CFO Roundtable

November 1, 2011
Welcome & Introductions

Mike McKee, Assistant Vice President and University Controller
Linda Orfield, Associate Controller
Payroll & Tax Services
IRS Audit

HR/PR Upgrade Status
IRS Audit

Finally... it is over!
Why was UF Audited?

- IRS Critical Initiative - project involving Colleges & Universities
- Size - Large Case University
Exam Scope and Industry Issues

- Form 990-T
- FYE June 30, 2008

- UBI: College & Universities (scope- initial limited focus: pre-identified issues)
- Executive Compensation
- Controlled Entities
Timeline

- November 2009 – Pre-examination conference
- January 2010 – IRS arrived on campus
  
  *Campus visits, questions, answers, more questions, often the same questions…*

- May 2011 – IRS left campus
- August 2011 – Closing conference
Primary Issues

- Lack of profit motive
- Depreciation
- Expense allocation method
Final adjustment period was 2005 - 2009

$2,037,528 – Original IRS adjustments to income

($973,078) – UF’s NOL

* IRS agreed to change in OH from 3% to 11.95%,
* Previously reported income was removed based on IRS decision that parking revenue for the museum was related (not UBI)

Final result: $226,030 taxable income – Paid taxes of $71,402
Kudos!

- UF’s UBI procedures
- Departmental support during audit
- Lessons learned
HR/Payroll 9.1 Upgrade Update
Status

- Business process fit/gap analysis has been completed
- Workgroups include core, ES and campus users
- Change management is actively engaged
- Security and Reporting fit/gap will be completed in November
- Go Live is scheduled for Summer 2012 with a date to be determined by mid-November
Most Significant Changes

- Commitment Accounting (Distributions)
- Time and Labor
- View Paycheck in Self Service
- Person of Interest
- Position Management
Kim Simpson, Sr. Associate Controller
Cost Analysis & Operational Control and Efficiencies
Scorecard Update

- Sent out 2010 calendar year summaries by department
- Have now accumulated January-June, 2011 by department
- Identifying areas where there were problems in 2010 that continue into 2011
- Will soon send out a letter to the Deans offering to make department visits to assist.
- Again, in the mean time, if you want any assistance, call Barbara Bennett at 392-1321 or bbennet@ufl.edu
Brenda Harrell, Accounting Coordinator

Cost Analysis
New Effort Certification System!
Developed With Care

- Project has been guided by a steering committee that includes faculty, grant administrators, and core office staff members.

- Developed with the input and involvement of UF deans, department chairs, faculty, and department coordinators.

- Focus groups were held across campus to query users about their needs and how they use the FAR.

- The offices of Contracts and Grants, Division of Sponsored Research and the University Controller have been working to provide better documentation and support of the policies related to Effort Reporting, Cost Sharing, and Cost Transfers.
Why is Effort Reporting Important?

Effort reporting is required for all federally sponsored research projects, based on OMB Circular A-21, Revised - “Cost Principles for Educational Institutions.”

At the state level, effort reporting is used to demonstrate compliance with the 12-hour law (Florida Statute 1012.945) through reporting to Board of Governors.
System Overview

* Comprised of 3 Modules
  * Faculty Assignment Report
  * Commitments
  * Effort Certification
What Does the New System Look Like?
### Effort Entry

**Report ID**: 12MONTH  
**ER Period**: 3 - Summer 11 (5-13-2011 - 8-18-2011)  
**Rept Seq**: 1  
**Status**: Open

**Employee**: 78978978  
Forrest, Richard

**Employee-Level Totals**

<table>
<thead>
<tr>
<th>Gross Payroll</th>
<th>Job FTE</th>
<th>Contact Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>$31,532.55</td>
<td>1.00</td>
<td>5.0000</td>
</tr>
</tbody>
</table>

