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InFocus

A publication of the University of Missouri System
Division of Finance and Administration

2012 – 3rd Quarter

Printable version

Welcome to InFocus!

Consistency and innovation are two of the stated values in the Finance and Administration Strategic Plan. Both of these values underlie our goal to continuously improve service to our customers and stakeholders.

Vice President Krawitz

We strive to perform our work with consistent dependability and reliable quality and to engage the creative energy of our staff to develop and implement better solutions and methods to serve our customers. We work with the campuses to build processes that deliver value, exceed expectations, and engender confidence and trust.

The goal of the newsletter is to enhance **our** customer service by providing information that will support the work that **you** do for the university. As always, we welcome your feedback and your contributions.

> **- Natalie "Nikki" Krawitz**
> *Vice President for Finance & Administration*

The Ethics and Compliance Hotline

"A confidential method for reporting suspected ethics and compliance issues"
By Nilufer Joseph, Director, Financial Services, Finance and Administration

The "Ethics and Compliance Hotline" provides employees with an avenue for reporting suspected incidences of ethics or compliance abuses, including fraud and fiscal misconduct, medical, human resources, research, athletics, and/or environmental, health, and safety issues.

The hotline is not meant to replace or supersede any current reporting methods (e.g., communicating with a supervisor) which exist on each campus, but rather serves as an additional reporting method for individuals to report their concerns. The system is managed by an outside entity and provides a confidential way to report matters that may involve fraud, misconduct, or compliance violations. The reporting system is both web and telephone based and is available on a 24-hour/365-day basis for individuals to report known or suspected incidences of wrongdoing that compromise the University's operations and transactions.

To access this confidential reporting hotline, you can call this toll-free number, 1-866-447-9821, or log on to https://www.compliancehelpline.com/UM.jsp. If you have questions or need further clarification, please contact either Nilufer Joseph in the Office of the Vice President for Finance and Administration, Kathy Bunn in the Office of the General Counsel, or Cindy Cover in the Office of the Vice President for Human Resources, by phone or email as indicated below.

Nilufer Joseph	Director, Financial Services	573-882-3611	josephn@umsystem.edu
Kathy Bunn	Counsel	573-882-3211	bunnk@umsystem.edu
Cindy Cover	Manager, HR Administration	573-882-8279	coverc@umsystem.edu

Medical Resident FICA Refunds

"IRS will honor Claims for Refunds to Qualifying Medical Residents"
By Brian Sanders, Director of Payroll

The University of Missouri received notification on June 29, 2012, that the IRS will honor claims for refunds for qualifying medical residents, and refund checks will be issued to the University of Missouri in about twelve weeks. In December 2010, the University of Missouri applied for refunds of FICA taxes on behalf of medical residents for tax periods from January 1, 1995 through March 31, 2005. The University of Missouri filed the claims for refund in response to the March 2, 2010, announcement from the IRS that it had made an administrative determination to accept the position that medical residents are excepted from FICA taxes based on the student exception for tax periods ending before April 1, 2005, when new IRS regulations went into effect.

The University of Missouri will notify the medical residents in a separate correspondence who returned a consent statement permitting the University of Missouri to file the refund claims on their behalf. The IRS will add statutory interest, so the amount of refund to each medical resident will be determined after all of the refund checks to be issued by the IRS in about twelve weeks have been received. If the amount of statutory interest amounts to $600 or more to a medical resident, the University of Missouri will issue a 2012 Form 1099-INT to the medical resident. Medical Residents will receive a Form W-2C for each calendar year in which their FICA wages are reduced. In most cases, the Form W-2C will not require the medical resident to file an amended income tax return, but the University of Missouri cannot provide individual tax advice. Consult with a qualified tax specialist for more information.

