

**UH Financial Management Office
and
Mānoa Office of the Vice Chancellor for Administration,
Finance & Operations**

**Administrative Officers/Fiscal Officers Meeting
10:30 a.m. December 9, 2010, QLC 412**

I. Status of Financial Audit

- UH Foundation financial audit is complete
- RCUH financial audit is complete
- Athletics financial audit is complete
- UH Bond System financial audit is in final report stages
- UH Consolidated financial audit is in reporting draft stage and is 95% completed

II. Tax

- \$293 million in revenue bonds raised
 - Series A – Build America Bonds
 - Series B – Tax-Exempt
- Private Use Issues
 - APM A8.560 – Post Issuance Tax Compliance Procedures (Contracts and agreements need to be mindful and careful)
- FMO Projects
 - Unrelated Business Income Tax (UBIT) (Necessary tax guidance need to be in compliance more than ever)
 - Tax APMs – To develop a single source for top guidance & compliances
 - Reimbursement of extramurally funded conferences
 - Focus group meetings held
 - Business Process Counsel reviewed draft of suggested policy
 - To Date:
 - All participants will be required to complete Form WH-1 (See attached December 10, 2010 email and new Form WH-1)
 - Revised form 1099 reporting policy
 - Essentially, payments made to individuals/3rd parties covered under an Accountable Plan, not subject to 1099 reporting
 - If a foreigner, unemployed, or student – withholding may apply
 - UH and RCUH to have consistent tax policy and reporting

- All extramurally funded projects will be processed by RCUH, whether reportable or not

III. Kualii Status

- Functional fit gaps virtually complete – areas for process improvement changes, re-engineering and/or customizations
- In next 12 months additional universities coming on-line
- July 2011 Go Live is officially “off”
- Recast project with new technology and information
 - Certify Chart of Accounts configuration and structure
 - Verify and confirm reporting and data requirements
 - New mission to include elimination of shadow systems
 - Validation with KFS community (MSU)
- Review and re-evaluate functionality gaps and remediation
- Review functional teams and staffing
 - Full-time Project Manager
 - Create a Change Management Team
 - Augment the functional and technical project staff with positions or implementation partner(s)
- Evaluate ETL tools and interface strategy with proof-of-concept
- Select a new name and identify for the UH implementation of KFS
- Change the project governance structure
 - FMO to take lead and manage the budget
 - Status updates to Executive Committee
- Progress update to Executive Committee in January 2011
- Definitive project plan with implementation strategy and date(s) at the end of February 2011

For minutes of the latest “Talk Story” session of the Mānoa Office of the Vice Chancellor for Administration, Finance & Operations, please go to:

<http://manoa.hawaii.edu/ovcafo/newtalkstory/index.html>

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Administrative Officers/Fiscal Officers Meeting
December 9, 2010 Highlights

Manoa OVCAFO Topics:

- 1) Revenue Sharing – Kathy Cutshaw (VCAFO)
 - Revenue sharing allocations have been issued
 - Majority of the funds are for non-recurring items
 - Funds should not be carried forward
 - Funds should be spent to support the University’s student mission
 - Funds will be used for scholarships in upcoming semesters, as well as classroom renovations and campus gathering spaces

- 2) Temporary Employees on General Funds – Kathy Cutshaw (VCAFO)
 - Temporary employees should not be funded by general funds
 - Requests to fill temporary positions using general funds will be returned without action

- 3) Strategic Planning / Benchmarking – Kathy Cutshaw (VCAFO)
 - The Strategic Plan Working Group has completed a draft of the 2011-2015 strategic plan
 - A town hall meeting will be held on December 10, 2010 to discuss the content and implementation of the plan
 - Faculty and staff are encouraged to participate and provide comments and feedback
 - The draft plan (including a benchmarking, planning, and budgeting timeline) is available at:
 - <https://sites.google.com/a/hawaii.edu/uhm-plan/draft-plan>

- 4) Management Reports – Kathy Cutshaw (VCAFO)
 - A management summary report (analysis for FY 2008 – FY 2010) for every Level V program is available on the OVCAFO website at:
 - <http://manoa.hawaii.edu/ovcafo/newbudget/MgmtSummaryFY2008-2010.pdf>

