Quarterly Budget Officers Meeting

JANUARY 2016
FINANCE & OPERATIONS, CONTROLLER’S OFFICE
Today’s Agenda

I. FY17 Proposed Fringe Rates – Selina Martin
II. Strategic Sourcing & Shared Services Update – Debby Zumbach
III. VP Research (OVPR) Shared Services – Cheryl Reardon
IV. Internal Audit Findings – Todd Stewart
V. COGS Report – Salary and Tuition Support – Marty Miller
VI. EFR Summary Reports Implementation Plan – Selina Martin
VII. Update on Business Processes Series – Selina Martin
FY17 Proposed Fringe Rates

SELINA MARTIN
FINANCE & OPERATIONS, CONTROLLER’S OFFICE
Annual Fringe Rates Process

1. Start with actual salary/fringe cost in base even/odd year (FY15 actuals)
2. Consider current year's 1st quarter actuals (FY16 actuals, Jul-Sep)
3. Projected change in base salary for 11 pools (FY17 projection)
4. Projected change in 18 fringe costs components for 11 pools (FY17 projection)
5. Prior years surplus/deficit odd/even year carryover (cumulative balances in only odd years)
6. Mail proposed fringe rates to DHHS-DCA
7. DCA shares accepted rates
8. University negotiates to amend certain rates
9. Approved final fringe benefits charge rates
10. Smooth out rate fluctuations
11. Update AFR website with updated final rates
12. Update AFR website with updated proposed & estimated rates
13. Approved final fringe benefits charge rates
14. Mail proposed fringe rates to DHHS-DCA
15. DCA shares accepted rates
16. University negotiates to amend certain rates
17. Approved final fringe benefits charge rates
18. Smooth out rate fluctuations
19. Update AFR website with updated final rates
20. Update AFR website with updated proposed & estimated rates
Fringe Rate Trend – Major Pools
(rates charged to campus)

Standard Fringe Rate Charged to Campus
(5 major pools)

- **Merit**
  - FY14 Approved Rates: 51.00%
  - FY15 Approved Rates: 46.40%
  - FY16 Approved Rates: 46.40%
  - FY17 Proposed Rates: 52.75%

- **SEIU**
  - FY14 Approved Rates: 36.00%
  - FY15 Approved Rates: 36.90%
  - FY16 Approved Rates: 36.90%
  - FY17 Proposed Rates: 37.50%

- **P&S**
  - FY14 Approved Rates: 34.50%
  - FY15 Approved Rates: 35.70%
  - FY16 Approved Rates: 36.90%

- **Non-clinical Faculty**
  - FY14 Approved Rates: 27.80%
  - FY15 Approved Rates: 28.50%
  - FY16 Approved Rates: 29.10%

- **Clinical Faculty**
  - FY14 Approved Rates: 21.40%
  - FY15 Approved Rates: 22.30%
  - FY16 Approved Rates: 23.30%
Fringe Rate Trend – Minor Pools
(rates charged to campus)
Strategic Sourcing & University Shared Services Update

DEBBY ZUM BACH
FINANCE & OPERATIONS, BUSINESS SERVICES
Sourcing & Procurement

- **Wave 1**
  - Office Supplies RFP
  - Desktop/Laptop Negotiations - Dell
  - Computer Peripheral Negotiations – CDW
  - Prime Food Vendor RFP

- **Wave 2**
  - Janitorial Supplies
  - MRO
  - Scientific Supplies
<table>
<thead>
<tr>
<th>Combined/ Individual</th>
<th>College/Org</th>
<th>TIER Leadership Kick Off Meeting</th>
<th>Initial Implementation Team meeting</th>
<th>Go Live Date</th>
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<td>Feb 8</td>
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## HR and Finance Proposed Timeline Wave 2

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<th>TIER Leadership Kick Off Meeting</th>
<th>Initial Implementation Team meeting</th>
<th>Go Live Date</th>
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<td>Feb. 5 @ 3</td>
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<td>Student Life/Student Health</td>
<td>FN: TBD</td>
<td>HR: TBD</td>
<td>12/2016</td>
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<td>12/2016</td>
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<td>HR: 10/16</td>
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<td>12/2016</td>
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Transactional services for financial shared services include:

- **Exclusive**
  - procurement card reconciliation
  - travel expense vouchers
  - procurement requisitions
  - ebuy requisitions
  - Cash deposits

- **Optional**
  - request for travel
  - procurement card purchases
Why Shared Services?

