



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

2013 – 1st Quarter

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Welcome to InFocus!

Krawitz Announces Retirement



Vice President Krawitz

Natalie "Nikki" Krawitz has announced her retirement in June after 10 years as Vice President of Finance and Administration of the University of Missouri. She has been responsible for the University's \$2.5 billion budget and the university's treasury, investment, accounting, procurement, facilities planning and design, real estate, internal audit, risk and insurance management, and institutional research functions.

Nikki was the recipient of the 2010 National Association of College and University Business Officers' Distinguished Business Officer award, which she told the Columbia Business Times, was one of her proudest moments.

President Tim Wolfe said in his reorganizational announcement that "Vice President Krawitz is a highly respected and trusted resource within the university system, the state of Missouri, and nationally. The university has benefited from her tireless advocacy for public higher education, and in particular from her leadership of our financial resources."

Nikki told the UM Staff Advisory Council that she has "thoroughly enjoyed her time at the university and that it has been a fun and interesting experience for her." InFocus wishes her the very best in her retirement.

- [Vice President for Finance and Administration, Natalie "Nikki" Krawitz](#)
- [UM System announces organizational changes](#)
- [UM Staff Advisory Council Newsletter, 7-18-2012-Volume1, Issue 3, Relate to your leaders, Nikki Krawitz, VP for Finance and Administration](#)

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

Institutional Research and Planning (IR&P)

"Institutional Research and Planning supports the F & A Core Values"
By Robert Mullen, Director Institutional, Research & Planning

Institutional Research & Planning

As part of the UM Office of Planning and Budget, Institutional Research and Planning (IR&P) provides information for senior administrators in areas of planning, decision-making, and policy



development. The Office also supports the information needs and requirements of several University of Missouri internal and external constituents.



To perform these functions, IR&P utilizes data from multiple university information systems—financial, student, human resources, grants and contracts, and financial aid. In addition, IR&P develops survey instruments, collects and analyzes data, and publishes reports using both primary and secondary data. The Office is responsible for providing compliance and required data to the Missouri Department of Higher Education, National Center for Educational Statistics, data exchanges and peer alliances, and special requests from a host of external organizations. Bob Mullen, Director of Institutional Research & Planning, provides leadership in coordinating efforts among the campus institutional research offices in order to minimize duplication, support a census data repository, share research methodologies, and achieve greater efficiencies.

Many facets of work require the department to be Objective, Inclusive, and Reliable.

Objective:

Institutional research staff strive to be objective in their work. This is critical because those who use the information and analysis—especially the information being used for key planning or policy decisions—expect freedom from bias and a fair perspective of the issue at hand. If data, information and analysis are not objective, the trust that the staff have established with their constituents is jeopardized and the effectiveness of the decisions being made on the University's behalf will be undermined.

Inclusive:

Inclusiveness is absolutely necessary in order to build and maintain an effective institutional research office. This is particularly true because the staff work with several functional data systems (e.g., student, human resources, financial, etc.) across four relatively diverse campuses. Consequently, gathering input and advice from functional experts as well as understanding the characteristics that are unique to a campus serves as precursors to effectiveness. In addition, the office serves as an information hub for our institutional research colleagues on the campuses. In particular, initiatives espoused by the UM System administration, state and federal compliance agencies, and similar initiatives are communicated via regular meetings, listserv announcements, and conference calls.

Reliable:

Reliability is extremely important to the functions of institutional research. First, staff frequently compares characteristics about the University with other universities or peer groups. Consistency in defining the characteristics—whether it's credit hours, first-time college students, research expenditures, or graduation rates, – across all of these institutions is critical. Second, staff examines a lot of trend or historical data to determine how things change from year to year or from semester to semester. Defining and measuring these characteristics over time in exactly the same way every time is a requirement. Most importantly, Institutional Research staff understand that the University community relies on them to provide the information they need in a timely, reliable manner. IR staff do everything they can to honor that commitment.

To find objective, inclusive, and reliable reports, [check out the IR website](#)

Your 2012 W-2 Form

"When will you get it and what should you check?"

By Brian Sanders, UM Director of Payroll

Many University of Missouri employees provided consent to receive their W-2 in electronic format and should have already received an email in mid-January to alert them that their W-2 is ready to view in myHR, Employee Self Service. On or before January 31, the University will mail Form W-2 to employees who did not provide consent before the 01/08/2013 deadline. Access to view 2012 W-2 Forms in myHR will be enabled starting February 1, 2013 for employees who did not receive their printed form in the mail or need a duplicate copy.

When you receive your W-2 for calendar year 2012, please check your social security number and spelling of your name to your social security card for accuracy. If different, contact your campus Payroll Office for a W-2 correction.

You may logon to myHR to verify or change your address information in Personal Information Summary.



Payroll Tax increases in 2013

"How new legislation impacts your paychecks in 2013"

By Brian Sanders, UM Director of Payroll

Two pieces of legislation have been signed by President Obama affecting employee paychecks. The American Taxpayer Relief Act of 2012 was enacted on January 2, 2013, which averted the "fiscal cliff". In addition, the Affordable Care Act provides for an additional Medicare tax. One or more of the several tax rate changes discussed below will impact your paychecks in 2013.

