APFC Spring Information Forum

April 10, 2019

Finance and Operations Vision

Dartmouth will deliver an administrative experience that enables the global aspirations of its faculty, students, and staff by providing real-time access to rational processes and accurate information from anywhere in the world.
Agenda

Welcome
Staff Updates
Year End Reminders
Operational Excellence Showcase
Finance Website Redesign
Dartmouth Finance Training
Amazon Business Rollout
Independent Contractor Process
Supplier Classification Form
W-9
Engaging Individuals outside the US to provide services
Year End Reminders

• **Memorial Day Accelerated Payroll Schedule**
  - Biweekly Non-Union Employees record all time by Friday May 24, 2019  8:00am
  - Supervisor Approvals completed by Friday May 24, 2019 12:00pm
  - Finance Center Non-Union review begins Friday May 24, 2019 12:00pm

• **Student Prize and Awards**
  - Yearly notices went out
  - eForms should have the Recipients legal address not an HB
  - eForms are due to the Finance Center by Noon on May 30th

• **Review Financial Reports**
  - Submit Corrections
2nd Annual Operational Excellence Showcase

Finance Division showcase continuous improvement initiatives and projects

• May 1, 2019, 10:30 to 11:30

• Hayward Lounge at the Hanover Inn
Finance Website Redesign

Coming this July!
Single Process Based Finance Site

Finance & Administration

Dartmouth will deliver an administrative experience that enables the global aspirations of its faculty, students, and staff by providing real-time access to rational processes and accurate information from anywhere in the world.

Updates & News

Finance Updates
February 2019

February 2019 Oracle General Ledger (GL)
Month End Close Schedule
Dartmouth Finance Training

COMING THIS FALL

Target: Fiscal and Finance Administrators

Develop:

• Knowledge to steward resources
• Skills for understand financial info
• Tools for explaining financial info
• Strategies to support decision-making

Outcomes:

• Best Practices
• Increased accuracy
• Standardization
• Transferable Skills

• Module 1: Financial Landscape at Dartmouth
• Module 2: Employee Lifecycle Expense Management
• Module 3: Procurement
• Module 4: Ethics, Compliance, and Internal Controls
• Module 5: Analysis and Budgeting
• Module 6: Sponsored Projects Management
• Module 7: Financial Reporting
• Module 8: College Accounting
• Module 9: Communication and Presentation
Background: Procurement Timeline

- 2015: Discontinued SciQuest
- June 2016: Procurement Peer Review
  - Concerns: Dissatisfaction with available technology; Enablement is a major technology gap
  - Recommendation: Conduct technology assessment
- October 2016: Committee on the Faculty (CoF) Procurement Task Force recommendations
- December 2016: eProcurement RFI
- Summer 2017: eProcurement white paper – Full Suite, Partial Suite, Buyers, Incremental Approach
- Fall 2017: Amazon Business analysis/meetings
- Spring 2018: Hired Procurement Specialist position, 2 year term
- Summer 2018: Updated purchasing rules (e.g. PO requirements)
- Fall 2018: Tried to resolve Corporate Card Level III detail issue with JP Morgan and Oracle
- January 2019: Hired Procurement Contract Specialist
- Winter 2019: Amazon Business Pilot
Amazon Business Advantages

Current Advantages

• Discounted pricing on selected items
• Wide selection
• Easy price comparison shopping
• Transparent total shipping costs
• Free standard shipping with institutional Prime account
• Ease of purchase using P-Card or Corporate Card
• No receipts required for Amazon Business purchases when using P-Card (currently Level III detail issue with Corporate Card)

Future Advantages

• Vendor marketplace will grow over time
• Hosted Dartmouth contracts (e.g. VWR, Fisher, WB Mason) available on Amazon Business – a one stop shopping experience

Amazon Business does not replace preferred vendor contracts – we still encourage use of those agreements.
Amazon Business: Next Steps

- **March/April:** Prepare for Roll Out
  - Obtain feedback from pilot users
  - Finalize organizational structure
  - Communicate

- **May/June:** Roll Out
  - Send out invitations to all P-Card and Corporate Card Holders
  - Work with employees who already have a personal Amazon account with their Dartmouth email address to move the account to a different email address
  - Ensure card holders know to follow existing processes to settle Amazon Business expenses (e.g. OnBase, iExpense)
What is an Independent Consultant/Independent Contractor?

- Someone who runs his or her own business.
- Individuals who render a service and meet contractor conditions established by the IRS.
- Sometimes called consultants, freelancers, self-employed, individuals, sole proprietors and even entrepreneurs or business owners.
- Not entitled to employee benefits, are not covered by workers' compensation, and their pay is usually not subject to income tax withholding.
Why is it important to classify an IC correctly?

• There are a number of important differences between how employees and independent contractors are handled; for example, Independent Contractors are paid through the accounts payable system and not the payroll system.

• If Dartmouth incorrectly treats an individual as an independent contractor instead of an employee, the IRS could assess unpaid payroll taxes plus interest and penalties.
Filling out the IC form

• Complete the form to ensure that (1) the basic information about the services including scope, price, and term of the engagement are known, (2) there is evidence of contract formation between the individual and Dartmouth, (3) Dartmouth policies are followed, and (4) the individual is properly classified.