- 5) WeCar Program – Deb Huebler (Assistant Director, Auxiliary Enterprises)
 - In an effort to provide alternative transportation options for the campus, Auxiliary Enterprises is currently negotiating a contract for a short-term car rental program with Enterprise Rent-A-Car

Administrative Officers/Fiscal Officers Meeting Highlights
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- A fleet of cars will be kept on campus and departments, faculty, staff, and students will be able to rent the cars on a short-term basis (ex. by the hour) for business or personal use
 - Payment will be made directly to Enterprise Rent-A-Car
 - The WeCar program may be a viable alternative to State vehicles
 - A pilot program will be launched with two cars and more cars will be added as needed
- 6) Electric Vehicle Parking – Deb Huebler (Assistant Director, Auxiliary Enterprises)
- Auxiliary Enterprises will be drafting a policy that allows qualified electric vehicles to park on campus free of charge
- 7) Meet & Greet Meetings – Sandy French (Director, Office of Finance & Accounting)
- Tammy Kuniyoshi (Director, Manoa Human Resources) and Sandy French have already visited most of the campus units
 - Many units have asked for guidelines and checklists to assist them with their work
 - A list of findings will be distributed at a later date
 - In the future, visits will be conducted throughout the year

The next Talk Story will be held on January 13, 2011.

Send comments and topic suggestions to Sandy French at afrench@hawaii.edu

12/10/2010

https://mail.hawaii.edu/uwc/webmail/pr...

Subject New Revised Dec 2010 UH WH-1 Form
From owner-uhfo-l@lists.hawaii.edu ; on behalf of; "Alan Kimura@UHDisbursing"
<alankimu@hawaii.edu>
Date Friday, December 10, 2010 7:51 am
To uhfo-l@lists.hawaii.edu



December 10, 2010

TO: Administrative/Fiscal Officers

FROM: UH Disbursing Office

SUBJECT: Revised Dec 2010 UH WH-1 Form

Please disseminate to your office staff the new Revised Dec 2010 UH WH-1 Form. The form is attached and you can also find the on-line version at the following location:

ePurchasing, Main Menu, Payments Attachments. Click on  View  in the Payments Attachments menu and the form will appear. Click on the Floppy Disk icon and save the form to your computer desktop or file folder. The pdf. form is form fill able.

Please start using this form effective immediately.

What has changed on the form from the Revised 2008 version?

The major changes are in Section A. Personal Information.

- There is a new block below Country of Citizenship. There are many foreign travelers/visitors that come to the University for business purposes. These visitors often do not have a US Social Security Number (SSN) or US Individual Taxpayer Identification Number (ITIN). It is mandatory that one of the check blocks be completed in this section.
- The next block below that section ask for if the visitor coming to the University is employed and by whom. This section applicable to both US Citizens and foreign nationals. Additional information will be coming out in revised Administrative Procedures Manual (APM) that pertains to this section.
- Under Foreign Residence Address, the address line will auto font & wrap into two lines if necessary due to extensive long Asian addresses.

The only change in Section B. US Immigration Activity is in 3. Past Visa History under Calendar Year column. You can now change the first line, 2011 for next year and the column years will automatically change. The same is applicable for Section C. Tax Status Determination for the Calendar year.

Please begin using this revised WH-1 form for all foreign nationals in your department that are receiving fellowship/stipend/scholarship payments starting in January 2011. Every year starting at the beginning of January, the Disbursing office requires that all such payments must have a new WH-1 with supporting documentation sent in for reassessment. The purpose of this reassessment is to determine if the individual has been in the USA long enough to qualify as a Resident Alien by passing the IRS Substantial Presence Test. If the individual passes this test, we are no longer required to withhold 1042 taxes on those payments. In accordance to IRS tax regulations, we are also required to

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<https://mail.hawaii.edu/uwc/webmail/pr...>

ask if the individual has a US SSN or ITIN. This is why that section was put in the revised WH-1 form.

Your assistance would be greatly appreciated. If you have any questions about the form, please contact me.

Alan T. Kimura (W) 956-6621
University of Hawaii at Manoa (Fax) 956-9144
Disbursing Office
1402 Lower Campus Road, Bldg 171-D, Rm. 16
Honolulu, Hawaii 96822
email: alankimu@hawaii.edu

UNIVERSITY OF HAWAII WH-1 STATEMENT OF CITIZENSHIP AND FEDERAL TAX STATUS

PURPOSE: This form is for individuals. In order to comply with applicable tax provisions of the Internal Revenue Service (IRS), the information requested on this form is required to determine the appropriate federal tax withholding and is required for each calendar year. (Business entities should use IRS Form W-9.)

