FINANCIAL MANAGEMENT MEETING
December 12, 2006, 2006 9:30 AM to 11:30 AM
*****21 North Park Street*****
Conference Rooms 1106/1108 Next to Welcome Center

Minutes

Welcome

Hub Presentation
"Creating and Implementing Hubs at UW-Madison" was presented by Jo Beth Dudley and Pennie Maclean. There was discussion on the impact of the past, present and future realities in the administrative support environment. The presentation outlined the proposal for creating and implementing Hubs at the UW-Madison. The purpose was also to discuss the next steps and gather questions, ideas, and feedback. See the attached PowerPoint presentation for details. Some concerns were raised about: how each unit will get their needs meet; problematic areas; turn around time; expectations; consistency. To hub all or some of the services will need to be decided. An example would be staff being trained to audit work once, in one place, to eliminate double checking of work. Staff would know where the responsibility is at.

Jobs may change and people may move around. The Hub process is not designed to lay off people. There would be back-up for the work. Department staff could provide more service without being removed from units.

Some areas at the UW-Madison that are using the Hub process are School of Pharmacy, Division of Information Technology and the State Laboratory of Hygiene. Workloads may need to be reorganized. Processes can be streamlined with few people doing the work. There is a partnership between the Departments and the Division with the basic transactions being in the Hub. Policies and procedure decisions are still in the Dean's office.

Hub creation will continue with staff and administrators. Human Resources staff will be involved to calm concerns about the process. About 10 of the same presentation have been given to Faculty and staff in various schools and colleges.

Implementation of New Fee Remission Policy
The Tuition Remission Update was presented by Tim Norris. Please see the attached memo from Darrell Bazzell for details of the Tuition Remission. Tim has also provided a list of frequently asked questions, which are also attached.

Online Staff Directory
The online directory has been set up to replicate the full functionality of the printed directory for people or departments. Go to the web at http://wisc.edu/directories/ to begin your search for a person. It was recommended that you enter the last name as it can be faster. To see a page of the A to Z Staff listing, go to http://www.vc.wisc.edu/app/directory/UWMadisonFSdir.pdf. For searching the Department names, less is more with what you enter. For information on how to update your directory listing, go to http://www.wisc.edu/directories/corrections.php. To update the department listing, go to http://www.vc.wisc.edu/dd/directdata.htm. For Frequently Asked Questions go to http://www.wisc.edu/directories/faq.php.

Purchasing Services
The handout "Future Directions in Overnight Shipping" was distributed at the meeting and is also attached. Purchasing Services has one full time staff person working on shipping services. The department has been working on a series of improvements related to shipping services, including UPS and FedEx. There continues to be overwhelming problems in resolving FedEx invoicing, mostly due to unidentified shipments that have insufficient information to charge to the proper budget. Actions are being taken to resolve the problems. Departments are encouraged to use CampusShip.

Business Services
There have been reports of local CPA firms requesting UW departments to promote benefit counseling sessions they are putting on for employees who are approaching retirement age. Departments should not be doing this. The CPA firm is welcome to request mailing labels for UW employees or use the staff directory or the UW Retirement Association as their entree.

The Administrative Council has been struggling with managing the priorities for implementation of new systems; Automated Travel, Grants, etc. Please stay in touch with your representative to that group for more information.

Meeting adjourned at 11:20 AM.

Our 2007 Financial Management Meetings will be held on the dates below. All are confirmed to be held at 21 N. Park Street, rooms 1106/1108, from 9:30 AM to 11:30 AM. Any changes are noted below. Campus Bus Route 85 will drop you off and pick you up in front of the Welcome Center.

- February 13, 2007
- ***April 10, 2007*** The Pyle Center (check the lobby kiosk for room location)
- June 12, 2007
- August 14, 2007
- October 9, 2007
- December 11, 2007

Creating and Implementing "Hubs" at UW-Madison

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A "Possibility" Discussion
Developed by the Administrative Council
November 2006

Purpose of This Presentation

1. Describe the impact of past, present, and future realities in the administrative support environment

2. Outline the proposal for creating and implementing Hubs at UW-Madison

3. Discuss the planned next steps and gather questions, ideas, and feedback

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Administrative Environment – The Past Six Years

Over the past six years UW-Madison has absorbed approximately **$50 million in state funding budget reductions**

Over the same period, UW-Madison has **reduced approximately 340 state funded positions**

Administrative Environment - Today

Reductions in budget and FTE have resulted in:

- Reduced ability to backfill administrative positions
- Re-allocation of work to remaining administrative positions
- Campus-wide reduction in administrative expertise / experience
- Limited back-up coverage during vacation or sick time
- Elimination and reduction of valued administrative services
- Fewer resources to standardize and streamline processes

Administrative Environment – What's Ahead?

