of Connecticut Federal Financial Aid Assistance Programs

### External Engagements

McGladrey – UConn 2000, FY2014 engagement
- Audit of substantially completed projects' expenditures
- Agreed upon procedures performed on fiscal year expenditures

### Informational/Educational Items

- Compliance Newsletters – Storrs & UConn Health
- Current Issues in Compliance Newsletter - December
- JACC Agenda Forecast

### Conclusion of Full Meeting

Information Session with OACE’s Chief Audit & Compliance Officer and Direct Reports

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The next meeting of the JACC will be held on Thursday, September 17, 2015 at 10:00 am  
Rome Commons Ballroom, Storrs

Individual Responsibility, Institutional Success
TAB 1
The meeting of the Joint Audit and Compliance Committee (JACC) was called to order at 8:30 a.m. by Trustee Nayden.

ON A MOTION made by Trustee Nayden and seconded by Director Archambault, THE JACC VOTED to amend the public session agenda order.

ON A MOTION made by Trustee Nayden and seconded by Director Holt, THE JACC VOTED to go into executive session to discuss:

- C.G.S. 1-200(6)(E) – A discussion of any matter which would result in the disclosure of public records or the information contained therein pertaining to preliminary drafts or notes that the public agency has determined the public’s interest in withholding outweighs the public’s interest in disclosure. [1-210(b)(1)]
- C.G.S. 1-200(6)(E) - A discussion of any matter which would result in the disclosure of public records or the information contained therein pertaining to strategy and negotiations with respect to pending claims regarding Recovery Audit Contractor (RAC) Audits. [1-210(b)(4)]
- C.G.S. 1-200(6)(E) - A discussion of any matter which would result in the disclosure of public records or the information contained therein pertaining to or communications privileged by the attorney-client relationship. [1-210(b)(10)]
- C.G.S. 1-200(6)(c) – Matters concerning standards, processes and codes not available to the public the disclosure of which would compromise the security of integrity of information technology systems.


The Executive Session ended at 9:30 a.m. and the JACC returned to open session at 9:32 a.m. There were no public comments.
Tab 1 – Minutes of the Meeting
ON A MOTION made by Trustee Nayden and seconded by Trustee Cantor the minutes of the December 11, 2014 JACC meeting were approved.

TAB 2 – Storrs & UConn Health Significant Compliance Activities
K. Fearney and I. Mauriello updated the committee on significant compliance activities.
A. Cretors updated the committee on NCAA Compliance activities.
J. McDonnell updated the committee on the Documentation and Coding Program Annual Report regarding international standards that is managed by the Office of Audit Compliance and Ethics at UConn Health.
J. Geoghegan updated the committee on the ICD-10 implementation scheduled for October 1, 2015, and RAC settlement updates.

TAB 3 – Executive Compliance Committee Charter Revision - Storrs
D. Galloway presented the committee with a revision of the Executive Compliance Committee Charter. The new charter will restructure the committee and will focus on risks to Public Safety, Environmental Health and Safety, and Compliance.

ON A MOTION made by Trustee Nayden and seconded by Director Archambault, the revised Executive Risk Management and Compliance Committee Charter for Storrs was approved by the committee.

TAB 4 – Significant Audit Activities
C. Chiaputti provided the JACC with an update on the status of audit assignments (Storrs and UConn Health). OACE completed eight audits and had seven audits ongoing during this reporting period. OACE also was working on one special project.
The JACC accepted eight audits this period as follows:
• Stem Cell FY14,
• Husky One Card Office,
• Advanced Beneficiary Notices (ABNs),
• Avery Point IT,
• Pharmacy Charge Capture – UConn Medical Group (UMG),
• Pharmacy Charge Capture – John Dempsey Hospital (JDH), and
• NCAA Division I Certification – Football Bowl Subdivision.
The committee was provided with the status of OACE’s follow-up activities.
TAB 5 – Revised Audit Plans

ON A MOTION made by Trustee Cantor and seconded by Director Holt, the revised audit plans for Storrs and UConn Health were approved by the committee.

Tab 6 – Auditors of Public Accounts

Auditors of Public Accounts, J. Rasimas, J. Carroll, G. Slupecki, and N. Freitas, presented the committee with the findings of the University of Connecticut and University of Connecticut Health Center Audited Financial Statements for the year ended June 30, 2014.

Tab 7 – External Engagements

On A MOTION made by Trustee Nayden and seconded by Trustee Kruger, the JACC approved the hiring of Marcum, LLP, for Financial Statement Audits of the University of Connecticut Health Center – John Dempsey Hospital (JDH), Finance Corporation, and the University Medical Group (UMG).

Tab 8 – Informational / Educational Items

The committee was provided with the following:

- JACC Agenda Forecast.

There was no further business.

ON A MOTION made by Trustee Nayden and seconded by Trustee Kruger, the meeting was adjourned at 10:05 a.m.

Respectfully submitted,

Angela Marsh

Angela Marsh
TAB 2
Joint Audit & Compliance Committee

Significant Compliance Activities

Storrs

• **Policy Website** – redesign of the policy webpage was completed in April. Improvements include enhanced browsing capabilities and layout, and a Frequently Asked Questions page.

• **Policy Announcements** – New category in the Daily Digest dedicated to important University policy information was created in April. Compliance continues to collaborate with policy owners to ensure faculty and staff are properly notified of new and revised policies.

• **Annual Compliance Training** – Training is scheduled to end May 15th. This year’s topics include the Code of Conduct, University Guide to the State Code of Ethics, and Health and Safety. Training is offered in-person and online.

• **Executive Risk Management and Compliance Committee (ERMCC)** – The recently revamped committee held its first meeting on April 28th.
Joint Audit & Compliance Committee
Significant Compliance Activities

UConn Health

• **Drug Free Schools and Workplace Compliance** – Compliance facilitated the establishment of a coordinator and committee to lead activities assuring review and assessment of UConn Health’s compliance with these two federal regulations. Compliance also provided an initial draft compliance assessment the committee will use to improve the UConn Health drug free schools/workplace program.

• **2014 Annual Training Statistics** – Final statistics show an overall 97.7 % compliance with all assigned training.

• **Electronic Monitoring of Access to Patient Medical Records** – A second request for proposals to implement an electronic monitoring technology to assure HIPAA compliance resulted in one vendor response. After review of this vendor, it was determined that in order to proceed with this technology, additional resources would be required. This is not possible due to budget restrictions, so the project has been put on hold until such time as resources can be considered. Manual monitoring will continue under the current manager program as well as continuous monitoring by the Privacy Office.
TAB 3
SUMMARY OF EDITS TO TRAVEL & ENTERTAINMENT POLICY
4/10/2015

Note that the edits below do not all represent changes to the policy, but are instead clarifications and reflections of existing practices.

I. General Guidelines for All Reimbursements
   a. Stated goal is cost savings; however, convenience and practicality are also important considerations.
   b. Policy of reimbursing only the individual who incurred the costs – the University will not be a party to private cost sharing or borrowing arrangements.
   c. Any exception to policy may be approved by:
      i. President or Provost or their authorized delegates.
      ii. Executive VP of Administration /CFO or Athletic Director (no delegation authority).
   d. Statement that the University adheres to the tax rules applicable to accountable plans. Any ambiguities in policy are to be resolved with reference to those rules.
   e. Approval
      i. Supervisor or Fiscal Officer of funding account must approve all expenses.
      ii. Employee, Supervisor, FO and Office of Travel Services all share responsibility in supporting expenses with a business purpose and adequate documentation.
   f. Reimbursements of $25.00 and under do not require receipts, consistent with Conn. Gen. Stat. § 3-117(b) and practices of other state agencies.
   g. More explicit instructions and examples are provided for requesting reimbursement.

II. Planning Travel
   a. Advance approval is strongly encouraged in all cases, but the Office of Travel Services only requires pre-trip completion of the Travel WebForm for travel that:
      i. Involves use of a parking pass.
      ii. Requests a travel advance.
      iii. All employee international travel.
   b. Uncollected travel advances may be recovered from the traveler’s department.
   c. Section 1(c) (“Student Awards for Travel Expenses”) removed for redundancy.

III. Air Travel
   a. Transportation to Departing Airport - Personal vehicles only (no taxis, shuttles or limos), unless traveler provides explanation of special need.
   b. Commercial Air Travel
      i. Travelers are strongly urged to use Sanditz. Travelers not using Sanditz must produce a cost comparison with Sanditz offerings. A traveler’s failure to conduct such a comparison will result in a reimbursement equal to the lowest reasonable airfare at the time of processing.
      ii. Business class travel is available on international flights with at least one continuous flight segment of 8 hours or more.
      iii. Business class travel must be booked through Sanditz. Business class travel booked through another method will result in a reimbursement equal to the lowest reasonable coach airfare at the time of processing.
   c. Extra baggage fees no longer require written approval; a business purpose must be provided.
IV.  **Ground Travel**  
 a. Clearer definition of “official duty station,” referencing the tax laws.  
 b. General policy of no reimbursement for commuting; statement that reimbursement may be taxable where exceptions are permitted, in accordance with applicable law.  
 c. Personal livery service is eligible for employees and guests with a special need or a business purpose such as cost savings, reviewed by Travel Services. (“Personal livery service” means all private vehicles for hire except for taxi services.)  
 d. Personal vehicles used for business travel must carry insurance in line with requirements for Connecticut state agencies ($50,000/$100,000 with $5,000 property damage liability).  
 e. Rental vehicles  
   i. Direct payment is available for Enterprise rentals reserved through Sanditz.  
   ii. Additional charges for GPS and roadside assistance allowable at discretion of department and funding source.  
   iii. Travelers urged to use preferred vendors through Sanditz. Travelers who do not use the preferred vendors must submit a cost comparison with Sanditz offerings.

V.  **Lodging**  
 a. Direct payment for lodging is available through Sanditz for hotel room and tax.  
 b. The maximum eligible reimbursement rate is increased to 150% of federal per diem (previously, 125%) before Department Head, Director, or Dean approval is needed.  
 c. Room rates are negotiated directly with Nathan Hale Inn and are not subject to the 150% of federal per diem rate.  
 d. Group lodging over $10,000 must be arranged through Purchasing and requires three competing bids. All other group lodging arrangements are suggested, but not required, to be made in connection with Purchasing.

VI.  **Meals**  
 a. **Subsistence Meals**  
   i. Travel Office will not require actual receipts when reimbursing up to the per diem rate (though individual Departments or Business Units may still require receipts).  
   ii. Travelers may use WebForm to request reimbursement for meals that were offered, but not accepted for reasons such as:  
       1. The traveler has a special dietary need or restriction, including religious;  
       2. The traveler had to attend a business meeting during the time that the meal was offered; or  
       3. The meal was not an open event, and the traveler was not invited.  
 b. **Business Meals**  
   i. Sections 5d (Business Meals while Traveling) merged with Section 5f (Business Meals while not Traveling) are merged into a single section applicable to all business meals (New Section 5e).  
   ii. Removal of two (2) hour minimum for claiming a business meal for a meeting or an event (meals provided only to UConn employees or students).  
   iii. General statement added discussing obligation to responsibly manage funds and support all expenditures with appropriate business purposes.  
   iv. No use of University funds for social functions attended primarily by faculty or staff.  
   v. Limit on business meals increased to **three times per diem** (previously, two times per diem).
VII. **Other Expenses**
   a. When conference programs or schedules are not available, travelers may submit a written statement regarding extra conference-related expenses.
   b. Translation expenses require documentation, such as a credit card statement, showing the expenses as having actually been paid.
   c. Cell phone and data charges on international travel are eligible for reimbursement, even if a flat rate is charged.
   d. New Section 6d clarifies that international travelers may be reimbursed for out-of-pocket prescriptions, vaccinations or other medical expenses related to the trip.

VIII. **General**
   a. Many edits to improve clarity and readability.
   b. Special provisions and exceptions highlighted for travel that is funded by Sponsored Awards.
   c. Appendices removed and replaced with links, located within the text of the policy.
The University of Connecticut
Travel and Entertainment
Policies and Procedures

University of Connecticut
Office of Travel Services,
Accounts Payable Department
New Central Warehouse Building,
3 North Hillside Road, Unit 6220
Storrs, CT 06269-6220
# PURPOSE

## GENERAL GUIDELINES

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**APPENDICES**
PURPOSE

The University of Connecticut (University), here defined as all campuses and programs except the Health Center, recognizes and supports the need for faculty, staff, and students (undergraduate and graduate) to travel for conferences, events, and other purposes that further the reputation of the University and enhance the productivity of the University community. Likewise, the University may also find it important to entertain guests.

University business includes travel and entertainment related to activities such as program accreditation, student assessment, academic programming, clinical placements, presentations at or participation in conferences, professional development, fundraising, continuing education, travel related to an employee’s official duties, and many other important activities that support the intellectual and operational endeavors of the University.

At the same time, as a State agency, we must respect and safeguard our travel privileges and funds. We must practice fiscal, ethical, and public responsibility. This policy sets forth rules and procedures that balance the University’s legitimate travel and entertainment needs with sound stewardship of public resources.

This policy addresses the most common aspects of University business travel and entertainment. It cannot contemplate every situation that might arise, however. Travelers and administrators with questions should contact their supervisor or the Office of Travel Services for guidance before they arrange their travel.

This policy applies to all University employees, students, and guests, including recruits and job candidates. It applies to individual, group, and team travel.
but not limited to recruits and job candidates. The policy shall also apply to the travel and entertainment expenses of contractors, unless the applicable contract provides terms inconsistent with this policy. Where the policy is intended to apply differently to any of the above University business travelers it will be so stated in the appropriate section of the policy. This policy covers all types of University travel for individuals, groups, and team travel.
GENERAL GUIDELINES

Employees can be reimbursed for travel and entertainment expenses related to legitimate University business. To be reimbursed, expenses must be reasonable and appropriate to the circumstances.

Students should follow the same policies for University employees, with the exception of those provisions in Collective Bargaining Agreements that apply to particular employees. Students are reimbursed at the same rate as unclassified employees.

ELIGIBLE FOR REIMBURSEMENT

With appropriate justification and documentation, travelers can be reimbursed for coach airfare, standard railroad tickets, conference registrations, mileage, toils, lodging, meals, car rental, parking (elsewhere than Bradley International Airport), and other relevant business expenses. For domestic out-of-state travel, travelers may receive reimbursement for expenses for one travel day preceding a conference and for one travel day following a conference.

This policy explains in more detail what may be reimbursed and how, and also sets forth exceptions and restrictions that may apply. Travelers and administrators should contact the Office of Travel Services if they have any questions about what may be reimbursed.

A primary goal of these policies is to generate cost savings for the University. to the greatest extent possible, while simultaneously maintaining the convenience and practicality of the traveler. If a traveler can document a cost saving measure, which would otherwise be violating in violation of these policies, the Office of Travel Services will review the expenditure and, most often, support and reimburse the cost saving measure.

In rare cases situations where individuals may share expenses related to travel or entertainment, it is the policy of the University to reimburse the individual who can document having paid the shared expense. The University is not a party to agreements between individuals to loan or share expenses, and individuals who enter such agreements are responsible for settlement between themselves.

In special circumstances, exceptions to these policies may be warranted. The Provost, The President or Provost, or their authorized designees, may review and grant exceptions, as may the Executive Vice President for Administration and Chief Financial Officer, or the Athletic Director may review and grant exceptions. All exceptions must be documented on a completed and signed Exception to Policy form. Additionally, individuals who require accommodations for reasons of health or disability may seek reasonable exceptions to this policy. Individuals who seek such accommodations may seek the assistance of the University’s Office of Travel Services will report Diversity and Equity.

The University reimburses travel and entertainment expenses pursuant to the rules applicable to accountable plans under Section 1.62-2(c)[1] of the Treasury Regulations and, for certain independent contractors, the rules applicable to working condition fringe benefits under Section 132(a)(3) of the Internal Revenue Code and the Treasury Regulations corresponding thereto. Accordingly, all exceptions to the President’s Office reimbursable expenditures must have a business purpose and must be supported by documentation. Whenever this policy is silent or ambiguous about the sufficiency of documentation of expenses, the terms of the tax authorities cited above shall control. For further guidance, travelers may consult IRS Publication 463.

NOT ELIGIBLE FOR REIMBURSEMENT

5 | P a g e
Employees are responsible for getting to and from work each workday. Employees will not be reimbursed for mileage associated with their normal commute, regardless of the location of their home in relation to their official duty station at the University. Moreover, when an employee travels from their home to an off–site business destination (including an airport or a rail station), only the difference between the mileage to the off–site destination and the mileage of the employee’s normal commute is eligible for reimbursement. That is, in other words, employees must deduct the mileage of their normal commute when they claim mileage for travel from their homes to a business destination.

Employees will not receive reimbursement for theater tickets, guest meals, entertainment, and similar expenses if the expenses do not relate directly to University business.

Travelers will not be reimbursed for personal items, including but not limited to newspapers, magazines, prescriptions, toiletries, laundry services, childcare costs, pet boarding fees, credit card interest or late fees, hotel and airline membership fees, airline upgrades, pillows, blankets, headsets, or parking for personal travel.

Travelers will not be reimbursed for parking fines, traffic violation tickets, towing charges, or other vehicular fines.

Travelers will not be reimbursed for trip cancellation or other private insurance. International for this reason, as well as administrative considerations, travelers are strongly encouraged to book their flights through the University’s contracted and preferred agency (currently, Sanditz). For international travel only, medical insurance is provided by the University through HTH Worldwide for 185 days (6 months).

Travelers are required to use rebates and vouchers earned during University business travel for future University business travel. Expenses paid with rebates and vouchers are not eligible for securing international travel insurance after the 185th day.
In addition, travelers will not receive travel reimbursement for participation in events that are not related to their University work or activities. Moreover, travelers will not be eligible for reimbursement for University-related travel expenses if they are paid an honorarium, stipend, monetary fee or receive a gift in exchange for their participation in the event. The traveler may instead choose to waive any such honorarium, stipend or gift or have it paid directly to the University and then they would be eligible for travel reimbursement in accordance with the travel policy.

**REIMBURSEMENT APPROVAL**

To avoid actual or apparent conflicts of interest, and to ensure proper separation of duties, employees may not approve payment or reimbursement for their own expenses, expenses of a close relative, expenses related to an event in which they participated, or expenses of an individual to whom they directly or indirectly report. Employees’ travel and reimbursement requests are subject to approval at the next highest organizational level. Therefore, travel and/or entertainment expenses must be approved by the person to whom the employee reports or their authorized delegate. Thus, supervisors, the Fiscal Officer of the account(s) from which the expenses are paid, and the University Office of Travel Services. All three of these constituencies share responsibility in enforcing this policy and confirming that all reimbursements are supported with a business purpose and clear documentation. Additionally, travel expenses funded by sponsored awards administered by the University may be subject to review by Sponsored Program Services. By way of illustration, Deans approve expense reports and reimbursements for Department Heads and other direct reports. The Provost and President approve expense reports and reimbursements for Deans, Vice Presidents, Provosts, Vice Presidents, and other direct reports. The Board of Trustees or their designee approves the President’s expense reports and reimbursements.

To be reimbursed, all travelers must retain and submit original receipts. Specific requirements for airfare, rental car, meal, lodging, and entertainment reimbursement are provided in the applicable Policies and Procedures section. The reimbursement approval for non-employees, students, and student athletes follows the same reporting line approval of the funding source.

**Procedure**

To be reimbursed, travelers should complete a Travel Reimbursement Form and submit it and WebForm, along with all required supporting documentation to the Office of Travel Services within fifteen days of returning from a trip. The University is committed to the timely processing of financial transactions as an integral part of operations, and is also observant of the tax rules applicable to employee reimbursements. Therefore, reimbursements submitted later than 60 days after travel is complete will not be paid without the discretion of the appropriate Department Head, Director, or Dean/approval, as appropriate.

Upon returning from travel, travelers or their designated departmental administrators seeking reimbursement of travel expenses must:

**Complete the** Travelers must document actual expenditures. To do so, travelers must attach all original vouchers and receipts for all expenditures, regardless of the dollar amount, to the Travel Reimbursement Form. Photocopies or facsimiles are not considered original receipts and travelers must substantiate photocopies by including an Exception to Policy Form, signed by the appropriate Dean, Vice President, or the Provost.

1. To avoid Travel WebForm available at http://travel.uconn.edu. When the Travel WebForm has been completed, the traveler’s supervisor will be notified and will be asked to approve the reimbursement. When the supervisor has approved the reimbursement, the traveler and KFS initiator will be notified and directed to the completed form.
2. **Produce documentation of the expenses**, including bills, receipts and/or credit card statements. Consistent with the practice of other Connecticut state agencies, such documentation is not necessary for expenditures of $25.00 or less.

3. **Have a Disbursement Voucher ("DV") prepared in the KFS System, attaching the completed Travel WebForm and expense documentation.** Note that travelers must have another member of their office or department, such as a departmental administrator, prepare the DV for them.

To limit processing multiple claims for mileage reimbursements for very small amounts, travelers should combine mileage from multiple trips in one claim so that the total reimbursement due is at least $25.00.

Appendix C includes relevant travel reporting and reimbursement forms.

For further information, The Provost’s Office provides additional travel guidance at [http://web2.uconn.edu/provost/?page_id=2122](http://web2.uconn.edu/provost/?page_id=2122)
PART 1: PLANNING AND APPROVAL BUSINESS TRAVEL

1a. AUTHORIZATION TO TRAVEL

Travelers must obtain approval to travel out-of-state or internationally prior to departure. Approval is required for all travel on official business, including travel that is at no cost to the University. Approval is not required for travel on personal business, such as travel related to approved consulting activities or while on vacation.

Procedure

To obtain approval to travel, a traveler must submit a Travel Approval Form. The Travel Approval Form may be completed online at http://ta.uconn.edu. Detailed instructions for the Travel Approval Form are available on the Travel website: http://travel.uconn.edu/forms/Travel_Approval_System_Overview.pdf

The Travel Approval Form will be routed to the traveler’s Department Head, Dean, Director (or their designee), as appropriate, for approval. In addition, for departments that report to the Provost, the Provost’s Office must approve international travel (for insurance purposes) and expenses over $10,000.

The traveler is required to provide an estimate of travel expenditures on the Travel Approval Form. Travelers should estimate their expenses to the best of their ability, as this eases the reimbursement process. Once travel is approved, the traveler will be reimbursed for actual expenses. If the actual expenses exceed the estimate by $500 or more, the traveler must revise their original Travel Approval Form to reflect these expenses. The revised form will follow the same route as the original request.

Note that if a traveler seeks a travel advance the Travel Approval Form must be faxed to the Office of Travel Services at least five days prior to the date of departure.

The Travel Approval Form will not be processed if funds are not available in the account to be charged. In addition, travelers who plan to fund their travel through the Research Foundation, AAUP, or UCPA must request this support before they complete the Travel Approval Form. Documentation of support must then be submitted with the Travel Reimbursement Form.

Finally, if a trip is cancelled, the Office of Travel Services must be notified as soon as possible by email, fax, or by sending a copy of the approved form marked “cancelled.”

9 | Pa g e
While the University Office of Travel Services does not require written preapproval for travel, University travelers are strongly encouraged to obtain written departmental approval before incurring any travel-related expenses. Individuals who incur travel expenses without the approval of their departments bear the risk that their expenses will not be reimbursed upon return. Similarly, individuals who book travel through Sanditz without prior approval may be personally responsible for repayment of such charges. The decision to reimburse a traveler in connection with travel that had not been preapproved, or to seek repayment from a traveler who incurs unauthorized expenses, will be discretion of the traveler’s supervisor, Department Head, Director or Dean.

