

FINANCIAL MANAGEMENT MEETING

June 14, 2011

Welcome Center, 21 N. Park Street

9:30 TO 11:30 AM

Al Benzschawel welcomed everyone and had a few opening remarks.

Mike Hardiman spoke about current Business Scams that all departments need to be aware of. Handout attached.

He also spoke of **potential changes in procurement** based on the Joint Finance Omnibus recommendations to the legislature. These included:

1. Potentially increasing sealed bid thresholds to \$50,000 (from \$25,000)
2. Potentially eliminating the need to do Cost Benefit analyses for service contracts

Mike cautioned that if the sealed bid limits are raised, that does not necessarily mean that delegation levels of \$25,000 in place at some departments will also move up.

Al Benzschawel spoke about Electronic Vendor Payments – Payment Plus. Some of you have had inquires about our electronic vendor payments that have been taking place. We have spend time in the past looking for a electronic process to pay vendors and determined that the ACH process did not get sufficient payment information about which invoices were being paid and whether there were any corrections made to the invoice. US Bank, our contract banker offered us a process to get the electronic payment to our vendors along with the necessary invoice information called Payment Plus. US Bank also works with us to help sign up the vendors for the program. If you receive any calls from vendors on questions about the process please direct them to [Virginia Brown, 608-262-4865](mailto:Virginia.Brown@uwservice.wisc.edu).

Hua Ramer and Dwan Schuck (UW Service Center) gave an update on HRS related financial issues. Dwan said that the HRS team is aware of the reported problem and they are working on fixing the problems, specifically:

Direct retros (HRS salary transfers) not coming through to WISDM in HRS: The HRS team is working on a fix to prevent the duplicate of transfers interfacing to SFS/WISDM. The Accounting Services staff continue entering the transfers in HRS. Once the problem is fixed, the transfers will come over to SFS/WISDM. This is a high priority issue the HRS team is working on although we don't have a timeline on the fix yet. This problem affects transfers on salary paid after HRS went live. Duplicate transfers enter on May 26 were reversed with May journal date, so that the May fringe and overhead allocations on grants were not affected. Transfers on pre-HRS salaries are OK.

Funding edit report: the HRS is developing a report that's similar to the old "check sheet" report that shows funding for all positions for a department/division, including split funding from other divisions. The report will also include pay rate for classified and unclassified.

Hua also handed out an HRS fiscal year 2012 initiation schedule. Campus has until June 18 to manually enter FY2012 funding into HRS. These entries will not be over-written by the initiation process. A process will run to load funding from budget to HRS during June 19-20. From June 21 to June 30, campus can make updates to the FY2012 budget funding in HRS. A system job will create FY2012 funding from FY2011 data for employees whose funding is not loaded from budget or manual entry by June 30.

First FY2012 payroll run will start on July 3. Campus will have until July 8 to correct July A classified payroll funding errors.

Please refer to <https://uwservice.wisc.edu/hrs/cutover/> the HRS website for more information and deadlines.

Jan Richardson gave an update on E-reimbursement APR regarding the APR traveler Team Progress. Handout is attached.

Accounting Services Personnel Changes - As announced earlier, Kristi Partenheimer, Financial Operations Manager, left UW-Madison June 3, 2011 to take a position with Baker Tilly, CPAs. Lori Nolley, PIR Audit, retired on June 3, 2011.

Al Benzschawel, Controller, is retiring June 17, 2011 and Jan Richardson, Associate Controller, is retiring June 30, 2011. Also retiring June 30, 2011 is Barb Bausch, Cash Management, and Judy Yarwood, Accounts Payable Mail Distribution.

Don outlined the Accounting Services management team in this time of transition. George Ketterer is interim Controller. Management team members are Jose Carus (Tax), Sharon Hughes (Cash Management), Hua Ramer (Data and Financial Systems Mgmt), Vera Laufenberg (PO Invoice Audit, Direct Pays, PIRs), Virginia Brown (Vendor Relations, support services and vendor files). There are recruitments underway for the manager of Financial Operations and Property Control and for a manager or Travel and Purchasing/Travel Cards. See <http://www.bussvc.wisc.edu/acct/acctdir.html> for the most up-to-date information.

The details regarding the Budget Bill will be forthcoming in the next few months. It appears that while the New Badger Partnership will not happen, there will be some reduction in state oversight of the University. There is probably going to be (a) a reduction in the number of state appropriations the University uses. Our Fund numbers map either one-on-one or many-to-one to State Appropriations now. Whatever changes occur in the appropriation structure will not affect day to day operations this coming fiscal year. We will change the mapping in the background to handle the change and (b) simplification of procurement rules, particularly those related to personal services contracts (consultants, etc). Stay tuned.

UW Madison is trying to become Payment Card Industry (PCI) compliant in the ways it handles payments received by credit card, no later than the end of calendar year 2011. This will require all merchants to completed appropriate SAQ forms and us to present those to our major acquirer, Elavon.