The Governor's 2007-09 budget instructions require agencies to prepare for a 10% administrative cut

Future ERP (Enterprise Resource Planning) systems will require process changes and the learning of new systems (e.g. Expense/Travel, Effort, Grants, Procurement, Human Resources)

Approximately 40% of Administrative Staff will be eligible for retirement within the next 5 years

In summary, the ways we currently provide administrative services are not sustainable and they do not provide the strong foundation UW-Madison needs for the future

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Proposal for Administrative Restructuring

Establish guiding principles for the project- (November-December 2006)

Form a cross-campus Hub project team - (November 2006-January 2007)

Identify possible Hub models that meet the needs of UW-Madison

Develop a campus Hub implementation plan that includes:

- An implementation timeline for campus Hubs
- Standardizing and streamlining administrative processes
- Leveraging ERP technology / investments

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Why Hubs?

Why Hubs?

- Brings together qualified, experienced, and trained staff
- Improves overall quality and effectiveness of services
- Retains localized control, support, and expertise
- Facilitates efficient delegation of authority from central services
- Enhances capability to streamline and reduce processing steps
- Provides coverage during absences or busy times
- Shortens learning curve for learning new processes
- Provides cross-training, teamwork, and career growth

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What is a Hub?

Proposed HUB Administrative Support Structure

Departments & Dean's Offices
Programmatic Oversight

Faculty and Staff
(from Multiple Departments)

Core Missions:

-- Teaching

-- Research

-- Public Service

HUB Office*

Key Roles (across support areas):
-- process and approve transactions (delegated authority)
-- review and audit transactions
-- obtain clarification and justification/ documentation as needed
-- facilitate transactions

Central Campus Offices*

Key Roles:
-- post-transaction review/audit (sampling of transactions)
-- collaboration on processes/ best practices
-- training and delegation of authority (certification)
-- resource for questions/ problem resolution

initiate transaction requests

collaboration on processes and review

***Administrative Support Areas Served by HUB:**

HR/Payroll	Accounting Services	Sponsored Research	IT and Computing Support	Facilities Management

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Possible Models for Hubs

Single Model: Hub(s) may serve multiple departments, centers, and units in a **single** school, college, or division

Multiple Model: Hub(s) may serve multiple departments, centers, and units in **multiple** schools, colleges, and/or divisions.

Geographic Model: Hub(s) may serve multiple schools, colleges, divisions, departments, centers, and units in specific **geographic** location(s) or building(s)

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Where are Hubs Used Today?

Where?

- UW-Madison
- UW-Milwaukee
- University of Illinois
- University of Minnesota
- University of Michigan
- University of New Hampshire
- Cornell University
- Purdue University

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Questions for Discussion

1. What would it take for you to support and champion Hubs?

2. How can we ensure the success of Hubs?

3. How would you like to participate in this process?

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THE UNIVERSITY of WISCONSIN MADISON

December 14, 2006

Memo

To: Deans
Directors
Department Chairs
Budget Officers

From: Darrell Bazzell, Vice Chancellor for Administration

Subj: Update on Policy on Assessments for Graduate Assistant Tuition Remissions

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This memorandum provides an update on plans for changing the current policy on assessments for graduate assistant tuition remissions. Background information regarding the rationale for implementing the change was presented in my June 26th memorandum (attached), which also outlined the basic model and approach that would be used to replace the current method of charging units for graduate assistant tuition remissions. The information below is meant to provide more specific detail in how the new charge will be implemented as well as confirm the anticipated timeline. Some of the items have been excerpted from the previous memorandum.

- Beginning with the spring semester of 2006-07, an annual fixed surcharge of $8,000 per year will be applied to all PA and RA positions. TA appointments will be exempt from the charge.

- The charge will apply to all funds, except Fund 142 (see below regarding Fund 142)

- The charge will be implemented as an automated end of month process in the general ledger accounting system.

- The charge will be applied on a semester basis--$4,000 per semester. For the fall semester, the charge will be process September through January; for the spring semester, the charge will be processed January through May. No charge will be applied for summer appointments.

Vice Chancellor for Administration
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- Determination of eligibility for the charge will be based on the combined FTE of all graduate assistant appointments for an individual. Any individual with a combined appointment level of 0.33 FTE or greater will qualify for the charge.

