Momentum

Quarterly Newsletter for Financial & Business Services at the University of Utah
Spring Semester 2014

In this issue:

What is "P2P," or "Procure to Pay?"

Financial and Business Services (FBS) is consistently engaged in strategic planning and analysis. We look for opportunities to use our resources to make improvements within and across our different departmental functions, such as Accounts Payable, General Accounting, Grants and Contract Accounting, etc. We are always looking for opportunities to use resources available to us to add value and efficiencies in all processes that support the University mission and objectives.

Much of the work we do to improve processes is designed and tested using resources within FBS, but central University technology resources are often required to make PeopleSoft system changes. UIT (University Information Technology) is collaborating with FBS to conduct a deep analysis of one of our most important processes. We call this project "Procure to Pay," and its scope begins with the University's need to purchase any commodity from paper clips to professional consulting services and extends through payment and reconciliation of purchasing transactions.

Find out more about our latest initiative to identify future process re-designs… see page 8

Post-PAM: What are the resulting accomplishments of the Project Administration & Management initiative?

Submitted by Jeff West, Associate Vice President, Financial & Business Services

The initial objectives of the PAM initiative were to:

1) provide high quality support to researchers,
2) facilitate and enable the growth of research,
3) evoke a culture of compliance, and
4) establish a means for accurate decision-making.

There were many different projects under the PAM umbrella, each with its own work-plan. These projects generated several successes within the overall PAM effort, including:

- the PeopleSoft Grants Suite Implementation (go-live Dec. 2012),
- the resulting data available to create performance metrics and better manage the university's research business,
- closer coordination with peer offices such as the Office of Sponsored Projects, and
- identification of performance improvement opportunities for Grants & Contracts Accounting.

The first year after go-live (just concluded in Dec. 2013) brought many challenges to Grants & Contracts Accounting (GCA). GCA had new personnel to on-board and train, new software to learn and to navigate, and new procedures and processes to adapt. These all came together to create enough stress and strain to last a lifetime. However, we have weathered the storm, and can see brighter days ahead. We still have a long way to go to fully realize the initial objectives (set forth above). But here's a small sampling of what has been accomplished, so far, towards each of these original objectives.

Provide high quality support to researchers:

- Reduced idle time and manual data entry by generating automatic system notifications and status changes that alert staff and investigators when the next action is ready to process

Facilitate and enable the growth of research:

- Enabled batch processing, saving 85 person-hours per month on cost-reimbursable awards
- Standardized monthly billing processes

Evoke a culture of compliance:

- Enabled faster closeouts by redefining and implementing closeout processes
- Improved cash management

Establish a means for accurate decision-making:

- Simplified and streamlined budgeting categories
- Enabled in-quarter payroll reallocations by creating a new Effort Distribution Report (EDR) and reduced administrative burdens
- Increased sustainability by moving the distribution method of monthly Management Reports (now online) and performing Evidence-of-Review (EOR) online.
- Increased the timeliness of financial information by changing the booking of F&A expenses, F&A encumbrances, and revenue – from monthly to daily.

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An additional outcome of all these changes has resulted in some recently-announced organizational shifts within Financial & Business Services. The area within FBS currently reporting to Ken Erickson as Associate Director of Grants & Contracts Accounting will be renamed "Research Management & Compliance" (with Ken as the Director). Research Management & Compliance will consist of three units:

- Grants & Contracts Accounting – Dawn Atterbury, Manager
- Cost Accounting & Analysis – Deb Larson, Manager
- Compliance Oversight & Reporting – new Manager position (currently being recruited)

As we look to the future and more fully realizing the original PAM objectives, Financial & Business Services will be working closely with Research Administration leadership and will continue to make improvements in the University's ability to support its critical research functions. Stay tuned to this publication and other notices on the FBS website to follow our progress towards that end.

The Facilities & Administrative (F&A) Rate Cost Study – What Does it Mean for the University?

Periodically (usually every five years or so), the University embarks on an analysis of costs associated with conducting sponsored research - which is one of the primary missions of the University. This analysis takes the form of a cost study, which compiles and categorizes research costs, both direct and indirect, in order to determine the "overhead reimbursement rates" research sponsors should pay to the University to partially cover the costs of doing research on campus. Fiscal year (FY) 2014 is the "base year" for the F&A rate cost study that is currently underway.