As discussed elsewhere in the agenda, **the HRS implementation is bumpy getting off the ground.** In particular, the financial information in SFS that derives from HRS processes has been, at time erroneous or missing. Hua Ramer and Dwan Schuck (from OHR) will be your primary contacts on problems you encounter. Hua asked that you submit problems to sfmsn@bussvc.wisc.edu to make sure someone addresses your problem Also consult http://www.bussvc.wisc.edu/acct/sfs/SFS_HRSChanges.html

Business Services' 2011-12 business plan key objectives can now be found at <http://bussvc.wisc.edu/bsnews/stratdir.html> Please contact Don Miner if you have any questions or concerns about these objectives.

Attachments: Handouts



FMM APR update summary.docx



FMM APR QFD.doc



APR E-Re Process Map with Data...



FMM Summary of Top Data from APR.d...



SendbackReas onsSummary[1].d...

Current Scams

We continue to hear news of departments or individuals that have fallen prey to some common and uncommon business scams.

Please review these current activities and follow the advice accordingly:

1. **SCAM: Construct Data:** This company targets organizations that host fairs (art, music, movie, science, literature, etc etc). They send you a notice that they have you listed in their “fair guide” for free, and they ask you to sign at the bottom of the notice. The fine print however says that by signing you are agreeing to 3 years of advertising at a cost of \$1,700 annually.

What to do if contacted: Please notify the Purchasing Office at our central contact e-mail address purch@bussvc.wisc.edu

What to do if you get an invoice because someone signed one of these: Do not process any payment. Contact either Mike Hardiman in Purchasing or Ben Griffiths in Legal Services. We will deny payment.

2. **Scam: Invitation to Direct Purchases to a Supplier:** We have been made aware of at least one person who received an invitation to profit from directing purchases to a specific company in exchange for a kickback.

What to do if contacted: It is a federal offense to participate in this anti-trust activity. If you are approached, please notify the Purchasing Office at our central contact e-mail address purch@bussvc.wisc.edu

3. **Scam: E-mail requests to update your profile or to provide information related to a transaction.** Legitimate businesses should never be sending you an e-mail with an embedded link that asks you to update personal or banking information. This usually takes the form of asking you to login to what looks like a real website, but is actually a front to collect login information and personal information you might provide.

What to do if contacted: Never click to an embedded link in an e-mail where the sender is asking you to provide updated personal or banking information. Even if it appears legitimate, do not provide any personal or financial information to anyone requesting that you do so through a link embedded in an e-mail, or in response to any e-mail.

4. **Scam: Forms you must legally purchase and post:** This scam takes the form of sending you a “Notice” that appears to be from a Regulatory Body telling you that you are required by law to post certain information publicly (usually employee information). The notice provides information about how to immediately order the required “Posting”.

What to do if contacted: Never purchase Public Notice Forms unless directed to do so by an administrative office of the University.

5. **Scam:** Various “Deals” and Bait and Switch scams. There are a variety of these scams that may or may not be legal depending on how it is done. In general however, if you are contacted by someone claiming they have a great deal for you because of some unusual circumstance, say you are not interested and hang up. You will be glad to have saved yourself from dealing with one of the following:
- A. The product was misrepresented and what they send you is not what they implied would be sent at the time you talked. If you have paid with a credit card, you could dispute the charge with the bank. If you have not paid and the product is not what was described, then don't pay any invoice. Ask them how they would like to have it returned at their expense.
 - B. The price really wasn't a good price upon further investigation, but you already ordered and perhaps paid with a credit card. This is just a bad decision that is probably not reversible.
 - C. You don't really order anything but by virtue of a discussion you gave them enough information for them to send you something as if you did order it. They begin systematically hounding you for a payment for what they shipped. Do not ever pay for anything you did not order, nor return product someone shipped to you at your expense. Notify them in writing that the product was not ordered and will not be paid, and that they can arrange for its return. Tell them in writing that they have until XX date to make arrangements or the University will consider it abandoned property and it will be disposed of through our surplus operations. The Purchasing Office will also help resolve this if you seek our help.

APR TRAVELER TEAM PROGRESS UPDATE FMM MEETING, 6/14/2011

PROJECT GOALS

Reduce user time in the system and reduce the number of sendbacks. Four areas of concern have emerged: Software Usability, Policy, Process Flow, and Training.

ELEVATOR PITCH

The E-Re team was very successful in developing a system to reduce the time to reimbursement. That being accomplished, the task of this team is to enhance and improve the peoples' ability to use the system. Just like other APR projects, the team is engaging a large cross section of users to learn about frustrations, time spent on reimbursement requests and approvals, and other experiences with the current process. We'll also collect data to understand the feedback that we've received. After we have identified the root causes of user frustration, we'll develop solutions and implementation plans. This analysis will lead us to a list of solutions that could include a variety of things, such as process changes, e-Re system enhancements, and policy changes.

