MINUTES

TO THE OCTOBER 24, 2011
QUARTERLY FISCAL AFFAIRS UPDATE MEETING

JANET COQUELIN, HUMAN RESOURCES

See next page for powerpoint presentation.
and Other Immigration Updates

Gabriella Manolache, J.D.
Managing Director, International Employment Services

October 24, 2011
AGENDA

- What is Form I-9 and Why is it Important?
- What is My Responsibility With Regard to Form I-9?
- DHS Audits
FORM I-9

Department of Homeland Security
U.S. Citizenship and Immigration Services

Read instructions carefully before completing this form. The instructions must be available during completion of this form.

ANTI-Discrimination Notice: It is illegal to discriminate against work-authorized individuals. Employers CANNOT specify which document(s) they will accept from an employee. The refusal to hire an individual because the documents have a future expiration date may also constitute illegal discrimination.

Section 1. Employee Information and Verification

(To be completed and signed by employee at the time employment begins.)

Print Name: Last First Middle Initial Maiden Name

Address (Street Name and Number) Apt. # Date of Birth (month/day/year)

City State Zip Code Social Security #

I am aware that federal law provides for imprisonment and/or fine for false statements or use of false documents in connection with the completion of this form.

Employee’s Signature

Date (month/day/year)

Preparer and/or Translator Certification

(To be completed and signed if Section 1 is prepared by a person other than the employee. I certify, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge, the information is true and correct.)

Preparer/Translator’s Signature

Date (month/day/year)

Section 2. Employer Review and Verification

(To be completed and signed by employer. Examine one document from List A OR examine one document from List B and one from List C, as listed on the reverse of this form, and record the title, number, and expiration date. If any of the document(s),

List A OR List B AND List C

Document title: I am aware that false statements are punishable by fine or imprisonment.

Issuing authority: Document #

Expiration Date (if any): Document #

Expiration Date (if any):

CERTIFICATION: I certify, under penalty of perjury, that I have examined the documents presented by the above-named employee, that the above-listed document(s) appear to be genuine and to relate to the employee named, that the employee began employment on (month/day/year) and that to the best of my knowledge the employee is authorized to work in the United States. (State employment agency may omit the date the employee began employment.)

Signature of Employer or Authorized Representative

Date (month/day/year)

Section 3. Updating and Reverification

(To be completed and signed by employer.)

A. New Name (if applicable)

B. Date of Birth (month/day/year) (if applicable)

C. If employee’s previous state of work authorization has expired, provide the information below for the document that establishes current employment authorization.

Document Title: Document #

Expiration Date (if any):

If, under penalty of perjury, that I am the best of my knowledge, the employee is authorized to work in the United States, and if the employee presented document(s), the document(s) have remained true to practice as to relate to the individual.

Signature of Employer or Authorized Representative

Date (month/day/year)

Form I-9 (Rev. 06/05/06) Y Page 4
10/13/2011 ICE Director John Morton testifies before the House: record increase in worksite enforcement activity. As of September 17, 2011, ICE instituted 3,015 administrative/criminal investigations—a 54% increase over the FY2008 numbers. In FY2010, ICE arrested and criminally prosecuted 196 owners, HR managers, and executives—a 45% increase over FY2008. In FY2011, ICE issued a record 2,393 Notice of Inspection (for federal Forms I-9 and supporting documents), a more than 375% increase from the number issued in FY2008.

Abercrombie & Fitch fined $1M+ After I-9 Audit (9/2010)

Immigration Audits Increasing Against Employers: sixty-six probes done on local work places in fiscal 2010, up from just one in 2008 (10/10)

Subway restaurant to pay $27,000 fine-down from initial fine of $111,078 for 108 distinct I-9 violations (2/2011)
In FY2010, ICE arrested and criminally prosecuted 196 owners, HR managers, and executives—a 45% increase over FY2008 (for actual or constructive knowledge)
Complete Form I-9 for Each Employee