For any trip that requires (i) use of the State Employee Bradley Airport parking pass; (ii) travel advances; and (iii) all employee international travel, travelers must complete the Travel WebForm in advance of their trip. Even where travelers are not required to complete the Travel WebForm in advance, travelers are still encouraged to do so to assist their respective departments with planning, tracking and budgeting.

Procedure

The Travel WebForm is available at http://travel.uconn.edu.

1b. TRAVEL ADVANCES

Travel advances are available for out-of-state and international trips that cost more than $300. To obtain an advance, employees must sign a travel advance agreement that permits the University to recover, through a payroll deduction, any amount of an advance that exceeds the final reimbursement to which the employee is entitled. However, this deduction from payroll is only used when the payment is not received from the employee within the required timeliness. Students may also obtain travel advances, but student advances are the responsibility of the sponsoring department. The department will be charged the amount of the advance if the advance exceeds the allowable reimbursement. In all cases, the event that University Office of Travel Services is ultimately unable to recover a travel advance, the unrecovered balance will be charged to the traveler’s department.

Travel advances are limited to 75% of estimated costs, excluding those costs that are eligible to be paid directly by the University (such as air tickets or, conference registration fees), hotel, or rental car. Advances will not be issued more than 10 days prior to the departure date. Travelers are encouraged to enroll with Accounts Payable for direct deposit to their personal bank account for advances and reimbursements. This enrollment form can be downloaded from the following link: http://ap.uconn.edu/schauthemp.html

Failure to submit a reimbursement claim or to repay the balance of an advance that exceeds the allowable reimbursement for a trip in a timely manner may jeopardize an employee’s ability to obtain future advances. Advances will not be issued when an employee has an outstanding advance balance for more than 15 business days or an existing cash advance for which a reimbursement request has been due for more than 15 business days. Once the outstanding balance has been paid or a reimbursement request has been filed with the Office of Travel Services, the advance request may be processed.

If a traveler receives a travel advance, the traveler must file a request for reimbursement within 120 days or the advance will be considered taxable income (IRS Pub. 463). Also, in accordance with the signed travel advance agreement, the University has the authority to deduct the amount of the unpaid advance from a traveler’s paycheck.

Procedure
To request an advance, a traveler must indicate complete the desire for an advance agreement on the Travel Approval Form WebForm, and the KFS initiator must sign and submit a DV for the travel advance with the Travel Advance Agreement (shown at Appendix B). WebForm attached.

Once the traveler has signed completed the Travel Advance Agreement and it is on file in the Office portion of the Travel Services WebForm, the traveler can pick up departmental employee responsible for financial transaction submissions must submit the travel advance at the Office of Travel Services within 10 days of the date of departure. Travel advances can also be deposited directly into an employee’s bank account. Go to http://ap.uconn.edu/achauthemp.html to enroll in direct deposit for reimbursements. Advance request.

1c. USING STUDENT AWARDS FOR TRAVEL EXPENSES

When a student receives an award that covers travel and miscellaneous expenses, the student may receive a reimbursement for legitimate travel expenses not to exceed the amount of the award.

1c. Procedure

To receive reimbursement, students should submit a Travel Reimbursement Form to Accounts Payable.
1d. OFFICIAL TRAVEL PARTIES

Formal groups, such as intercollegiate athletic teams, student organizations, and academic groups or classes on field experiences, may be designated as “Official Travel Parties” by a Department Head, Director or Dean.

For the purposes of this subsection, a “non-official travel party person” is any UConn employee not included on the Official Travel Party roster, who has approval to accompany the Official Travel Party on their field experience or athletic competition.

“Non-university affiliated individuals” are persons who are not on the Official Travel Party roster and do not have an employment or contractual agreement with the University, but. Such persons may travel on official business, if they receive prior written approval from the President or Provost, or the Athletic Director, or the President. All costs associated with the non-university affiliated individual are the sole responsibility of the non-university affiliated individual.

Non-Athletics Division personnel identified as a part of an athletic team’s Official Travel Party (such as team physicians and CPIA, NCAA FAR, and University Public Safety personnel) must have a legitimate business purpose for being included and require approval by the President or his or her authorized designee.

When a student or student athlete who is on Official Travel Party roster requires travel arrangements separate from the Official Travel Party, the appropriate Department Head, Director, Dean or designee must approve the travel request and the additional costs incurred prior to the student’s or student athlete’s departure.

**Procedure**

Groups must submit an “Official Travel Party” roster to the relevant Department Head, Director, or Dean who will determine the Official Travel Party for each group by semester or season, as appropriate. Departments and Divisions must submit their Official Travel Party roster(s) (including PeopleSoft ID Numbers) to the Office of Travel Services at least one week prior to the first travel event of the semester or season.

Non-official travel party personnel must submit a separate Travel Reimbursement Form WebForm. These expenses should not be included with the Official Travel Party’s expenses.

Non-university affiliated individuals must receive prior written approval from the President or Provost, or the Athletic Director, or the President. The justification submitted for approval must include the reason for the individual(s) to travel, the cost incurred by the University for the individual(s) to travel, how that cost was calculated, and how the non-university affiliated individuals will reimburse the University. The repayment from a non-university affiliated individual for charter airfare expenses, incurred on their behalf by the University, will be calculated and based on the Standard Industry Fare Level (SIFL) method, as published by the IRS.

In the event that a student or student athlete requires travel arrangements that are separate from their Official Travel Party, the appropriate Department Head, Director, Dean or designee must approve the request in writing. A written request for approval should include the reason for the separate travel arrangements and comparisons of various modes of alternate transportation. The Department Head, Director, Dean or designee should approve the lowest reasonable cost that meets the time constraints of the event or athletic competition. Departments or Divisions must then submit written documentation of cost comparisons and the rationale used to select the method of travel to the Office of Travel Services. The Office of Travel Services and Department or Division should maintain all documentation for subsequent review and audit.
**1e1d. SPOUSAL/PARTNER TRAVEL AND EVENT/ENTERTAINMENT PARTICIPATION**

The travel or entertainment expenses of a spouse or partner will, or dependent generally fall within one of three classifications—(Such expenses are not allowed on sponsored awards.)

**Bona Fide Business Purpose**

If the attendance of a spouse or partner serves a bona fide business purpose for the University, the University may pay the travel or entertainment expenses of the spouse or partner. To meet the high standard of a bona fide business purpose, the presence of the spouse or partner must be compelling or essential (and not just beneficial) to carry out the business interests and functions of the University.

**Employment agreement**

Absent a bona fide business purpose, if

When an employee's individual University employment arrangement or contract permits his or her spouse or partner to travel and receive, or provides that his or her spouse may attend University events, then the cost of such travel or event, or any reimbursement, is considered compensation to the employee. The reimbursement, absent a bona fide business purpose, will be included in the taxable wages of the University employee.

**Accompaniment with No Business Purpose**

The travel and entertainment expenses of a spouse or partner who has no official role for the University and is simply accompanying an individual on University travel are the personal responsibility of the employee. Likewise, travel expenses for children are traveler. Such individuals may, however, accompany the personal responsibility traveler with the permission of the employee. In the case of University chartered transportation, the appropriate Department Head, Director or Dean must approve the presence and participation of the spouse or partner. If the University incurs any other family members, prior to travel costs associated with such individuals, the traveler shall reimburse the University in a timely manner.

**Procedure**

**Procedures**

The Office of the President will determine when a spouse or partner is a representative of certain spouses or partners who are deemed to be representatives of the University with respect to essential University business such as fundraising or development services, and is therefore eligible for event and travel reimbursement. These individuals will be treated as having a bona fide business purpose for travel related to such essential University business.

For non-fundraising business, the payment or reimbursement of the travel expenses of a spouse or partner for other spouses or partners having a bona fide business purpose requires the prior written approval of the President or his/her designee. Prior to approval, the President or his/her designee will consider the essential or compelling business purpose requiring the participation of the spouse or partner, and a reasonable estimate of the costs or expenses for the spouse or partner, Provost or their authorized designees.
1e. COMBINED BUSINESS AND PERSONAL TRAVEL

Employees may combine travel for personal and business reasons, but must be mindful of all applicable state and University ethics policies.

Travelers will not receive reimbursement for personal travel expenses. Travelers will only receive reimbursement for travel to and from the business destination.

*Employees must use their personal credit card when combining business and personal travel.*

In special cases, travelers will be able to combine their business and personal travel at a cost lower than if a single trip were only for business. In these special cases, the University will reimburse the traveler for the lower-cost business and personal trip; *provided that the traveler has clearly documented the cost savings to the University.*

**Procedure**

Travelers who wish to combine personal pursuits with University business on a single trip must indicate the dates and location of the personal time on the Travel Approval Form [WebForm].

In the unusual case that a combined business and personal trip is at a lower cost than a business-only trip, the traveler must provide supporting documentation and economic justification—*from the time of booking,* including cost comparisons from *Sanditz* on the date of booking, with the Travel Reimbursement Form. See Appendix E for examples of alternate site routing—during business and personal travel.
attached to the Disbursement Voucher.
PART 2: AIR TRAVEL

2a. TRANSPORATION TO AND FROM AN AIRPORT

Travelers should use the least expensive, most reasonable and cost effective mode of travel to airports, which may include a personal vehicle, a rented vehicle, a taxi, or a shuttle service. Expenses for private livery services will not be reimbursed. Private livery services are not eligible for direct vendor payment. If the use of private livery services instead of a personal vehicle, a rented vehicle, or a shuttle service results in a net savings to the traveler, the Travel Services office may evaluate the use of private livery services if the use of private livery services is not acceptable special needs for a private vehicle. Acceptable special needs for a private vehicle are evaluated by the Travel Services office and may include, but not be limited to, cost savings, accommodation for a health or medical concern, the unavailability of other options, or the need to transport an important guest. Exceptions or additional review may be granted or conducted by the appropriate Department Head, Dean, or Director.

Travelers may be reimbursed for personal vehicle mileage in accordance with this policy. However, travelers will receive reimbursement for the difference in mileage between their trip to the airport from their home or official duty station (where the employee is permanently assigned) and their normal commute to work. In other words, if a traveler lives closer to Bradley International Airport than to their regular duty station, and if the traveler travels directly from their home to the airport, the University will not reimburse the traveler for the trip to the airport.

Travelers will not be reimbursed for airport-hotel costs prior to the day of departure or after arrival.

Procedure

Travelers should request reimbursement for mileage on the Reimbursement Form. To calculate reimbursable mileage to and from the airport, travelers should calculate the total round-trip mileage between their home and the airport, and deduct the round-trip mileage of their normal commute.
2b. PARKING AT BRADLEY INTERNATIONAL AIRPORT

Fourteen-day parking permits are available to traveleremployees on University business for Bradley International Airport. The permits allow state employees to park in designated lots. If a traveler does not request a parking permit or fails to secure the permit from the Office of Travel Services before departure, the traveler will be responsible for his or her own parking expenses and the parking expenses will not be reimbursed.

If the business travel extends beyond the permit’s fourteen-day limit, the traveleremployee is responsible for the additional fees, but may be reimbursed for the additional parking expense.

If the state-designated lot is at capacity, traveleremployees should park at the lowest-cost economy parking lot; traveleremployees will be reimbursed for parking expenses incurred when the state-designated lot is at capacity.

Students who are not on payroll are eligible to receive parking permits for Bradley International Airport, provided that the business travel is related to their employment. Students who are not on payroll should park at the lowest-cost economy parking lot available, and may be reimbursed for these expenses at the discretion of their departments.

Employees or studentsIndividuals who park in Short-Term Parking across from the airport terminals in order to pick up arriving passengersUniversity travelers may have these expenses reimbursed.

Procedure

Prior to Travel:

It is the responsibility of the traveler to ensure that they have the permit in their possession prior to departure. To obtain a parking permit, employee the traveler must indicate this request on the Travel Approval Form (TA)-WebForm. After the TATravel WebForm is finalized submitted, a Parking Permit parking permit will be mailed if the departure is greater than 5 business days away. Travelers that are departing sooner than 5 business days will have their Parking Permits available for may pick up their parking permits at the front desk of the Office of Travel Services; provided the pre-trip portion of the Travel WebForm has been completed. It is the traveler’s responsibility to obtain the parking pass before departure. Travelers may contact the Office of Travel Services to inquire about the status of their permit.

Travelers should review and follow the instructions and information printed on the permit prior to parking.

At the Airport:

The employee must present the parking permit to the attendant when they exit the state employee designated parking lot. If the state-designated lot is at capacity, travelers should park at the lowest-cost economy parking lot.

After travel:

To receive reimbursement if the state-designated lot was at capacity or if the traveler incurs any charge for parking for a period greater than fourteen days, the traveler must submit the paid receipt and the original parking permit with a brief explanation in the “Remarks” section of the Travel Reimbursement Form WebForm.

To receive reimbursement if the business travel extends beyond fourteen days, the traveler must submit the paid receipt.
Students or those picking up arriving passengers should University travelers (including, on rare instances, graduate students) may submit paid parking receipts for reimbursement.
2c. COMMERCIAL AIR TRAVEL

Employees should purchase the lowest reasonable and most practical commercial fare available. The definition of the "the lowest reasonable and most practical commercial fare" is the least costly, coach-class fare that uses a regularly scheduled commercial carrier. In selecting a commercial fare, travelers should not consider their personal preferences for airline, type of aircraft or connecting airports but instead should choose the lowest reasonable commercial fare. Travelers are strongly urged, but not required, to use the University’s contracted and preferred agencies (currently, Sanditz) to book airline travel. Travelers who do not to use Sanditz are required to submit, along with their reimbursement requests, a list of alternatives from Sanditz for the purposes of price comparison, as detailed below. A traveler’s failure to conduct such a comparison and attach it to the DV requesting travel reimbursement will result in a reimbursement equal to the lowest reasonable airfare at the time of processing, to be determined at the sole discretion of the Office of Travel Services.

Likewise, travelers may not insist on non-stop flights; a trip may require. In determining the lowest and most practical commercial fare, the traveler should consider not only non-stop flights, but also flights with one plane transfer connection (both departing and/or returning). An employee’s, A domestic traveler’s flight should depart from the airport nearest to the employee’s official duty station or home, but an employeea traveler may use a different airport if travel from that airport is documented to be more cost effective for the University oncost less expensive, taking into consideration additional expenses such as parking, mileage, and resulting/overnight stays are included. International travelers should depart from major airport or air hub located in reasonably close proximity to the employee’s official duty station (for example, JFK, LaGuardia, Newark or Logan). Travelers should purchase non-refundable tickets, unless a refundable ticket is documented to be cheaper.

First class air travel rates will not be paid for or reimbursed. A traveler may be reimbursed for The University will allow business class rates when the travel includes transoceanic, intercontinental, however, on international flights longer than with at least one flight segment exceeding eight (8) hours in duration per flight segment (excluding the U.S. segment).

Special travel arrangements that result in net savings to the University are permissible. That is, a traveler may be reimbursed for expenses such as extra days of lodging, meals, and other additional costs, if the traveler can demonstrate that the total cost of the trip is lower than it would otherwise have been. All business class ticketing must be booked through Sanditz.

Note that the “Fly America Act,” 49 U.S.C. 40118, requires all University travelers to use United States air carriers for all air travel and cargo transportation services supported by Federal funds. One exception to this requirement is transportation provided under a bilateral or multilateral “Open Skies” air transport agreement, to which the United States government and the government of a foreign country are parties, and which the Department of Transportation has determined meets the requirements of the Fly America Act. More information is available at http://travel.uconn.edu or http://www.state.gov/e/eeb/tra/ata/. Upon http://travel.uconn.edu or by calling 1-877-826-6733). At the time of purchasing, the traveler should provide the University.
agencySanditz with the Travel Approval Form (TA) number, their employee number, and the department’s Kuali Financial System (KFS) account number. The contracted travel agencies will bill(s) to fund the airfare. When using the University preferred agency for all air services booking, the itinerary and/or boarding pass are not required when submitting the Travel WebForm for other travel expense reimbursement.

- **Non-Contracted**

Travelers may make travel arrangements through an agency or airline of his/her choice and pay the agency or airline directly. Traveler will not be reimbursed for travel agency booking fees in excess of those charged by the University-contracted agencies. However, travelers will not be reimbursed for costs in excess of those charged that would have been charged by Sanditz for a comparable flight. A cost comparison, documented at the time of booking, must be submitted showing the cost compared to flights offered by Sanditz. Failure to complete and attach comparison to the DV will result in reimbursement equal to the lowest reasonable airfare at the time of processing, to be determined at the discretion of the Office of Travel Services.

Travelers using a federal grant to fund their travel must use a U.S. flagship carrier between the United States and a foreign country or between foreign countries, and shall not be influenced by factors of cost, convenience, or personal travel preferences.

Within fifteen days of returning, travelers should submit a Travel Reimbursement Form with all applicable original receipts. Reimbursement requests must include the original air ticket itinerary and receipt, and a boarding pass, if provided by the airline. In the absence of a boarding pass, further documentation is required to demonstrate that
the travel took place. Additionally, reimbursement requests for airline tickets that are not booked through the preferred agency must be accompanied by documentation or confirmation that the trip actually took place. Acceptable documentation includes an original will vary from case to case, but may include, for example, a hotel receipt, an original restaurant receipt, or original receipts for other business expenses, demonstrating that the Traveler reached his or her destination.

If a traveler requests reimbursement Airfare that is booked outside of Sanditz is not eligible for business class rates for an international travel. If a traveler chooses business class travel for a flight booked through channels other than Sanditz, the traveler must provide a travel itinerary demonstrating that the non-U.S. segment of the flight will be reimbursed at the lowest reasonable coach class airfare.

Travelers using a federal grant to fund their travel must be in compliance with the Fly America Act Open Skies Agreement. The Office of Vice President for Research, Sponsored Program Services may be contacted for more than eight hours in duration regarding compliance with their Travel Reimbursement Form the Fly America Act and Open Skies Agreement.

To be reimbursed for special arrangements that involve extra expenses, travelers must document that the total cost to the University is lower by providing economic justification with the Travel Reimbursement Form Disbursement Voucher and attaching supporting documentation of their calculations (e.g. copies of airfare quotations from the travel agency when the travel was booked).
**2d. BAGGAGE FEES**

If there is a charge for checked baggage, the cost for the first two bags checked will be reimbursed. Additional baggage fees will only be reimbursed if the traveler provides an appropriate written business justification for the excess baggage, and receives written approval by the appropriate Department Head, Director, or Dean.

Travelers will be reimbursed for baggage handling gratuities at a rate of $5 for day of departure and $5 for day of return. The total of gratuities for baggage handling, maid service, bell hops and other similar gratuities will only be reimbursed in the aggregate at $5 for day of departure and $5 for day of return. If the per diem method for meals is selected for reimbursement, these gratuities cannot be claimed, as they are already included in the incidental expense reimbursement portion of the per diem.

**Procedures**

**Procedure**

Travelers should attach original receipts or documentation for all baggage fees, specifically detailing the traveler’s name and proof of payment, to the Travel Reimbursement Form Disbursement Voucher.

**2e. UNUSED TICKETS**

The University will not reimburse a traveler for an unused ticket purchased by the traveler using their personal funds.

**Procedures**

**Procedure**

If the traveler purchased a ticket using a University contracted travel agency Sanditz, who billed the University, then the traveler’s department should contact the agency to determine if the ticket is reusable. If the ticket is reusable, the department will need to track the ticket and use it for the traveler’s next trip future business travel. If the ticket is refundable, the agency will apply the credit to the University’s procurement-card number on file. Tickets purchased by the University remain University property, and may not be used for personal purposes.
Unused tickets may not be charged to sponsored awards unless the tickets are reused, and such reuse inures to the benefit of the same sponsored award.

2f. CHARTER AIR TRAVEL FOR OFFICIAL TRAVEL PARTIES

Under limited circumstances, University staff and students may use a charter airplane when it supports legitimate University business, if approved by the President or his or her authorized designee.

Procedures

Procedure

Departments and Divisions that want to charter air travel must perform a comparative analysis with commercial air travel and obtain the President’s or his/her designee’s approval prior to requesting a chartered flight. The request for charter air travel must include a justification statement, the Official Travel Party roster, the number of additional people traveling, and their affiliation with the University.

If approved, the UniversityProcurement OfficePurchasing Department will conduct a competitive bid process. The selection of a charter airplane must reasonably align with the size of the official travel party, taking into account the travel distance, necessary cargo space or capacity, and the available aircraft for the date and location. In the event that the seating capacity of the airplane significantly exceeds the size of the travel party, the Department or Division must provide a clear explanation.

The requesting Department or Division must provide all documentation of the rationale for using this mode of travel, the approval obtained, and the procedure followed to secure the charter to the Office of Travel Services.
PART 3: GROUND TRAVEL

3a. GROUND VERSUS AIR TRAVEL

A traveler may use ground transportation (vehicle or rail) for personal reasons, even if air travel is the more time-effective mode of transportation. Under these circumstances, the cost for the ground transportation, meals and lodging, parking, mileage, tolls, taxis, and ferries may be reimbursed as long as these costs do not exceed the cost of airfare, based on the lowest reasonable commercial fare available from a standard commercial air carrier, plus transportation costs to and from the airport.

Procedure

The traveler must obtain reimbursement for ground transportation when air travel is more time-effective (taking into consideration additional time requirements of air travel such as transportation to and from airports, parking, and connections), travelers must document the cost comparisons of ground travel vs. air travel using itineraries from Sanditz or Orbitz dated at the time of booking, and include the documentation with the Travel Reimbursement Form DV requesting reimbursement.

3b. RAIL TRAVEL

Travelers The University will receive reimbursement for tickets purchased or reimburse rail travel in accordance with this policy, even if air travel is a more time-effective mode of transportation. Business class accommodations are available for rail journeys of less than four hours with standard accommodations. Rail journeys longer than four hours are eligible for a business class (Acela) upgrade and the traveler will receive reimbursement.

Travelers will not receive reimbursement for first class travel rates.

Procedures

Procedure

Rail tickets may be booked through two Sanditz, and the University will pay the agency directly. Alternatively, travelers may book rail travel independently, but prior to reimbursement, such travelers will be required to document the cost of the University contracted travel agencies, Worldlinks such travel compared to the rail tickets offered by Sanditz, and Sanditz. The University will pay the agency directly. The University will only reimburse the lesser of the two. Travelers who book rail travel independently should attach all original and applicable receipts, tickets and itineraries to the Disbursement Voucher.

Ticket delivery fees will not be reimbursed if online tickets or pick-up is available.

Travelers should attach all original and applicable receipts, tickets and itineraries to the Travel Reimbursement Form.

3c. STATE-OWNED VEHICLES

If the University issues an employee or department a state-owned vehicle, the employee or department should use the state-owned vehicle for in-state business travel whenever possible. Charges for tolls and parking are reimbursable when using a State-owned vehicle. Further Information is available from the UConn Motor Pool:

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3d. PERSONALLY OWNED VEHICLES

When a department authorizes an employee to use his or her personal vehicle for University business, the University will reimburse the employee at an established mileage rate, which is periodically updated and located on the Travel Services website. Travelers will be reimbursed for trip related tolls and parking.

Mileage Rate: [http://travel.uconn.edu/mileage_perdiem.php](http://travel.uconn.edu/mileage_perdiem.php)

Travelers will not receive reimbursement for travel from their home to their official duty station, such as commuting expenses, unless provided under the applicable collective bargaining agreement.