OASDI and Medicare Taxes

Changes to the OASDI and Medicare taxes noted below have been implemented for January 2013 pay periods.

OASDI Taxes

All faculty and staff will notice an increase in the OASDI /EE taxes to a rate of **6.2%** on earnings paid on or after January 1, 2013. The temporary rate reduction to 4.2% in effect during 2011 and 2012 for the employee portion of OASDI taxes expired at the end of 2012. The American Taxpayer Relief Act of 2012 did not extend this temporary tax cut for employees, so employees will pay the full rate of 6.2% for that portion of the Federal Insurance Contributions Act (FICA) tax. The maximum earnings subject to OASDI taxes are capped at **\$113,700** in 2013. In 2012, the cap was \$110,100.

Medicare Taxes

There are two tiers of Medicare taxes starting January 1, 2013. For wages of \$200,000 and below, the Medicare tax rate will remain at 1.45%, same as in 2012. An additional **0.9%** rate of Medicare tax on wages in **excess of \$200,000** was enacted as part of the Affordable Care Act. There is no cap on the earnings subject to Medicare tax or the additional Medicare tax.

Federal Income Withholding Rates

Updated federal income tax withholding rates for 2013, which reflect legislation signed January 2 by President Obama, were released January 3 by the Internal Revenue Service. The new income tax rates retain the rates in effect during 2012 for all wage earners, except the highest earners. For individuals with taxable incomes of more than \$400,000, and \$450,000 for married couples, the income tax rates increased to 39.6%. The highest income tax rate during 2012 was 35%.

Due to the late release of the updated income tax withholding rates, these changes will be reflected in February 2013 for those employees affected by the changes. For **hourly** employees, the biweekly payroll period ending 02/16/2013 to be paid on **02/27/2013** will be the first payroll period to reflect the changes. For **monthly** paid employees, the period ending on **02/28/2013** will reflect the changes.

Federal income withholding rates for supplemental wages (i.e., wage payments to an employee that are not regular wages) will remain at 25%, the same rate in effect during 2012. An example of supplemental wages includes incentives paid to physicians under the University Physicians Practice Plan.

Mileage Reimbursement Rates in 2013

"On the Road Again!"

By Jane Closterman, Controller

The University of Missouri follows the State of Missouri's practice of reimbursement for business transportation expenses at a mileage rate that is three cents less than the IRS standard mileage rate. The IRS rate is based on an annual study of the fixed and variable costs of operating an automobile.

In accordance with the University's reimbursement at a mileage rate three cents less than the IRS rate, the **University's mileage reimbursement rate for business miles driven in 2013 will be 53.5 cents per mile, an increase of 1 cent over the University's 52.5 cents rate in effect during 2012.**

In addition, **effective January 1, 2013, the University will reimburse a new rate for moving expenses of 21 cents, an increase of 1 cent over the 20 cent rate in effect during 2012.**



The IRS announced on November 21, 2012 that the standard mileage rates for business miles driven will be 56.5 cents per mile and for moving expenses will be 24 cents per mile effective January 1, 2013. In accordance with University policy, the University's 2013 mileage reimbursement rates shown above are three cents less than the 2013 IRS mileage reimbursement rates announced in November.

Biweekly Paychecks in 2013

"Extra Biweekly Paycheck in 2013"

By Brian Sanders, UM Director of Payroll

If you are paid biweekly, there will be 27 biweekly paychecks during 2013. In most years, there are 26 biweekly paychecks. Please consult with your tax professional for how the extra biweekly paycheck may affect your tax planning for the year.



Effort Verification Reports

"It's that time again!"

By Ryan Rapp, Associate Controller

All employees who have expended effort on a sponsored award between July 1, 2012 and December 31, 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 February 28. 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.



NSF Survey on R & D Expenditures

"FY 2011 InfoBrief Available"

By Ryan Rapp, Associate Controller

The National Science Foundation, National Center for Science and Engineering Statistics (NCSES) InfoBrief for the FY 2011 Higher Education R&D Survey (HERD) is now available. The report can be found at: <http://www.nsf.gov/statistics/infbrief/nsf13305/nsf13305.pdf>. Detailed information and table should be released in February or March of 2013 for participating institutions.



How Insurance is Applied to Trailers in Various Situations

"Are you confused about insurance for utility trailers? We've got an answer for that!"

By Michelle Fletcher, Sr. Fiscal Analyst

Most people have experience with choosing insurance for licensed vehicles through their personal cars. By law a motorized vehicle must have Liability insurance to cover any damage done to another vehicle, property or individuals. In addition, you can elect to add Comprehensive/Collision insurance to cover physical damage resulting from comprehensive (fire, wind, theft, etc.) and collision damages that may occur to their own vehicle too.