**Effort by Job**

**Appointment**: 0  
**AST PROF**  
**Department**: 29741600 - MD-PEDS  
**Job FTE**: 1.00

**Actual Effort**

- **Units**: Percent
- **Entered**: 62  
- **Remaining**: 38

**Enter Effort by Activity**

<table>
<thead>
<tr>
<th>Activity Details</th>
<th>Planned/Committed%</th>
<th>Actual Effort (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Instructional Activity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Courses</td>
<td></td>
<td>32</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>BCC7140 - 7E47 (Pediatric Clerkship)</strong></td>
<td></td>
<td>4</td>
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<tr>
<td></td>
<td></td>
<td><strong>BCC7140 - 8031 (Pediatric Clerkship)</strong></td>
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<tr>
<td></td>
<td></td>
<td><strong>BCC7141 - 9630 (Senior Pediatric Clk)</strong></td>
</tr>
<tr>
<td><strong>Thesis &amp; Dissertation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other Instructional Activity</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## A-21 View

### Department: MD-PEDS

- **Annual Salary:** $164,600.00
- **Gross Payroll:** $31,532.55
- **Job FTE:** 1.00

### Effort Entered

<table>
<thead>
<tr>
<th>Units</th>
<th>Percent</th>
<th>Total 100</th>
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</thead>
</table>

### Sponsored Activities (A21)

<table>
<thead>
<tr>
<th>Description</th>
<th>OTC %</th>
<th>Committed (%)</th>
<th>Gross Payroll $</th>
<th>Pay Diat (%)</th>
<th>Expected Effort</th>
<th>Actual Effort (%)</th>
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<tbody>
<tr>
<td>09460284 - Early Childhood Dev</td>
<td>0.0</td>
<td>5</td>
<td>$5,062.13</td>
<td>5</td>
<td>5</td>
<td>5</td>
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<tr>
<td>Committed Cost Sharing</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td>5</td>
<td>5</td>
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<tr>
<td>Over the Salary Cap</td>
<td>-</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Uncommitted Cost Sharing</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03560387 - Immunization Strategies</td>
<td>-</td>
<td>-</td>
<td>$1,576.64</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Direct Charged Salaries</td>
<td>-</td>
<td>-</td>
<td>$1,576.64</td>
<td>5</td>
<td>5</td>
<td>5</td>
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<tr>
<td>Uncommitted Cost Sharing</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>04020334 - RNA Structure and</td>
<td>20</td>
<td></td>
<td>$4,385.49</td>
<td>20</td>
<td>20</td>
<td>20</td>
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<tr>
<td>Direct Charged Salaries</td>
<td>14</td>
<td></td>
<td>$4,385.49</td>
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<tr>
<td>Committed Cost Sharing</td>
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<td></td>
<td></td>
<td>6</td>
<td>6</td>
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</tr>
<tr>
<td>Uncommitted Cost Sharing</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

### Non-Sponsored Activities

- **Eligible for Cost sharing:** $25,570.42
- **Auxiliary Funding:** $25,570.42

### Notes:

- 20% commitment for RNA Structure and
- 5% commitment for Immunization Strategies
- 70% commitment for Auxiliary Funding

### Actions:

- OK
- Cancel
Next Steps

Request the appropriate roles to begin using the system today!

Take the Training:  RSH200

Need More assistance attend a Open Lab Session

• November 1, 9 to 11am HR Room 119
• November 8, 9 to 11am Enterprise Systems, Dodge Island
• November 15, 9 to 11am Enterprise Systems, Dodge Island
• November 22, 9 to 11am, HR Room 119
• November 19, 1 to 3pm, Enterprise Systems, Dodge Island
Next Steps

* Recorded Town Hall Session
  * http://icsde.ifas.ufl.edu/Accordent/live/HR/EffortReporting10-13-11/

* HR Toolkits for Effort
  * http://hr.ufl.edu/training/myUFL/toolkits/EffortReporting.asp
Important Dates