The University has hired consultants to help our own FBS staff construct the cost study and to ultimately negotiate the F&A rates that will be charged to sponsors for research projects conducted on their behalf by the University. These consultants are currently working very closely with University personnel as we perform a mock-study using FY2013 data – in preparation for the actual study, which will be based on FY2014 data.

These are complicated studies and require the best efforts of FBS staff and our consultants to ensure the University gets credit for the full complement of indirect costs incurred that support sponsored research activities on campus. It is our intent to recover the maximum level of indirect cost reimbursement to which the University is entitled. Reimbursed overhead funds are essential in ensuring our ability to fund research infrastructure and support activities, such as computing, graduate student scholarships, core facilities, faculty setup and retention, research administration offices, etc.

One of the critical exercises that will take place during FY2014 is the Functional Space Survey. Much of the indirect cost analysis is driven by the proportion of campus space used to conduct research, so the space survey is a critical piece in accurately calculating the costs associated with providing physical facilities, equipment, operations, maintenance, utilities, etc. (in support of principal investigators, researchers, and administrators who oversee the research function at the University).

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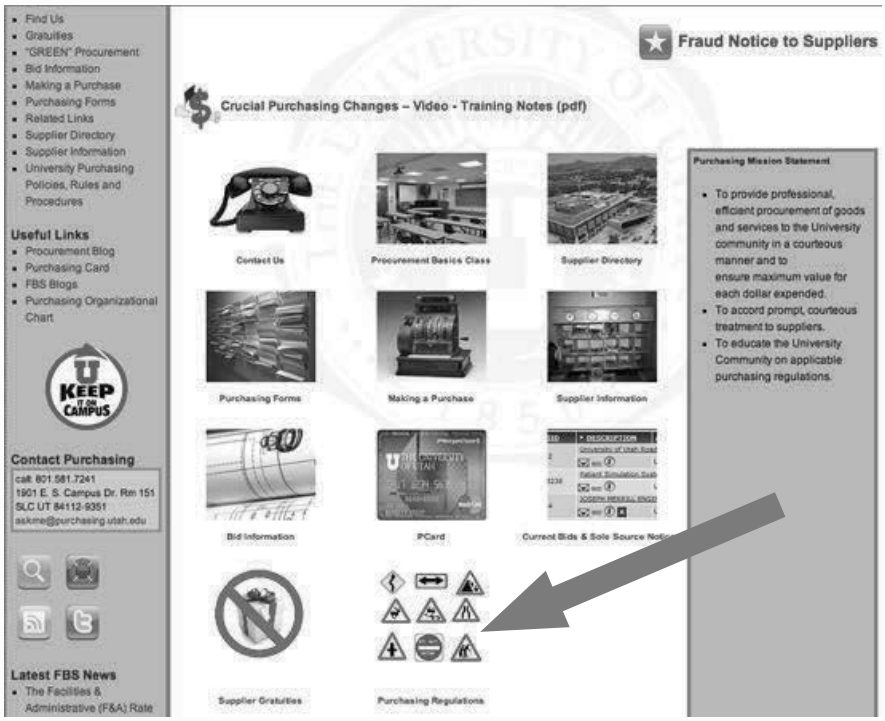
Forty-one research-intensive departments will be examined thoroughly regarding their space utilization, and these space inventory exercises will take place this coming Spring (2014). It is in the University's best interests, financially and otherwise, to fully recover the indirect costs associated with conducting research on campus. The Functional Space Survey will be the most visible activity occurring during this base year, and the one that will affect the most folks on campus.

To find out how you can be involved in this very important endeavor, please take a look at the highlights from the October 2013 presentation made to both main campus and to health sciences campus attendees. These highlights go into more detail about the F&A study in general, and the Functional Space Survey in particular. These sessions were filmed and are now available.

Click here to view the video | Click here to review the slides from the video.

Purchasing Website Update

Submitted by Glendon Mitchell – Associate Director, Purchasing



The Purchasing Department has recently added a "Purchasing Regulations" link to their website.

This new link serves as an additional location to access the new purchasing regulations as well as the State Procurement Code.

The regulations may also be found in the University's regulations library posted online at regulations.utah.edu

This new web page provides a one-stop shop list of links to all procuremnt laws and regulations affecting University of Utah procurement.