- Not Independent Contractors

- Section 1: Completed by Employee On First Day of Work (latest)
  - although Employer is liable for any defects in Section 1
  - Employer is obligated to ensure employee correctly completes Section 1
  - ICE has determined that leaving an area blank in Section 1 is tantamount to an employee refusing to attest to having work authorization (can leave SS number off)

- Section 2: Completed by Employer Within 3 Business Days of Hire

- Do NOT ask for specific documents (i.e., Green Cards, work cards only)
  - Do NOT verify some employees’ documents and not others
  - Do NOT copy documents of only certain nationalities to the exclusion of others
  - DO note the title of the document, identification #, issuing authority and expiration date of all docs you receive. Abbreviations (SS, DL) are now fine.

- Documents should ‘reasonably’ appear to be genuine and relate to the employee (standard)
PROCEDURES FOR COMPLETION

- Ask Employee to Provide Documents Establishing Both Identity and Work Authorization (only documents in List A establish both)

- Employee Can Provide 1 Item from List A; or

- Employee Can Provide 1 Item from List B and 1 Item from List C

CURRENT LIST OF ACCEPTABLE I-9 DOCUMENTS FOR SECTION 2

<table>
<thead>
<tr>
<th>LIST A</th>
<th>LISTS OF ACCEPTABLE DOCUMENTS</th>
<th>LIST B</th>
<th>LISTS OF ACCEPTABLE DOCUMENTS</th>
<th>LIST C</th>
<th>LISTS OF ACCEPTABLE DOCUMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Documents that Establish Both Identity and Employment Authorization</td>
<td>OR</td>
<td>Documents that Establish Identity</td>
<td>AND</td>
<td>Documents that Establish Employment Authorization</td>
</tr>
<tr>
<td>1.</td>
<td>U.S. Passport or U.S. Passport Card</td>
<td>1.</td>
<td>Driver's license or ID card issued by a State or county possessing the United States provided it contains a photograph or information such as name, date of birth, gender, height, eye color, and address</td>
<td>1.</td>
<td>Social Security Account Number card other than one that specifies on the face that the issuance of the card does not authorize employment in the United States</td>
</tr>
<tr>
<td>2.</td>
<td>Permanent Resident Card or Alien Registration Receipt Card (Form I-551)</td>
<td>2.</td>
<td>U.S. Military card or draft record</td>
<td>2.</td>
<td>Certification of Birth Abroad issued by the Department of State (Form FS-545)</td>
</tr>
<tr>
<td>3.</td>
<td>Foreign passport that contains a temporary I-551 stamp or temporary I-551 printout on a machine-readable immigrant visa</td>
<td>3.</td>
<td>Identity card issued by federal, state or local government agencies or entities, provided it contains a photograph or information such as name, date of birth, gender, height, eye color, and address</td>
<td>3.</td>
<td>Certification of Report of Birth issued by the Department of State (Form DS-11)</td>
</tr>
<tr>
<td>4.</td>
<td>Employment Authorization Document that contains a photograph (Form I-766)</td>
<td>4.</td>
<td>Voter's registration card</td>
<td>4.</td>
<td>Original or certified copy of birth certificate issued by a State, county, municipal authority, or territory of the United States bearing an official seal</td>
</tr>
<tr>
<td>5.</td>
<td>In the case of a nonimmigrant alien authorized to work for a specific employer incident to status, a foreign passport with Form I-94 or Form I-94A bearing the same name as the passport and containing an endorsement of the alien's nonimmigrant status, as long as the period of endorsement has not yet expired and the proposed employment is not in conflict with any restrictions or limitations identified on the form</td>
<td>5.</td>
<td>U.S. Military card or draft record</td>
<td>5.</td>
<td>Native American tribal document</td>
</tr>
<tr>
<td>6.</td>
<td>Passport from the Federated States of Micronesia (FSM) or the Republic of the Marshall Islands (RMI) with Form I-94 or Form I-94A, indicating nonimmigrant admission under the Compact of Free Association Between the United States and the FSM or RMI</td>
<td>6.</td>
<td>Military dependent's ID card</td>
<td>6.</td>
<td>U.S. Citizen's ID Card (Form I-197)</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td>Illustration of these documents appear in Part 8 of the Handbook for Employers (M-274)</td>
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</tbody>
</table>
Department of Homeland Security (DHS) AUDITS