• Page 1 and 2 include information about the individual, the Services that will be provided, the fees for the services, the length of the engagement, a summary of the strategic sourcing/selection process, a summary of any potential conflicts of interest, and signatures from both Dartmouth’s authorized representatives and the individual.

• Page 3, the Addendum, includes a list of questions. The responses to these questions will provide support for classifying an individual as an independent consultant/independent contractor. If all questions are answered “yes”, the individual will likely be approved as an independent consultant/independent contractor. If there are any “no” answers, further explanation is required.
What documents are needed with the IC form?

- Completed Independent Consultant/Independent Contractor Service Agreement Form, Addendum checklist, Statement of Work (if appropriate), Bids/Source Justification (if required) and a W-9

- Forms are valid for the period of the work assignment described on the Agreement, up to one year

- Submit Purchase Request eForm and attach completed documents

- Independent Contractor status is reviewed, confirmed, and approved by Procurement

More information is available at:
http://www.dartmouth.edu/~control/departments/procurement/ic.html
Independent Consultant/Independent Contractor Process Flow

1. Department Determines Need for Service not able to complete with internal resources
   - Works with IC to define nature of services

2. Identifies Consultant/Independent Contractor (IC)
   - Work with IC to complete Consultant/Independent Contractor Service Agreement

3. Process request as a Temporary Employee
   - Addendum indicates Independent Contractor?
     - Yes
     - Complete Purchase Request eForm attaching Agreement with SOW, bids, and Source Justification (if necessary)
     - Route to Department or PI and OSP (if Grant) for Approval
     - Procurement determines IC Status?
     - Yes
     - Department Notifies IC to begin Work
   - No

4. Department approves invoice in eForm noting in Comments dates of service
   - Finance Center routes Invoice to department for approval
   - Work is completed and Vendor sends Invoice to invoice@dartmouth.edu
Scenario One

Editor/Illustrator/Writer: An individual is being hired to edit one document for a faculty member. The editor does work for other individuals and organizations.

Classification: This person is likely an independent contractor.

Recommendation: Unless there is a Master Agreement in place already, once the individual is selected and the scope of services and pricing determined, the business user at Dartmouth should complete and submit the Independent Consultant/Independent Contractor Service Agreement form, and confirm that the necessary IRS forms (ex: a current W-9) are on file.
Scenario Two

**Editor** (who also works for Dartmouth College): An individual is hired to edit a document for a faculty member. This individual is also employed full time by Dartmouth College as an editor.

**Classification:** This person is likely an employee.

**Recommendation:** Consult with Human Resources first. If the editing work is within his/her job description, it is part of their job. If the editing is for a different Dartmouth College purpose, it is likely be a temporary assignment.
Scenario Three

**Photographer/Videographer:** An individual photographer/ videographer is being hired to take pictures at a College event. The College wants to retain the rights to the photos after the event.

**Classification:** This person is likely an Independent Contractor.

**Recommendation:** Unless there is a Master Agreement in place already, once the individual is selected and the scope of services and pricing determined, the business user at Dartmouth should complete and submit the Independent Consultant/Independent Contractor Service Agreement form, and confirm that the necessary IRS forms (ex: a current W-9) are on file.
Scenario Four

Musicians/Bartenders/Magicians/Caterers: An individual is being hired to do this type of work at the College.

Classification: This person is likely an Independent Contractor.

Recommendation: Unless there is a Master Agreement in place already, once the individual is selected and the scope of services and pricing determined, the business user at Dartmouth should complete and submit the Independent Consultant/Independent Contractor Service Agreement form and confirm that the necessary IRS forms (ex: a current W-9) are on file.
New Supplier Classification form

Reasons for needing the new supplier classification form filled out:

• Payment terms
• Classifications for diverse suppliers
• Debarment information
• Do they accept credit cards
• Email contact address
• Tax payer status
• Signature to attest to the truth of the information provided
• Request for Taxpayer Identification Number and Certification, to get information from vendors hired as independent contractors.

• When a business pays a contractor $600 or more during a tax year, it has to report these payments to the Internal Revenue Service (IRS). Businesses use the name, address and Social Security number or tax identification number contractors provide on Form W-9 to complete the report.

• Businesses that hire independent contractors do not withhold income tax or pay Medicare or Social Security taxes for their independent contractors, as they do for their employees. Instead, contractors are responsible for these obligations. So the IRS needs to know how much these contractors received to make sure they pay the taxes they owe.
Engaging individuals outside the US to provide services to Dartmouth:

• International Staffing Questionnaire form is on the Controller’s Form website: dartmouth.edu/~control/forms
• Fill it out and send it to Controllers@Dartmouth.edu
• Internal consulting group will review completed questionnaires and assist departments to address issues pertaining to engagement of individuals outside the US.

Dartmouth College US based employees providing services in a foreign country:

• Contact Gail Goodness, Controller
• Gail.C.Goodness@Dartmouth.edu
QUESTIONS?
Thank you