Purchasing Regulations Highlights

As you probably know, changes have been made to University Purchasing Regulations to comply with the Utah Procurement Code. It is essential that those procuring goods or services or making procurement decisions for the University or University Of Utah Health Care system become familiar with the updated University Procurement Policy 3-100 and corresponding Rules and Procedures.

The following are a few examples of important changes you'll note as you review each document:

Policy 3-100: University Procurement

- Items purchased by the University for resale are exempt from competitive bid requirements

Rule 3-100B: Solicitation of Bids, Proposals, Sole Source and the Award of Procurement Contracts

- The minimum timeframe required to publish sealed competitive bids has been reduced from ten days to seven consecutive days.
- The evaluation process for request for proposals (RFPs) has changed significantly. Do you know the new requirements?
- The requirements to purchase when there is only one supplier, referred to as a "sole source" purchase, now allows consideration for transitional costs. Public notice of the intended sole source purchase may be required.

Rule 3-100C: Requisition Use

- Reduced to 1 page and much more simple to read!

Rule 3-100D: Delegated Small Purchase Authority

- There is a new procurement threshold titled professionals, providers and consultants. Check it out!

Rule 3-100E: Restricted Purchases and Special Procurement

- Several previous policies were combined into this rule for an easy, one-stop source for items or services that require special ***approvals or processing prior*** to the procurement.

If you have questions on the new regulations or would like additional training for your team, please contact the Purchasing Department or Glendon Mitchell directly.

Submitting Requisitions to Purchasing

Pursuant to department requests, a new email address has been established to submit requisitions to University Purchasing. For those wishing to scan and send requisitions and corresponding documents via email, please send to:
req@purchasing.utah.edu

Requisitions will continue to be accepted by fax to: 801-581-8609.

Meals while on Travel Status

Submitted by Kori Wetsel – Manager, Travel

Travelers should be reimbursed for meals according to the federal per diem rate, and are limited to the amounts listed as the "Meals & Incidental Expenses," or M&IE rate found on the US General Services Administration web site. These rates are best accessed from the University Travel web site where we maintain links to domestic and international tables as well as the table that breaks down meal reimbursement amounts by individual meals.

Travelers should be reimbursed per diem for meals ***purchased***. The appropriate value of meals that are provided by the conference or any other business related meal provided to the traveler should be deducted from the total per diem claim according to the M&IE breakdown table.

If the traveler does not choose to participate in conference meals – they should be prepared to provide a brief explanation in the "notes" section of the reimbursement. Some conferennce meals may be inappropriate for travelers due to diet or cultural restrictions or travelers may choose to make other meal plans for business purposes.

M&IE Total	$46	$51	$56	$61	$66	$71
Continental Breakfast/ Breakfast	$7	$8	$9	$10	$11	$12
Lunch	$11	$12	$13	$15	$16	$18
Dinner	$23	$26	$29	$31	$34	$36
Incidentals	$5	$5	$5	$5	$5	$5
First & Last Day of Travel	$34.50	$38.25	$42	$45.75	$49.50	$53.25

How should travelers handle group meals?

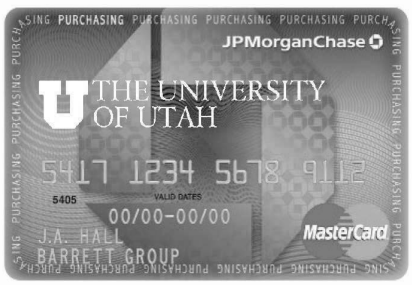
A **"group"** meal happens when more than two University employees eat together as part of their normal meal schedule while on travel status. When it is inappropriate or not possible for the server to separate bills, the most senior ranking traveler should pay for the group meal and seek reimbursement on his/her individual travel reimbursement. All other individuals should reduce their reimbursement request for that meal by the appropriate value. Group meals should be reported on the "other" line of the reimbursement and the receipt needs to detail those in attendance.

"Business Meals" are group meals where among the group, there are non-university employees participating, or when the primary purpose of the meal is to conduct official University business. These meals require a stated business purpose as well as a list of those in attendance. Business meals are also reported on the "other" line and require a Dean's level approval signature on the reimbursement form.

University travelers should not participate in vendor hosted banquets or meals unless:
1) all conference registrants are invited to the event, and 2) the primary purpose of the meal is an open exchange of ideas and not a business proposal made directly to University of Utah personnel.