- Developing transaction experts will result in higher accuracy, less rework and less risk.
- Transactions are processed more efficiently due to highly trained and dedicated customer representatives.
- Provide improved and consistent knowledge and expertise to campus.
- Reduce the need to complete 100% post audit of transactions.
- Allow departments and faculty to focus on their mission and spend less time handling transactions.
- **A Specialized and Dedicated Team = Increased Productivity for The University of Iowa Campus**
University Shared Services - Staffing Process

- Both parties committed to ensuring the mission critical work of the college/org unit is protected.
- Partnership for success
- Collaboration to ensure needs of both are met
- Flexibility of process
- Agreement on support of volunteers
University Shared Services - Staffing Process

- Review Transaction Data
- Determine Number of staff needed
- Determine and finalize eligible employees
- Org/HR meets with eligible employees
- Shared Services meets with employees
- Opportunity to volunteer
- Recommendation to implementation team
- PS selection
- Merit selection
- Collegiate Approval
VP Research Shared Services

CHERYL REARDON
OFFICE OF VICE PRESIDENT OF RESEARCH (OVPR)
Steps to Implementation:

Planning - Identify implementation team, develop timeline, develop communication strategy, build consensus among key leaders in your organization, etc.

Discovery - Analyze data, gather employee input and answer questions. Volunteer for shared services is part of the process.

Recommendations/Final Decision – VPR&ED senior staff will work with Finance Shared Services and University HR regarding who is the best fit for the different positions in the new structure.

Workforce redesign/redistribution of Work – Meetings with Unit Directors to discuss how to reassign core functions as well as input from remaining staff regarding adjustments to their job duties

Implementation - Employees to transition to their new roles in a positive and productive manner.
CRITICAL ELEMENTS OF SUCCESS

Core Mission

- Set the Tone at the top
- Ensure Engagement/Employee Input
- Lead
- Implementation Team
- Ensure Communication CA’s
- Principles
- Manage Change & Transitions
TIER ECOSYSTEM

Core Mission

Communication Ambassador

Employees Engagement & Input

AVPs/Senior Leadership

Implementation Team

Unit Directors

Employees Engagement & Input

Communication Ambassador

Core Mission

Collaborative Decisions

Ensure Success

Transparency

Campus

Research & Economic Development

Student Success

Leadership Team

Advisory Board

Communication Committee

Change Consultants

Project Teams

UI Faculty Staff & Students

College/Unit Implementation Teams

Effectiveness

Collaboration
# COLLEGE/ORG IMPLEMENTATION TEAM

**Team Mission:**
Design, initiate, communicate and evaluate effective implementation of TIER business cases (Shared Services, HR, IT) within college/org.

<table>
<thead>
<tr>
<th>Team Members</th>
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<tbody>
<tr>
<td>➢ Team Leader</td>
</tr>
<tr>
<td>➢ Communication Ambassador</td>
</tr>
<tr>
<td>➢ TIER Change Consultants</td>
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<tr>
<td>➢ Other influential leaders (faculty, administrators, staff)</td>
</tr>
<tr>
<td>➢ Senior HR Leader</td>
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<tr>
<td>➢ Budget Officer</td>
</tr>
<tr>
<td>➢ Senior IT Leader</td>
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Internal Audit Findings

TODD STEWART
INTERNAL AUDIT
Internal Audit Findings

Todd Stewart
Chief Audit Executive
Office of Internal Audit
"Success is simple. Do what’s right, the right way, at the right time."