FICA Refunds for NRSA and/or T32 Postdoctoral Fellows

"IRS Appeals Office determines that postdoctoral fellows are excepted from FICA Taxes"
By Brian Sanders, Director of Payroll

The IRS Appeals Office notified the University of Missouri in March 2012 of its determination that postdoctoral fellows in NRSA or T32 training grants are excepted from FICA taxes. The University of Missouri sought an exception for all postdoctoral fellows, but the IRS Appeals Office agreed to the exception from FICA taxes for postdoctoral fellows only in NRSA or T32 training grants. The University of Missouri will notify the NRSA and/or T32 postdoctoral fellows covered under the IRS determination in a separate correspondence and issue refunds in July 2012. If statutory interest amounts to $600 or more to a postdoctoral fellow, the University of Missouri will issue a 2012 Form 1099-INT. NRSA and/or T32 postdoctoral fellows will receive a Form W-2C for each calendar year in which their FICA wages are reduced. In most cases, the Form W-2C will not require the postdoctoral fellow to file an amended income tax return, but the University of Missouri cannot provide individual tax advice. Consult with a qualified tax specialist for more information.

PeopleSoft General Ledger Account Changes

"Make sure you are using the new Hyperion General Ledger Accounts!"
By Ryan Rapp, Associate Controller

In preparation for the implementation of Hyperion, the integrated, system-wide budget and planning system portion of the COMPASS project, changes to the PeopleSoft General Ledger accounts will begin on June 24 in preparation for Fiscal Year 2013. A listing of the accounts that will be available for use in Fiscal Year 2013 is available at the following link:

http://www.umsystem.edu/ums/fa/controller/peoplesoft

If you have any questions, please contact your campus Accounting Office.

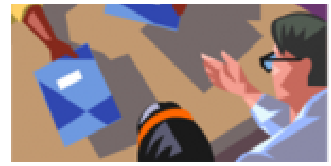
Sponsored Programs

"Effort Verification Reports"
By Ryan Rapp, Associate Controller

It's that time again!

All employees who have expended effort on a sponsored award between January 1, 2012 and June 30, 2012 must certify an Effort Verification Report (EVR). Please contact your campus Sponsored Programs Office if you worked on a sponsored award during this time period and do not receive an EVR by August 24. The signed EVR's should be returned to your Sponsored Programs Office within 30 days of distribution to your department.

Training is available on EVRs and other sponsored programs compliance issues on the Controller's Financial Compliance Training website. If you have any questions, please contact your campus Sponsored Programs Office.



On-Line Training

"Two new live sessions available"
By Ericka F. Kranitz, Director of Financial Compliance Training

Are you new to the University or have you recently changed positions with different responsibilities? The Controller's Office has several compliance training sessions available covering various financial accounting and sponsored program activities.

Both live sessions and online modules are available. The live sessions are in-depth discussions and can be tailored to your unit's particular needs and questions. The on-line modules cover the basic compliance requirements in about 15 minutes and are available on the Financial Compliance Training website and **myLearn**.

There are **two new live sessions** available related to financial accounting. Both of these provide a good understanding of the financial activities of the University.

- Principles of Accounting – The Accounting Process and Accounting Equation – This is an introductory session defining basic accounting terms and how these relate to the University's operations. Several common transactions are provided as examples to understand the accounting equation.
- The Accounting Cycle and Fiscal Year End Closing – This session expands upon the Principles of Accounting and discusses the activities and responsibilities during fiscal year end close.

Please contact Ericka F. Kranitz (kranitze@umsystem.edu), Director of Financial Compliance Training at the UM System to discuss your training needs and other topics you would like to see included.

Driving on Official University Business

"Do you have a valid Driver's License for the vehicle you rented?"
By JoAnne Flowers, Assistant Director for Risk & Insurance Management

1,370 – Number of University owned vehicles

5,309,468 - Number of miles driven last year

Employee arriving at destination safely – Priceless

As a reminder, all individuals who drive any vehicle on Official University Business must have a valid driver's license for the type of vehicle operated. All individuals who drive a vehicle on Official University Business must notify their supervisor if their driving privileges are suspended or revoked per HR policy 504.