November 23rd: All Entries by Effort Coordinators Completed

December 9th: All Faculty and PI’s Certified
Changes in Purchasing

* Suzanne Penn, Associate Director
* New website
* Helpdesk development, January launch

PCard reminders of misuse

* Gasoline – not for personal vehicles even if on UF business
* Car repairs for vehicles with State tags only
* Personal items

*Reminder: approve transactions within 8 day time frame*

MyUF Market Update

* Mon 11/6 implementation
  * New – reminder summary email of assigned carts
    [4, 7 and 14 days]
Randy Staples, Associate Controller
Disbursement Services & Asset Management
* Voucher Error Trend Analysis
* E-Payables
* Export Control
Cheryl Bell, Associate Controller
Treasury Management
* New Deposit Update

* Research Participants Project
Sheela Moudgil, Associate Controller

General Accounting
• Financial Services User Group – Update

• HR Account Codes - Updated Business Process
Financial Services User Group

- Forum to share expertise, issues and challenges, construct solutions, and promote best practices among users of the PeopleSoft Financials System (FI).

- Staff from Finance and Accounting (Asset Management, Disbursements, Travel, General Accounting, Treasury Management, University Financial Services), Purchasing, Enterprise Systems, and Training and Organizational Development meet monthly with campus users.
Financial Services User Group

- **System efficiencies**
- Links on screen to instruction guides
  - Check bookmarks and links for instruction guides too—are they broken?
  - Also put links to procedures on screen
- Imaging to budget transfers
- Link to view back-up documents from travel approver screen
- Look up text boxes need to be bigger (sizing issues of fields generally)
  - Every character should display in a field (even if it wraps)
Shadow systems
Use the system—rather than shadow systems
Financial Services User Group

- **Business practices**
- What tools have been developed—and share
- More consistent practices—especially when transactions “touch” other units
Financial Services User Group

- **Access and expertise**
- Escalation and response time
  - Is there a mechanism to help with that?
- Need to be able to ask the right resources (easily identifiable)
- Why are we doing all of this stuff (including business processes)? If we understand this better, we can contribute more
  - Help identify ways to streamline, for example
- Cadre of experts (end user perspective) available for consults when encountering tough or unusual situations
  - Could be supported by specialized listservs
Financial Services User Group

* Reporting
* One version of the truth in real time (data and information)
* What tools have been developed—and share
* Frequently used queries and what they give you
* A “one-shot” standard report for FTE
Human Resource Account Codes (HRACs)
HRAC’s for Projects in funds 201 and 209 in one to two business days of Notification of Original Budget Transaction email.

- Budget is released within three business days after NOA is issued.

- No manual request needed (unless optional CF used is needed (requests are sent to Res Admin)).
### Funds 211-212:

<table>
<thead>
<tr>
<th>Department</th>
<th>Contact</th>
<th>Email</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering (Depts 19XXXXX)</td>
<td>Sandra Bass</td>
<td><a href="mailto:sbass@eng.ufl.edu">sbass@eng.ufl.edu</a></td>
<td>352-392-8049, ext. 1205</td>
</tr>
<tr>
<td>IFAS (Depts 60XXXXX)</td>
<td>Juli Carter</td>
<td><a href="mailto:jare@ufl.edu">jare@ufl.edu</a></td>
<td>352-392-1347</td>
</tr>
<tr>
<td>All other departments</td>
<td>Suzanne Winik</td>
<td><a href="mailto:swinik@ufl.edu">swinik@ufl.edu</a></td>
<td>352-392-1235</td>
</tr>
</tbody>
</table>
HRAC’s

Funds 213-214:

| All departments | Suzanne Winik | swinik@ufl.edu | 352-392-1235 |
HRAC’s

* Fund 143:

| All departments | Charles Koenig | ckoenig@ufl.edu | 352-294-0869 |
HRAC’s

* All other Funds:

  o Submit HRAC Form to Chartfield@admin.ufl.edu via Chartfield Liaison

  o Requests are processed within one business day.
**Important Links**

* New! Finance and Accounting forms website: [http://fa.ufl.edu/forms/](http://fa.ufl.edu/forms/)

* Updated HRAC Instruction Guide located in the Chartfields Toolkit: [http://hr.ufl.edu/training/myUFL/toolkits/chartfields.asp](http://hr.ufl.edu/training/myUFL/toolkits/chartfields.asp)
Questions?