In those limited cases where commuting expenses are reimbursed, the tax laws require that the reimbursement be treated as taxable income to the employee, and the University will withhold the appropriate taxes.

For the purposes of this policy, the term “official duty station” has the same meaning as his or her “tax home,” as that term is used in IRS authorities related to travel expenses. Generally, an individual’s official duty station is his or her regular office or post of duty. If an individual has more than one office or post of duty at the University, then the official duty station of that individual is generally the location at which the individual spends the most time.

When addition, travelers an employee’s official duty station is not a physical location at the University, or if the employee’s official duty station has changed from its original location, the employee may be eligible for travel reimbursements based on his or her official duty station if he or she first provides documentation, such as an employment letter or signed memorandum from his or her Department. The documentation must be received by the Office of Travel Services before the reimbursement may be processed.

Travelers will not receive travel reimbursement for participation in events that are not related to their work or activities. Moreover, travelers will not be eligible for reimbursement for University-related travel expenses if they are paid an honorarium, stipend, monetary fee or receive a gift in exchange for their participation in the event. The traveler may instead choose to waive any such honorarium, stipend or gift or have it paid directly to the University and then they would be eligible for travel reimbursement in accordance with the travel policy.

Consistent with requirements of Connecticut State Agencies, it is the responsibility of the traveler to maintain automobile insurance in the minimum amounts of $50,000/$100,000 (third party liability) and $5,000 (property damage liability), if using his or her personal vehicle for business purposes.

Unless permitted by collective bargaining agreements or exception to policy, travelers will not receive reimbursement for travel on the Storrs Campus or for travel between the Storrs and Depot Campuses.

Procedure

If an employee uses his or her personal vehicle for business travel, the employee should calculate the mileage sought to be reimbursed by deducting their normal commuting mileage from the total mileage of their trip. The trip mileage should start from home and end at home.
3e. RENTAL VEHICLES

Travelers may rent vehicles when it is from the most cost-effective mode of preferred vendors (currently, Enterprise and National) for domestic travel when needed for University business, trip, at the discretion of each traveler’s reporting line and/or funding source.

The size and class of the rented vehicle should be reasonable and appropriate for the number of intended passengers. Travelers should only rent vehicles in the following classes: Economy, Compact, Intermediate, Standard, Full Size, Mini-Van, Cargo Van, economy, compact, intermediate, standard, full size, mini-van, cargo van, and Pick-up Truck. Travelers may not rent vehicles in the following classes without justification and prior written approval from the Department Head, Director, or Dean: Premium, Luxury, Small Sport Utility premium, luxury, small sport utility, or Large Sport Utility large sport utility.

University-contracted rental rates already include the following insurances: Collision, third-party liability, and property damage liability insurances. The University will not pay for or reimburse the traveler for any additional insurance. However, additional charges for GPS and roadside assistance may be reimbursed at the discretion of the department and/or funding source. Travelers are encouraged to obtain the authorization of their respective departments and/or funding sources prior to incurring such additional charges.

Travelers are responsible for returning the vehicle with a full tank of fuel to avoid surcharges. Travelers may not choose be reimbursed for the fuel service option, whereby a renter pays an extra fee agrees to pay for a full tank of gas at a set price instead of re-fueling returning the car, vehicle with a full tank of gas.

The University will not pay for penalties, fines, fees, fuel service, fuel surcharges, or extra cost options not discussed above.

Procedures

When a rental vehicle is needed for international travel, the University’s preferred agencies (currently, Enterprise and National) should be utilized to obtain the best rates. For international travel, it is recommended that travelers maintain the minimum coverages for insurance through the rental company.

All efforts to secure the preferred vendor pricing for University guests are to be made by the host department. When a guest uses a non-preferred vendor at a higher cost, a justification must be documented. In these cases, the Office of Travel Services may require approval from the appropriate Department Head, Director, or Dean.

Procedure

Reservations using the University’s preferred rental car vendors (currently Enterprise and National) can be secured by using Sanditz and paid for directly with a University account. To reserve a rental car through Sanditz, travelers must supply the KFS account(s) that will fund the expense.

Travelers who do not reserve their vehicle rentals through Sanditz are still eligible for reimbursement of their vehicle rental expenses; provided that the expenses do not exceed the preferred vendor’s comparable cost. Travelers who rent a vehicle for University business should still use the University-contracted agency, agencies (currently, Enterprise and National), unless a competitor is less expensive at. If the traveler chooses a competitor, the traveler must justify the selection of another rental car provider by providing documentation of the total cost at the time of rental savings, including insurance, a comparison of comparable rentals from the University-contracted agencies (including insurance costs), when submitting the Travel WebForm. When a non-preferred vendor is selected on the Travel Reimbursement Form. Travelers will pay for rental vehicles with their...
personal credit cards. Basis of cost savings, the traveler should maintain the required minimum insurance coverage ($50,000/$100,000 third party liability and $5,000 property damage liability, or the closest coverage available). Travelers are personally responsible for any costs associated with not carrying the minimum required insurance coverage.

Note that, in all cases, travelers will be required to present their credit card and driver's license when they pick up the car, picking up their vehicles. Direct payment for rental costs from a University account is limited to car class rates and mandatory taxes and fees.

To rent a vehicle, travelers should follow the following steps:

2. Enter the Pick Up Location; Pick Up Date and Time; Return Date and Time; Vehicle Class; Renter’s Age.
3. Enter UCO as the first three characters in the box provided in the Corporate Account Sign-In, and click “sign-in.”

Review and edit the details of the transaction, if necessary, and then select and continue.

All rental car reimbursement requests must be submitted with

4. Complete the Renter’s Details, continue, and provide an email address for an email confirmation. (Note that this screen asks for credit card type but not a credit card number. Enterprise does not require a credit card number to make a corporate account reservation.)
5. Verify the information, and, if correct, click “book now.”
6. Retain the confirmation number.

Travelers must submit the car rental agreement indicating the class of vehicle selected, and gasoline receipts, with their Travel Reimbursement Form. The itemized paid receipt must show payment, including the rental agreement number, mileage in, and mileage out. Credit card receipts, by themselves, are not sufficient for reimbursement.
PART 4: LODGING

4a. OUT-OF-STATE LODGING

When overnight accommodations are required to conduct official University business, reimbursement for lodging will be the actual cost of lodging at the lowest reasonable cost available, as determined by the trip’s circumstances. Any lodging expense that exceeds the federal per diem lodging rate by more than twenty-five percent (excluding taxes) requires the approval of the Department Head, Director, or Dean. Lodging provided through a conference may exceed the federal per diem rate by more than twenty-five percent (excluding taxes) provided the conference rate was obtained when registering.

Procedure

Travelers and travel arrangers are encouraged, but not obligated, to reserve lodging through Sanditz, as a number of discounted rates are available. Direct payment for most lodging expenses (including room & tax) can be made through Sanditz. To utilize the direct payment option, the KFS account number(s) must be provided to Sanditz when the reservation is made. When special conference or event lodging rates are available, special rate information must be provided to Sanditz at the time of booking.

Travelers must justify lodging expenses that exceed the federal per diem lodging rate by more than twenty-five percent by destination on the Travel Reimbursement Form Web Form and obtain approval from their Department Head, Director, or Dean. Travelers are encouraged to ask providers of lodging for discounts provided to governmental employees, such as the State of Connecticut.

Federal per diem lodging rates are available at http://travel.uconn.edu/mileage_perdiem.php through the Office of Travel Services Website or from the GSA at http://www.gsa.gov/portal/content/104877.

4b. IN-STATE LODGING

Subject to prior approval from the appropriate Department Head, Director, or Dean, a traveler or travelers on University business may request reimbursement for lodging when the distance they are required to travel is more than 75 miles, one-way, from their official duty station. However, if the traveler’s destination is less than 75 miles from his or her personal residence, the traveler may not request reimbursement for lodging even if the mileage from the traveler’s official duty station is 75 miles or greater.

Travelers may receive reimbursement for in-state lodging when attending a conference within the State of Connecticut, regardless of distance from official duty station.

A University guest staying in state is subject to the maximum lodging rate of fifty percent above the federal per diem rate by destination. Travel arrangers are encouraged to use the University’s preferred agency to obtain the best rates available.

4c. USE OF NATHAN HALE INN

The University recognizes that, from time to time, it may be important and in the best interests of the University to provide on campus lodging to certain individuals. The maximum rates for lodging and subsistence meals do not apply.

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to the Nathan Hale Inn. Please note, however, that cancellations within 24 hours prior to arrival (noting that the current check-in time is 3:00pm) are subject to a one night cancellation fee.

**University Guests, Candidates, Recruits and Affiliates**

Lodging and meals can be provided to University guests, such as candidates, recruits and affiliates, through a direct billing.

**University Employees**

In rare circumstances, a University employee may require lodging at the Nathan Hale Inn in order to carry out their duties as a University employee. In these cases, the employee must receive prior approval for the stay from the Office of the President, the Provost, the Executive Vice President for Administration and Chief Financial Officer, or Athletic Director, based on the reporting relationship of the employee.

**Procedure**

The Nathan Hale Inn requires a KFS reservation form for reserving direct payment for lodging and meal expenses. The form must be completed and e-mailed to the front desk at the Nathan Hale Inn and Conference Center (frontdesk@nathanhaleinn.com). The form can be obtained by contacting the Nathan Hale Inn via e-mail or by telephone (860-427-7888).

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**4d. GROUP LODGING**

**Travelers, Departments.** “Group lodging” is defined, for the purposes of this policy, as the booking of 10 rooms or more for a specified University travel need to contract for group lodging.

**Group lodging** having a total cost of $10,000 or more must be arranged through the University Purchasing Department. Business units arranging group travel in excess of $10,000 are also required to solicit competing bids from a minimum of three property providers in the proximity of the travel destination. For all other group lodging arrangements, business units are still urged, but not required, to contact the Purchasing Department for assistance.

**Procedure**

**Group Lodging (under $10,000):** Travelers should secure contact Sanditz directly via phone for assistance with booking needs. If personal funds are not used, then the request must be processed through the Purchasing Department as a purchase order. Even if not required, Purchasing expertise should be utilized for group hotel contracts consisting of 10 rooms even if under $10,000.

**Group Lodging (over $10,000):** Group lodging in excess of $10,000 requires a purchase order to be processed through the Purchasing Department. A minimum of three written quotes must be secured directly from the hotels or from a lodging procurement agency Sanditz. These quotes must itemize all foreseeable group expenses for the group’s stay and related functions. If the unit does not select the lowest bidder, or if three properties are not available, the unit must provide a written explanation to justify the choice of lodging. The unit must send process a requisition and attach the justification and relevant documentation with the contract to the University Procurement Office, who, The Purchasing Department will issue a purchase order upon full compliance.
PART 5: MEALS

5a. MEALS FOR UNCLASSIFIED EMPLOYEES (WHILE TRAVELING)

Travelers in the following categories may claim reimbursement for the actual cost of their meals (substantiated with original receipts) or they may claim reimbursement using the per diem method, provided, however, that travelers may be required by their respective departments or business units to use a particular method.

- AAUP
- UCPEA
- Managerial and Confidential NP Plan
- Managerial and Confidential
- UConn Non-Represented (Dining Services)
- Special Payroll Employees
- Students

Travelers must use one method of reimbursement for the entire trip. The total reimbursement for actual meal costs over the course of travel may not exceed the allowable amount that would have been reimbursable based on daily per diem rates over the same time period.

Procedures

Reimbursement for actual costs (with receipts):

Travelers must submit original receipts for actual meal expenses with their Travel Reimbursement Form. Original receipts must include proof of payment and an itemized receipt detailing the charges. The total reimbursement request for eligible meals for a given day must not exceed the maximum allowable according to the per diem table on the Travel website: http://travel.uconn.edu/mileage_perdiem.php

Procedure

Travelers must indicate departure and return times on the Travel Reimbursement Form WebForm. Meals for out-of-state travel are reimbursable according to the following time schedule:

<table>
<thead>
<tr>
<th>REIMBURSABLE MEAL</th>
<th>DAY OF DEPARTURE (DEPARTING BEFORE)</th>
<th>DAY OF RETURN (ARRIVING AFTER)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>7:00 A.M.</td>
<td>9:00 A.M.</td>
</tr>
<tr>
<td>Lunch</td>
<td>11:00 A.M.</td>
<td>2:00 P.M.</td>
</tr>
<tr>
<td>Dinner</td>
<td>5:00 P.M.</td>
<td>7:00 P.M.</td>
</tr>
</tbody>
</table>

Reimbursement by per diem:

Travelers claiming up to the per diem reimbursement (discussed in greater detail below) do not need to provide receipts for their meals to the University Office of Travel Services. Please note, however, that travelers may be required by their respective departments or business units to provide receipts. It is advisable, therefore, for travelers to discuss meal reimbursements with their departments or business units before travelling.

Travelers may receive per diem meal reimbursements, including tax and tips, at the appropriate rates as per the tables on the Travel website: http://travel.uconn.edu/mileage_perdiem.php published by the GSA.
The full daily per diem rate is applicable for a day of travel during which a traveler is away from before 7:00 A.M. until after 7:00 P.M. On the day of departure and day of return, travelers must deduct the allowable per diem for meals before they leave and after they arrive, respectively, according to the departure time and arrival timetable above. Meals are broken down by breakfast, lunch and dinner in the per diem rate table as published on the website. See section 5d and 5e below for limitations on per diem.

Gratuities for maid service, baggage handling, etc. are included in the incidental expenses portion of the per diem. Travelers claiming per diem reimbursement do not need to provide receipts for their meals.
5b. MEALS FOR CLASSIFIED EMPLOYEES (WHILE TRAVELING)

By statute, employees, through their legally designated representatives, have the right to bargain with the State concerning travel expenses. Accordingly, some collective bargaining contracts may contain provisions that vary from the reimbursement regulations/policies contained herein. For such cases, collective bargaining contracts take precedence. Also, this policy does not apply to classified employees traveling on funds provided by their collective bargaining unit. For more information about what travel rules apply under what circumstances, travelers should contact Human Resources. Travel reimbursement rates for employees in P-2, NP-5, NP-3 and NP-2 bargaining units are as follows: found within each current bargaining unit contract at: http://lr.uconn.edu/resources/collective-bargaining-agreements/.

<table>
<thead>
<tr>
<th></th>
<th>AFSCME SOCIAL P-2</th>
<th>PROTECTIVE SERVICES NP-5</th>
<th>AFSCME CLERICAL NP-3</th>
<th>MAINT. SERVICE NP-2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>$7.50</td>
<td>$6.00</td>
<td>$6.00</td>
<td>$5.00</td>
</tr>
<tr>
<td>Lunch</td>
<td>$9.00</td>
<td>$8.00</td>
<td>$8.00</td>
<td>$7.00</td>
</tr>
<tr>
<td>Dinner</td>
<td>$20.00</td>
<td>$18.00</td>
<td>$18.00</td>
<td>$16.00</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>15.00%</td>
<td>15.00%</td>
<td>15.00%</td>
<td>15.00%</td>
</tr>
<tr>
<td>Mileage Reimbursement</td>
<td>$0.555 GSA</td>
<td>$0.555 GSA</td>
<td>$0.555 GSA per mile, $2/day min.</td>
<td>$0.555 GSA</td>
</tr>
<tr>
<td>Personal Auto Use</td>
<td>$4.50/day is used 50%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tolls/Parking</td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td></td>
</tr>
<tr>
<td>undocumented Costs -- Out of State/Overnight</td>
<td>$5.00 if two (2) consecutive full work days</td>
<td>$5.00 if two (2) consecutive full work days</td>
<td>$5.00 if two (2) consecutive full work days</td>
<td>$5.00 if two (2) consecutive full work days</td>
</tr>
<tr>
<td>Workshops &amp; Conferences</td>
<td>$500.00/year or $1000.00 for 1 event in 2 years</td>
<td>No limit specified; union approval needed</td>
<td>$400.00 per event; 2 events per year</td>
<td>$1000.00 per event; 2 events per year</td>
</tr>
</tbody>
</table>

Travelers in the following referenced categories may claim reimbursement for the actual cost of their meals (substantiated with original receipts) or they may claim reimbursement per diem. Travelers must use one method of reimbursement for the entire trip.

Procedures

Reimbursement for actual costs (with receipts):

Travelers must submit original receipts for actual meal expenses with their Travel Reimbursement Form. The total reimbursement request for eligible meals for a given day must not exceed the maximum allowable according to the Union amount defined in the appropriate bargaining unit contract, less any meals provided and/or any amount funded directly by the collective bargaining unit.

Procedure

Reimbursement by per diem:

Travelers may receive per diem meal reimbursements as allowed by Union contracts (including tax and tips) dependent on the locality. Detailed listings of the per diem rates are available at: http://www.travel.uconn.edu/... http://www.gsa.gov/portal/content/104877. The full daily per diem rate is applicable for a day of travel during which a traveler is away from before 7:00 A.M. until after 7:00 P.M. On the day of departure and day of return, travelers must deduct the allowable per diem for meals before they leave and after they arrive, respectively.
according to the departure time and arrival timetable above. Travelers who claim per diem reimbursement do not need to provide receipts for their meals. See section 5d and 5e below for limitations on per diem. All expenses are only eligible for reimbursement based upon funding. Departments are still allowed to request that travelers hand in receipts in order to limit expenses. 

Gratuities for maid service, baggage handling, etc. are included in the incidental expenses portion of the per diem.
5c. MEAL EXPENSES FOR SINGLE-DAY TRAVEL (NO OVERNIGHT)

Unless otherwise provided under Collective Bargaining Agreements, travelers who are required to travel for University business without an overnight stay may be eligible for meal reimbursement if the traveler is away from their home and official duty station for more than ten hours and the reimbursement requests are occasional and non-routine. In such situations, employees are entitled to reimbursement for lunch. In addition, employees who depart their homes or official duty stations prior to 7:00 a.m. are entitled to reimbursement for breakfast. Employees who return to their homes or official duty stations after 7:00 p.m. are entitled to reimbursement for dinner. Travelers must receive prior Department Head, Director, or Dean approval. All of such meal reimbursements are subject to approval by the appropriate Department Head, Director, or Dean.

In this situation, employees are entitled to reimbursement for lunch. In addition, employees who depart their home or official duty station prior to 7:00 a.m. are entitled to reimbursement for breakfast. Employees who return to the home or official duty station after 7:00 p.m. are entitled to reimbursement for dinner.

Receipts are not required; travelers must note times of departure and return on the Travel Reimbursement Form. To substantiate meals eligible for reimbursement.

In these instances, the following per diem rates apply: 75% of the GSA per diem meal rate in effect for destination of travel. (See Appendix C for an example.)

5d. BUSINESS MEALS (WHILE TRAVELING)

In general, travelers may be reimbursed for meal expenses from the time they leave their home or official duty station until the time they return to their home, official duty station, or other official State location at the conclusion of the trip. Travelers may not be reimbursed for meals when they are provided as part of the hotel or conference fee, whether or not the traveler chooses to eat the meal provided.

A traveler may be reimbursed for a business meal conducted while traveling, including expenses for guest meals if those guests are essential to the business purpose of the meeting. Under no circumstances will reimbursement for each guest exceed two times the appropriate GSA Per Diem meal amount for location including taxes and tip. In addition, only the cost of food and non-alcoholic beverages are reimbursable; the University does not pay for alcoholic beverages.

Procedures

Departments with University of Connecticut Foundation, Inc. (Foundation) funds are encouraged to use these funds as the primary reimbursement method to cover the expense of business meals.

If requesting reimbursement from the University, employees may request reimbursement for business meals by attaching the Business Meal Detail Form (Appendix C) with the original itemized receipt and proof of payment to the Travel Reimbursement Form. The Business Meal Detail Form must include the date, location, business purpose, attendees, company or organization represented, and their affiliation to the University, if any, and the actual cost of the meal per person. Without proper justification and prior approval on the Business Meal Detail Form and Travel Reimbursement Form, the University will not reimburse expenses for spouses or non-essential guests of the traveler.

Travelers should deduct the cost of the business meal from their daily per diem based on the type of meal eaten—(Breakfast, Lunch, or Dinner).
GSA Per Diem tables are available at the following: http://travel.uconn.edu/mileage_perdiem.php
5d. CONFERENCE AND OTHER MEALS PROVIDED

Conferences frequently provide meals to attendees as part of the registration fee. As discussed below, the traveler is generally not entitled to a meal per diem allowance for meals that are included as part of the registration fee. The same is true for any meetings or group travel event in which a meal is provided or where the traveler has been included on a list of attendees for a business expense, or where meals are provided complimentary as part of the transportation or hotel accommodations.

Procedures

To assist with the determination of which meals were provided during a conference, a copy of the agenda—(meeting schedule) or conference registration receipt must be included with the travel reimbursement request. The Travel Reimbursement Form must also include the actual time of departure from the traveler's home or place of business for the trip and time the traveler arrived home (or ended their University business if using personal time while on their trip).

If certain circumstances, such as unique dietary needs, make it necessary for the traveler to forego the provided meal, after such accommodation has been actively requested of the conference arranger by the traveler, the traveler may then claim up to the maximum meal allowance. In such cases, a receipt(s) for the meal and a written explanation are required.
5f. Procedure

When completing the Travel WebForm, travelers who attend conferences or other functions must indicate which meals were provided to them, if any. A traveler should note, however, that he or she may be reimbursed for meals that were offered, but not accepted for reasons such as:

- The traveler has a special dietary need or restriction, including religious;
- The traveler had to attend a business meeting during the time that the meal was offered; or
- The meal was not an open event, and the traveler was not invited.

5e. BUSINESS MEALS

From time to time, it is necessary to the interests of the University to host or provide meals to guests such as job candidates, visiting scholars or donors. Likewise, a meal may be an essential or important part of an event, such as a conference or workshop, which is conducted by the University. In cases where the University provides a meal (or reimburses the expense of the meal, as the case may be) to individual(s) who are not travelling on behalf of the University (herein defined broadly as “business meals”), the University will pay or reimburse the business meal under the requirements and procedures under this section.

As a public agency, the University has an obligation to students, taxpayers and benefactors to use all of its funds as prudently as possible. Therefore, all employees and individuals with authority to request, control or approve University funds, including but not limited to travelers, shall use their best judgment in applying those funds towards business meals only when justified with a business purpose and a clearly identifiable benefit to the University. The act of requesting, using or approving a business meal constitutes an individual’s official determination that, to the best of such individual’s knowledge, the expense was actually incurred, is justified BUSINESS MEALS (WHILE NOT TRAVELING) by a business purpose, and serves the best interests of the University.

The University’s policy of paying or reimbursing for business meals is subject to the following general rules:

1. University employees are generally responsible for paying for their own meals when they are not traveling. That said, meals associated with business meetings or for business purposes may be reimbursed. Examples of circumstances under which reimbursement is justified include meals during conferences, workshops, or interviews of job candidates, and meals with visiting lecturers, donors, or other official guests.
2. University funds may not be used for meals at social functions, such as parties or summer outings, attended entirely or primarily by University employees and/or their personal guests.
3. University funds may not be used to purchase alcoholic beverage under any circumstances.
4. In most cases, business meals may not be charged to sponsored awards (the responsible OVPR, SPS, Grant Manager may provide more information or grant exceptions where appropriate).

Meals between faculty/staff and students, while allowable when there is a business justification, should be infrequent.