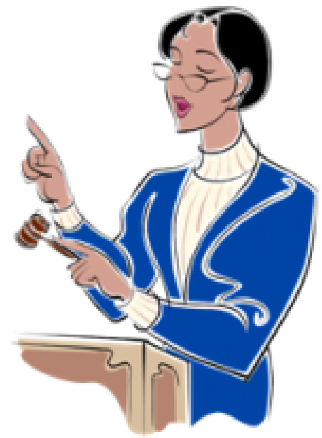
University vehicle policy (BPM – 406) has recently been updated. Highlights of the changes include:

- Clarifying definitions of Official University Business, personal use and how vehicles are to be used.
- Emphasizing driver's primary responsibility for having the appropriate driver's license and reporting any suspension or revocation of the license to the supervisor.
- Enhancing supervisor's duty regarding license verification.
- Reminding employees driving a vehicle on Official University Business without a valid driver's license that they may be ineligible for defense or protection for any claims or damages arising from the result of vehicle operation.
- Prohibiting texting while operating a vehicle and expanding the cell phone section to encompass other wireless devices.

Everyone is encouraged to read the HR policy 504 and BPM 406. For further information on Administrative Responsibilities, review the Risk & Insurance Management FAQs website. If you do not find the information you need, contact us at risk@umsystem.edu.

Reverse Auction

"What is a Reverse Auction?"
By Wade Jadwin, Strategic Sourcing Specialist, Procurement Services



Stephen Mack-Director of University of Missouri Procurement Services was asked to be one of three (3) National Association of Educational Procurement (NAEP) representatives involved in an RFP process for the purpose of selecting a reverse auction supplier for the Educational and Institutional Cooperative (E&I). Through the selection process Procurex was picked to be the reverse auction supplier and during final negotiation meetings in New York at E&I's headquarters there was a discussion around holding a live reverse auction at the NAEP Annual Conference in April 2012. Steve volunteered the University of Missouri as a reverse auction pilot for the live event. The selected commodity for the reverse auction was coarse paper (toilet paper and hand towels).

What is a reverse auction? Is it like eBay? These were a few of the questions leading up to the University's first reverse auction. The answer to those questions can be best described with a simple definition; a reverse auction is when suppliers compete against each other to obtain business through a process to undercut or out-bid each other.

Wade Jadwin was selected to work on this project with David Silvey providing valuable knowledge of this commodity from past bid events. Through meetings with representatives from every campus and UMHC it was determined that current products would not be modified in the bid and that no alternatives would be accepted. The initial plan was to have multiple institutions around the country involved with the reverse auction thus improving the aggregate spend. Several California based institutions showed interest but in the end could not participate. The bid was a one line item bid (line item break was supplied to Procurex after the reverse auction) with the supplier providing service and deliveries to all locations.

Tony Hall, Steve Mack, Cathy Barker and Wade Jadwin attended the NAEP Annual Meeting and represented the University of Missouri during the reverse auction. The reverse auction was conducted in front of a live audience of 70-80 people at the 2012 NAEP Annual Meeting in Anaheim, CA on April 3rd. The audience was very engaged and asked Procurex staff members numerous questions during the reverse auction. Based off of 2011 usage numbers, the results of the reverse auction show a savings of $37,500 to the University of Missouri System. The details of the reverse auction are still being reviewed with a contract being awarded soon.

WebData Surplus Software

"Surplus is going on-line!"
By John Solomon, Manager, Surplus Property and Asset Management

The University of Missouri Surplus Property Department has purchased a Surplus Software System from WebData Corporation. WebData Software is used at more than 20 major universities to implement best-practices for Surplus re-use and disposal. The software cost has been paid for from Surplus Property self-generated operational funds.

Departments will be able to view Surplus Property on-line for re-use at minimal cost for campus departments. Specific pieces can be held for up to 72 hours, and if the department decides it is not needed, the asset returns to inventory for others to view. Assets not re-used will be sent to the monthly Surplus auction. Return of sales of Surplus to departments will be automated for monthly fund transfers. Surplus requests will be placed on-line by departments and they will be able to track the status of their Surplus from pickup, to re-use, to sale.

Auction buyers can be both physically on-site at 1507 Capen Park Road or will be able to view lots and bid on-line. Auctions will now have the ability to sell equipment from all campuses at one monthly sale. Adding Surplus from UMSL, MS&T and UMKC to the monthly auctions will increase visibility of those sales. Surplus has been working with Hospital Distribution staff to help with their unique needs for internal re-use before sale at Surplus auctions. Test departments will be set-up at each campus this summer prior to an all-campus roll-out announcement.