PCard Pointers

Submitted by Jane Scott – PCard Manager



New PCard Application – Because of changes in banking regulations, we are required to provide new information and a certification of accuracy and responsibility when submitting a new Cardholder Application to the bank.

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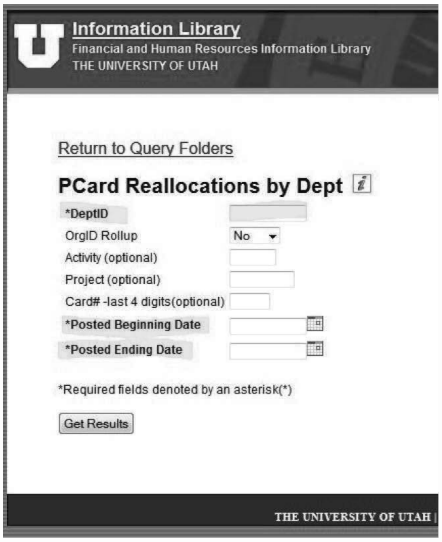
The new application has been posted on the Purchasing Card Website and the Forms menu on CIS. Please be sure to use this new form when requesting a purchasing card for an employee.

Also, if the employment status changes (termination or transfer to another department), please notify the PCard program to close the account.



FIL Query - For those with security access to the Financial Information Library Queries, there is a new PCard folder with a query titled "PCard Reallocations by Dept." This report provides real-time reallocation information as well as past PCard transaction/reallocation data. So the report could be used to:

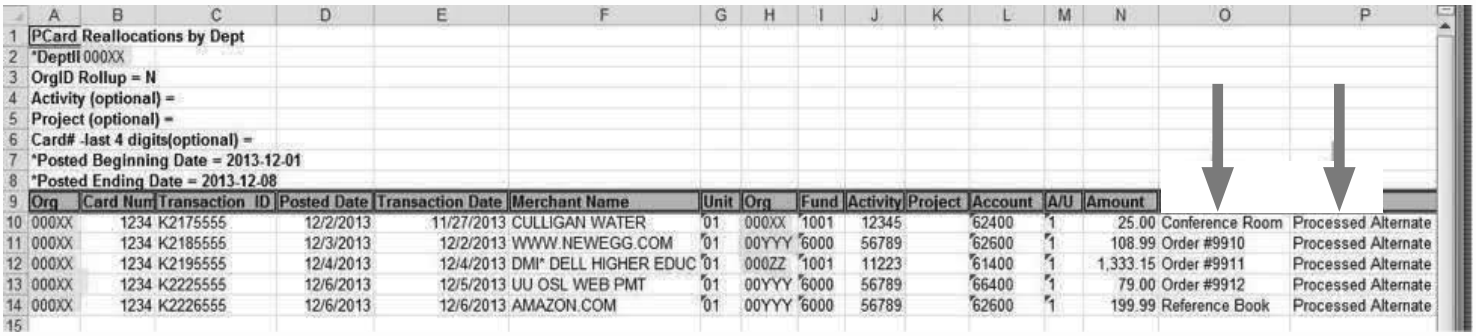
- Prepare to reallocate current transaction – use as a worksheet
- Verify entries after completing reallocation and before they're posted
- Analyze or search for past PCard transactions by sorting on any of the fields in the report

To begin the search, enter the Department ID and transaction post dates. The department ID is the Org ID in the cardholder's default chartfield for the PCard. The cardholder may have reallocations to other alternate Org ID's that will show in the report. But the query search is based on the default chartfield Org ID. There are other optional fields – Org ID Rollup, Activity, Project, Card # - which can be used to make the query more specific.

After the query has been run, the report can be downloaded to Excel format for review or analysis. The cardholder's name is not contained in the query. The last 4 digits of the card number are the only cardholder identifiers.

The Department Reference column contains data entered by the Reallocator, and only if the optional field has been used to provide notes or a description of the transaction. Up to 30 characters can be entered. Some departments have a system of "work order" or invoice numbers. Others enter descriptive information. Many reallocators have not used this field yet, but may decide to start now.