In addition, units may purchase group business meals when a group meal is essential to the effectiveness and efficiency of the meeting. This is especially the case when multiple units are called together for a substantial meeting, or when stopping the meeting to allow employees to leave for a normal meal would be disruptive and inconvenient for the University. To justify a group meal, business meetings must last for a minimum of two hours— if the meeting can be accomplished effectively without a meal, then it should be.
For the avoidance of doubt, this policy shall extend fully to business meals that are usually paid for by interdepartmental transactions, such as meals purchased through dining services (Dining Services) (including Chuck and Augie’s). Business Meals require prior written documented approval of the Department Head, Director, or Dean. The approval request should include the purpose of the meeting or event; a formal written agenda including session times; a list of attendees with their associated departments/entities; and the expected cost of the meal per person. Set-up and delivery costs associated with the group meal shall not be included in the meal limit calculation.

For all business meals, including group meals, organizers should limit attendance to essential guests only. Without proper justification on the Business Meal Detail Form, the University will not reimburse expenses for spouses or partners or non-essential guests. Under no circumstances will reimbursement may the cost of the meal for each guest (including taxes and tip) exceed two times the appropriate GSA Per Diem meal amount for the location. The University will reimburse—expenses for food and non-alcoholic beverages only, the University does not pay for alcoholic beverages.

For the purposes of this policy, business meals shall not include refreshments, such as snacks or nonalcoholic beverages, which are made available to guests outside of the context of a meal. Such refreshments may be provided in appropriate business contexts, provided that the cost of providing refreshments, when combined with any meals served, is less than the applicable GSA meal rate (inclusive of incidental costs, such as set up, delivery, and service charges). For example, refreshments provided before a morning meeting at the Storrs campus cannot exceed the allowed breakfast per diem expense (currently $7 for FY15). Refreshment transactions must also be justified by a business purpose and require the attendee list, total costs, and per person breakdown before the costs may be paid or reimbursed.

Note that the provisions in this section Procedures shall not be construed as to supersede the provisions of any collective bargaining agreement.

Procedure

Departments with ability to control or request Foundation funds are encouraged to consider use of these funds as the primary reimbursement method to cover the expense of business meals.

If Foundation funds are not used, employees may request reimbursement for business meals by attaching the Business Meal Detail Form (Appendix C) available at http://travel.uconn.edu/ with the original itemized receipt and proof of payment to the Reimbursement Request. Note that the form requires written approval for the meal from the Department Head, Director, or Dean. The Business Meal Detail Form (Appendix C) must also include the date, location, business purpose, names of attendees and their affiliation to the University and the actual cost of the meal per person.

For authorized business meals at the Nathan Hale Inn and Conference Center, a Meal Charge Ticket allows departments to charge the meal to a KFS account. The Meal Charge Tickets are available at the Nathan Hale Inn and Conference Center. All Meal Charge Tickets require pre-approval by the appropriate Department Head, Director or Dean. (See Appendix G for sample of the Meal Charge Ticket.)

Organizers of group meals must obtain prior written approval for the meal from the Department Head, Director, or Dean. The approval request should include a Business Meal Detail Form, including the purpose of the meeting or event; a formal written agenda including session times; a list of attendees with their associated departments/entities; and the expected cost of the meal per person. The organizer should submit the Business Meal Detail Form and the signed approval with the payment request. Accounts Payable will retain these materials for audit—purposes.

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Finally, for reference, the GSA Per Diem tables are available at:
http://travel.uconn.edu/mileage_perdiem.phphttp://www.gsa.gov/portal/content/104877.

Units that want to contract for catering services for a group meal that will cost more than $2000 should refer to guidance from UConn’s Purchasing at:
http://www.purchasing.uconn.edu/usersmanual/sectiontwo/sectiontwo.html#CateringDepartment for guidance.

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5f. GRATUITIES FOR MEALS

Gratuities: Travelers who use the per diem method for meal reimbursement may not seek additional reimbursement for meals while traveling. Meal gratuities, as the per diem rates are calculated to include an allowance for meal gratuities. In all other cases, however, gratuities for meals and business meals, including hosted receptions and intercollegiate athletic team meals, are reimbursable at a rate not to exceed 20% of the pre-tax meal cost. When, except in cases where a vendor stipulates a gratuity and reflects it in the bill as a service charge, in such cases, any additional gratuity is not reimbursable. The employee is may be responsible for reimbursing the gratuity to the University when the employee authorized billing to the University beyond 20% of the pre-tax meal or the vendor service charge.
PART 6: OTHER EXPENSES

6a. REGISTRATION FEES

Travelers may use University funds to pre-pay conference registration fees. Alternatively, travelers may be reimbursed for registration fees.

Sometimes meals, hotel accommodations, or additional fees for other goods and services may be included in a registration fee. Travelers will not be reimbursed separately for these—that is, travelers will not be reimbursed twice for the same thing. See Sections 5d and 5e for further details on meals provided with conference registration and business meals.

Procedure

Travelers may use the following methods to pay registration fees:

- **Payment with University Procurement Card (Preferred Method)**
  
  To use the procurement card, travelers and administrators should follow the rules and regulations for use of the procurement card (available at [http://www.purchasing.uconn.edu/](http://www.purchasing.uconn.edu/)). A copy of the procurement receipt must then be attached to the Travel Reimbursement Form.

- **Personal Payments for Registration Fees**

  Travelers who pay registration fees themselves must attach all receipts and appropriate documentation to the Travel Reimbursement Form/Disbursement Voucher in KFS.

- **Office of Travel Services Checks**

  If no other options are available, the Office of Travel Services can process a check to prepay registration fees. Travelers requesting prepayment of registration fees must do so by competing and submitted the Travel WebForm.

Regardless of how registration fees are paid, travelers must attach applicable receipts and conference agendas to the Travel Reimbursement Form/WebForm in order to be reimbursed. If other fees, meals, hotel accommodations, or other goods and services are included in the registration fee, the documentation should reflect this. If a program or schedule is not available, then the traveler may submit a simple written statement indicating whether and to what expense such additional goods or services were provided as part of the conference.
6b. TELEPHONE, INTERNET, COMPUTER, AND FACSIMILE CHARGES WHILE TRAVELING

Charges for telephone calls made for official University business while traveling are reimbursable, unless the employee has a University issued cell phone or cell phone stipend that includes a voice tier option.

Travelers will receive reimbursement for charges for internet access, use of a fax machine, use of a computer, and other similar business services while traveling on University business. Translation charges are also eligible for reimbursement, provided however, that the traveler must additionally provide a documentation establishing the charges as having actually been paid (e.g., a credit card statement).

Procedure

Travelers should submit documentation and receipts for expenses incurred for these services with the Travel Reimbursement Form.

For telephone calls, travelers should document the WebForm. When available, individual call destination and rate for all calls, and submit this rates must be supplied with the Travel Reimbursement Form. If a traveler with a University cell phone or stipend seeks only business related calls claimed for reimbursement, For international travel, flat rate of data, text, and voice is charged by many service providers. The full amount is eligible for telephone charges, he or she must justify the need for the calls on the Travel Reimbursement Form, reimbursement, prorated by any personal travel during the trip.

6c. FOREIGN CURRENCY RATES AND PER DIEM REIMBURSEMENT

When traveling outside the U.S., travelers will receive the foreign per diem rates for the duration of their trip. Of note, foreign per diem rates include a significant daily incidental expense reimbursement for items such as laundry and dry cleaning.

Travelers will be reimbursed for expenses paid in foreign currencies, and for currency exchange fees, based on the exchange rate for the date marked on their receipts.

Procedure

To receive reimbursement, travelers should convert all foreign Travelers may account for currency receipts conversion in one of two ways:
1. Converting each receipt to U.S. dollars using the exchange rate for the date marked on their receipts.
2. Including the transaction detail that documents the actual U.S. dollar amount charged from a debit or credit account statement.

6d. PRESCRIPTIONS AND MEDICAL EXPENSES FOR INTERNATIONAL TRAVEL
When preparing to travel internationally on University business, travelers are eligible to be reimbursed for any out-of-pocket medical expenses related to the trip such as prescriptions, vaccinations, medical co-pays or additional insurance costs.

**Procedure**

Travelers should submit documentation and receipts for expenses incurred for these services with the Travel WebForm.
TAB 4
Joint Audit & Compliance Committee
Status of Audit Assignments

<table>
<thead>
<tr>
<th>Audit Project</th>
<th>Storrs Or UConn Health (UH)</th>
<th>Planning</th>
<th>Fieldwork</th>
<th>Pre-Draft/Draft Report</th>
<th>Final Draft Report Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLAC Renovations – Review 2</td>
<td>UH</td>
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<tr>
<td>Medical Device Security</td>
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<tr>
<td>Endowed Chair Accounts</td>
<td>Storrs</td>
<td></td>
<td></td>
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<tr>
<td>Server Implementation and Security</td>
<td>Storrs</td>
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<tr>
<td>Faculty Consulting – FY 14</td>
<td>Storrs &amp; UH</td>
<td></td>
<td></td>
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<tr>
<td>Health Information Management (HIM) – Patient Record Management</td>
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<tr>
<td>2nd Change Order Monitoring Review (on hold)</td>
<td>Storrs</td>
<td></td>
<td></td>
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<td>NCAA Compliance – Academic Performance Program, Extra Benefits, and Camps &amp; Clinics</td>
<td>Storrs</td>
<td></td>
<td></td>
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<td>X</td>
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<tr>
<td>Cash Handling</td>
<td>UH</td>
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<td>Student Health Services</td>
<td>Storrs</td>
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<tr>
<td>Project Commissioning / Closeout Process</td>
<td>Storrs</td>
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<tr>
<td>Cash Receipts / Cash Handling</td>
<td>Storrs</td>
<td></td>
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<td>Compensatory Time, Vacation and other Leave Accruals</td>
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<td>General University Fee (GUF) Funded Activity</td>
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<tr>
<td>Health Information Management (HIM) – Dental</td>
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<tr>
<td>Firewall Security Audit</td>
<td>Storrs &amp; UH</td>
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<td>Grants – Cash Management</td>
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<tr>
<td>Innovation Partnership Building (IPB)</td>
<td>Storrs</td>
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## Joint Audit & Compliance Committee
### Status of Audit Assignments

<table>
<thead>
<tr>
<th>Audit Project</th>
<th>Storrs or UConn Health (UH)</th>
<th>Planning</th>
<th>Fieldwork</th>
<th>Pre-Draft/Draft Report</th>
<th>Final Draft Report Issued</th>
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<tr>
<td>Bioscience CT Initiative – Phase II – New Hospital</td>
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<td>Meaningful Use – Eligible Professionals</td>
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<td>Total Audits (20)</td>
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<td>(08)</td>
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<table>
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<tr>
<th>Special Projects/Consulting/Follow-up</th>
<th>Storrs or UConn Health (UH)</th>
<th>Planning</th>
<th>Fieldwork</th>
<th>Review Pre-draft</th>
<th>Project Complete</th>
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<tr>
<td>UH Medicare Cost Report Review</td>
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<tr>
<td>SHS Special Project</td>
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<td>UMG Vouchers</td>
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<td>OVPR Special Project</td>
<td>Storrs</td>
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<td>Total Special Projects/Consulting (04)</td>
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<td>(00)</td>
<td>(01)</td>
<td>(02)</td>
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Corrective Actions Implemented by Department

Functional Area

- Bursar's Office
- Case Management
- Clinical
- Clinical Informatics
- Controller
- Environmental Health and Safety
- Finance
- Human Resources
- Information Technology Services
- IT Security
- Library
- OACE
- Patient Financial Services
- Provost
- School of Business
- Sponsored Program Services
- Student Services Center
- Transportation
- UMG
- Storrs and Regional Campuses
- Storrs and UConn Health
- UConn Health
Corrective Actions Pending OACE Review

# of Corrective Actions Pending OACE Review

Functional Area

- Academic Renovations
- Accounting Office
- Controller
- CPCA
- Environmental Health and Safety
- IT Security
- Medical Staff Office
- Public Safety
- School of Business
- Sponsored Program Services

Legend:
- Storrs and Regional Campuses
- UConn Health
Open Items by Finding Category - UConn Health

- Business Process
- Documentation
- Governance
- Monitoring
- Physical Security of Assets
- Policy
- Procedures
- Regulatory Compliance
- Security
- Technology
- Training

Finding Category

# of Open Items in Category
Implemented

Open OverDue Items by Risk Level

Medium
- 24

Low
- 24

High
- 5

Medium
- 108

High
- 19

Low
- 62
Joint Audit & Compliance Committee
Audit Finding Rating Definitions

**Low**

Meaningful reportable issue for client consideration that in the Auditor’s judgment should be communicated in writing. The finding results in minimal exposure to the University or UConn Health and has little or no impact on the University’s or UConn Health’s compliance with laws and regulations. The issues related to this control weakness will typically not lead to a material error.

**Medium**

Significant exposure to the area under review within the scope of the audit. The finding results in the potential violation of laws and regulations and should be addressed as a priority to ensure compliance with University’s or UConn Health’s policies and procedures. The significance of the potential errors related to this control weakness makes it important to correct.

**High**

Significant exposure to the University or UConn Health that could include systemic University or UConn Health wide exposure. The finding could result in a significant violation of laws and regulations and should be viewed as a highest priority which the University or UConn Health must address immediately.
University of Connecticut
Single Audit Report Excerpts
FYE 6/30/2014

- Issue Date – March 30, 2015

- Complete Statewide Report -

- Applicable University Federal Programs
  1) Research and Development
  2) Federal Student Financial Assistance
Federal Funds

- Total Federal Assistance Statewide - $8,905,000,000

Type A Program Threshold

($<10B = \text{Larger of } $3m \text{ or } \text{FFA} \times 0.003) - $26,715,000

- Federal Assistance Expended at the University System:
  1. University R&D $79,000,000
  2. Health Center R&D $72,000,000
  3. Student FFA $213,000,000 (Storrs $196m UCHC $17m)

  TOTAL FFA $364,000,000
1. Reporting (UCHC)

- Title 2 Code of Federal Regulations Part 170 and the Transparency Act require, effective October 1, 2010, certain reporting requirements relating to first-tier subawards of $25,000 or greater. These reporting requirements include registering in the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS) and reporting subaward data through FSRS. The subaward must be reported by the end of the month following the month a subaward is made.

During the audit period, we tested 14 subawards issued by the University of Connecticut Health Center (Health Center). We noted one instance in which the Health Center did not report the subaward to the FSRS. In addition, we noted three instances in which the Health Center was late in reporting the required key data elements to the FSRS.

*Agency Response – ‘We agree with this finding.’*
Audit Findings – R&D

2. Equipment and Real Property Management (UCHC)

- Title 2 Code of Federal Regulations (CFR) Part 220 and Title 2 CFR Section 215.34 require that a physical inventory of equipment be taken at least once every two years and reconciled to the equipment records. Further, Title 2 CFR Section 215.34 requires that the equipment records contain the location and serial number.

During our testing of the Health Center’s equipment inventory we noted the following:

- The equipment records lacked evidence of timely reconciliation to the most recent physical inventory.
- Two out of ten equipment items purchased with federal funds during fiscal year 2014 were not physically tagged and the equipment records did not contain the location and serial numbers as of November 12, 2014.

*Agency Response – “We agree with this finding.”*
Audit Findings - SFFA

3. Activities Allowed or Unallowed - Federal Work-Study Payments (University)

- Title 34 Code of Federal Regulations Section 675.16(a)(6) states that an institution may pay a student after the student’s last day of attendance only for Federal Work-Study (FWS) compensation earned while he or she was in attendance at the institution.

From a test of eight students with FWS awards that separated from the University, we identified three students who withdrew from the university that were paid compensation for work performed after their effective dates of withdrawal. Upon our identification of these charges in August 2014, the university replaced the FWS charges with non-federal student labor funds.

Agency Response – “We agree with this finding.”
Audit Findings - SFFA

4. Cash Management (University)

- Title 34 Code of Federal Regulations Section 668.162(b)(3) states that an institution must disburse funds requested as soon as administratively feasible but no later than three business days following the date the institution received those funds. Provisions allow for an exception if the excess amounts do not exceed one percent of the prior year award and are disbursed within seven days.

Our review of cash management at the University disclosed one instance in which, due to a federal Pell Grant program adjustment made on September 24, 2013, excess cash of $5,550 was on hand for 26 calendar days.

Agency Response – “We agree with this finding.”
Qualification for subsidized loans is based on financial need, which is defined as the student’s cost of attendance (COA) less expected family contribution (EFC) and other resources. Qualification for an unsubsidized loan is not based on financial need. The student’s COA must exceed the EFC to be eligible for need-based aid such as grants, scholarships and subsidized loans. The EFC is based on information collected from the Free Application for Federal Student Aid.

From a test of 36 students selected for student eligibility testing at the University, we noted one instance in which the COA budget was not accurate. In this instance, we noted that a student with need was awarded and disbursed a subsidized federal Direct Student Loan of $3,053, when she should have been awarded a subsidized Direct Loan of $3,500. The university adjusted the student’s subsidized Direct Loan amount to $3,500.

Agency Response – “We agree with the finding.”
6. Matching (University)

- The 2013-2014 Federal Student Aid Handbook states that when the school establishes an FSEOG account for federal program funds, the matching funds must be deposited at the same time the federal funds are deposited.

Match amounts during the audited period were not consistent with federal regulations. The nonfederal share of the FSEOG awards was not deposited at the same time the federal funds were deposited. The first drawdown of federal funds was posted to the accounting system on August 21, 2013. A subsequent drawdown adjustment was posted on December 18, 2013. The university’s match of the funds was posted to the FSEOG account on January 31, 2014.

*Agency Response – “We agree with the finding.”*
7. Reporting (University)

- The University is required to report on operations in a “Fiscal Operations Report and Application to Participate” (FISAP). Instructions to complete the FISAP are contained in the *Instructions Booklet for Fiscal Operations Report for 2013–2014 and Application to Participate for 2015–2016 (FISAP).*

We reviewed the FISAP at the University and noted a number of reporting errors concerning amounts of aid disbursed, students served, and certain required statistics.

*Agency Response – “We agree with the finding.”*
8. Special Tests: Return of Title IV Funds – Policy Issues (University)

- Title 34 Code of Federal Regulations Section 668.22 provides guidance regarding the treatment of Title IV funds when a student withdraws from an institution. Per related guidance, if a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn, unless the institution can document that the student completed the period.

The University identified 26 students who received Title IV aid and did not have any passing grades in the academic year. We noted that in two instances the university did not follow its academic engagement procedures for determining whether a Title IV recipient who began attendance during a period completed the period or should be treated as a withdrawal. Upon our discovery, the university applied its procedures and performed a Return of Title IV Fund calculation and returned an aggregate of $7,583 to the federal Direct Student Loans program. We also noted that the university did not determine the withdrawal date for the students identified with no passing grades within 30 days after the end of the payment period for the fall semester.

*Agency Response – “We agree with the finding.”*
9. Special Tests: Return of Title IV Funds (University)

- Title 34 Code of Federal Regulations Section 668.22 provides guidance regarding the treatment of Title IV funds when a student withdraws from an institution.

We selected ten students for Return of Title IV Funds testing at the University, and noted two errors in the calculation of funds returned. The University has since returned funds in response to this finding.

Agency Response – “We agree with the finding.”
10. Special Tests: Enrollment Reporting (University)

- Per Title 34 Code of Federal Regulations Section 682.610(c)(2), changes in enrollment to less-than-half-time, graduated, or withdrawn, must be reported accurately within 30 days. However, if a roster file is expected within 60 days, the data may be provided on that roster file.

We selected 12 students that separated from the University and noted one instance in which the student’s enrollment information, as reported to the National Student Loan Data System, was not accurate. In this instance, the student's effective date of withdrawal was incorrectly reported.

Agency Response – “We agree with the finding.”
11. Special Tests: Student Loan Repayments (University)

- Title 34 Code of Federal Regulations Section 674.31(b)(2) states that repayment begins nine months after the borrower ceases to be at least a half-time regular student at the institution. Further, an institution is required to conduct exit counseling with the borrower either in person, by audiovisual presentation, or electronically before the student ceases to be enrolled on at least a half-time basis. If a borrower withdraws or fails to complete an exit counseling session, the institution must provide the exit counseling material to the borrower within 30 days after learning that the borrower did not complete the exit counseling.

We selected ten borrowers at the University who entered repayment during the audited period and noted the following:

- In two instances the borrower’s conversion to repayment was untimely. An incorrect separation date was used, which resulted in a three-month delay to the repayment process.

- In seven instances in which the university was aware that the borrower was graduating, exit counseling was not conducted before the end of the semester. The exit counseling was conducted between 24 and 94 days after the end of the semester.

- In one instance in which the university was aware that the borrower ceased to be at least half-time, exit counseling was not conducted within 30 days after learning that the borrower ceased to be at least half-time.

Agency Response – “We agree with the finding.”
Audit Findings - SFFA

12. Special Tests: Student Loan Repayments – Cancellations (University)

- The Nurse Faculty Loan Program (NFLP) is authorized by Title VIII of the Public Health Service Act, Section 846A (42 U.S.C. 297n-1), as amended by the Patient Protection and Affordable Care Act, Public Law 111-148, Section 5311. Section 846A(c)(3) of the Public Health Service Act authorizes the lending school to cancel up to 85 percent of the NFLP loan.

From a sample of five students with a loan cancellation at the University, we noted an error in one, as regards the calculation of cancelled amounts.

*Agency Response – “We agree with the finding.”*
Audit Findings - SFFA

13. Institutional Eligibility (University)

- Per Office of Management and Budget Form No. 1845-0012, Application for Approval to Participate in Federal Student Financial Aid Programs, Section E, an institution is required to provide information for each educational program that it is requesting to be eligible to participate in federal student financial aid programs that will be provided as of the date of the application or that will be provided during the current award year.

The University of Connecticut (UConn) did not include its Sixth-Year Graduate Certificate programs, for which federal aid was offered, on its application to participate in the federal student financial aid programs. The Program Participation Agreement for UConn, effective August 17, 2011, with an expiration date of June 30, 2014, did not include the Sixth-Year programs.

Agency Response – “We agree with the finding.”
UNIVERSITY OF CONNECTICUT

2014-500 Allowable Costs/Cost Principles – Time and Effort

Federal Award Agency: Various
Award Year: State Fiscal Year Ended June 30, 2014
Research and Development Programs: Various

Criteria: Per Title 2 Code of Federal Regulations (CFR) Part 220 (formerly OMB Circular A-21), the distribution of salaries and wages must be supported by after-the-fact activity reports signed by responsible persons who have used suitable means of verification to confirm that the work was performed. The majority of the charges to federal research and development programs are for personal service costs. Accordingly, the accuracy and integrity of the time and effort reporting system is crucial.

Condition: As noted during our previous audit, under the university’s current time and effort reporting system, researchers’ time and effort reports are prefilled with estimated percentages of effort devoted to various projects by each researcher on a semester basis. These percentages are estimated by dividing the amount charged to each account by the total charged to all accounts on a biannual (July through December and January through June) basis.

Many researchers are nine-month employees who work September through May, but are compensated on a 12-month basis. Accordingly, the charges recorded for a biannual period do not completely correspond with the employees’ actual personal service costs for the semester, as accounts are charged when compensation is paid, not earned.

For example, charges for amounts paid to a nine-month employee in July will be aggregated into the succeeding fall semester. However, these costs actually relate to work performed over the preceding fall and spring semesters.

The prefilled percentages reflect the apportionment of compensation paid to researchers during a period, based on the distribution of those charges to project accounts. This is confusing, because part of that compensation was actually earned during preceding periods when the researchers may have been working on different projects. Overlapping payments for summer semester work creates additional complication.