Using Your Email Retention Folder

"Find out how to use your new email retention folders"
By Cyndie Parks, Director of Records Management

All mailboxes have now been populated with the five email retention folders. Hopefully, you have found yours. If not, look on the left-hand navigation panel of your email mailbox, scroll down from the top to the folder called 'Managed Folders,' and click on the white arrow. You should see five folders; Email records – 01 Year, 03 Year, 05 Year and 10 Year Retention and Historical Records. These folders were created to help you manage your email records. Once an email record becomes inactive, it should be moved to the appropriate retention folder.

The 01 year retention folder should be used for transitory or temporary records. These are records that you need for a limited period of time to complete an action or operation, or for reference. Some examples of records that fall in this category are informational copies of committee or workgroup records held by a committee member and departmental non-grant related accounting or purchasing records.

The 03, 05 and 10 year retention folders should be used for records that must be kept to comply with federal and state laws, and/or to meet the University's administrative, legal, and financial needs. Records stored in these folders should be deleted at the end of their respective retention periods.

Examples of records that have a three year retention are: departmental survey records from surveys conducted to get input on events, services, customer satisfaction, etc.; statistical data compiled by departments for such things as funding, production, activities, or fiscal data; appointment calendars; and reports such as expense distribution, earnings, travel, equipment and inventory reports.

Records retained in the 05 year retention folder include budget correspondence, requests and approvals; salary justification and increase records; recharge rate support documents; documentation for departmental feeder transmissions to General Ledger; Pcard receipts and supporting documentation; and phone records.

Design and construction project records; records of accounting transactions created outside of PeopleSoft; and bank records are retained in the 10 year retention folder.

The historical records folder is used for records that document the developmental and operational changes to your department over time. Departmental subjects and correspondence that document your department's official responsibilities, purpose and programs as well as the official minutes and reports of standing and ad hoc committees, boards, or task forces have historical value and should be retained in this folder. These records should be sent to your campus Archives department after five years.

You cannot create additional folders under the 'Managed Folder' to add folders for different retention times. You can; however, create new folders under any of the five existing retention folders. If you have created folders in your mailbox to manage your email, you can move these folders to any of the retention folders. Folders you create or move to a retention folder will inherit the retention requirements for that folder.

So what happens when records have met the required retention? The records are NOT automatically deleted. Once a record has met its retention requirement, it will be shown with a line drawn through that message. This strikethrough is your cue to appropriately dispose of the record.

If you have questions or need additional training on how to manage your email please contact Records Management at blairjo@umsystem.edu or call 573-882-6362.

Disaster Planning Tip of the Month

"Disaster Plan Testing"
By Willie Jones, UM Records Analyst

After completing a business continuity or disaster recovery plan, the tendency is for a company to sit back and be proud of their accomplishment. However completing and publishing your plan is just one step in the planning life cycle. Another important part of the process is testing your plan.

A tabletop exercise allows your recovery team leaders to use a test disaster scenario to examine your documented recovery tasks. A physical test of your plan is the actual performance of your recovery tasks as they are documented in your plan. Both tests give you an opportunity to make sure all needed recovery tasks have been documented and to ensure that what has been documented is correct. Your exercise will also uncover any changes or enhancements that need to be made to your plan documentation.

Ideally you should perform each of these types of tests at least once a year (feel free to do them more often). However, remember that the more you test your plan, the more confident you will be that your plan will be ready for anything at disaster time!

Advocacy Mentoring Spring Conference

"Torch Awards presented at the Spring Conference"
By Dr. Jacqueline Kelly, Director of Minority Business Development

Left to Right: Phil Wentz, Monica Santos, Ted Ruth, Nikki Krawitz, Jacqueline Kelly

Under the leadership of Dr. Jacqueline Hall Kelly, Minority Business Development hosted its Spring Conference on Thursday, April 26th at the Reynolds Alumni Center. This event was attended by 31 participants, including mentees (small businesses), mentors (large firms), university team leaders, faculty and staff, as well as representatives from Lincoln University, Southeast Missouri State University, the Office of Administration and other guests.