VOICE OF CUSTOMER INTERVIEWS

Forty interviews were conducted with e-re users in multiple divisions in March and April 2011. Among the divisions covered were Athletics, CALS, the College of Engineering, the Law School, L&S, the Nelson Institute, University Housing, and the School of Vet Medicine. A standard set of questions was developed for Travelers and Alternates, and a slightly modified version of that question set was used for Approvers and Auditors. Interviewee Breakdown: 21 Travelers, 12 Alternates, 8 Approvers, 6 Auditors (some have dual roles).

DATA

Data for our data set was collected from Accounting Services and it covers the timespan of July 1, 2010-April 30, 2011. See Data Map (includes data only up to January 31, 2011) and Data Summary (data up to April 30, 2011) for more information.

Analysis of sample Sendback Detail is in progress. Here we have pulled actual sendback reason text and analyzed the content into multiple categories. Our goal is to identify the most common reasons for sendbacks. So far it is clear that Comment field issues are the most common sendback reason, primarily missing travel times and incomplete travel descriptions; other top sendback reasons were in-state, out of state, foreign travel billing type issues; incorrect meal categories (overnight v. sameday); and missing receipts.

POLICY

We have created a policy grid that compares Federal OMB A-21 policy, NIH and NSF sponsor policy, State Statutes, State Comp Plan, UW-System and UW Madison across a range of travel issues like general principles, per diem, meals, airfare, lodging, incidentals, relocation, and recruiting. Root cause analysis of policy issues has begun, and here it's clear that meal policy is the biggest cause of campus frustration.

TIMING

We hope to present our list of potential solutions to our sponsor in September, 2011.

TOP RANKED QFD (Quality Function Deployment) STATEMENTS

QFD helps transform customer needs collected from Voice of Customer (VOC) interviews into characteristics for a product or service, prioritizing each product or service characteristic while simultaneously setting development targets for product or service.

We divided our interview results into four major categories: Software Usability; Policy-Business Rules; Job Aids/Training; Process Flow.

Software Usability

Data Entry: Receipts and other documentation need to be able to be electronically attached to request

Data Entry: Need to better handle folio receipts that have more than one type of expense (e.g. lodging, internet, phone, meals on one receipt)

Data Entry: Need to be able to enter funding sources and splits in an easier way

Data Entry: Need start and end date to be asked earlier and help drive how the other fields display

User Interface: Need a view that shows all expenses as line item spreadsheet so there isn't so much "togglng" between screens

User interface: need search capability to find the right reimbursement request

User Interface: Field names and description need to use simple jargon and acronym free words

User interface: All views should be intelligent to show or hide fields that aren't needed

User interface: Need to cut down on the number of times you are forced to toggle between screens

Review: Allow approvers/auditors the ability to make small \$ changes to traveler requests without traveler receiving sendback

Policy/Business Rules

New rule: Need system to support per diem for meals

New rule: Need system to allow certain types of expenses to be allowed without receipt (e.g. under a certain amount; certain types of incidentals)

Job Aids/Training

Need info access to policy and business rules

Process Flow

Need to provide transparency of sendback activity so traveler, alternate, approver, and auditor all know what is happening with request

Summary of Data

July 1, 2010 Through April 30, 2011

39,083 Expense Reports
\$34,235,425.41 in Expenses

39,083 Expense Reports
19,320 Completed by Traveller (49.5%)
19,763 Completed by Alternate (50.5%)

17,606 Sendbacks
13,072 Unique Sendbacks (33.4% of reports result in sendback) (Down from 34.6%)
12,446 Total Sendbacks by Approvers (70.6% of all sendbacks)
10,242 Unique Sendbacks by Approvers (26.2% of reports rejected by Approvers) (27.1%)
4,617 Total Sendbacks by Auditors (29.4% of all sendbacks)
4,383 Unique Sendbacks by Auditors (11.2% of reports rejected by Auditors) (11.6%)
1,386 Reports with Sendbacks by Auditors and Approvers (3.5% of all reports) (3.9%)

63.7% of all reports generated by traveller resulted in a sendback (64.2%)
26.9% of all reports generated by alternates resulted in a sendback (27.8%)

APR TRAVELER TEAM: TOP E-REIMBURSEMENT SENDBACK REASONS

300 Sendbacks Analyzed
536 Reason Codes for Sendbacks

NOTE: Percentages add up to more than 100% because often a sendback had more than one reason stated in the text.

Most Popular	%
Comments - Travel Times	24%
Comments - Description	18%
Billing Type	15%
Expense Type - Meals	9%
Docs -Receipts	8%
Expense Type - Lodging	7%
Business Purpose	6%
Funding	5%
Expense Detail - Description	5%
Expense Type - Airfare	5%
Reference Field	5%
Meals Line Item	6%
Meal Related Category	25%
Comment Field Related Category	47%

Electronic Expense Report Process Map

Data Source Dates: July 1, 2010 to January 31, 2011