Effect: These inconsistencies make it difficult to readily correlate the percentages reflected on the time and effort reports with the work actually performed.
Cause: The university pays nine-month employees on a 12-month basis as a convenience for the employees. The implications of this practice with respect to the time and effort system do not appear to have been given adequate consideration.

Conclusion: We are reporting this control deficiency as it existed during the audited period. We are not presenting a recommendation, as the university is already working to address it.

Agency Response: “The University has implemented new charging instructions for labor charged to restricted accounts during the academic year for 9 and 10 month faculty who are paid over 12 months. This method charges sponsored project awards for the full amount earned during the period and accrues the portion not yet paid. Ongoing training is being provided for research administrators and departmental staff who are responsible for processing payroll authorizations. Central administrative personnel will reconcile the accrued amounts to the amount paid to the employee and to determine the proper period was charged. The University has transitioned its effort reporting periods to align with the academic year. Development continues on a new electronic, web based, effort reporting system which is scheduled to deployed in FY15 and is expected to be in use for all or some of the current academic year effort reports.”

2014-501 Cash Management

R/V Connecticut Charter in Support of GNATS 2013 (CFDA # 43.PO #28512) Non Major Program
Federal Award Agency: National Aeronautics and Space Administration
Award Year: State Fiscal Year Ended June 30, 2014
Federal Award Number: PO #28512
Account # 5610680 – Subaward PO #28512 (A08211) from Bigelow Laboratory for Ocean Sciences, project period April 24, 2013 through December 31, 2014

Criteria: Per Title 2 Code of Federal Regulations (CFR) Part 220 (formerly OMB Circular A-21), cash advances to a recipient organization shall be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the recipient organization in carrying out the purpose of the approved program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the recipient organization for direct program or project costs, and the proportionate share of any allowable indirect costs.
**Condition:** Average daily cash balances in excess of $100,000 were maintained for one award. These cash balances were significantly in excess of immediate cash needs.

At the beginning of the fiscal year, the account for award PO #28512 had a cash balance of $115,140. Effective June 6, 2014 a charge of $44,800 was posted to the account, reducing the cash balance to $70,340. No other charges were posted to the account.

**Effect:** Excess cash balances were maintained.

**Cause:** With respect to award PO #28512, the grantor agency deliberately transferred funds substantially in excess of the university’s immediate cash needs. The grantor agency bears the responsibility for taking appropriate remedial action.

**Conclusion:** This condition was deliberately engendered by the grantor agency; it bears the responsibility for taking appropriate remedial action.

**Agency Response:** Not applicable.
UNIVERSITY OF CONNECTICUT HEALTH CENTER

2014-550  Reporting

Substance Abuse and Mental Health Services – Projects of Regional and National Significance (CFDA #93.243)
Federal Award Agency: United States Department of Health and Human Services
Award Year: State Fiscal Year Ended June 30, 2014
Federal Award Number: 5U79SM061273-02

Alcohol Research Programs (CFDA #93.273)
Federal Award Agency: United States Department of Health and Human Services
Award Year: State Fiscal Year Ended June 30, 2014
Federal Award Number: 5R01AA021446-02

Cancer Biology Research (CFDA #93.396)
Federal Award Agency: United States Department of Health and Human Services
Award Year: State Fiscal Year Ended June 30, 2014
Federal Award Number: 5U01CA154966-03

Human Genome Research (CFDA #93.172)
Federal Award Agency: United States Department of Health and Human Services
Award Year: State Fiscal Year Ended June 30, 2014
Federal Award Number: 5U54H007005-02

Criteria: Title 2 Code of Federal Regulations Part 170 and the Transparency Act require, effective October 1, 2010, certain reporting requirements relating to first-tier subawards of $25,000 or greater. These reporting requirements include registering in the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS) and reporting subaward data through FSRS. The subaward must be reported by the end of the month following the month a subaward is made.

Condition: During the audit period, we tested 14 subawards issued by the University of Connecticut Health Center (Health Center). We noted one instance in which the Health Center did not report the subaward to the FSRS. In addition, we noted three instances in which the Health Center was late in reporting the required key data elements to the FSRS.

Effect: The Health Center was not in compliance with the reporting requirements of the Federal Funding Accountability and Transparency Act.

Cause: The condition appears to have been due to designed procedures not being followed.
**Recommendation:** The University of Connecticut Health Center should take steps to improve the process used for identifying and reporting subawards to the FSRS.

**Agency Response:** “We agree with this finding.

Federal Funding Accountability and Transparency Act (FFATA) requirements and reporting procedures have been reiterated to department staff. Management will work with staff to ensure awards are identified and reported on a timely basis.”

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### 2014-551 Equipment and Real Property Management

**Oral Diseases and Disorders Research (CFDA #93.121)**  
Federal Award Agency: United States Department of Health and Human Services  
Award Year: State Fiscal Year Ended June 30, 2014  
Federal Award Numbers: R01-DE021103

**Human Genome Research (CFDA #93.172)**  
Federal Award Agency: United States Department of Health and Human Services  
Award Year: State Fiscal Year Ended June 30, 2014  
Federal Award Numbers: 1U54HG006994-01

**Criteria:**  
Title 2 Code of Federal Regulations (CFR) Part 220 (formerly OMB Circular A-21) and Title 2 CFR Section 215.34 (formerly OMB Circular A-110) require that a physical inventory of equipment be taken at least once every two years and reconciled to the equipment records. Furthermore, Title 2 CFR Section 215.34 requires that the equipment records contain the location and serial number.

**Condition:** During our testing of the Health Center’s equipment inventory we noted the following:
- The equipment records lacked evidence of timely reconciliation to the most recent physical inventory.
- Two out of ten equipment items purchased with federal funds during fiscal year 2014 were not physically tagged and the equipment records did not contain the location and serial numbers as of November 12, 2014.

**Effect:** The Health Center’s equipment inventory records do not demonstrate compliance with the cost principles and administrative requirements established by Title 2 CFR part 220 and Title 2 CFR section 215.34.
Cause: 
Health Center personnel indicated that many items may have been moved without the necessary documentation and are sometimes found during subsequent departmental physical inventories. For new equipment, the agency was not updating its equipment information in a timely manner.

Recommendation: 
The University of Connecticut Health Center should ensure that its equipment records are complete and the physical inventory of equipment should be reconciled in a manner that demonstrates the timeliness and completeness of the physical inventory.

Agency Response:  
“We agree with this finding.

UConn Health continues to implement improvements to our capital asset tracking process. During this audit period, significant efforts were made to reconcile older equipment records, which did take some focus away from normal inventory procedures.

The two pieces of equipment referenced above have already been tagged and entered into our asset system with the required information. We are working on improvements to the capital equipment acquisition process, including additional training to end user departments to ensure that they are aware of the special requirements for ordering, receiving, tagging and tracking capital assets, and refining the way that our asset tagging staff is notified of equipment orders.”
Federal Financial Assistance Awards – University of Connecticut

Activities Allowed or Unallowed - Federal Work-Study Payments

Federal Work-Study Program (CFDA #84.033)
Federal Award Agency: United States Department of Education
Award Year: 2013-2014

Criteria: Title 34 Code of Federal Regulations Section 675.16(a)(6) states that an institution may pay a student after the student’s last day of attendance for Federal Work-Study (FWS) compensation earned while he or she was in attendance at the institution.

Condition: From a sample of eight students with FWS awards that separated from the University of Connecticut, we noted three students who withdrew from the university were paid a total of $87 in FWS compensation for work performed after their effective date of withdrawal. Upon our discovery in August 2014, the university reclassified the FWS charges and funded with non-federal student labor funds.

Effect: Three students were paid a total of $87 from FWS funds that they were not eligible to receive.

Cause: These students had a retroactive withdrawal effective date, which was prior to the date the FWS funds were earned.

Recommendation: The University of Connecticut should implement procedures to monitor that students are not paid with Federal Work-Study funds after the student’s last day of attendance, in situations of a retroactive withdrawal.

Agency Response: We agree with this finding.

Corrective Action Plan: The university has existing procedures in place to identify FWS recipients that withdraw from the university. In the cases cited, students were granted withdrawals by administrators who were unaware of the need to notify the Financial Aid Office. To address this loophole moving forward, the Financial Aid Office will update both the Dean of Students Office and regional campus staff to educate them on appropriate protocols, regarding withdrawals, including the impact on financial aid. The current standard procedures will be enhanced to include the notification step (Dean of Students or regional campus staff).

Anticipated Completion Date: March 1, 2015

Contact Person: Mona Lucas, Director of Student Financial Aid Services, (860)486-2819
**Cash Management**

**Federal Pell Grant Program (CFDA # 84.063)**
Federal Award Agency: United States Department of Education
Award Year: 2013-2014

**Criteria:** Title 34 Code of Federal Regulations (CFR) Section 668.166(b) states that an institution may maintain an amount of excess cash for up to seven days that does not exceed one-percent of the total amount of funds the institution drew down in the prior award year. The institution must immediately return any amount of cash over the one-percent tolerance and any amount remaining in its account after the seven-day tolerance period to the Secretary of the United States Department of Education.

**Condition:** During our review of cash management at the University of Connecticut, we noted one instance where due to a federal Pell Grant program adjustment made on September 24, 2013, excess cash of $5,550 was on hand for 26 calendar days from September 24, 2013 through October 20, 2013, for Award #P063P121228.

**Effect:** The university was not in compliance with federal regulations governing cash management.

**Cause:** The university did not follow established cash management procedures.

**Recommendation:** The University of Connecticut should comply with the cash management provisions stipulated in 34 CFR Section 668.166(b) by ensuring that any excess cash is returned within the timeframe established in the regulations.

**Agency Response:** We agree with this finding.

**Corrective Action Plan:** A procedure has been developed by which account balances are reviewed on a daily basis, prompting the Financial Aid Office to formally request the return of federal aid within the required timeframe.

**Anticipated Completion Date:** Completed November 2014

**Contact Person:** Mona Lucas, Director of Student Financial Aid Services, (860)486-2819

**Student Eligibility – Cost of Attendance**

**Federal Supplemental Educational Opportunity Grants (CFDA #84.007)**
Federal Work-Study Program (CFDA #84.033)
Federal Perkins Loan – Federal Capital Contributions (CFDA #84.038)
Federal Pell Grant Program (CFDA #84.063)
Federal Direct Student Loans (CFDA #84.268)
Teacher Education Assistance for College and Higher Education Grants (CFDA #84.379)
Federal Award Agency: United States Department of Education
Award Year: 2013-2014

**Background:** Qualification for subsidized loans is based on financial need, which is defined as the student’s cost of attendance (COA) less expected family contribution (EFC) and other resources. Qualification for an unsubsidized loan is not based on financial need.

**Criteria:** The term cost of attendance refers to the “tuition and fees normally assessed a student carrying the same academic workload as determined by the institution and includes costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study.” Institutions also may include an allowance for books, supplies, transportation, miscellaneous personal expenses, and room and board.

The student’s COA must exceed the EFC to be eligible for need-based aid such as grants, scholarships and subsidized loans. The EFC is based on information collected from the Free Application for Federal Student Aid. The total amount of the subsidized loan combined with other need-based aid cannot exceed the student’s financial need.

Adequate controls over the financial aid awarding process require that data be entered correctly to the institution’s information system.

**Condition:** From a sample of 36 students selected for student eligibility testing at the University of Connecticut, we noted one instance in which the COA budget was not accurate. In this instance, we noted that a student with need was awarded and disbursed a subsidized federal Direct Student Loans (Direct Loan) of $3,053, when she should have been awarded a subsidized Direct Loan of $3,500. Upon our discovery, the university adjusted the student’s subsidized Direct Loan amount to the annual limit.

**Effect:** A student was not awarded a subsidized Direct Loan for the full amount she was eligible for. Upon notification from the auditors, the university corrected this error on July 18, 2014.

**Cause:** We were informed that the condition occurred due to a financial aid staff error.
Recommendation: The University of Connecticut should establish internal controls to ensure that financial aid staff properly determine student subsidized loan eligibility when a financial aid package is manually processed.

Agency Response: We agree with this finding.

Corrective Action Plan: This finding was the result of employee error. All staff involved in financial aid awarding have been reminded of the importance of checking their work prior to finalizing aid adjustments. Additionally, the annual internal office self-audit has been expanded in an effort to identify said errors moving forward. Further additional in-service training will be required of all staff.

Anticipated Completion Date: March 30, 2015

Contact Person: Mona Lucas, Director of Student Financial Aid Services, (860)486-2819

Matching

Federal Supplemental Educational Opportunity Grants (CFDA #84.007)
Federal Award Agency: United States Department of Education
Award Year: 2013-2014

Background: This finding was brought to the University of Connecticut’s attention during our Statewide Single Audit field work, covering the fiscal year ended June 30, 2013, after the date the Federal Supplemental Educational Opportunity Grants (FSEOG) were first drawn down for the 2013-2014 fiscal year. Therefore, the university was not able to address this issue for the first drawdown made during the current audited period.

Criteria: The 2013-2014 Federal Student Aid Handbook states that when the school establishes an FSEOG account for federal program funds, the matching funds must be deposited at the same time the federal funds are deposited.

Condition: Match amounts during the audited period were not consistent with federal regulations. The nonfederal share of the FSEOG awards was not deposited at the same time the federal funds were deposited. The first drawdown of federal funds was posted to the accounting system on August 21, 2013. A subsequent drawdown adjustment was posted on December 18, 2013. The university’s match of the funds was posted to the FSEOG account on January 31, 2014.

Effect: The university was not in compliance with federal regulations related to the matching of FSEOG funds.

Cause: Established federal policies and procedures were not adhered to.
**Recommendation:** The University of Connecticut should establish internal controls to comply with the federal regulations of the Federal Supplemental Educational Opportunity Grants program relating to the matching requirements.

**Agency Response:** We agree with this finding

**Corrective Action Plan:** The Bursar’s Office modified the sequence of fund drawdowns to ensure federal funds were not drawn down until after the institutional match. We have further enhanced the process to wait until the institutional funds have posted in the accounting system.

**Anticipated Completion Date:** Completed

**Contact Person:** Margaret Selleck, Bursar, (860)486-1675

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**Reporting – Fiscal Operations Report and Application to Participate (FISAP)**

**Federal Supplemental Educational Opportunity Grants (CFDA #84.007)**

**Federal Work-Study Program (CFDA #84.033)**

**Federal Perkins Loan – Federal Capital Contributions (CFDA #84.038)**

**Federal Pell Grant Program (CFDA #84.063)**

**Federal Award Agency: United States Department of Education**

**Award Year: 2013-2014**

**Criteria:** The instructions for completing the FISAP are contained in the *Instructions Booklet for Fiscal Operations Report for 2013–2014 and Application to Participate for 2015–2016 (FISAP).*

**Condition:** We reviewed the FISAP at the University of Connecticut and noted the following:
- The total number of undergraduate and graduate/professional students was reported as 23,371 and 7,959, respectively. The university omitted two part-time medical students in the number of graduate/professional students reported. Postsecondary students enrolled in at least one undergraduate or graduate course creditable toward a certificate and/or listed in the school’s catalog, who were not in a degree academic career per the student administration system, were not reported in these enrollment figures. Upon our discovery, the university submitted a FISAP correction. However, all 2,385 non-degree students were erroneously included in the undergraduate field on the FISAP edit, which was submitted on December 15, 2014. The university subsequently determined that 717 of the non-degree students should have been included in the graduate/professional field and that the
undergraduate and graduate/professional students should have been reported as 25,039 and 8,678, respectively.

- The total tuition and fees for undergraduate and graduate/professional students was reported as $343,595,230 and $124,938,817, respectively. We noted various errors in the amounts reported, including an understatement of $10,000,000 professional tuition and fees for the university’s medical students. Upon our discovery, the university submitted a FISAP correction, and revised its procedures, reporting $331,179,707 and $144,976,850 for undergraduate and graduate/professional tuition and fees. However, tuition and fees for all non-degree students was erroneously included in the graduate field, and certain non-FISAP item types, were included on the FISAP edit submitted on December 15, 2014. The university subsequently revised its program and determined that the amount of tuition and fees for undergraduate and graduate/professional students should have been reported as $334,258,285 and $140,714,322, respectively.

- The total expended for state grants and scholarships made to undergraduates were reported as $3,325,373. The supporting documentation for the amount was $3,280,373. Upon our discovery, the university submitted a FISAP correction.

- The number of students for whom jobs were located or developed was reported as 593. The supporting documentation for this amount was 599. Upon our discovery, the university submitted a FISAP correction.

- The total earnings of the students for whom jobs were located or developed were reported as $3,960,000. The supporting documentation for this amount was $3,964,464. Upon our discovery, the university submitted a FISAP correction.

- The number of students in community service employment was reported as 240. The supporting documentation for this number was 225. This condition was self-identified by the school; the college submitted a FISAP correction.

**Effect:** The FISAP that the university submitted to the United States Department of Education contained errors. If an institution provides inaccurate data, the level of funding for its campus-based programs could be affected.

**Cause:** Departments inadvertently submitted inaccurate summary information to the office responsible for the submission of the FISAP. Graduate students receiving state grants of $45,000 were included in the amount expended for state grants and scholarships to undergraduate students. Additionally, the university decided to use the data for enrollment and tuition and fees from a program that was created within a short period of time prior to the deadline date of December 15, 2014, for FISAP edit corrections to be submitted.

**Recommendation:** The University of Connecticut should establish internal controls to ensure that data reported on the Fiscal Operations Report and Application to
Participate (FISAP) is accurate and in compliance with instructions provided by the United States Department of Education. The university should make necessary corrections to the FISAP data submitted for award year July 1, 2013 through June 30, 2014, to the total number of students, and the amount of tuition and fees that were reported, as necessary.

**Agency Response:** We agree with this finding.

**Corrective Action Plan:** The Bursar’s Office and Financial Aid have modified their data report used to complete the FISAP, and have corrected these errors. They have also worked with the University of Connecticut Health Center to ensure the data received from them is reported correctly. Advice from Department of Education is currently being sought as to whether a correction is necessary to accurately reflect all the data elements since the error did not impact the value of the campus-based allocation.

**Anticipated Completion Date:** Completed

**Contact Person:** Mona Lucas, Director of Student Financial Aid Services (860)486-2819 and Margaret Selleck, Bursar, and (860)486-1675

**Special Tests: Return of Title IV Funds – Policy Issues**

- Federal Supplemental Educational Opportunity Grants (CFDA #84.007)
- Federal Work-Study Program (CFDA #84.033)
- Federal Perkins Loan – Federal Capital Contributions (CFDA #84.038)
- Federal Pell Grant Program (CFDA #84.063)
- Federal Direct Student Loans (CFDA #84.268)
- Teacher Education Assistance for College and Higher Education Grants (CFDA #84.379)

**Federal Award Agency:** United States Department of Education

**Award Year:** 2013-2014

**Criteria:** Title 34 Code of Federal Regulations Section 668.22 provides guidance regarding the treatment of Title IV funds when a student withdraws from an institution.

Per DCL GEN-04-03, if a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn, unless the institution can document that the student completed the period.

**Condition:** The University of Connecticut identified 26 students who received Title IV aid and did not have any passing grades in the academic year. We noted that in two instances the university did not follow its academic engagement procedures for determining whether a Title IV recipient who began
attendance during a period completed the period or should be treated as a withdrawal. Upon our discovery, the university applied its procedures and performed a Return of Title IV Fund calculation and returned an aggregate of $7,583 to the federal Direct Student Loans program. We also noted that the university did not determine the withdrawal date for the students identified with “no passing grades” within 30 days after the end of the payment period for the fall semester.

Effect: The university was not in compliance with the federal regulations governing the Return of Title IV Funds.

Cause: Verification of academic engagement was not initiated by the Office of Student Financial Aid Services for two students due to an issue with the query, which we were informed has since been addressed. The fall semester verification of academic engagement process was not initiated until 66 days after the end of the payment period, which prohibited the university from being able to determine the withdrawal date within the timeliness requirements.

Recommendation: The University of Connecticut should review its procedures to ensure compliance with the federal regulations for determining whether a Title IV recipient who began attendance during a period completed the period or should be treated as a withdrawal in a timely manner.

Agency Response: We agree with this finding.

Corrective Action Plan: The Financial Aid Office further enhanced the query and standard operating procedures utilized to identify federal aid recipients that received no passing grades. The unearned federal aid associated with this finding has been returned to the appropriate program.

Anticipated Completion Date: Completed

Contact Person: Mona Lucas, Director of Student Financial Aid Services, (860)486-2819

Special Tests: Return of Title IV Funds

Federal Supplemental Educational Opportunity Grants (CFDA #84.007)
Federal Work-Study Program (CFDA #84.033)
Federal Perkins Loan – Federal Capital Contributions (CFDA #84.038)
Federal Pell Grant Program (CFDA #84.063)
Federal Direct Student Loans (CFDA #84.268)
Teacher Education Assistance for College and Higher Education Grants (CFDA #84.379)
Federal Award Agency: United States Department of Education
Award Year: 2013-2014
**Criteria:** Title 34 Code of Federal Regulations (CFR) Section 668.22 provides guidance regarding the treatment of Title IV funds when a student withdraws from an institution.

**Condition:** From a sample of ten students who were selected for Return of Title IV Funds testing at the University of Connecticut, we noted the following:
- One student’s federal Pell Grant post-withdrawal disbursement was overstated by $68 as the Pell disbursed amount was incorrect. Upon our discovery, the university returned $68 to the federal Pell Grant program.
- One student’s federal Direct Student Loans (Direct Loan) was included in the Return of Title IV Funds calculation as aid that could have been disbursed even though the student did not sign a promissory note. This error caused the university to refund $212 less than required to the federal Pell Grant program. Upon our discovery, the university returned $212 to the federal Pell Grant program. However, due to the error and the subsequent correction, these funds were returned 119 days after the 45-day deadline for the return of funds.

**Effect:** The university was not in compliance with the federal regulations governing the Return of Title IV Funds.

**Cause:** In the first instance, erroneous enrollment information was used to determine the Pell award. In the second instance, the university included a Direct Loan in its return calculation as “aid that could have been disbursed” for a student who did not sign a promissory note.

**Recommendation:** The University of Connecticut should review its procedures to ensure compliance with the federal regulations contained in Title 34 CFR Section 668.22 governing the treatment of Title IV funds when a student withdraws.

**Agency Response:** We agree with this finding.

**Corrective Action Plan:** A new process was implemented in November 2014, to review all federal aid awarded to students separating/exiting from the university to ensure award amounts are correct prior to R2T4 evaluations. This process is run on a weekly basis.

**Anticipated Completion Date:** Completed November 2014

**Contact Person:** Mona Lucas, Director of Student Financial Aid Services, (860)486-2819

**Special Tests: Enrollment Reporting**

- Federal Perkins Loan– Federal Capital Contributions (CFDA #84.038)
- Federal Pell Grant Program (CFDA #84.063)
- Federal Direct Student Loans (CFDA #84.268)
Criteria: Per Title 34 Code of Federal Regulations Section 682.610(c)(2), changes in enrollment to less-than-half-time, graduated, or withdrawn, must be reported accurately within 30 days. However, if a roster file is expected within 60 days, the data may be provided on that roster file.

Proper internal control over enrollment to the National Student Clearinghouse requires that data submitted be accurate and complete.

Condition: From a sample of twelve students that separated from UConn, we noted one instance where the student’s enrollment information, as reported to the National Student Loan Data System (NSLDS), was not accurate. In this instance, the student's effective date of withdrawal was incorrectly reported.