One of the highlights of the conference was the presentation of Torch Awards by Vice President Nikki Krawitz. The award recipients, whose terms in the program were two years, graduated from the Advocacy-Mentoring Program; thus, they "passed the Torch," allowing new participants to serve in the program. The Torch Award is a metaphor for serving, teaching, learning and sharing. Undergirding the concept of Torch Awards is a quotation attributed to Margaret Fuller, a journalist among others, during the 1800s: "If you have knowledge, let others light their candles in it." Each of the following award recipients allowed others in the program to "light their candles" in their knowledge and to glean from the awardees' experiences:

- Ted Ruth, Director – Design & Construction, Missouri S & T (*Team leader)*
- Monica Santos, Principal- Antella Consulting Engineers, Kansas City *(Mentee)*
- Phil Wentz, Principal- McClure Engineering, St. Louis *(Mentor)*

Also during the conference, Gabriel Okafor, President of Alpha Energy and Electric in Kansas City, did a presentation on his firm's experiences as a mentee in the Advocacy-Mentoring program. He expressed great passion and appreciation for what his firm was accomplishing through the program. With the help of his mentor, Radd Way of the Weitz Group, his team leader, Greg Silkman of UMKC and with Dr. Kelly's leadership of the program, his firm was able to build goals around revamping its marketing strategy, enhancing its systems and processes, and enhancing employee training and delegating. Moreover, prior to the firm's participation in the university's program, Okafor said, "everything that we did – projects performed – was as a small business, always 2nd or 3rd tier subcontractor. Now we go in as a Prime Contractor."

Additionally, a major portion of the conference was spent in break-out sessions where the mentees and mentors brainstormed ideas, discussed topics of concern, and proposed solutions to issues they were experiencing. The groups dealt with the challenges of growth, joint ventures, and business systems and processes. At the breakout session for the Joint Venture group, Jerry Daugherty, President of Reinhardt Construction in Centralia, spoke to the group about the importance of working relationships with other businesses. He gave valuable advice from his 20 plus years of experience in joint ventures.

Dr. Deborah Noble-Triplett, Assistant Vice President of Academic Affairs at UM System, conducted a session on "The People side of the Enterprise." She spoke about selecting high quality people and ways to ensure a good fit with the culture of the firm. "Think about your vision for the future of your company and hire people that you believe will help you get there," She said.

The conference ended with a discussion and announcements of future design and construction projects around the state. Facilitating the session was John Neal, Associate Director of Campus Facilities and Construction for MU.

Dr. Kelly, Director of Minority Business Development, said that some of the goals of the Advocacy-Mentoring program are accomplished through the networking that occurs at these conferences. "Through the program, small businesses are able to build relationships and support systems where they can share experiences and ideas; they, too, are able to acquire skills and knowledge to aid them in managing the intricacies of growing their firms." One of the unique features of the Advocacy-Mentoring program is the triad model on which the program is designed. Each triad consists of a mentee (small business owner), mentor (large firm) and university team leader. The primary goal of the program is to help the mentees acquire the business competencies they need to grow their firms and become greater contributors to the economy. Business school faculty and MBA students at each of the University of Missouri's campuses have contributed to the achievement of this goal. Without a doubt, they have knowledge and have allowed others to light their candles in it.

COMPASS Project

"What is the Hyperion Planning System?"
By Renee Riley, Technical Writer, University of Missouri

The Commitment, Planning and Support Systems (COMPASS) project is steadily moving forward and recently reached an important milestone. During the first week of July, the first component of the Hyperion Planning System, Financial (FIN), was implemented and training on using this new system will soon begin on each of the campuses.

The implementation of FIN is an important first step in achieving the COMPASS objective of employing an integrated system-wide planning, budgeting, and reporting management system.

What does this mean for the University and for you? Hyperion Planning System will provide:

- Common and efficient budget processes,
- Greater user flexibility,
- More consistent budget data, and
- Timelier decision-making.