- Determination of eligibility will be based on all combined graduate assistant appointments at UW-Madison, UW-Extension, and UW-System Administration.

- Distribution of the charge will be based on the pro rata share of stipend funding for the individual. For example, for an RA with a 25% appointment on a Fund 144 project and a 25% appointment on a Fund 133 project, the charge would be applied as $2,000 to the Fund 144 project and $2,000 to the Fund 133 project.

- The pro rata share of any TA appointments will be exempt from the charge. For example, for an individual with a 25% TA appointment and a 25% PA appointment, the charge would be limited to $2,000 for the PA share of the appointments.

- Determination of the 0.33 FTE eligibility threshold will be based on a cumulative monthly average appointment level for the graduate assistant over the course of the semester. As such, the monthly charges will be assessed, corrected or changed for prior months based on the cumulative average appointment level. For example, a graduate assistant with a 50% RA appointment in September would be assessed the fixed monthly charge of $888.89 in September. If in October, the graduate assistant's appointment level fell to 10% for the month—bringing the cumulative average appointment level to 30%, which is less than the threshold—there would be no charge for October, and the prior month September charge would be reversed (cancelled).

- Any corrections to prior monthly charges—whether they are based on changes in eligibility status, salary cash transfers, or check corrections—will be based on cumulative pro rata funding, so that the appropriate funding sources are charged or credited as the case may be.

- The Bursar's Office will use the same eligibility criteria—cumulative FTE level—during and at the end of each semester to determine whether an individual graduate student qualifies for graduate assistant remission. Note that in the event that a graduate student leaves the campus during the course of a semester, the graduate student still may qualify for a remission, while the remission charge may or may not be applied, depending on the cumulative appointment level.

- The charge will not be applied to hourly PA appointments. Such appointments are generally discouraged and are permissible only in exceptional circumstances. The Budget Office and Office of Human Resources will monitor the use and frequency of such appointments to determine whether they are appropriate within the context of this policy and other human resources policies and guidelines.

- In addition, graduate assistant appointment patterns will be monitored by the Budget Office and Office of Human Resources to determine whether units systematically shift appointment types to take advantage of the TA exemption. Such actions are prohibited. TA appointments must conform to established human resources policies and guidelines, as well as the collective bargaining agreement.

- The current 25% tuition remission surcharge on extramural funds will be eliminated January 1, 2007. The December end-of-month processing will be the final cycle for this charge.

- Similarly, the current ad hoc charge for excess PA and RA headcounts will also be eliminated at the end of the current semester. Units will be responsible for paying those charges for the Fall Semester of 2006-07, but there will be no charge for the Spring Semester or any subsequent periods.

- The Office of Research and Sponsored Programs recommends that you include the full cost of the tuition remission surcharge on each grant proposal. There may be specific instances in which a PI has very limited graduate assistant involvement or which there is a ceiling on the amount of funds requested, but more frequently there is a need to fund graduate assistants with one or more projects.

- PIs and departments are responsible for covering any deficits resulting from insufficient budget requests for the tuition remission surcharge. Unless you know with certainty that all proposals will be funded, a cautious approach to requesting sufficient funds to cover the full tuition remission surcharge is recommended. If you request more funding than is necessary, it can usually be re-budgeted for other necessary project costs.

- The fixed charge will be indexed and is subject to adjustment. Adequate notice of any anticipated change in the charge will be provided to facilitate necessary budget planning. There will be no adjustment to the charge in 2007-08.

- Beginning in February, a tuition remission surcharge search will be available in WISDM under the Appointments section of the Main Menu. Information such as the number of appointments, FTE rate, and individual tuition remission surcharges will be displayed on a semester basis. More information on the search will be available in a training document that will be located at the WISDM Training Tools website (located at: http://www.bussvc.wisc.edu/acct/sfs/tools.html). The document will be available in early January.

- All schools and colleges are strongly encouraged to set aside discretionary funding to provide transitional support in situations where adequate funds are not available at the departmental level to cover the charge.

- At the institutional level, additional transitional support or mitigation will be provided on a diminishing scale for a period of three and one-half years to the three schools and colleges most impacted by the change in policy: School of Education, College of Letters and Science, and College of Agricultural and Life Sciences. This mitigation is limited to graduate assistants positions paid on Fund 101. The additional surcharge costs will be reduced at a divisional level by 75% for the spring semester 2006-07 and the 2007-08 fiscal year; by 50% for the 2008-09 fiscal year; and, by 25% for the 2009-10 fiscal year.