Effect: Enrollment information was not provided to the NSLDS for certain students in an accurate manner.

Cause: The graduate school used the date they processed the leave of absence/withdrawal as the date of the status change rather than using the effective date of the change.

Recommendation: The University of Connecticut should implement procedures to ensure that enrollment status changes are accurately submitted to the National Student Loan Data System in accordance with federal regulations.

Agency Response: We agree with this finding.

Corrective Action Plan: Outreach has been done to ensure that the Graduate School staff who process the withdrawals/leaves of absence are following appropriate policies. To ensure quality control, the Graduate School has identified a person who will be a centralized point of contact going forward.

Effective October 2014, the Registrar’s Office implemented an internal control in response to this finding. Each month, the Registrar’s Office will review the transmission reports sent by the National Student Clearinghouse to NSLDS and will contact them, as necessary, should we see that files were not transmitted.

Anticipated Completion Date: Completed

Contact Person: Lauren DiGrazia, Registrar, (860)486-3903

Special Tests: Student Loan Repayments

Federal Perkins Loan – Federal Capital Contributions (CFDA #84.038)
Federal Award Agency: United States Department of Education
Award Year: 2013-2014

Criteria: Title 34 Code of Federal Regulations (CFR) Section 674.31(b)(2) states that repayment begins nine months after the borrower ceases to be at least a half-time regular student at the institution.

Title 34 CFR Section 674.42(b) requires an institution to conduct exit counseling with the borrower either in person, by audiovisual presentation, or electronically before the student ceases to be enrolled on at least a half-time basis. If a borrower withdraws without the institution’s prior knowledge or fails to complete an exit counseling session, the institution must provide the exit counseling material to the borrower within 30 days.

Condition: From a sample of ten borrowers at the University of Connecticut who entered repayment during the audited period, we noted the following:

- In two instances the borrower’s conversion to repayment was untimely. An incorrect separation date was used, which resulted in a three month delay to the repayment process.
- In seven instances in which the university was aware that the borrower was graduating, exit counseling was not conducted before the end of the semester. The exit counseling was conducted between 24 and 94 days after the end of the semester.
- In one instance in which the university was aware that the borrower ceased to be at least half-time, exit counseling was not conducted within 30 days after learning that the borrower ceased to be at least half-time.

Effect: The university was not in compliance with federal due diligence requirements.

Cause: The university’s procedures are not in compliance with the federal regulations governing repayment and exit counseling.

Recommendation: The University of Connecticut should ensure that policies and procedures regarding Perkins Loans repayments and exit counseling are in compliance with the federal regulations.

Agency Response: We agree with this finding.

Corrective Action Plan: In Spring 2014, the process to provide ECSI (loan service provider) the Anticipated Graduation List for separation dates and timely exit counseling was revised. The process was further enhanced by sending a weekly secure file to ECSI for Spring 2015 and forward. These changes will help ensure compliance with federal regulations.

Anticipated Completion Date: Completed
**Contact Person:** Margaret Selleck, Bursar, (860)486-1675

**Special Tests: Student Loan Repayments- Cancellations**

**Nurse Faculty Loan Program (NFLP) (CFDA #93.264)**  
**ARRA – Nurse Faculty Loan Program (ARRA-NFLP) (CFDA #93.408)**  
**Federal Award Agency:** United States Department of Health and Human Services  
**Award Year:** 2013-2014

**Criteria:** The Nurse Faculty Loan Program (NFLP) is authorized by Title VIII of the Public Health Service Act, Section 846A (42 U.S.C. 297n-1), as amended by the Patient Protection and Affordable Care Act, Public Law 111-148, Section 5311. Section 846A(c)(3) of the Public Health Service Act authorizes the lending school to cancel up to 85 percent of the NFLP loan. Funding Opportunity Announcement Number HRSA-13-189 provides other information regarding the cancellation provision. The borrower is required to submit an **NFLP Request for Postponement of Installment Payment** form 30 days before the initial 9-month grace period, and annually thereafter, in lieu of payment, 30 days before the expiration date of the initial request for postponement each year of employment. After the end of each complete year of employment, the borrower must submit a **NFLP Request for Partial Cancellation Form** to the school. The NFLP loan bears interest on the unpaid balance at the rate of 3 percent per annum beginning 3 months after the borrower graduates from the program.

**Condition:** From a sample of five students at the University of Connecticut with a federal loan cancellation during the audited period, one of whom had an NFLP and ARRA-NFLP loan cancellation, we noted the following for this borrower:

- The interest on the amount of the unpaid balance upon completion of her first year of full-time employment was not cancelled on her NFLP and ARRA-NFLP loans.
- 20 percent of the principal and interest on the amount of the unpaid balance upon completion of her second year of full-time employment was not cancelled on her NFLP loan.
- The NFLP interest cancellation for the third year of full-time employment was incorrectly calculated.

Upon our discovery, the university contacted its loan service provider, who corrected the errors on December 1, 2014, and January 14, 2015.

Additionally, not all forms were properly completed and/or submitted as required by the borrower and the school.

**Effect:** The university was not in compliance with federal requirements regarding NFLP cancellations, and the borrower’s loan was not cancelled as required until the auditors notified the university of the discrepancies.
Cause: Established federal cancellation procedures were not followed. Service provider memo records indicate that the borrower had questions concerning filling out the NFLP loan cancellation paperwork.

Recommendation: The University of Connecticut should ensure that policies and procedures regarding Nurse Faculty Loan Program (NFLP) cancellations are in compliance with federal regulations. Additionally, the university should review all borrowers NFLP and ARRA-NFLP loan cancellations made to date to ensure that they were properly processed.

Agency Response: We agree with this finding.

Corrective Action Plan: The error in interest cancellation not being completed was acknowledged by our loan service provider (ECSI) as an “operator error”, the result of a manual step not completed. Since that time, the cancellation calculations are now systematically completed and posted without manual intervention.

Beginning in July 2013, the Bursar’s Office (Perkins/NFLP Office) began reviewing every request for deferment and/or partial cancellation, and have reviewed all NFLP and ARRA-NFLP borrowers to date.

Also, as of December 2014, procedures were revised so that NFLP Request for Partial Cancellation Forms are now completed and approved by the Bursar’s Office and copies of completed forms are sent to the student (borrower).

Anticipated Completion Date: Completed

Contact Person: Margaret Selleck, Bursar, (860)486-1675

Institutional Eligibility

Federal Direct Student Loans (CFDA #84.268)
Federal Award Agency: United States Department of Education
Award Year: 2013-2014

Background: Per the 2013-2014 Federal Student Aid Handbook, to participate in the Federal Student Aid programs, a school must apply to and receive approval from the United States Department of Education. The Sixth-Year diploma is not a degree but is generally recognized as an academic credential beyond the Master’s degree. In general, the school’s eligible non-degree programs are specifically named on the Eligibility and Certification Approval Report. Per OMB Form No. 1845-0012, Application for Approval to Participate in Federal Student Financial Aid Programs, Section E, an institution is required to provide information for each educational program that it is requesting to be eligible to participate in federal student financial aid
programs that will be provided as of the date of the application or that will be provided during the current award year.

Criteria: Per Title 34 Code of Federal Regulations Section 668.14(a)(1), an institution may participate in any Title IV, HEA program, other than the LEAP and NEISP programs, only if the institution enters into a written program participation agreement with the Secretary, on a form approved by the Secretary. A program participation agreement conditions the initial and continued participation of an eligible institution in any Title IV, HEA program upon compliance with the provisions of this part, the individual program regulations, and any additional conditions specified in the program participation agreement that the Secretary requires the institution to meet.

Condition: The University of Connecticut (UConn) did not include its Sixth-Year Graduate Certificate programs, for which federal aid was offered, on its application to participate in the federal student financial aid programs. The Program Participation Agreement (PPA) for UConn, effective August 17, 2011, with an expiration date of June 30, 2014, did not include the Sixth-Year programs.

Effect: The university offered federal aid to students enrolled in Sixth-Year Graduate Certificate programs that were not included on the university’s PPA. The university reported that 70 students enrolled in Sixth-Year Graduate Certificate programs received Direct Loans of $868,964; Grad PLUS loans of $154,800; Federal Perkins Loans of $10,000; and Federal Work-Study of $3,000 during our audited year.

Cause: The university’s procedures for students enrolled in Sixth-Year Graduate Certificate programs were to package these students as 2nd Master’s Degree students. The two students that received Federal Perkins Loans and/or Federal Work-Study completed Master’s Degree programs and were admitted to Sixth-Year Graduate Certificate programs in fall 2013.

Recommendation: The University of Connecticut should ensure its procedures are in compliance with federal requirements governing eligible non-degree programs for participation in the federal student financial aid programs. The university should obtain approval from the United States Department of Education for authorization to award federal aid to Sixth-Year Graduate Certificate program students. The university should contact the United States Department of Education regarding resolution of this finding.

Agency Response: We agree with this finding.

Corrective Action Plan: The Financial Aid Office contacted ED for guidance on January 8, 2015. Per ED instructions, the eligible certificate programs will be added to the Program Participation Agreement for approval consideration. Once approval is granted by ED, a retroactive effective date will be considered.
Anticipated Completion Date: January 14, 2015 (Contacted ED); February 28, 2015 (E-App Update); March 30, 2015 (ED decision on retroactive program approval).

Contact Person: Mona Lucas, Director of Student Financial Aid Services, (860)486-2819
TAB 6
# The Office of Audit, Compliance & Ethics
## Status of External Audit Projects

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Area</th>
<th>Scope</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marcum, LLP</td>
<td>UConn Health</td>
<td>Audits of the John Dempsey Hospital and Dental Clinics (Clinical Programs Fund), including the OHCA filings, UConn Medical Group (UMG) and the University of Connecticut Health Center Finance Corporation for FY2015.</td>
<td>FY2015 engagement is underway.</td>
</tr>
<tr>
<td>McGladrey</td>
<td>Storrs, Regionals &amp; UConn Health</td>
<td>Audit of UCONN 2000 named projects substantially completed during FY2014, deferred maintenance projects with designated budgets substantially completed in FY2014 and agreed upon procedures performed on total UCONN 2000 expenditures (named projects, deferred maintenance and equipment) for FY2014.</td>
<td>Engagement is underway. Report to be presented to the JACC at their May 2015 meeting.</td>
</tr>
<tr>
<td>BKD</td>
<td>Storrs Athletics</td>
<td>NCAA agreed upon procedures performed on all revenues, expenses, and capital expenditures for or on behalf of the University’s Athletics Program for FY2015.</td>
<td>OACE will request JACC approval to hire BKD for FY2015 at their September JACC Meeting.</td>
</tr>
</tbody>
</table>
TAB 7
SUMMARY

Following are excerpts from news articles having a risk management or compliance impact. The full article may be seen at the referenced source (some may require subscription to access). Topics for this month include the following:

- Athletics/NCAA,
- Campus Safety,
- Information Security/Privacy, and
- Legislation.

Athletics/NCAA

NCAA Says It’s Investigating Academic Fraud at 20 Colleges

The National Collegiate Athletic Association is investigating allegations of academic misconduct on 20 campuses, the association’s head of enforcement told The Chronicle on Tuesday.

The cases are at various stages, from preliminary inquiry to awaiting a hearing with the Division I Committee on Infractions, and they involve a variety of missteps, including allegations that players received impermissible assistance from professors, academic advisers, or people outside of an athletic department. Eighteen of the cases are in Division I, one is in Division II, and one is in Division III. The official declined to name any of the colleges.

Last month Jonathan Duncan, the NCAA’s vice president for enforcement, said the association was investigating potential academic violations at 12 to 15 colleges.

In an interview on Tuesday, NCAA officials said they were looking at alleged academic misconduct in 20 athletic programs.

Last year, in response to growing concerns over academic fraud, the NCAA established an academic-integrity group within its enforcement department, naming Katherine Sulentic, a former academic adviser at the University of Colorado at Boulder, as its chair. In the coming months, Mr. Duncan said, he plans to bolster that unit.

The NCAA’s 60 or so investigators already receive training on what constitutes academic fraud and how to handle potential academic violations. Ms. Sulentic will provide additional training to a handful of enforcement officials. Her goal, she said, is to help them better understand NCAA rules on academic eligibility and to learn more about the documents that are available to aid in investigations.

"The timing is right to dedicate more resources to this," Ms. Sulentic said. "Everyone’s antenna is up about academic fraud on a college campus in general."

A Wide Network

Allegations of academic misconduct are on the rise in college sports, and represent a growing share of the 120 cases the NCAA is investigating.

In November the association’s Division I Committee on Infractions placed Weber State University on probation for three years and reduced scholarships in its football program after finding that a mathematics instructor there had helped five football players cheat. The instructor, who is no longer at the university, reportedly obtained access to players’ online accounts and helped them complete quizzes and tests.

In December the NCAA ordered a nine-meet suspension for Jack Bauerle, the head coach of swimming and diving at the University of Georgia, after determining that he had asked a professor to register a star swimmer in a fall independent-studies class after the fall semester had ended.

The NCAA is also reportedly investigating allegations of widespread academic violations at the University of North Carolina at Chapel Hill. An independent report, released in October, found that academic advisers there had directed hundreds of players to no-show classes that helped them stay eligible for sports.

Mr. Duncan and Ms. Sulentic attributed the increase in alleged academic violations to a variety of factors, including stricter NCAA academic standards and a rise in cheating among college students in general.
They said that many of their current cases involved people who had relationships with an athletic department or a particular sports program, but who were not necessarily employed by the department. Those include professors, academic advisers who work outside of athletics, and people in the registrar’s office.

Coaches are also involved. In some cases, head coaches have urged members of their staff—secretaries, athletic trainers, people in the weight room—to "get this young man or woman eligible," Ms. Sulentic said.

"It’s not necessarily a directive about what to do—‘I need you to write this kid’s paper,’” she said. But she said coaches were making "proclamations" to a broad network of people, encouraging them to cheat on behalf of current players or recruits.

The association is also seeing other people involved in players’ lives, including agents, amateur basketball coaches, or financial planners, taking inappropriate steps to help players gain eligibility.

**Campus Safety**

**U. of Virginia Reinstates Fraternities and Sets New Rules for Parties**  

The University of Virginia has reinstated all of its fraternities, pending their acceptance of a new agreement requiring, among other things, that at least three members be “sober and lucid” at all parties. The college announced the measure in a news release on Tuesday.

In November, Teresa A. Sullivan, the university’s president, suspended all fraternal organizations in response to an article in *Rolling Stone* magazine chronicling the alleged gang rape of a UVa student at a fraternity house. The magazine’s account of the incident has since been largely discredited.

The new agreement, which fraternities must sign by January 16, requires, among other things, that:

- At least three members be “sober and lucid” at each function.
- At least one of the sober brothers be stationed at each point of alcohol distribution, and one be at the stairs leading to the house’s bedrooms.
- The fraternity provide one additional sober brother per every 30 members of the chapter.
- At least three of the sober brothers be non-freshmen.
- All fraternities submit two risk-management plans to the college’s Inter-Fraternity Council.

Read the full agreement here.

**Department of Justice Releases Report on Rape and Sexual Assault Victimization Among College-Age Women**  
*Higher Education Law Report – Bond Schoeneck & King – December 18, 2014*

Late last week, a Special Report on Rape and Sexual Assault Victimization Among College-Age Females ("Report"), for the period 1995-2013, was issued. The results are based on information taken from the U.S. Department of Justice (Bureau of Justice Statistics’) National Crime Victimization Survey ("NCVS"). Some of the results reflect notable differences from two other recent surveys studying rape and sexual assault in the general college age population – the National Intimate Partner and Sexual Violence Survey ("NISVS") and the Campus Sexual Assault Study ("CSA") – which the Report attributes to differences in the context and scope of these three surveys (the NCVS is a survey about crime while the NISVS and CSA surveys are presented in the context of public health); in definitions used; in how questions are worded; and in mode and response rates. However, a key element of the NCVS study is that it compares responses between “students” and “non-students,” while the other surveys do not. As a result, despite any questions that may be raised about the differences in gross outcomes when compared to the NISVS and CSA surveys, the NCVS’ comparative information based on student status should be unaffected by methodology differences.
Among the results of this Report:

- From 1997 to 2013, college age females (those ages 18-24) had higher rates of rape and sexual assault than females in other age groups (4.3 victimizations per 1,000 compared to 1.4 for females 12-17 and 25 or older)
  - And, for the 1995-2013 period, nonstudent college age females were 1.2 times more likely to experience rape and sexual assault victimization than students in the same age range, with the rate of completed rape 1.5 times higher among nonstudents;
  - For that same time period, nonstudent college age females were 1.6 times more likely to experience victimization across all types of violent crime than their student counterparts;

- Rape and sexual assault victimization was more likely to occur at or near the victim’s home for nonstudents (50% of the time) than students (38% of the time), but more likely to occur at or near the home of a friend/relative/acquaintance of a student (29% of the time) than a nonstudent (17% of the time);

- The rate at which a weapon was involved was about the same for students (11%) and nonstudents (12%);

- College age victims knew their offender at about the same 80% rate regardless of their student status, although for students the offender was more likely (50% of the time) to be a well-known or casual acquaintance than for nonstudents (37% of the time), while the offender was more likely to be an intimate partner (a former or current spouse, boyfriend or girlfriend) for nonstudents (34% of the time) than for students (24% of the time);

- In the overwhelming majority of cases, there was a single offender (95% of the time in student victimizations and 92% of the time in nonstudent cases);

- The age of the offenders was also similar regardless of student status: for students, 51% of offenders were 21-29 and 23% were 30 or older, while for nonstudents 53% of offenders were 21-29 and 23% were 30 or older;

- In the case of students, it was believed in 47% of the cases that the offender was under the influence of alcohol or drugs and in only 25% of the incidents was that not believed to be the case (the rest were unknown), while among nonstudents, offenders were believed to be under the influence of alcohol or drugs 40% of the time and not so in 36% of the incidents;

- The results showed that students were less likely to report to the police (reporting in 20% of the cases) than nonstudents (reporting in 33% of the cases);
  - Among the reasons for not reporting: it was considered a personal matter (26% for students, 23% for nonstudents), it was not important enough to the victim (12% for students, 5% for nonstudents), the victim did not think police could or would help (9% for students and 19% for nonstudents), the victim did not want to get the offender in trouble (10% for each), and the victim feared reprisal (20% for each);

- There was little difference in the (very low) proportion of student (16%) and nonstudent (18%) victims who received assistance from a victim services agency;

- For the period, there was no significant difference in the victimization rates of student and nonstudent rapes and sexual assaults among Black non-Hispanics, Hispanics, or persons of other races, but the rate of victimization among White non-Hispanic females was 1.4 times higher for nonstudents (rate of 9.2 per 1,000) than White non-Hispanic students (6.7 per 1,000);

- The rate of victimization was 1.6 times greater among nonstudents in the 18-19 age group than for students in that group, 1.5 times higher for nonstudents in the 20-21 age group compared to students, but there was a slightly higher victimization rate among students (6.0 per 1,000) than nonstudents (5.4 per 1,000) in the 22-24 age group;

- Females students in the South had the lowest victimization rate (4.7 per 1,000), while the Northeast was at 5.2, the West was at 5.9 and the Midwest was at a much higher rate of 8.3. For nonstudents, the rate for the South was 6.5, the Northeast was 4.1, the West was 8.0 and the Midwest was, again the highest, at 11.0;

- In urban areas, nonstudents had a victimization rate that was 1.3 times higher than students (8.7 vs. 6.6); in suburban areas the rates were the same (6.0); and the victimization rate for nonstudents was almost twice that of students (8.8 vs. 4.6) in rural areas.
The numbers contained in the Report are troubling on many levels – whether it is the overall level of sexual assault and violence, the low level of reporting by victims, or the even lower level of assistance secured from victim services agencies. About the only thing the numbers don’t demonstrate is that a college age female student is at greater risk than a nonstudent. While the Report indicates that a female college aged student is marginally “safer” than her nonstudent counterpart, there is still much more that needs to be done – on campus and off – to combat rape and sexual assault.

**Information Security/Privacy**

**Obama Proposes a National Standard for Data Breaches**
*Corporate Counsel - January 13, 2015*

With backing from the business community, President Barack Obama on Monday unveiled a proposal for a national standard to alert consumers of corporate data breaches.

The Personal Data Notification and Protection Act, which Obama announced at the Federal Trade Commission, would replace the patchwork of state and federal breach notification laws with a comprehensive statute. Under the president's plan, companies would have up to 30 days to tell their customers about a breach.

The District of Columbia, Guam, Puerto Rico, the Virgin Islands and 47 states currently enforce differing standards for data breach notifications, according to the National Conference of State Legislatures. Investigating and responding to a data breach costs U.S. companies $5.9 million on average, a 2014 Ponemon Institute study sponsored by IBM shows.

"It’s confusing for consumers and it’s confusing for companies—and it’s costly, too, to have to comply to this patchwork of laws," Obama said. "Sometimes, folks don’t even find out their credit card information has been stolen until they see charges on their bill, and then it’s too late."

Retailers and bankers were quick to welcome Obama's proposal.

Frank Keating, president of the American Bankers Association, said in a statement that banks are "fully committed to protecting consumer data, notifying them in the event of a breach and making our customers whole." The group's members include Bank of America Corp. and JPMorgan Chase & Co.

David French, senior vice president for government relations at the National Retail Federation, said in a statement that Obama is "moving the conversation and taking affirmative steps that will help retailers and their customers battle cyber fraud and abuse.” The organization counts Dick's Sporting Goods Inc., Macy's Inc. and Petco Animal Supplies Inc. among its members.

Obama will include the PDNPA and other cybersecurity proposals in his annual State of the Union address to Congress on Jan. 20, according to the White House. The president said at the FTC that he also is looking for lawmakers to take up "Consumer Privacy Bill of Rights" legislation. Such a bill should ensure secure data storage for consumers and allow them to control companies' use of their personal data, he said.

"This mission, protecting our information and privacy in the Information Age, this should not be a partisan issue," Obama said. "This should be something that unites all of us as Americans."

**PCI Compliance Crackdown**
*University Business, February 2015*

The concept of campus-as-merchant is a hard one to grasp. Sure, there's the campus store, but the college or university itself?

For those involved in securing credit card data used in higher ed transactions, that merchant status is not only a good-to-know fact, but one that must be acted on. Banks are beginning to exercise greater scrutiny over these activities on campus, so it’s more important than ever that campus officials get a firm hold on, and a clear understanding of, this aspect of their operations.

The tighter focus comes with the latest version of the Payment Card Industry Data Security Standards (PCI DSS), which outline how credit card data is to be handled, stored and kept secure. The regulations must be adhered to by
all payment card network members, merchants and service providers—including colleges and universities. The original standards made their debut in 2004.

Over the years, the standards have been refined to reflect not only advances in technology, but the increasingly sophisticated threats to data security. Now in its third incarnation, PCI DSS 3.0 took effect on Jan. 1, 2014, but merchants had until Jan. 1, 2015 to prove compliance.

Historically, higher ed institutions could qualify as a lower level of transaction activity—and, in turn, confirm compliance by simply filing an SAQ, or self-assessment questionnaire. This was accomplished by treating each department involved in processing credit card payments as an individual merchant.

Now, banks—under pressure and threat of financial penalty from credit card issuers—are cracking down (or are about to crack down) and will measure colleges and universities based on transactions campus-wide. Rule-breakers may be fined or barred from accepting credit cards. That’s why campus officials need to answer five crucial questions regarding PCI compliance.