The Status column shows whether or not reallocations have been completed. Transactions that are Processed to Alternate or Processed to Default have been posted to the General Ledger and cannot be changed through the reallocation program. Reallocations that were entered today would have a status of Alternate or Default and could be changed before the nightly posting process. Transactions with a blank status field have not been reallocated yet.



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	PCard Reallocations by Dept															
2	*DeptII 000XX															
3	OrgID Rollup = N															
4	Activity (optional) =															
5	Project (optional) =															
6	Card# -last 4 digits(optional) =															
7	*Posted Beginning Date = 2013-12-01															
8	*Posted Ending Date = 2013-12-08															
9	Org	Card Num	Transaction ID	Posted Date	Transaction Date	Merchant Name	Unit	Org	Fund	Activity	Project	Account	A/U	Amount		
10	000XX	1234	K2175555	12/2/2013	11/27/2013	CULLIGAN WATER	01	000XX	1001	12345		62400	1	25.00	Conference Room	Processed Alternate
11	000XX	1234	K2185555	12/3/2013	12/2/2013	WWW.NEWEGG.COM	01	00YYY	6000	56789		62600	1	108.99	Order #9910	Processed Alternate
12	000XX	1234	K2195555	12/4/2013	12/4/2013	DMI* DELL HIGHER EDUC	01	000ZZ	1001	11223		61400	1	1,333.15	Order #9911	Processed Alternate
13	000XX	1234	K2225555	12/6/2013	12/5/2013	UU OSL WEB PMT	01	00YYY	6000	56789		66400	1	79.00	Order #9912	Processed Alternate
14	000XX	1234	K2226555	12/6/2013	12/6/2013	AMAZON.COM	01	00YYY	6000	56789		62600	1	199.99	Reference Book	Processed Alternate
15																

We've found this query to be helpful in managing information on PCard transactions and reallocations and we look forward to any feedback from users.

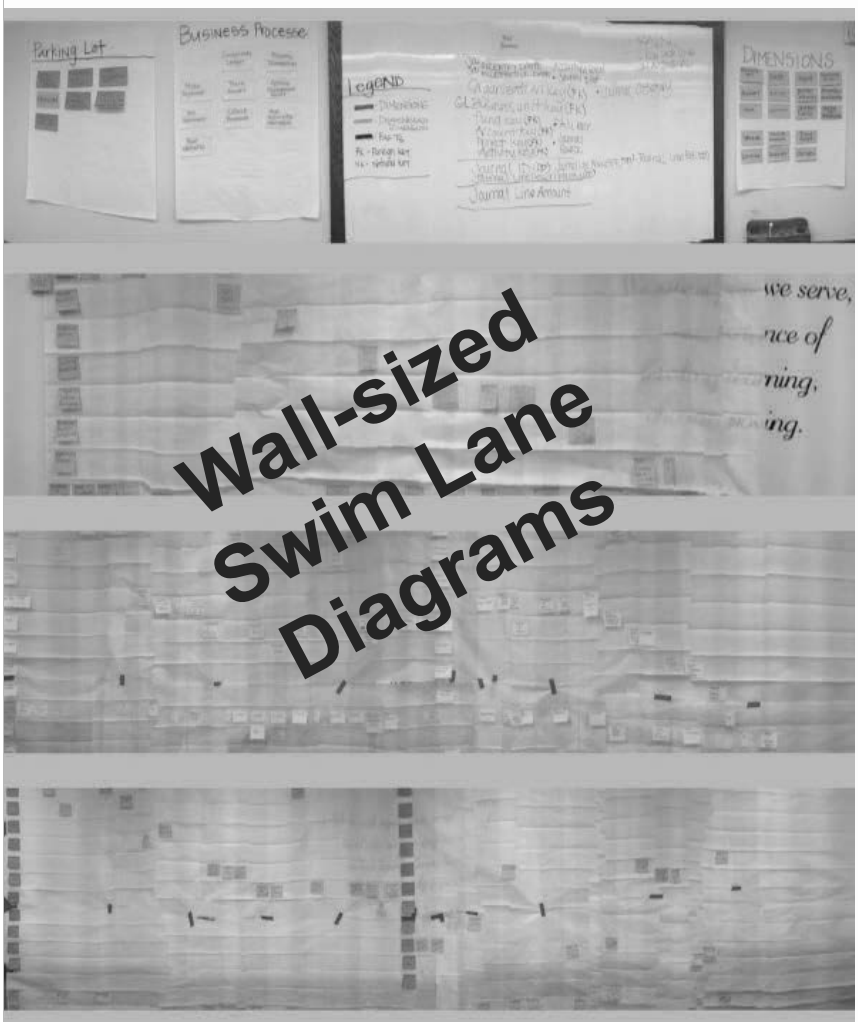
P2P – *Continued from cover*

We have spent several months planning the project, assembling our core team, sponsors and facilitators and are now conducting weekly meetings where discussions expose the intricate details of every touch point, signature, form or phone call that occurs as part of processes such as:

- Place Order
- Receive Item
- Approve Invoice
- Issue Payment
- Acquire Procurement Tools
- Grant Authority (Signature Authority)
- Other processes may be identified and explored as we move through the P2P project.

What happens in P2P meetings?

Every Wednesday, the team meets in our training room and analyzes each process using the "Alec Sharp methodology." This method of analysis has been used by UIT on other projects. Our Primary Facilitators, John Levandowski and Jayci Minjares have received training in the methodology and find it a very simple and useful way to lead the discussions.



The Alec Sharp Method is described and laid out in his book entitled, "Workflow Modeling: Tools for Process Improvement and Application Development, 2nd Edition" published in 2008. The University of Utah has also used Alec Sharp's consulting services.

The team identifies all steps and persons involved in a process and chart steps on a physical landscape, referred to as a "Swim Lane Diagram." The Swim Lane Diagram, as seen here, is a large chart detailing all steps of a process using post-it notes from left to right.

Functional persons or areas involved in all steps, such as: Campus Mail, Accounts Payable, Department Chair, or Administrative Assistant, for example are represented in "swim lanes" from top to bottom.

These charts are then fully documented in flow diagrams with extensive notes from the discussion. Personnel from different University Campus departments are included to provide their perspective and to ensure all steps are exposed and documented.

Often, FBS functional experts are not aware of all steps taken in campus departments, just as departmental personnel are not aware of all requirements within the process, so this project will provide a more transparent diagram than we have ever had. *(Continued on next page)*

What is FBS hoping to accomplish with the P2P Project?

The output from this project will be a very detailed document of current processes. We will readily see steps that have become unnecessary or that are ripe for a re-design to improve efficiencies. We hope to identify procedural changes that can be implemented with or without a system solution to improve service or experience as well as reducing financial risk or improving regulatory compliance.

"The goal of this project isn't to make changes – it's to figure out what we are doing and why. There will be subsequent projects dedicated to making changes, but we need to figure out exactly what we are doing now."
– John Levandowski

The P2P project will continue until complete. We have not placed hard deadlines in an effort to be open to identifying necessary "deep dives," into processes as they become exposed. FBS will use this newsletter as well as FBS News to keep campus informed of our progress and findings.

P2P Core Team

Primary Facilitators:
John Levandowski, Associate Director, Financial Solutions
Jayci Minjares, Sr. Business Systems Analyst, Financial Solutions

Back-up Facilitators & Advisors:
Dean Church, Director, Financial Solutions
Darrin Robertson, Business Analyst, Financial Solutions
Carl Larson, Sr. Business Systems Analyst, Financial Solutions
Jennifer Long-Pratt, Business Data Analyst, Financial Solutions
Cary Lopez, Relationship Manager, UIT
Jim Urry, Relationship Manager, UIT

Core Team Members:
Jeannette Taylor, Administrative Assistant, Financial & Business Solutions
Perry Hull, Manager, Accounts Payable & Property Accounting
Marv Hawkins, Finance Product Manager, ACS/UIT
Judy Chan, Manager, Supervisor, Payables Production
Mike Smith, Sr. Buyer, Purchasing
Jim Davis, Manager, Stores and Receiving
Mary Louise Parker, Sr. Buyer, Purchasing
Mark Patterson, Grants Accounting Officer, Grants & Contracts Accounting
Josh Gifford, Accounting Specialist, Travel
Mark Hamilton, Sr. Accountant, Financial & Business Services

Hey, did you know that we have really cool ListServes that will send informative messages right to your email inbox?