- DIRECTIONS:**
- UNITED STATES (US) CITIZENS: 1. Complete Sections A and E only.
- PERMANENT RESIDENT ALIENS: 1. Complete Sections A and E only
2. Attach a photocopy (front and back) of your Alien Registration Card
- ALL OTHERS: 1. Complete Sections A, B, C, and E 4. Submit IRS Form W-8BEN for foreign status
2. Complete Section D if applicable 5. For J-1 Visaholders, submit copy of DS-2019
3. Submit copy (front and back) of your I-94, Passport ID page, and Visa page 6. For B Visaholders, submit FMIS-45
7. For F-1 Visaholders, submit copy of I-20

Section A. PERSONAL INFORMATION

1. General Information				
Last Name	First	Middle	US Social Security Number or ITIN Number	
Country of Citizenship	Country of Residence for Tax Purpose		E-Mail Address	
If you did not provide a Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN), please answer the questions: <input type="checkbox"/> I elect not to provide this information to the University of Hawaii. I understand I may be subject to tax withholding on payments I'll receive from the University or if I'm from a foreign country, I will not qualify for tax treaty benefits. <input type="checkbox"/> I plan to request a SSN or ITIN and submit to the Disbursing Office at a later date.				
Are you a full time employee? <input type="checkbox"/> YES <input type="checkbox"/> NO If you answered "Yes", please provide your employer's information: Employer's Name _____ Number & Street _____ City _____ State _____ Postal Code _____				
2. US Residence Address				
Number & Street		City	State	Zip Code
3. Foreign Residence Address				
Number & Street		City or Province	Country	Postal Code

Section B. US IMMIGRATION ACTIVITY

1. Current Visa Status						
Date of US Entry	Expiration Date of Current Visa	Intended Length of Stay (Days)	Anticipated Departure Date			
Current Visa Type (check appropriate box):			What is the primary purpose of the visit? (check appropriate box)			
<input type="checkbox"/> F-1 Student <input type="checkbox"/> J-1 Student <input type="checkbox"/> J-1 Visitor (Non-Student) <input type="checkbox"/> B-1/WB Visitor for Business <input type="checkbox"/> B-2/WT Visitor for Pleasure (Tourist) <input type="checkbox"/> Other INS Classification (list status):			<input type="checkbox"/> Studying/Training/Research in a Degree Program <input type="checkbox"/> Studying/Training/Research in a Non-Degree Program <input type="checkbox"/> Training/Research as a Post-Doctoral Fellow <input type="checkbox"/> Providing Service as an Independent Contractor (e.g., consulting, conducting a workshop, etc.) <input type="checkbox"/> Other:			
2. Is this the first time you have entered the United States? <input type="checkbox"/> YES <input type="checkbox"/> NO						
3. Past Visa History						
Provide the requested information to detail the number of days you were physically present in the United States during the calendar years listed below. Note: Calendar year refers to the period January 1 through December 31.						
Calendar Year	Enter Visa Type/INS classification held while present in the US during the listed calendar year	Enter period(s) when you were physically present in the US during the listed calendar year. (list dates as mm/dd/yy, e.g., 01/01/10 – 12/31/10)	Number of days present in the United States?	Are you leaving the US this year?	Have you taken any treaty benefits during the listed year?	
2011				<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	
2010					<input type="checkbox"/> YES <input type="checkbox"/> NO	
2009					<input type="checkbox"/> YES <input type="checkbox"/> NO	
2008					<input type="checkbox"/> YES <input type="checkbox"/> NO	
2007					<input type="checkbox"/> YES <input type="checkbox"/> NO	
2006					<input type="checkbox"/> YES <input type="checkbox"/> NO	
2005					<input type="checkbox"/> YES <input type="checkbox"/> NO	

Section C. Tax Status Determination

STEP 1: Complete the Substantial Presence Test (SPT) by completing the table below.
For F, J, M or Q Visaholders, please note the following:

- For F, J, or M Student Visaholders: Do NOT count any days during your first 5 years in the United States in which you held an F, J, or M student visa.
- For J or Q Non-Student Visaholders: Do NOT count any days during your first 2 years in the previous 6 years in the United States in which you held a J or Q Non-Student visa.