**Q: What merchant level are we—and what should we be?**

**A:** Banks and credit card brands designate merchants as level 1, 2, 3 or 4 based on the annual number of transactions processed. Level 1 merchants process 6 million or more in Visa, MasterCard or Discover transactions (including card-present and card-not-present); level 2 merchants handle 1 million or more of either transaction type. Level 3 merchants process 20,000 or more card-not-present transactions; level 4 merchants are all others. (American Express also bases its level on transaction counts, but doesn’t distinguish between card-present or card-not-present transactions, and also has three rather than four levels.)

Because it’s common for colleges to treat each department involved in processing credit card payments as an individual merchant, the majority of higher ed institutions are designated as level 3 or 4, requiring the least amount of compliance work.

Level 1 merchants must be audited for PCI compliance by an outside, qualified security assessor (QSA). Level 2 merchants must undergo the same extensive audit, done either by a staff security assessor or an outside QSA.

**Q: What impact are the PCI DSS 3.0 standards having on higher ed?**

**A:** There are two significant changes in the new standards, both pertaining to the use of third-party service providers:

- Many colleges contract with companies to process credit card payments and store the data. Under the new rules, the institution and the vendor share responsibility for compliance, and the vendor must ensure data is protected at all times. This requires that campus administrators closely examine their vendor contracts to ensure vendors will meet their obligations.

- The new self-assessment more clearly defines “wholly outsourced” versus “partially outsourced” in the use of third-party service providers. Previously, these terms were more open to interpretation, enabling many colleges to file a 14-question assessment, known as SAQ A. But tighter regulations may require colleges to answer nearly 10 times the number of questions, using the SAQ A-EP form.

**Q: What are some of our biggest compliance risk areas?**

**A:** College campuses typically are large and decentralized, with open networks designed to facilitate knowledge-sharing, says Mike Cullen, senior manager with Baker Tilly, a higher education accounting and advisory firm based in Virginia.

The decentralized environment makes it challenging for institutions because they don’t know where all the credit card data is, what networks the data is going over, where it’s being stored, and who/what department has taken it and how, he explains. In addition, the open networks that encourage data sharing make it harder to protect that data from a breach.

All of this can make complying with the standard’s goal of limiting the systems and networks that process credit card payments challenging, Cullen says.
Many institutions also still rely heavily on paper records, and continue to store them even after they’ve been scanned. “The PCI DSS 3.0 specifies how data on paper is to be stored and what constitutes a violation,” Cullen says. “So colleges not only have to be in compliance electronically but also in how they handle paper.”

Overloaded IT staffs, data-rich information systems that present an attractive target for intruders, and undocumented campus networks can add to the security risk, King adds.

Alumni fundraising efforts represent another vulnerability. These events are often held off-campus, with donations made by credit cards—and processed in ways that may not be PCI-compliant.

**Q: How are institutions addressing risks?**

**A:** One strategy has been centralizing control. For example, Brown University tasked its Commerce Committee with ensuring compliance. The committee consists of representatives from finance, computing, audit and a department that accepts credit card payments, says David Sherry, chief information security officer. This committee is the sole gatekeeper for credit card use campuswide.

“The university accepts cards in over 90 areas, so oversight and an approved body is key to success,” Sherry says. “With this centralized committee, all training, compliance, policies and approvals are in one area, with easier oversight.”

The committee regularly reviews each area accepting credit cards and also holds town hall sessions (for anyone involved in credit card processing and compliance) and mandatory training. The committee guides departments in completing the SAQs.

James Madison University in Virginia also organized a PCI committee, comprised of members from finance and IT, says Linda Combs, director of the University Business Office (UBO). It was determined that IT Security would oversee the technical requirements and that the UBO would be responsible for the administrative requirements. Because the committee agreed they needed guidance and expert assistance, they hired a PCI consultant.

Any office or department accepting credit cards has obtained approval from its assistant VP for finance, says Combs. Once approved, the requesting department is directed to her office to:

- Set up the merchant account.
- Determine how cards will be accepted.
- Schedule training for all card-handling employees.
- Schedule an inspection of security measures and physical set-up, and get help with the annual SAQ completion.

“To ensure that everyone is compliant, our IT staff regularly searches for system indications of unauthorized credit card processing,” Combs says. Staff also conduct annual training (as required by PCI) and try to have a consultant conduct a general information update session with all their merchant areas about every two years.

To reduce the risk of noncompliance, Villanova University in Pennsylvania partnered with a QSA to interpret the standards and determine a course of action, says Lucas Burke, chief information security officer.

Burke served at the coordinator and point-of-contact between the QSA, IT leadership, the financial affairs office and other campus stakeholders. Officials also committed to really understanding the requirements, he says.

“Version 3.0 contains 241 individual controls and 399 testing procedures,” Burke says. “Some of those controls can be interpreted or implemented in varying ways. Therefore, each must be considered carefully.”

Officials decided not to just achieve compliance but to “truly enhance the information security of our card-processing environment,” he adds. Among other strategies, the university:

- Reduced its cardholder environment. This involved outsourcing where possible to approved third-party providers. “Where you can’t outsource, implementing point-to-point encryption might be a good idea,” he says.
- Complied as a level 1 merchant. The reasoning is that the stringent requirements would ensure security.
- Established a relationship with their bank’s PCI staff. The bank guides them in applying the standards and suggesting alternatives when the rules allow, Burke says.

While outsourcing can be a smart way to help manage PCI compliance, this is hardly an area where administrators can contract with a company and be done with it. “Pay careful attention to your vendors,” Burke advises. “If you’re
Q: Why and how have banks changed the way they’re looking at compliance?

A: If banks aren’t scrutinizing their higher ed merchants at the moment, there’s a strong likelihood they will, say Cullen and King. “So far, banks have focused attention on level 1 and 2 merchants,” says Cullen. “But they’re starting to look at level 3 and 4 merchants now.”

Banks have become more concerned about data breaches and more worried about risk in general, he says. If a merchant’s data is breached, the card provider could fine the bank and then the bank will fine the merchant.

Colleges and universities represent a particular concern for banks because of their unique vulnerabilities, and because the self-assessments don’t offer the level of security that banks increasingly want to see. In response, they’re moving to limit their own exposure to risk by “cracking down” on the merchants, he says.

It’s important for institutions to understand that compliance is more than an annual check-off exercise, says King. “Rather, compliance with the data security standards should be viewed as an everyday, business-as-usual practice. Campuses will need to evolve and change as their technology changes and as their risks and threats change.”

Legislation

Regulatory Outlook


What can colleges expect from the Education Department in 2015? In short, rules, rules, and more rules. The agency, which has been on a regulatory binge in recent years, is set to finalize its controversial teacher-preparation regulation by the fall, and will establish a new rule-making panel—this one focused on loan repayment—that will start its negotiations next month. Draft rules on student debit cards and distance education are also likely this year. And don’t forget the much-maligned gainful-employment rule, which takes effect in July, and President Obama’s controversial college-ratings plan, which is supposed to be final by the fall.

Congressional Republicans, meanwhile, will do their best to thwart those rules. They’ve already vowed to block the gainful-employment rule, calling it an example of government overreach. And they’re threatening to block the federal ratings plan, too, with Senator Alexander leading the effort in the Senate.

Stay tuned. With the clock ticking on President Obama’s second term in office, 2015 will be a critical year for the president’s college-accountability agenda.

House Passes ACA Measure Redefining Full-Time Worker

Corporate Counsel - January 9, 2015

Despite opposition from President Barack Obama, the U.S. House of Representatives has passed legislation to modify a key Affordable Care Act provision, drawing applause from the business community.

House members on Thursday voted 252-172 in favor of the Save American Workers Act, which redefines a “full-time employee” under the ACA as an individual who has a workweek that is at least 40 hours long, rather than 30 hours or more. The health care law required companies with at least 100 full-time employees to provide insurance to 70 percent of those workers by Jan. 1 or face penalties.

No Republicans voted against the bill, which Rep. Todd Young, R-Ind., introduced Tuesday. The measure also had the support of 12 Democrats.

Obama has threatened to veto the legislation if it passes the Senate. The newly minted Republican chamber hasn’t announced a vote on either the measure or a companion bill, the Forty Hours Is Full Time Act, which Sen. Susan Collins, R-Maine, also offered Tuesday.
The "More Time for Full Time" initiative from the U.S. Chamber of Commerce, National Retail Federation, National Restaurant Association and other business groups said it's excited about working with senators to pass legislation that modifies the definition of a full-time worker.

"With House passage, we urge the Senate to move forward on this issue swiftly," the organizations said in a statement.

Collins said she welcomed the House's approval of the Save American Workers Act. She expressed concern that, without altering the full-time definition, workers would lose hours and pay from employers trying to avoid providing health insurance.

“Our goal is simple,” Collins said in a statement. "We want to protect part-time workers from having their hours reduced and their paychecks cut because of the definition in this law."

Both bills were before lawmakers in the last Congress. Although the Save American Workers Act passed the Republican-controlled House, the measure never made it out of the Senate when Democrats held the majority. The Forty Hours Is Full Time Act also stalled in the Senate.

House Minority Leader Nancy Pelosi, D-Calif., on Thursday said congressional Democrats would be able to sustain a presidential veto on legislation to modify the full-time definition. Both the House and the Senate need two-thirds of their members to support a bill to override a veto.

The legislation "will increase the ranks of the uninsured up to half a million people," Pelosi said at a news conference. "That is not right."

DATA Act Would Require More Security for Personal Info

Corporate Counsel-January 29, 2015

Reps. Bobby Rush, D-Ill., and Joe Barton, R-Texas, have introduced legislation that could saddle companies with as much as $5 million in civil penalties if they don't take certain steps to safeguard their customers' personal information.

The Data Accountability and Trust Act (DATA), which Rush and Barton offered in past congresses, would require businesses to have "effective information security policies and procedures" to protect customer data, according to a news release the lawmakers issued after they introduced the bill Wednesday. The measure would leave it up to the Federal Trade Commission to create rules that would identify cybersecurity practices companies must follow to avoid civil penalties.

Under the legislation, businesses also could face civil penalties of up to $5 million if they don't abide by a national data breach notification standard that would require them to let the FTC and their customers know about a breach. Companies generally would have to send the notices no later than 45 days after they've discovered a breach.

The DATA Act comes amid growing pressure in Washington to pass legislation that better protects consumer data. President Barack Obama this month pushed for cybersecurity legislation during his State of the Union address and during a visit to the FTC's headquarters. At the agency, he called for a "Consumer Privacy Bill of Rights" and unveiled the Personal Data Notification and Protection Act, his plan to substitute the patchwork of state and federal breach notification laws for a comprehensive statute. Unlike the DATA Act, however, Obama's proposal would give businesses only 30 days to tell their customers about a breach.

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Congress also has heard from retailers and others in the business community who have advocated for a national breach notification standard and have indicated support for strong data security practices. Rep. Michael Burgess, R-Texas, said this week at a House Energy and Commerce Committee subcommittee hearing on data breach legislation that Congress should move quickly to approve a national standard. Burgess is chairman of the House Energy and Commerce Committee's Commerce, Manufacturing and Trade Subcommittee, which held the hearing.

The Senate also is working on data breach legislation. Sen. Bill Nelson, D-Fla., earlier this month introduced the Data Security and Breach Notification Act, which would create a national standard.
"This Committee is calling for action, the President is calling for legislation with a national breach notification regime and the Senate has legislation with a national standard," Burgess said in remarks prepared for the hearing. "But most importantly, consumers are calling for legislation—the time to act is now."
SUMMARY

Following are excerpts from news articles having a risk management or compliance impact. The full article may be seen at the referenced source (some may require subscription to access). Topics for this month include the following:

- Accessibility
- Campus Safety
- Information Security
- Legislation
- Research Compliance

Accessibility

Harvard and M.I.T. Are Sued Over Lack of Closed Captions


Advocates for the deaf on Thursday filed federal lawsuits against Harvard and M.I.T., saying both universities violated antidiscrimination laws by failing to provide closed captioning in their online lectures, courses, podcasts and other educational materials.

“Much of Harvard’s online content is either not captioned or is inaccurately or unintelligibly captioned, making it inaccessible for individuals who are deaf or hard of hearing,” the complaint said, echoing language used in the M.I.T. complaint. “Just as buildings without ramps bar people who use wheelchairs, online content without captions excludes individuals who are deaf or hard of hearing.”

Jeff Neal, a spokesman for Harvard, said that while he could not comment on the litigation, Harvard expected the Justice Department to propose rules this year “to provide much-needed guidance in this area,” and that the university would follow whatever rules were adopted.

A spokeswoman for the Massachusetts Institute of Technology said the university was committed to making its materials accessible to its students and online learners who are hearing-impaired, and included captioning in all new course videos and its most popular online courses.

The case highlights the increasingly important role of online materials in higher education. M.I.T. and Harvard have extensive materials available free online, on platforms like YouTube, iTunesU, Harvard@Home and MIT OpenCourseWare. In addition, the two universities are the founding partners of edX, a nonprofit that offers dozens of MOOCs, or massive open online courses, free to students around the world.

The complaints say Harvard and M.I.T. violated both the Americans With Disabilities Act and the Rehabilitation Act of 1973, and seek a permanent injunction requiring them to include closed captioning, which provides a text version of the words being spoken, in their online materials. Despite repeated requests by the association, the complaints say, the two universities provide captioning in only a fraction of the materials, “and even then, inadequately.”

The lawsuits, filed by the National Association of the Deaf, which is seeking class-action status, say the universities have “largely denied access to this content to the approximately 48 million — nearly one out of five — Americans who are deaf or hard of hearing.”

Bill Lann Lee, the Oakland, Calif., lawyer who represented the association along with lawyers from several disability rights groups, said the association thought that because Harvard and M.I.T. had been leaders in putting university content online, a change in their practices would have an impact on other universities’ policies.

The federal government has already moved to ensure that blind students will not be left out by the adoption of electronic readers; it is now taking action to ensure that deaf students have access to captioned materials.

In 2010, the Justice Department’s Civil Rights Division and the Education Department’s Office for Civil Rights sent a joint letter to university and college presidents saying federal disability laws required that “individuals with
disabilities must be provided with aids, benefits or services that provide an equal opportunity to achieve the same result or the same level of achievement as others.”

Although the letter dealt specifically with blind students and e-book readers, disability rights lawyers say the same reasoning applies to deaf students and online lectures.

In December, the Education Department resolved broad compliance reviews with the University of Cincinnati and Youngstown State University, with agreements that specifically included captioning as part of compliance with the disability laws.

“Disability law compliance at universities is very much a work in progress, even though access to education is incredibly important,” said Samuel Bagenstos, a University of Michigan law professor who was formerly the principal deputy assistant attorney general in the Justice Department’s Civil Rights Division. “It requires making changes in bureaucratic routines, and in big institutions, there’s resistance to deviating from the routines.”

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**Campus Safety**

**Vulnerable to Measles**

*Inside Higher Ed* - February 3, 2015

Students at three California campuses -- Moorpark College, California State University at Channel Islands and California State University at Long Beach -- are now believed to have contracted measles, joining more than 90 other people in the state who have contracted the largely eradicated disease.

California students are within their legal rights to come to campus without having been vaccinated -- the state is one of 22 that does not require college students to be vaccinated against measles. As a result, many California colleges, including the 10 campuses of the University of California System, do not require students to receive immunizations before enrolling.

The University of California may soon move to change its policy. A proposed three-year plan would require incoming students in 2017 to receive vaccinations for measles, mumps, rubella, chicken pox, meningococcus and tetanus. Currently, the system only requires students to be vaccinated against hepatitis B.

James Cherry, a pediatrics research professor at the University of California at Los Angeles, said the new policy couldn't come soon enough. “It seems to me that this should be done this year, not 2017,” Cherry said. “The way things are going right now, we’re going to have an epidemic on college campuses. That is the situation we’re in.”

Brooke Converse, a spokeswoman for UC, said the new plan was in the works long before the recent outbreak of measles in the state and that the roadblocks for adopting the policy have been technical in nature, not philosophical. The Affordable Care Act, more affordable vaccinations and a new system-wide digital platform for students’ health records has allowed the process to finally move forward, she said.

“It has always been a good public health and preventive medicine practice to immunize and protect against infectious diseases,” Converse said. “However, in the past the cost of vaccines and the time and cost for student health staff to obtain and verify this information has been a barrier to implementing system-wide requirements.”

The University of California is far from the only system that doesn’t require students to be immunized against the measles, however. Only about half of states have laws requiring all college students to be immunized against the disease, according to the Centers for Disease Control and Prevention database.

“On-campus requirements are generally a function of state law at both public and private institutions,” said Sarah Van Orman, executive director of University Health Services at the University of Wisconsin at Madison and president of the American College Health Association. “While there are some campuses that have policies over and above the state requirements, generally the state requirement is followed.”
In a statement that the association adopted in 2014, the ACHA says colleges that require students to be vaccinated should enforce those rules and have a high bar for exemptions.

"Immunizations offer safe and effective protection from vaccine-preventable diseases," the statement reads. "The United States is experiencing reemergence of these diseases, in part due to factors such as unimmunized and underimmunized persons and global travel. The American College Health Association strongly supports the use of vaccines to protect the health of our individual students and our campus communities."

The CDC offers a similar recommendation. Yet at least 22 states do not have any laws requiring college students to be immunized against measles.

**Information Security/Privacy**

**After Anthem, Diagnosing the Health of Data Security**  
*Corporate Counsel* - February 9,

Companies have begun to experience attempts to breach their databases on a frequent basis, and have had to become hypervigilant about protecting their networks against hackers. But once every couple of months, the bad guys get through the defense systems in a big and highly publicized way, showcasing data disaster for company and customers. This was the case in early February when Anthem Inc., the second-largest health insurance company in the U.S., announced it had been hacked, and up to 80 million current and former customers may be affected.

According to a statement released by Joseph Swedish, Anthem’s president and CEO, the attackers obtained personal information such as names, birthdays, Social Security numbers, street and email addresses, and employment information. Although no one knows who committed the cybercrime at present (Bloomberg reported that the Chinese government is suspected), one thing is for sure, the damage is significant and the potential reach is staggering. And companies and their counsel should remember that if a hack such as this can happen to one of the country’s biggest health insurers, it can happen to them too.

Jon Clay, senior manager of global threat communications at IT security company Trend Micro Inc., told CorpCounsel.com that even the most capable companies can be breached. “It’s not like a mom-and-pop shop,” he said of Anthem. “They are very sophisticated, I’m sure. But the challenge we have is that the criminals are also very sophisticated, and they have a lot of time on their hands.”

Hackers, he pointed out, can launch hundreds of attacks on a company, and only one has to penetrate the network for them to succeed. Companies, on the other hand, have to defend against those incursions, and failing to stop just one can be devastating.

The Anthem attack certainly has inflicted enough damage. Although stealing a name or street address might not be so scary for customers, taking Social Security numbers is a different story. “The ability to leverage Social Security numbers in a criminal way is much higher than, let’s just say, a credit card number,” said Clay.

And if tens of millions of Americans did in fact have their Social Security numbers stolen, they may have to try and change their numbers, certainly not an easy process.

Another aspect of the hack pointed out by the Wall Street Journal and other outlets is that Anthem did not encrypt the stolen customer data. Encryption would have made it more difficult for the criminals to understand and leverage the stolen data. So many might wonder: why not just encrypt everything in a network that could be sensitive?

The answer is that unencrypted data isn’t just more appealing to hackers, it’s also a lot easier for employees to use day to day. “The challenge that organizations have today is how much security you have to put around things and still be able to run a business and be productive,” Clay noted. “If everything had been encrypted and they had to go through a major process to get access to that data, and it’s cumbersome, it defeats the purpose.” Companies like Anthem have to figure out what is a healthy balance between security and usability.

Regardless of encryption, it’s important to note that whoever hacked Anthem did it through accessing an administrator’s credentials, perhaps obtained in some kind of phishing attack, where hackers pretend to be a different person or company in order to pilfer logins and passwords. Clay said that when hackers get into systems using employees’ credentials, this is often how it’s done, so companies need to be wary—and prepared. It’s
important to train employees to be aware of what sorts of emails or messages might be phishing, and how to be
careful about what they click on.

Clay added that companies are catching on by increasingly investing in systems that track movement around
networks. This allows them to identify and isolate abnormal or suspicious behaviors on the network, so that even
when a hacker logs in as an “insider,” the company still has a chance to catch the thief. “The hackers today will get
in,” he said, “but it’s a question of how you can minimize their ability to move around your network and get to what
they want to get to.”

Anthem is struggling with both the internal and public fallout of the data theft, but the company did catch a lucky
break—at least from a legal perspective—in that medical data was reportedly not taken from its databases. Stealing
personal medical information would have made the company liable under the Health Insurance Portability and
Accountability Act and the Health Information Technology for Economic and Clinical Health Act, which require
certain notifications and impose potential liability when protected health information is breached.

And the feds are already keeping an eye on companies in the health care sector. Last spring, the FBI issued a
warning that these companies were vulnerable to cyberattacks because of the highly sensitive nature of the data they
store, and the fact that their defense systems might be less powerful than those in other sectors. Anthem is the first
big example of the FBI’s predictions coming true, and the long-term effects of the break-in will be playing out in the
weeks and months ahead.

**Legislation**

**Bill to Exempt Student Workers from the Affordable Care Act Reintroduced in the House**


ACE and a group of seven higher education associations are endorsing a bill that would exempt full-time students
from the Affordable Care Act’s (ACA) employer mandate, which requires large employers—including colleges and
universities—to offer health insurance plans to employees working 30 hours a week or more.

Under the ACA, Federal Work-Study students who work 30 or more hours a week are not subject to the employer
mandate, but other students employed by higher education institutions who work 30 or more hours must be offered
employer-sponsored health care plans.

The Student Worker Exemption Act of 2015 (H.R. 210) would help institutions maintain the work hours of student
employees, many of whom are financially needy, according to the higher education groups.

In a letter to Rep. Mark Meadows (R-NC), the bill’s sponsor, the associations make the case that including these
students in the employer mandate would not likely increase the number of insured. They note that student employees
“are not typically covered under an institution’s employee health insurance plan, so applying the employer mandate
in this circumstance is unnecessary.”

Students receive health insurance coverage in a variety ways, including through their families’ health insurance
coverage up to age 26 and under ACA-regulated student health insurance coverage, which schools may subsidize
through their financial aid program or provide at no cost as part of a graduate school award package.

Students also can purchase coverage through individual market exchanges, possibly with premium tax subsidies, or
in some states through Medicaid, if they are income-eligible.

**Research Compliance**

**With New Rules, the FAA and Drone Industry Make Up**

*Fortune – February 18, 2015*

Sunday’s release of a set of proposed rules governing the use unmanned aerial systems—better known as drones—in
U.S. airspace didn’t hold very many surprises. But according to industry sources, the lack of surprises was the most
pleasantly surprising aspect of the Federal Aviation Administration’s proposal.

A first pass at the 195-page document shows an FAA that is far more in tune with industry needs than many
imagined, providing a kind of “healing moment,” as one source puts it, for an industry and a regulatory overseer
whose relations have long been strained. Many drone industry insiders have variously regarded the FAA as
dawdling, too risk-averse, and overly burdensome. The agency has struggled to produce a set of cohesive regulations
regarding drone use—particularly commercial use—as drone technology has exploded over the past several years.