- In addition, graduate assistant positions paid on Fund 142 will be fully exempt from the charge through the 2009-10 fiscal year, after which such positions will be fully subject to the new assessment.

- In addition, the University has established a permanent annual allocation of $500,000 to support arts and humanities departments which will be most fiscally challenged by the new policy.

- Collectively, the University must make every effort to honor commitments to existing graduate students.

Finally, if you have questions regarding any aspect of this policy change, please refer to the attached FAQ. If additional information is required, please keep in mind the following:

- General policy related questions, as well as inquiries regarding the budgetary aspects and history of tuition remissions at the institutional level, can be addressed to me or to Tim Norris in the Budget Office.

- For information regarding specific employment policies and guidelines for graduate students and graduate assistants, please contact Michael Rothstein in the Office of Human Resources.

- For information and questions specifically related to sponsored projects and programs, please contact Robert Andresen in the Office of Research and Sponsored Programs.

- For information regarding the eligibility of graduate students for tuition remissions, please contact Cathie Easter in the Bursar's Office.

- Finally, questions related to the processing and reporting of the charge in the general ledger accounting system and WISDM should be addressed to Hua Ramer in Accounting Services.

Attachments

xc: Chancellor Wiley
Provost Farrell
University Committee
Tuition Remission Task Force
Tuition Remission Implementation Group

Attachment
Tuition Remission Surcharge Frequently Asked Questions
December 14, 2006

Q1 If a graduate assistant's appointment is split between 2 projects, will the tuition remission surcharge be split between the projects?

A1 Yes, the tuition remission surcharge will be split between the two projects based on the percent of appointment on each project.

Q2 If a graduate assistant has a 25% TA appointment and a 25% PA appointment for a semester, what would the tuition remission surcharge be?

A2 In this case the tuition remission surcharge will be split evenly. The PA appointment would be charged $2,000 per semester or $444.44 per month (4.5 months). The TA appointment would be initially charged, but the charge would be reversed. The net effect of the TA transactions is no charge for the TA appointment.

Q3 For some departments, it is quite common for their graduate assistants to work as teaching assistants during the academic year and then serve as RAs or PAs during the summer months. How much tuition remission surcharge will be charged for these summer only positions?

A3 There will be no tuition remission surcharge for PA and RA appointments during the summer.

Q4 Does the tuition remission surcharge apply to existing grants, and if so, what is the start date?

A4 The tuition remission surcharge applies to all grants and will begin the spring semester of 2006-07. The first charge will be processed during the January 2007 end of month cycle.

Q5 What happens if the graduate assistant has a TA appointment at 33% and a RA appointment at 11.2%? Would the TA appointment cover the tuition remission surcharge, or would the RA appointment be charged too?

A5 In this case the RA funding source would be responsible for 25% of the tuition remission surcharge or $1,000 per semester, because the RA appointment at 11.2% is 25% of the graduate assistant's total appointment of 44.2%.

Q6 Can I assume that current grants that have graduate assistant tuition remission surcharge budgeted at 25% and pending proposals that have budgeted tuition at 25% will be charged that amount and not the new fixed amount?

A6 No. Beginning in January of 2007, all grants will be subject to the new tuition remission surcharge.

Q7 How will the new tuition remission surcharge apply when one project assistant is paid from multiple funding sources?

A7 The tuition remission surcharge will be allocated to the various funding sources on the basis of appointment percentages.

Q8 What amount of tuition remission surcharge should be included on grant proposal budgets when a PA's effort is proposed to be covered by multiple grants?

A8 The Office of Research and Sponsored Programs recommends that you include the full cost of the tuition remission surcharge on each proposal. There may be specific instances in which a PI has very limited graduate assistant involvement or which there is a ceiling on the amount of funds requested, but more frequently there is a need to fund graduate assistants with one or more projects.

Q9 How would the tuition remission surcharge be calculated for a combination of new multiple grants and existing gift accounts?

A9 The tuition remission surcharge will be allocated among the funding sources based on the appointment percentages.

Q10 What happens if a grant budget doesn't cover the full cost of the tuition remission surcharge?

A10 The PI/Department will be responsible for identifying alternative sources, including re-budgeting, to cover the surcharge.

Q11 Should the PI budget for any increase in the tuition remission surcharge?

A11 There will be no increase in the tuition remission surcharge in 2007-08. The campus will provide further instructions for multi-year proposals at a later date.