- Sharp Increase Throughout all Sectors

- TTUHSC experienced three (3) H-1B audits by the Dept. of Homeland Security in the past 11 weeks
  - 2 Audits within the Lubbock campus
  - 1 Audit within Amarillo

- DHS Officer seeks the following information:
  Are you aware of the petition filed on behalf of the employee
  Does the person continue to be employed by TTUHSC (if not, was employment lawfully terminated)
  What is his/her date of hire (looking for unauthorized employment)
  What is his/her contact phone number (will speak with foreign national employee)
  What is his/her job title (ensure consistency with filed H-1B application)
  What is his/her work location (no unauthorized off-site employment)
  What is his/her salary (are we paying the stated wage)

*** DHS Officer will also ask to speak directly with the foreign national employee to confirm information and has asked about who paid the H-1B filing fees and other Q’s related to foreign degree
Lawfully Terminating Nonimmigrant Employment

- **Limanseto v. Ganze & Co.**
  OALJ CASE №: 2011-LCA-00005
  **ISSUE DATE: 30 JUNE 2011**
  A bona fide termination of an H-1B worker requires the employer to prove three things:
  1. notice to the worker . . . ;
  2. notice to authorities so that the Form I-129 “Petition for a Nonimmigrant Worker” can be cancelled; and
  3. payment for the worker’s transportation home (for premature termination and return to home country)

- **Amtel v. Yongmahapakorn**
  ARB CASE NO. 04-087
  ALJ CASE NO. 2004-LCA-006
  **DATE: September 29, 2006**
  The employer does not effect a "bona fide termination" and, therefore, end its obligation to pay the required wages to the H-1B employee unless the employer has also notified the INS, so that the INS can cancel the H-1B employee's visa (i.e., without bona fide termination, the obligation to continue paying salary is actionable).
BABAR KHAN, PAYROLL SERVICES

Direct Deposit - Pre-Note process

Effective October 4th, Payroll Services is no longer doing pre-note process on employees direct deposit enrollment. Just a reminder that to change or cancel we need to receive the Direct Deposit authorization form 10 days before the pay day in Payroll Services. Same rule apply for cancellation of your direct deposit.

Web Leave Report Started/incomplete but not submitted for approval

Effective October Payroll Services is sending e-mails to employees who started their web leave reports for a given month but never submitted or returned for correction. E-mails are sent to the employee and their approver.

Calendar Year End Deadlines

Manual Checks Processing
All manual checks received in Payroll by 12/16 will be processed and payable 12/23. All manual checks received between December 19th, thru January 2nd, will be payable January 6th. 2012

W 2 Communications:
W 2 for 2011 will be available for electronic retrieval 1/25/2012. Currently, we have 31% of employees who elected to retrieve their W 2 electronically. Payroll Services will be sending out e-mail to employees who have not opted to retrieve their W 2 electronically.

Address verification
Please review your current permanent home address. If you do not consent for electronic retrieval, they will be mailed to your permanent home address in the system.

PENNY HARKEY, BUDGET OFFICE

See next page for powerpoint presentation.
Budget Office Update
Agenda

- 1% Payroll Fee
- Web Based Budget Revision
- Labor Redistribution OP
- Personnel/Payroll Transaction Funding
1% Payroll Fee
1% Staff Group Insurance Payroll Fee

- Originally anticipated that costs for Staff Group Insurance would include matching premiums plus 1% of payroll.

- The 1% payroll contribution has been included in the increased premiums.