The FIN phase specifically offers PeopleSoft budget maintenance changes and budget variance reporting.

COMPASS provides for the future success of employees, resources, and processes through collaboration and innovative technology. And as part of COMPASS, the Hyperion Planning System will work with other systems such as PeopleSoft Financials, Data Warehouse, and PeopleSoft Human Resources to provide an innovative, consistent platform for planning, budgeting, and reporting.

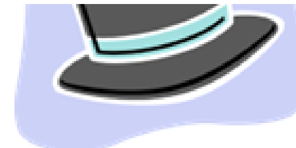
For more information about COMPASS and the Hyperion Planning System, please visit the COMPASS website

Top Hat Awards

"Hat's Off to........"
By InFocus Editor

Ann Chen received the "Top Hat Award" recognition for her exceptional work and tireless efforts on the Hyperion project core team. Ann has played a critical role in project design and implementation, including dimension and data structure design, data management and transformation, data quality and reconciliation, business rules and overall application functionality. She is to be highly commended for her project leadership, amazing work and its excellent results. Ann's dogged determination and tenacious vision has been an immense benefit to our office. Her commitment to a perfected design and implementation of the project has been extraordinary and successful.   Ann Chen joined Planning and Budget in

May 2008 as Principal Budget Analyst-Systems.

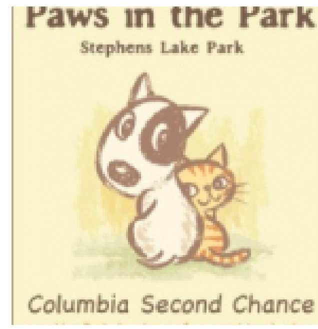


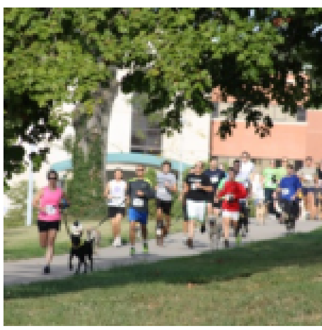
Kristie Sapp received the "Top Hat Award" for her awesome efforts and exceptional work on the Hyperion project core team. Kristie has played a critical role in application design including all aspects of end user access, security, and functionality as well as service on the technical team. Her outstanding leadership and service to this project is to be commended. The goal of the project has been to implement a budget, planning, and management information system that will allow efficient processes and user flexibility for monitoring performance. Kristie understands the vision and goal of the project and has forged ahead with this idea in mind. Her desire to see our goal realized has made her an extremely valuable team player to our department. Kristie Sapp joined Planning and Budget in October 2010 as Budget System Analyst Specialist.

Employee Highlights

"Employees who give back to the community"
By InFocus Editor

Suzanne Bond, Systems Principle in Procurement Operations, has been the organizer for the Paws-in-the-Park Annual September Event that has been held at Stephens Lake Park for the past six years. Until now, Suzanne has typically spent five months out of the year organizing the event. She works with sponsors, vendors and volunteer organizations to make the all-day festival a fun, educational and rewarding event for animal lovers of all kinds.





The entire event is free to the public (except for the 5K run) and includes games, trophies, an MC and a variety of booths. Thanks to Suzanne's amazing efforts, the event has grown so large and successful that this year she was able to hand over the managing "leash" to a full committee. While Suzanne will still be involved in the event that she has worked so hard to develop, she now has earned the right to relax and just enjoy her favorite part, managing the 5K run.

The next Paws in the Park event will be held on September 29th, 2012 at Stephens Lake Park. If you would like more information about this event, go to http://offtrackevents.com/pawsinthepark.php .

Wisdom's Corner

"Featuring Challenging and Inspiring Thoughts"
By Memoree Bradley, Secretary to the Vice President of Finance & Administration

Consistency:

"Don't ever promise more than you can deliver, but always deliver more than you promise"

- Lou Holtz (1937) – Football Coach. Larry King television interview, CNN, 20 August 1993

Innovation:

"Never tell people how to do things. Tell them what to do and they will surprise you with their ingenuity."
- General George Patton

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