Q12 Will the tuition remission surcharge be pro-rated by month?

A12 Yes, the tuition remission surcharge will be divided into 9 payments, Sept. - May.

Q13 How does the 3rd party deferral process relate to this new tuition remission policy?

A13 The 3rd party deferral process is not affected by this new surcharge policy.

Q14 Does the $4,000 tuition remission surcharge appear in one lump sum or equally per month of the semester?

A14 The $4,000/semester or $8,000/academic year tuition remission surcharge is calculated and charged monthly from September through May.

Q15 What happens for a graduate assistant funded 30% TA on 101 and 20% RA on a 144 federal grant?

A15 The tuition remission surcharge applicable to the RA appointment will be 40% of the total. In this case the amount of $3,200/year will be charged against the RA funding source.

Q16 What happens with funding that changes from month to month?

A16 The tuition remission surcharge will automatically be adjusted to match the cumulative funding source for the graduate assistant stipend.

Q17 What happens when a student leaves mid-semester?

A17 It depends on the specific case. In the event that a graduate student leaves `the campus during the course of a semester, the graduate student still may qualify for a remission, while the remission charge may or may not be applied, depending on the cumulative appointment level.

Q18 Can 133 discretionary accounts be used to cover cost overruns or errors?

A18 Yes.

Q19 Will the tuition remission surcharge on T32 training grants continue to be posted as actual tuition paid when the UW system goes to the $4,000 per semester charge in January?

A19 Yes. The new surcharge policy will **only** affect graduate assistants with RA and PA appointments. There will be no change in how tuition for Fellows and Trainees are handled.

Q20 How will the tuition remission surcharge be displayed in WISDM?

A20 Starting in early February, a Tuition Fee Remission Search will be available in WISDM under the Appointments section of the Main Menu. Using a variety of search criteria, a user can look up tuition remission information for an individual. Information such as the number of appointments, FTE rate, and individual Tuition Remission charges will be displayed on a semester basis. More information on the search will be available in a training document that will be located at the WISDM Training Tools website (located at: http://www.bussvc.wisc.edu/acct/sfs/tools.html). The document will be available in early January.

Future Directions in Overnight Shipping

Purchasing Services has been working on a series of improvements for the University's payment processes for shipping services, including UPS and FedEx. In Fiscal Year 05, we established a contract with UPS by which customers could order services online, pay using a credit card or direct pay method, and have copies and rates available at the time of their service order. This UPS CampusShip program has virtually eliminated invoicing issues with UPS. UPS offers the campus more tiered levels of service than FedEx, providing opportunities for saving more money on shipping. Statistically, UPS matches FedEx in reliability and has received recognitions in this area including an award from JD Powers and Associates for their premier overnight service.

During the UPS implementation, we have continued experiencing overwhelming problems in resolving Fed Ex invoicing. The largest issue is unidentified shipments that have insufficient information to charge to the proper budget. To eliminate this problem, we will be working towards taking the following actions:

1. All FedEx boxes will be removed from campus, except for one used by Research and Sponsored Programs (RSP) to forward grant/contract submissions.
2. For the remaining UPS boxes located on campus, paper airbills will be removed and instructions will be placed at each box about how to prepare the airbill online.
3. The University's generic account for FedEx will be eliminated. Those departments that use FedEx will have their own specific account. Invoices will go directly to the department.
4. Accounts Payable will no longer send out copies of airbills to departments. Instructions for how to access invoice detail online will be made available.
5. Departments will continue to be encouraged to set up their shipping needs using either the CampusShip program or using a UPS generic logon site that will have the University pricing and accept a Procurement card.

We have asked shippers across campus to use the UPS program for their shipping needs. In some cases, UPS simply cannot provide a service that our customers require. This continues to be less of a problem as time progresses. In other cases, customers do not want to use UPS because of perceived reliability issues. Finally, for customers that do not know about or have not looked into using UPS, please contact one of our UPS representatives to work with you to get set up to use CampusShip. Kris Roesken and Curtis McLeod are available at kroesken@ups.com and cmcleod@ups.com respectively to get in touch with you at your convenience to help you get started.

For departments currently using FedEx through the University's general account number, instructions on how to obtain an account specific to your department will be provided. At the time the account is set up, the department will begin to receive invoices and will be able to change or edit the funding before submittal to 21 N Park St (formerly Peterson) for payment.

We have made significant progress in resolving these ongoing problems and with the campus's assistance in implementing these five areas outlined above, we hope to improve the process further.