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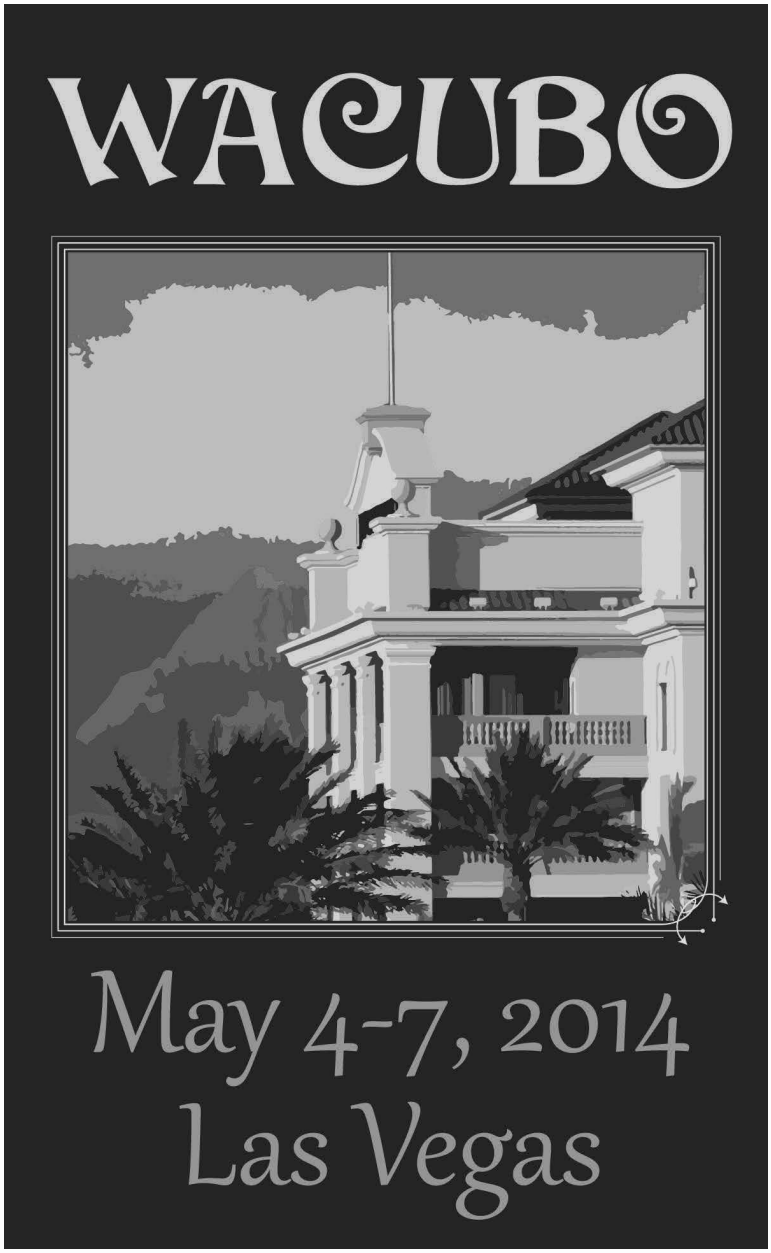
Upcoming WACUBO Professional Development

San Diego, CA	3 C's of Higher Education Budgeting - Concepts, Creation, and Connection	February 27-28, 2014
Phoenix, AZ	Higher Education Accounting and Reporting - Beyond the Basics	March 2014
Salt Lake City, UT	Lean Process Improvement	Mid March - April, 2014
Las Vegas, NV	Annual Conference	May 4-7, 2014
Denver, CO	Academic/Unit Business Officers Program	Early June, 2014



Please join us in congratulating the following FBS employees for their length of service:

10 Years

Mary Louise Hughes (January 2); Senior Buyer, *Purchasing*
Shaundi Higgins (January 13); Accounting Specialist, *Accounts Payable*

20 Years

Teresa Draper (April 12); Associate Accountant, *Income Accounting*

John Downing *has served the University for 25 years primarily in Payables, through the PeopleSoft implementation and many upgrades, $1 billion plus in annual payments and over 400,000 transactions per year, ensuring a smooth operation.*

John has decided to pursue the next phase of his life, announcing his well-deserved retirement, to begin February 19th. Reception details will be forthcoming.

Communicating with U

FBS Serves U

- Commitment to Communication
- FBS Training
- FBS Regulations
- Mission, Vision & Values
- Momentum Newsletter
- Org Chart

Tools for U