- A separate charge for the 1% payroll fee will not be assessed to departments.
Web Based Budget Revision
Web Based Budget Revision System

- Includes
  - Up Front Edits
  - Automated Routing
  - No approvals for most changes between expense codes

- Campus wide roll out – anticipated January 2012

- On–site training
Labor Redistribution OP
HSC OP 70.58 – Labor Redistributions will be published in October

Labor Redistributions for a fiscal quarter will not be allowed after the due dates:

<table>
<thead>
<tr>
<th>Fiscal Quarter</th>
<th>Labor Redistribution Due Date</th>
<th>All Funding Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>September – November</td>
<td>January 15</td>
<td></td>
</tr>
<tr>
<td>December – February</td>
<td>April 15</td>
<td></td>
</tr>
<tr>
<td>March – May</td>
<td>July 15</td>
<td></td>
</tr>
<tr>
<td>June – August</td>
<td>October 15</td>
<td></td>
</tr>
</tbody>
</table>
Labor Redistribution OP

- Includes justification requirement
- Budget Office will process or return all Labor Redistributions within five working days
- PI is responsible for ensuring appropriate labor charges are expensed against sponsored projects
Personnel/Payroll Transaction Funding
Personnel/Payroll Transaction Funding

- Personnel Action Forms (ePAFs)
- New Positions Reclassifications
- Labor Redistributions

- Employee One Time Payments (EOPs)
Personnel Action Forms
New Positions/Reclassifications
Labor Redistributions

- Funding should exist within the FOP prior to submitting the transaction

- Indicate the source of funds in the comment section of the document

- Complicated funding situations – contact the Budget Office prior to submitting
Employee One Time Payments (EOPs)

- Funding must exist in the correct account code based on the chart provided on the following slide.
## Employee One Time Payments (EOPs)

<table>
<thead>
<tr>
<th>Earnings</th>
<th>Account Code</th>
<th>Account Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADC Additional Compensation</td>
<td>6008/8008</td>
<td>Other Employee Pay Reserve</td>
</tr>
<tr>
<td>AWD Award</td>
<td>6008/8008</td>
<td>Other Employee Pay Reserve</td>
</tr>
<tr>
<td>CLO Clothing Allowance</td>
<td>6008/8008</td>
<td>Other Employee Pay Reserve</td>
</tr>
<tr>
<td>CPA Cell Phone Allowance</td>
<td>6008/8008</td>
<td>Other Employee Pay Reserve</td>
</tr>
<tr>
<td>CPE Cell Phone Equipment</td>
<td>6008/8008</td>
<td>Other Employee Pay Reserve</td>
</tr>
<tr>
<td>FOC Faculty On Call Pay</td>
<td>6009/8009</td>
<td>Faculty On Call Pay Reserve</td>
</tr>
<tr>
<td>GFT Gift</td>
<td>6008/8008</td>
<td>Other Employee Pay Reserve</td>
</tr>
<tr>
<td>LSP Lump Sum Payment</td>
<td>7099</td>
<td>Unallocated Expenses</td>
</tr>
<tr>
<td>MOV Moving Expense</td>
<td>6008/8008</td>
<td>Other Employee Pay Reserve</td>
</tr>
<tr>
<td>NMV Non Taxable Moving</td>
<td>6008/8008</td>
<td>Other Employee Pay Reserve</td>
</tr>
<tr>
<td>NTP Non Taxable Tuition Pay</td>
<td>6008/8008</td>
<td>Other Employee Pay Reserve</td>
</tr>
<tr>
<td>OTB Other Taxable Benefit</td>
<td>6008/8008</td>
<td>Other Employee Pay Reserve</td>
</tr>
<tr>
<td>SPA Special Augmentation</td>
<td>6004/8004</td>
<td>Special Augmentation Reserve</td>
</tr>
<tr>
<td>TRV Taxable Travel</td>
<td>6008/8008</td>
<td>Other Employee Pay Reserve</td>
</tr>
<tr>
<td>TSP Temporary Worker Sponsored Programs</td>
<td>8006</td>
<td>Salary Reserve</td>
</tr>
</tbody>
</table>
Established deadlines will accommodate transactions with sufficient funding

Transactions submitted by the deadline but returned due to insufficient funding may result in a delayed payment to the employee.
Personnel/Payroll Transaction Funding

BE PROACTIVE!

COMMUNICATE! COMMUNICATE! COMMUNICATE!