CALENDAR YEAR	ENTER TOTAL NUMBER OF DAYS PRESENT IN THE UNITED STATES FOR EACH YEAR (A)	RATIO (B)	CALCULATE TOTAL NUMBER OF DAYS TO COUNT FOR EACH YEAR (A X B)
2011		1	
2010		1/3	
2009		1/6	
		TOTAL # OF DAYS	

STEP 2: Please answer the following questions:

- A. Does the TOTAL NUMBER DAYS TO COUNT for the current calendar year equal to 31 days or more? [] YES [] NO
 B. Does the TOTAL # OF DAYS for all three years equal to 183 days or more? [] YES [] NO

STEP 3: Determine your tax status:

- If you marked "YES" to both questions A and B, then you passed the Substantial Presence Test and will be treated as a **RESIDENT ALIEN (RA) FOR TAX PURPOSES** for this calendar year. *Go to and sign Section E below.*
- If you marked "N" to one or both questions, then you did not pass the Substantial Presence Test and will be treated a **NONRESIDENT ALIEN FOR TAX PURPOSES** for this calendar year. *Go to Section D below.*

Section D. EXEMPTION FROM WITHHOLDING FOR THE NONRESIDENT ALIEN

1. All Payments made to Nonresident Aliens are subject to US federal tax withholding at a statutory rate of 30%.

However, you may claim an exemption from withholding or a reduced rate via a US Tax Treaty if you meet the following requirements:

- a. You must be a resident of a country that has a tax treaty with the US. (Consult IRS Publication 901, US Tax Treaties, at <http://www.irs.gov/pub/irs-pdf/p901.pdf>.) The tax treaty must have a treaty article applicable to the type of payment you'll be receiving:
- *Scholarship or Fellowship Article* for Scholarship, Fellowship, Traineeship, and Stipend Payments.
- OR**
- *Independent Personal Services Article* for Fee for Services, Honoraria, and Reportable Travel Payments.
- b. You must meet all requirements regarding residency, time, and dollar limitations described in the tax treaty.
 c. You must have a Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) to claim a treaty exemption.

2. Do you want to claim a treaty exemption from US federal tax withholding? (Check one box only.)

- [] YES I am a resident of a country that has a tax treaty with the US and has an applicable tax treaty article. Therefore, I claim exemption from US tax withholding via a US tax Treaty with _____, my country of residence. I have attached **one** of the following IRS forms: (Consult IRS website for Forms and Instructions at <http://www.irs.gov/app/picklist/list/formsinstructions.html>)
- IRS Form 8233 for Fee for Services, Honoraria, and Reportable Travel payments.
- OR**
- IRS Form W-8BEN for Scholarship, Fellowship, Traineeship, Stipend, and Royalty payments.
- [] NO I choose not to claim a treaty exemption from US tax withholding, even though I am a resident of a country that has a tax treaty with the US and an applicable treaty article. I understand taxes will be withheld at 14% (Scholarships, Fellowship, Traineeship, or Stipend) or 30% (All other payments)
- [] NO I cannot claim a treaty exemption from US tax withholding because I do not meet the requirements state in Part 1 above. I understand taxes will be withheld at 14% (Scholarships, Fellowship, Traineeship, or Stipend) or 30% (All other payments)

Section E. CERTIFICATION OF INFORMATION PROVIDED ON THIS FORM

Under penalties of perjury, I certify the information entered above is correct; and if a reduced rate of exemption from tax applies, I further certify that I have complied with all tax treaty requirements to qualify for the reduced rate. (For Resident Aliens, IRS has not notified me of backup withholding.)

Signature: _____

Date: _____

Disbursing Office Use Only			
Tax Status: [] US Citizen	[] Permanent Resident Alien	Vendor Code	
[] Resident Alien for Tax Purposes (SPT exp 12/____)	[] Nonresident Alien	1099/1042 & WH Ind.	
Nonresident Withholding:	Expiration Date	Initials Date	
[] Statutory Rate of 30%	Form 8233 _____		
[] Reduced Rate of 14% or _____ %	Form W-8BEN _____		
[] Exempt	Form W-9 _____		