Contact General Accounting 392-1326 or gahelp@admin.ufl.edu
Mike McKee, Assistant Vice President and University Controller

Finance & Accounting
Shared Service Centers (SSC) Announcement
Last spring, President Machen led a discussion with the Faculty Senate that addressed the budget cuts the University of Florida faces: [http://www.hr.ufl.edu/budget_message_2011-12.pdf](http://www.hr.ufl.edu/budget_message_2011-12.pdf).

The challenges posed by such cuts require—among other measures—innovative approaches to administrative processes.

In an effort to find cost-saving solutions through creative collaboration, the offices of the CFO, CIO and HRS are working on the development of Shared Service Centers (SSCs) at UF.
SSCs are co-located university staff who are experts in executing defined responsibilities that ensure effective, efficient processes support the university’s infrastructure and its mission of teaching, research and service. SSCs aim to:

* Fund core priorities through efficiencies in non-core activities – preventing administrative tasks from crowding out core tasks, i.e., research
* Improve quality as well as reduce costs through process standardization, consolidation, automation, and training
* Rely on Specialists vs. Generalists
Priorities and Outcomes

* Customer Focus
* Improved Compliance and Internal Controls
* Consistent Practices
* Continuity of Services
* Leveraging Technology
* Efficient Processes
* Teams of Experts
This will be determined by a consultant and UF during an assessment (see below) and will be conducted in conjunction with a team of UF personnel from all areas of campus.
Some colleges and units have already started moving forward with an SSC model. If the decision is made to move forward with a university-wide implementation, existing SSCs will be evaluated for consistency with the adopted operating procedures.

The timeframe for the invitation to negotiate (ITN) is to have the consultant on the ground by January 2012 and the final assessment report by August 2012.
To assist with the evaluation of a business case for shared services centers, UF is hiring an assessment consulting firm.
The selected consulting firm will conduct the current state analysis and assess the cost of the currently decentralized administrative functions including, but not limited to:

* Human Resources
* Budget Management
* Accounting and Finance (payroll, voucher processing, deposit processing, travel, accounting corrections, reconciliations)
* Procurement
* Communications (alumni publications, newsletters, advertising)
* IT Desktop Support, Systems Administration & Application Support
* Research Compliance & Fiscal Administration
* Gift Processing
In addition to determining what services are performed where and by whom, it will also:

- Determine feasibility, including best opportunities for cost savings
- Provide a most effective service delivery model and recommended organizational structure
- Propose increased efficiencies by recommending standard operating procedures (SOPs) and any changes to business processes
Finally, the consultants will deliver a comprehensive three to five year business execution and change management plan that encompasses all aspects of the development of the shared services delivery function.
Shared services implementations require significant integration and coordination to ensure success. Listed below are key elements that are essential to implementations, but frequently forgotten or ignored:

- **Proper executive-level sponsorship** with support organizations and operating units
- **Well-articulated drivers** for implementing shared services
- **A detailed business case** that specifies **qualitative and quantitative benefits**
- **A comprehensive, integrated, phased implementation plan**
- **Customer and corporate (HR and IT, for example) input** and buy-in regarding:
  - Governance
  - Scope agreement
  - Service levels
  - Operating model
  - Managing impact
- **Matching positions and skill sets**
- **Leveraging and integrating technology**
- **Streamlining and reworking processes** to fit shared services
- **Leveraging internal resources** to design and build
- **Marketing and communicating the concept**
We are confident the members of our university community possess the innovation and drive to address the budget challenges we face in a collaborative manner. We look forward to working with you all in the months ahead.
GBAS OBJECTIVE