-Arnold H. Glasow
Internal Audit Approaches

Departmental/Unit Specific Audits

Vs

Centralized Process Audits
Centralized Process Audits

1. Workflow Paths
2. Cash Handling
   • UIHC Cash Handling
   • Cash Handling Policies
3. Human Resources
   • Performance Appraisals
   • Vacation/Sick Leave Usage
   • Early Retirement
Departmental Audits

1. Business Planning and Practices
2. Compliance and Internal Controls
3. Human Resources
4. Information Technology (IT)
5. Inventory and Capitalized Equipment
Business Planning and Practices

- Documented Business Continuation and Disaster Recovery Plans
- Charge Capture – Billing
- Price Setting Methodology
  - Goods or Services
- Reconciling Cash Collections to Daily Revenues
- Restrictive Endorsement of Checks
Compliance and Internal Controls

• Segregation of Duties
  – Incompatible Purchasing Duties

• Timely Reconciliations
  – Monthly Statements of Accounts
  – Inventories
  – Transaction Detail Report
Compliance and Internal Controls

- Travel Vouchers – Approved by Supervisor
- Cash Handling Procedures
- Oversight of Procurement Card
- Trip Approvals
Human Resources

• Human Resources Termination
  – Timely Restriction of User Access

• Procurement Oversight
  – Workflow Issues

• Staff Training – Various Areas
  – HIPPA and FERPA Training
  – Sexual Harassment Training
  – TB Compliance
Information Technology

- System Access Controls
- Server Vulnerability Scans
- Social Security Number Remediation from Computers
- Noncompliant Password Protocols
Information Technology

• Insecure Authentication
• Machine Management
• Physical and Environmental Security
  – Accessible to the Public
  – Not Proper Environmental Placement
Inventory and Capitalized Equipment

- Capital Equipment Tracking
- Equipment Disposal
  - Not Removed from Inventory
- Inventory and Supply Management
  - Periodic Inventory
  - Unused, Defective and Obsolete Inventory
  - Inaccurate and Missing Inventory
  - Inventory Procedures
• The University of Iowa recognizes its obligation to maintain the highest ethical standards
• Policy compliance is a shared responsibility that depends on individuals voicing their concerns
• The Ethicspoint site provides an anonymous, confidential way to report potential issues.
• The university will address reports promptly and discreetly, sharing facts only with personnel needed to investigate and resolve the matter.
Go to uiowa.edu/ethics for more information
Thank You!

For more information on the Department of Internal Audit, please visit our web site at

www.uiowa.edu/audit/
COGS Report – Salary and Tuition Support

MARTY MILLER
FINANCE & OPERATIONS, TREASURY OPERATIONS
COGS REPORT (BETA)

- Combines Appointment MFK(s) with Tuition Support MFKS(s)
- Requested from Grad College, Liberal Arts and Education
- Once finalized, will be available in Reports Section of MAUI
  - Comments or questions – marty-miller@uiowa.edu
EFR Summary Reports - Implementation Plan

Business Processes Series - Update

SELINA MARTIN
FINANCE & OPERATIONS, CONTROLLERS OFFICE
Implementation Timeline

March 2015
Pilot Group Training
(collegiate units)

Mar-Dec 2015
Improvements, enhancements, stress testing, etc. with engagement of Pilot group

Feb 8, 2016
Production release to defined roles in Institutional Roles application

Feb 8-29, 2016
Training (open sessions, sign up through Self Service)

Spring 2016
Production release & training for GLDSS users

Budget Officers category:
✓ Budget Officer role
✓ Department Administrator role
✓ plus: Administrative Assistant roles

Deans category:
✓ Dean role
✓ plus: Administrative Assistant role

Departmental Executive Officers category:
✓ Departmental Executive Officer role
✓ plus: Administrative Assistant role
Series on hold until Fall 2016...while we revamp/improve the series:

- Change the series kickoff course to be more focused (*F&O Roadmap to Success*)
- Create a new core course dedicated to Purchasing, etc. (*Business Services Overview*)
- Expand *Business & HR Processes* course to include additional content
- Expand *Contracts & Risk Mgmt* beyond current subject matter to cover legal aspects
- Eliminate redundancy between courses
- Determine how to incorporate certain content into New Employee Orientation
- Determine if series should be mandatory for certain classifications
- Improve advertising & communication of series availability
Next Meeting:

March 30th, 9:00-11:00, Rembolt Conference Room, CDD