But the proposal shows that the FAA has worked hard to avoid overly-onerous regulations. It’s a promising sign for
companies that want to integrate drones into their day-to-day operations and the drone makers eager to supply them
with hardware, software, and support.

“I think the FAA has had a tremendously difficult job to do, and I think what they came out with over the weekend
was surprising,” says Matthew Bieschke, president of the $2.2 billion UAS America Fund, an investment fund
designed to facilitate financing of infrastructure related to unmanned aerial systems. “It was less conservative than a
lot of people in the industry thought it would be.”

The Notice of Proposed Rulemaking contains plenty of rules. But most are no more restrictive than the industry was
expecting. (In many cases the rules are somewhat more relaxed than many drone advocates feared.) Broadly, the
proposed rule stipulates that drones used for commercial operations should weigh less than 55 pounds, fly only
during daylight hours in good weather, fly no faster than 100 miles per hour, stay away from airports, and remain
within visible line of sight of the operator. While the proposal doesn’t distinguish between very small drones and
larger models or provide for beyond-line-of-sight operations, it also doesn’t burden users with onerous airworthiness
or pilot training requirements.

But there are aspects of the notice that the FAA got wrong, says Brendan Schulman, head of the unmanned aircraft
systems practice at New York City-based law firm Kramer Levin Naftalis & Frankel. For instance, the document
seems to place drone-related academic research under the umbrella of commercial operations, making drone-enabled
research more difficult. The rules prohibit flying at night or at altitudes above 500 feet, which doesn’t make sense in
rural areas where the airspace (and ground space below) is largely clear. And for the time being the proposed rules
sweep aside drone delivery concepts like the one hatched by Amazon.

Critically, the proposal will not require small drones to comply with the FAA’s airworthiness or aircraft certification
regulations—that is, users won’t have to certify their 10-pound drones by the same process that one certifies a
Cessna—and will not require the same training or medical rating required of manned aircraft pilots. Rather, the FAA
will create a separate knowledge-based certification process for drone operators that will require regular
recertification. These two aspects of the proposal could be the most impactful for companies, as getting their drones
into the air won’t be nearly as costly or time-consuming.

The FAA still remains far from a final set of commercial drone rules. It will accept comments on the proposed rules
for the next 60 days and it’s expected to take another year to weigh all those comments and process them into a final
set of regulations, likely sometime in 2016. But now that companies have a whole lot more clarity on what the FAA
and other agencies are thinking they can begin investing in their own concepts of commercial drone operations. For
a industry that’s been in a holding pattern for the last several years, it’s difficult to be anything but upbeat, Ellman
says.

“I think this is going to open up lots of investment in the industry, lots more movement in the industry,” Ellman
says. “Sunday provided a very important moment for all of us because it really gives the industry a sense of
certainty, a roadmap for where we’re going, and it’s all very good news.”
SUMMARY

Following are excerpts from news articles having a risk management or compliance impact. The full article may be seen at the referenced source (some may require subscription to access). Topics for this month include the following:

- Athletics
- Emerging Regulations
- Human Resources
- Information Security
- Legislation

Athletics

NCAA Legislation on Academic Misconduct in Works

*Associated Press* - March 3, 2014

A group of 20 university presidents and college athletics administrators is crafting a proposal to better define when the NCAA should investigate cases of academic cheating by student athletes.

Ohio University President Rod McDavis, the chairman of the NCAA's Committee of Academics, says the group plans to have a proposal ready by the end of June.

NCAA head of enforcement Jon Duncan said in January academic misconduct is on the rise and his department was handling 20 open academic-misconduct investigations.

McDavis said in a recent interview with The Associated Press the committee has already agreed that any time a coach or paid member of the school's athletic staff is involved in an academic misconduct case the NCAA should be involved.

The committee's greatest challenge is balancing institutional autonomy with the need for NCAA involvement and determining who should punish cheaters, McDavis said.

The academic misconduct case at North Carolina was a prime example of the delicate balancing act. After a joint review with the school, the NCAA stayed out of UNC's affairs when it was first determined that a large number of athletes took no-show classes. But the scandal grew and the NCAA later reopened its investigation into academic misconduct last summer because it said new information was available. An independent investigation later revealed details of the scandal, including athletics counselors steering players to the classes where they received artificially high grades.

McDavis described schools as the first line of defense against academic misconduct. He said the committee has also agreed universities and colleges are responsible "to have and adhere to written academic misconduct policy."

The committee can expect some pushback from campus leaders who believe academic matters fall strictly under institutional control.

"On the surface it seems like it should change, however, what we all hear from campuses is that the courses offered, curriculum, majors, rigor, etc. are an institutional or campus department matter," said Kim Durand, associate athletic director for student development at the University of Washington. "Institutional autonomy should reign."

Durand said one of the committee's goals is to close what she called the gap between guidelines and enforcement. Currently, an NCAA violation related to academic misconduct only occurs if the act results in a competitive advantage.

"If you have a case where an egregious act has happened, but (if) the student-athlete is being redshirted or blows out his or her knee and doesn't compete for you that year or doesn't need those credits to make themselves eligible, then there is not an NCAA violation," said Durand, who is the president of the National Association of Academic Advisors for Athletics.
NCAA Hits Syracuse with Suspension and Scholarship Cuts over Rules Violations

The Chronicle of Higher Education - March 6, 2016

The NCAA has come down hard on Syracuse University’s athletics department, suspending its head men’s basketball coach and vacating wins by the basketball and football teams for several seasons, among other things, in response to a myriad of rules violations.

“From 2001-02 through 2011-12, the school failed to exercise proper control over the administration of its athletics program and used deficient monitoring systems, which allowed violations to occur involving academics, compliance with its own drug-testing policy as well as staff and student relationships with a booster,” the NCAA said in a news release.

Specifically, the association found a tutor helped three football players get academic credit for work they didn’t do; two athletics staff members completed coursework for a student while trying to get his eligibility reinstated; the department did not follow its own drug-testing policy, allowing basketball players to play in practice and games after they had tested positive for banned substances; and a booster paid $8,000 to three football players and two men’s basketball players.

In response, the NCAA said it would levy the following penalties:

- Five years of probation from March 6, 2015 through March 5, 2020.
- Fine of $500 per contest played by ineligible students.
- The school must return to the NCAA all funds it has received to date through the former Big East Conference revenue sharing for its appearances in the 2011, 2012 and 2013 NCAA Men’s Basketball Tournament.
- Suspension of the head basketball coach from the first nine conference games of 2015-16.
- Reduction of men’s basketball scholarships by three for the 2015-16, 2016-17, 2017-18 and 2018-19 academic years. If the school has already executed scholarship offers for the 2015-16 year, the school may begin the four-year penalty with the 2016-17 year.
- Reduction in the number of permissible off-campus recruiters from four to two during June 1, 2015 through May 31, 2017.
- The panel also accepted the school’s self-imposed postseason ban for the 2014-15 season, but noted that self-imposition of penalties after the conclusion of infractions hearings does not influence the outcome.

In a statement, Syracuse’s chancellor, Kent Syverud, said he disagreed with much of the NCAA’s report on the case. “Syracuse University did not and does not agree with all the conclusions reached by the NCAA, including some of the findings and penalties included in today’s report,” he wrote. Specifically, he said, the university disagrees with the finding that it did not have institutional control over athletics, and that the head basketball coach, Jim Boeheim, one of the most successful men’s basketball coaches in NCAA history, bore responsibility for the violations.

Emerging Regulations

Education Department Considers Creating Not 1 but 2 College-Ratings Systems


The Education Department, under continued fire over its planned college-rating system, is considering creating two systems, an agency official said at a policy briefing here on Monday.

The first ratings system would be geared toward consumers and be based on raw outcomes metrics. The second would be geared toward policy makers and researchers, and would rely on metrics adjusted for student and institutional characteristics, the official told attendees at the Congressional Hispanic Caucus Institute’s annual policy briefing. Only the second system would be used to measure accountability.
The shift appeared designed to answer criticism that the department was trying to do too much with one system. In her remarks, the official — Melanie Muenzer, deputy assistant secretary for planning and policy development — noted the “inherent tensions” in crafting a system that both guides consumer behavior and holds colleges accountable for student outcomes.

"It’s hard to develop a system that addresses both," Ms. Muenzer said.

**Human Resources**

**Big Jump in Verified Whistleblower Retaliation Claims**

*LAW.com* - March 12, 2015

Last year saw a significant increase in substantiated retaliation against corporate whistleblowers, according to NAVEX Global’s “2015 Ethics and Compliance Hotline Benchmark Report,” released this week.

In the past, between 10 and 12 percent of retaliation complaints were found to be true, said Carrie Penman, who analyzed the statistics and helped prepare the report. “But that number more than doubled last year, jumping to 27 percent,” noted Penman, chief compliance officer and senior vice president at NAVEX Global. She has been with the company since 2003, and is a former deputy director of the Ethics and Compliance Officer Association.

“We triple-checked our numbers because it was such a shocking change,” Penman told CorpCounsel.com. “Retaliation is hard to prove so I can see why it’s lower, but I never liked that it was so low.”

She’s not sure why the number jumped. “It could be an anomaly,” Penman said. But she also noted that the U.S. Securities and Exchange Commission’s recent “focus on retaliation has caused companies to take a deep dive into these allegations.”

Also, Penman said, her company “made a big deal with our clients last year” because previous substantiation rates had been suspiciously low—far below the 40 percent rate for all compliance complaints. “So between the SEC and our raising clients’ attention, that could be the cause.”

The report uses hotline data collected from 4,600 companies in 2014, covering 26 industries. It compares this data with statistics gathered over the past five years to help analysts spot trends. Companies, their general counsel and compliance officers can use the report to examine their own compliance programs and, because some of it is broken down by industry, compare how their practices stack up with other corporations.

The report also found:

- Issues related to human resources, diversity and workplace respect, such as discrimination, harassment and compensation, have consistently led all categories of complaints and continued to do so last year.
- In that same HR category, the arts and entertainment industry had the highest level of complaints, exceeding the overall median rate for all industries by 15 percentage points.
- Complaints from so-called repeat reporters, those who have filed at least one complaint before, were substantiated at a rate of 4 percentage points higher than complaints of first-time reporters, and this is consistent with past years. “Once again,” the report states, “organizations should not be too quick to discredit repeat reporters” as mere troublemakers.
- The health care industry received the highest number of reports related to the business integrity category. “This is likely due to the inclusion of HIPAA-related [privacy] reports in this category,” the report states.

The report concludes, “Hotline data that is carefully tracked, reviewed, benchmarked and presented with sufficient context often provides the early warning signs needed to detect, prevent and resolve problems.”

**FMLA Leave Expanded to LGBT Families**

*Corporate Counsel* – March 2, 2015

Almost two years ago, the U.S. Supreme Court’s historic ruling in *United States v. Windsor* invalidated provisions in the Defense of Marriage Act that limited the federal government’s definition of marriage to heterosexual couples. After this decision, President Barack Obama directed federal agencies to implement *Windsor* in an expansion of nationwide LGBT rights.
The latest post-Windsor change came from the U.S. Department of Labor, which on Feb. 25 issued its final rule for enforcement of the Family and Medical Leave Act. The new rules, which go into effect March 27, will expand the right to take unpaid and job-protected family and medical leave to all legally married LGBT couples.

The change will shift the standard for determining who gets leave from a couple’s “state of residence” to the “state of celebration” of their marriage. Previously, members of an LGBT couple who got married in one state where their marriage was considered legal but lived in a state where it was not legal would be ineligible for FMLA leave.

The FMLA, first enacted in 1993, gives employees who work for a company with 50 or more employees and have clocked a minimum amount of time with the company up to 12 weeks of leave per year. FMLA leave can be used to care for one’s own serious medical condition or the conditions of a spouse, child or parent. It also can be used to care for a child after birth, adoption or foster care placement.

Julius Turman, a partner in Reed Smith’s labor and employment group, told CorpCounsel.com that he doesn’t think this win for same-sex couples and their families is going to cause much pushback from employers, as the majority already put a premium on equal treatment of LGBT employees. “That’s why when you see an employer that does not have same-sex benefits it sticks out like a sore thumb,” he said, “because it’s just good business to seek to treat people respectfully and fairly.”

Of course, Turman explained, employers processing requests for FMLA leave to take care of a spouse may ask employees for documentation showing that they are legally married. However, if they want to do this, they need to make the same requests of everyone, regardless of whether they are part of a same-sex marriage. “If not, they’re creating a division and a discriminatory pattern that most employers want to avoid,” Turman noted.

Information Security

Rutgers University Trying to Restore Computer Systems after Denial-Of-Service Attack

CBS New York – March 30, 2015

Rutgers University is working round the clock to restore its computer systems after a weekend cyberattack. It started Friday afternoon when the university was hit with the distributed denial-of-service (DDoS) attack.

That’s when a user directs other computers on a network to target and contact a computer server or particular website. The influx of traffic then causes Internet service to either slow down or shut down completely.

The disruption affected tools used by both students and faculty. “The attack just made it impossible to get on the Internet for the most part,” said senior Nathan Gilson.

“The system was down, so accessing email was shut down, and then it was hard finding any information because it sounded like it wasn’t posted on a lot of Rutgers websites,” said Brian Chu, associate professor of psychology.

One of the biggest issues was the inability to access a university tool called Sakai. “It’s basically the virtual version of our classroom,” said junior John Harris. “They’ll give you assignments, they’ll give you supplemental study materials, if you have PowerPoints, they put the lectures up on there … it’s a vital tool.” Many students also complained that the school waited two days to finally notify them of the problem through an email.

The school says it hasn’t detected any theft of personal or confidential information, but that it will continue to monitor the situation closely. The FBI is also involved in the investigation, Granet reported. Students, however, remain concerned.

“They have all of our Social Security numbers and all that kind of stuff, like personal addresses and stuff,” Alvarez said. Students said many professors have postponed tests and assignments as result of the disruption.
Legislation

In 3 Reports, Senate Republicans Hint at Higher-Ed Agenda

The Chronicle of Higher Education – March 24, 2015

Senate Republicans, gearing up for the reauthorization of the Higher Education Act, gave strong hints about their priorities in a trio of white papers released Monday.

The papers, which examine accreditation, consumer information, and risk-sharing, are meant as conversation-starters and stop short of endorsing any particular policy proposals. Still, they show that lawmakers are considering significant changes in the ways colleges are evaluated and held accountable for student outcomes.

The paper on accreditation, for example, raises the possibility of decoupling accreditation and federal student aid.

The paper on consumer information, meanwhile, opens the door to the creation of a federal "unit record" database for tracking students — something Sen. Lamar Alexander, chairman of the Senate Education Committee, has strongly opposed in the past. Among the "concepts up for debate," says the paper, are the creation of a federal unit-record system with "limited student level measures" of labor-market outcomes and "strict privacy protections."

The paper offers two options for such a system: limiting it to student-aid recipients — who are already in federal databases — or creating an exception to federal privacy law that would "allow some new student-level data to be collected for all students," including those who don’t receive federal aid.

The risk-sharing paper explores ways Congress might give colleges more "skin in the game" when it comes to student borrowing. Among them: requiring colleges to remit a portion of defaulted dollars to the Department of Education, and imposing new sanctions on colleges with high rates of borrowers who default.

University of Connecticut Clery Act Compliance Highlighted in Chronicle of Higher Education


Though too long to post in this newsletter, we recommend this article for information about the value and cost of such federal regulations.
Daily Digest Policy Information

It can be difficult to know when University policies change and how it may affect you. To help keep track of new and updated policies, the Daily Digest now features a section completely dedicated to all things policy. “University Policy Information” is reserved for official announcements regarding the adoption and revisions of University policies. Please check the Daily Digest for policy notifications to ensure you are aware of the latest developments. You can also bookmark the recent updates page or follow us on Twitter @UConnPolicy.

Did you know you can access and view University policies at any time? Policy.uconn.edu, UConn’s online repository for University policies, is your policy resource and it now has a new look. The redesign includes enhanced browsing capabilities, a Frequently Asked Questions page, and an improved layout. Please take a few moments to become familiar with the new policy.uconn.edu.

The Office of Audit, Compliance & Ethics is available for assistance with questions on any University policies. Please contact us today at 860-486-2530.

Tweet in the Spring!
Follow us on Twitter @UConnPolicy for policy updates.

Who is the University Ombudsman and how can he help?

The Ombuds Office was established to provide a confidential, neutral resource for staff, faculty, and graduate students to express concerns, identify options to address workplace conflicts, facilitate productive communication, and surface responsible concerns regarding university policies and practices. You may contact the Ombuds Officer, Jim Wohl, to request a confidential conversation or when a source of information may be needed. The Ombuds will listen to concerns, give information about University policies, help evaluate your situation, and assist in making plans to address issues or conflicts. You control the process and decide which course of action to take. Contacting the Ombuds Office is completely voluntary.

The UConn Ombuds Office operates under the Standards of Practice and Code of Ethics of the International Ombudsman Association and provides services based on four guiding principles: Independence; Confidentiality; Informality; and Neutrality. (continued on page 2)

Mandatory Compliance Training

All Faculty and Staff are required to complete compliance training. The deadline for completing training is May 15, 2015.

Connecticut’s State Code of Ethics for Public’s Officials precludes the use of one’s public position for personal financial gain. In a course taught by a faculty member, the assignment of a required textbook s/he authored or of intellectual property s/he prepared may be interpreted as “obtaining financial gain for himself/herself.” Please review the Assignment of Textbooks and other Intellectual Property Policy and the related implementation guidelines at http://policy.uconn.edu/?p=525 to ensure you are taking the mandatory steps to avoid a conflict of interest.

Did You Know?
- We feature a “Policy of the Week” in the Daily Digest?
- Previous editions of our quarterly newsletter may be found at http://audit.uconn.edu/?p=803?
- The Joint Audit and Compliance Committee (JACC) Meeting Minutes are viewable here?
The U.S. Department of Health and Human Services Office of Inspector General (OIG) has released the 2015 Work Plan to provide information on the areas it will concentrate work to assure compliance with federal health care regulations. As in past years, the work will be devoted to assure appropriate payments, eligibility, medical necessity, and information security/privacy.

HIPAA security and privacy compliance will be a focus this year. The OIG will be looking at hospital policies and plans for contingency/disaster planning requirements, implementation of electronic health records (EHR) and security of EHR technology. Selected audits will review relationships with business associated, with specific mention of cloud service providers, to assure that electronic health information is adequately protected.

The Work Plan also brings the microscope to processes for privileging/credentialing, sanction-checking and assuring medical necessity to assure proper oversight by the health care entity. Meaningful Use incentive payments to eligible providers and hospitals will receive scrutiny also.

In addition, hospitals will continue to have coding, billing, payment and quality items on the Work Plan. Risk areas for non-compliance will be a special focus, and the OIG has identified appropriate level of care decisions (inpatient vs outpatient), the two-midnight rule for inpatient admissions, appropriate coding including diagnosis coding for kwashiorkor, sleep testing and cardiac procedures for targeted reviews. Oversight of pharmaceutical compounding continues on the 2015 Work Plan - this follows the 2012 meningitis outbreak from contaminated injections. Professional services including those of anesthesia providers, sleep-testing physicians, ophthalmologists, and dentists are also targets for review.

As in past years, the Work Plan emphasizes benefits of education and training (available on the OIG website), use of Provider Self-Disclosure, and risks of Civil Monetary Penalties. The Office of Audit, Compliance and Ethics is working with senior leaders to address risks, internal controls and compliance monitoring for items on the Work Plan that are significant to the business of UConn Health. To learn more about the 2015 OIG Work Plan, please see this link https://oig.hhs.gov/reports-and-publications/workplan/

For questions, please contact Margaret DeMeo, Associate Compliance Officer at 860-679-1226 or Demeo@uchc.edu

### Paper Documents with PHI? - Use Caution When Handling

Per the new UConn Health policy #2014-09 Handling Paper Communications About Patients including PHI — Assuring Proper Identity of the Patient staff are expected to use two data points of patient identity to assure they are mailing, faxing or handing the correct paper documents to the correct person. Pages of each document must be initialed by the responsible staff member when processing any paper communication.

As a reminder, the Privacy Office also requests that staff dealing directly with patients and their PHI review these additional policies, as they are helpful to guide staff when handling these types of communications about patients to individuals who may need the patient’s PHI.

- 2003-23 Faxing of PHI
- 2003-20 Verification of Individuals or Entities Requesting Disclosure of PHI
- 2012-01 Email Communication with Patients/Research Participants

For questions, please contact Iris Mauriello, Compliance Integrity/Privacy Officer at 860-679-3501 or mauriello@uchc.edu
2015 Brings a New Link Between Physician and Hospital Medicare Payments

The Centers for Medicare and Medicaid Services (CMS) recently issued Transmittal 541 giving its’ auditing entities the authority to deny payment for claims “related” to an inpatient admission when the admission is considered medically unnecessary. CMS has determined that claims are related when “documentation associated with one claim can be used to validate another claim.”(1) For example, when an inpatient surgical admission is determined to be medically unnecessary and the inpatient hospital payment is denied, the auditors may also deny the surgeon’s procedure payment.

Related claim reviews are considered automated reviews. As such, auditors will make a determination whether to approve or deny both the inpatient admission and the associated professional services based solely upon the documentation contained in the hospital’s medical record. Auditors are not required to review the physician’s office notes. For the first time, documentation in the physician’s office notes supporting the inpatient procedure must also be included in the hospital’s medical record. This will be a significant undertaking but is necessary for both the hospital and physician to obtain payment and avoid subsequent audit denials.

Currently, Transmittal 541 gives both Medicare Administrative Contractors (MACs) and Zone Program Integrity Contractors (ZPICs) the authority to deny related claims. However, CMS is expected to also grant denial authority to Recovery Audit Contractors (RACs).

Implementation of related claim reviews is expected to begin in April of 2015 when auditors start reviewing inpatient stays under the two midnight rule regulations. As always, commercial insurance companies will be monitoring CMS’s success rate with related claim denials and will be evaluating whether to follow suit.

(1)CMS Manual System, Transmittal 541 issued September 12, 2014

For questions or additional information about this article to Kim Bailot, Associate Compliance Officer, x4746 KBailot@uchc.edu

Modifier 59 Changes in 2015

On 01/01/2015 CMS introduced a new subset of Modifier 59 Distinct Procedural Service. Based on CMS audits, Modifier 59 is the most applied and misused modifier currently being utilized. Even though the errors may be unintentional, the improper use of this modifier leads to claims being paid incorrectly. This new subset of modifiers will give CMS a clearer picture of services being provided.

The new subset modifiers are:

- Modifier XE: Separate Encounter. A service that is distinct because it occurred during a separate patient/provider encounter. An example would be the exact same procedure code performed twice on the same day i.e. EKG
- Modifier XS: Separate Structure. A service that is distinct because it was performed on a separate organ/structure. An example would be destruction of lesion on right leg and skin biopsy of left arm.
- Modifier XP: Separate Practitioner. A service that is distinct because it was performed by a different practitioner. An example would be if a patient has surgery in the morning by a general surgeon and then goes back to the OR in the afternoon for surgery by a cardiologist.
- Modifier XU: Unusual Non-Overlapping Service. The use of a service that is distinct because it does not overlap usual components of the main service. An example would be the excision of a lesion of the upper thigh and excision of the lower leg.

As a default, at this time CMS will initially accept either a 59 modifier or a more selective X {E, P, S, U} modifier as correct coding although the expectation is that providers will migrate to the more selective modifiers quickly.


For additional questions or concerns, please contact Janice McDonnell, Compliance Specialist at X4093 or jmcdonnell@uchc.edu
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