To improve the consistency of business management practices and stewardship of UF funds by cultivating:

- Increased knowledge and application of recommended business practices
- In-depth knowledge of fiscal, HR, and other administrative policies to support the institution
- Enhanced professionalism of college- and department-level business administrators
Program Structure

The program has a multi-part structure:
- Orientation, launch by end of September 2011
- Mentoring, launch by end of October 2011
- Foundation, Ongoing
- GBAS Institutes, A pilot version of the GBAS Institute has been tentatively scheduled for November 8.
- Ongoing Professional Development.

We also expect to develop and award a GBAS credential to reflect a person’s participation in this professional development initiative.
Program Structure

Orientation
Designed to introduce newly hired business administrators, or those new to the role to the university. Also to clearly define the institutional expectations associated with the role of the business administrator for these new employees as well as identified employees participating in the program. Available online to anyone interested. **Launched by end of September 2011.**

Mentoring
Available via a competitive application process, the GBAS professional development initiative will provide mentor/protégé relationships between selected participants and more experienced, knowledgeable employees. **Launched by end of October 2011.**

Foundation
Designed to cultivate needed competencies in the financial and HR management area using the Pro3 curriculum, which includes myUFL systems training. **Ongoing.**
GBAS Institutes
Designed to further explore and develop financial and personnel management competencies—typically twice a year. Participants will review key concepts and have an opportunity to apply what they learned in orientation and foundation. Includes campus-leader presentations and also integrates case study discussions to allow for problem solving, to create big picture awareness of how the financial system works from “start to finish,” and to prompt discussions about complex (though common) problems and ethical dilemmas. A pilot version of the GBAS Institute has been tentatively scheduled for November 8.

GBAS Credential
To achieve the GBAS credential, participants will complete three elements of the GBAS program structure:
• Orientation—Includes online training as well as an assigned mentor. Participants selected by competitive application process.
• Foundation—Pro3 curriculum. Participants complete at least one track in the Pro3 certification series.
GBAS Institute—These sessions will be held twice each year. To receive the GBAS credential, the participant attends at least one.

Ongoing Professional Development
An important part of the GBAS effort is to ensure business administrators “stay current,” provide opportunities to network among peers and experts, and support a culture of continuous learning. Therefore, to retain the GBAS credential, participants will be asked to meet one of the following expectations over the course of a two-year period following initial credentialing:
• Be an active mentor and attend two designated GBAS professional development workshops.
• Attend one GBAS Institute meeting and two designated GBAS professional development workshops.
• Attend two GBAS Institute meetings.
* Cell Phone Update

* Audit Update

* F&A Food Drive
An act relating to the Chief Financial Officer; creating s.215.89. F.S.; providing legislative intent; providing definitions; requiring the Chief Financial Officer to conduct workshops with state agencies, local governments, educational entities, and entities of higher education to gather information pertaining to uniform reporting requirements; requiring the Chief Financial Officer to accept comments from state agencies, local governments, educational entities, entities of higher education, and interested parties regarding proposed charts of account by a certain date; requiring the Chief Financial Officer to submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives a report recommending a uniform charts of account which meet certain requirements by a certain date; requiring the report to include the estimated cost of adopting and implementing a uniform enterprise-wide charts of account; providing a declaration of important state interest; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:
Section 1. Section 215.89, Florida Statutes, is created to read:

215.89 Charts of account.

(1) LEGISLATIVE INTENT – It is the intent of the Legislature that a mechanism be provided for obtaining detailed, uniform reporting of government financial information to enable citizens to view compatible information on the use of public funds by governmental entities. The Legislature intends that uniform reporting requirements be developed specifically to promote accountability and transparency in the use of public funds. In order to accommodate the different financial management systems currently in use, separate charts of account may be used as long as the financial information is captured and reported consistently and is compatible with any reporting entity.