Utility Trailers, while they are licensed, are not motorized vehicles and therefore do not fall in the same category. Trailers are technically considered "property" and are covered under the University's property insurance as an asset. However, it is possible to add Comprehensive/Collision coverage to a trailer. There are few exceptions involving equipment trailers such as generators and electric billboard signs which would not be eligible for the additional Comprehensive/Collision coverage. For questions on a specific trailer please call the RIM office for clarification.



To get an idea on how insurance for a University owned trailer might look in a given situation let's take a look at some common scenarios below:

Scenario 1

A University trailer is being pulled behind a University vehicle and the driver backs into another vehicle with the trailer damaging the other person's vehicle and the University trailer.

- The responsibility or liability for the damage done to the other vehicle is covered under the Liability insurance of the University vehicle subject to a \$500 deductible. In other words, liability follows the vehicle that causes the damage.
- The responsibility for the physical damage to the University trailer is tied to the insurance type on the trailer.
 - If the trailer is enrolled in our Comp/Collision coverage program the damage would be covered and be subject to a \$500 deductible.
 - If the trailer was not enrolled in the elective coverage of Comp/Collision the damage would be covered under Property insurance subject to a \$1,000 department deductible.

Scenario 2

A University trailer is sitting in a parking lot and rolls down a hill and damages someone else's vehicle or property.

- The responsibility or liability for the damage to the other vehicle or property would fall under the University's General Liability Insurance.
- Physical damage to the University trailer that rolled down the hill would be covered under the University's Property insurance subject to a \$1,000 department deductible unless it's enrolled in Comp/Collision insurance program. Then the damage to the trailer would be covered under Comp/Collision subject to the \$500 deductible.

Scenario 3

A University trailer sitting in a parking lot is destroyed by a tornado.

- The physical damage to the University trailer is covered under our Property Insurance subject to a \$1,000 department deductible unless it's enrolled in the elective Comp/Collision coverage. Then the damage would be covered under Comprehensive coverage subject to a smaller \$250 deductible.

Things to consider when thinking of adding Comp/Collision insurance:

1. Replacement value of the trailer – if the trailer was damaged could the department afford to absorb the \$1,000 department deductible to replace or repair the trailer?
2. Is it cost effective to purchase the additional Comp/Collision insurance for the lower deductible?
3. How long do you plan to own the trailer?
4. What is your volume of usage for the trailer?
5. Is your trailer stored in a secure location?

While we've touched on just a few examples here, we hope these provide some insight on insurance for the University's fleet of approximately 283 trailers. If you have specific questions on a trailer in your department please contact our office at 882-8100.

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Annual premiums for trailers range from \$25 – \$100 depending on the campus and purchase price of the trailer.

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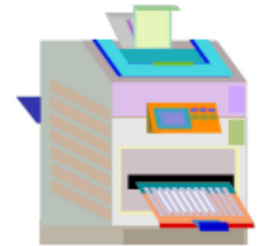
at 882-8100.

UMKC's Document Solutions Center

"Procurement helped UMKC with their new Document Solutions Center"

By Catherine Simonds, Client Relations Manager

The University of Missouri – Kansas City and Xerox have established an in-house, on-demand Document Solutions Center for campus printing and publishing needs, offering improved service and lower costs. This partnership meets UMKC's goals: (1) improved management of printing will yield dramatic cost savings; an in-house centralized print center saves time and is convenient, easy to use and flexible; (3) documents are secure and handled in compliance with UMKC-defined standards and policies.



In addition to offering color and black & white digital printing/copying, the center also provides different binding options, and print layout assistance. Campus users have already experienced increased cost savings and convenience with on-line ordering charged to their MoCode and free courier delivery.

UM Procurement was instrumental in helping the vendor define current state, identifying benchmarks and defining requirements for the Statement of Work. Once those were completed, we had to gain campus and executive support and market and introduce the Document Advisor once they came on board.

When asked about the advantages of the Document Solutions Center, Vice Chancellor for Administration and Finance Sharon Lindenbaum said, "The DSC fee scale lowers your costs the more the center is utilized; so even for small print runs, you will save money. Chancellor Morton has emphasized how important that is to all of us in these times. Plus, the new center offers upgraded service and uses sustainable practices. To save time, money and resources, the administration encourages faculty, staff and students to use the DSC."

Perpetual Inventory

"Procurement helps MOI and Radiology move towards perpetual inventory"

By Suzanne Bond, Supply Chain's System Principle

On June 30th of 2012, Procurement's Supply Chain Informatics converted the Missouri Orthopedic Institute and Interventional Radiology from Periodic to Perpetual Inventory in PeopleSoft. Perpetual Inventory is an accounting term that describes an Inventory management system where information about Inventory is tracked and updated on a continuous basis. A perpetual inventory system keeps a running account of all inventory on hand after each transaction.

With any project there is a lot of planning to get a new business unit added. Automatic (replenishment) ordering is a big factor when a department goes live because it takes the place of a person placing orders daily. The system looks at what is on the shelves and orders accordingly. Supply Chain Informatics works with the department to get items built, minimum/maximum levels/locations for ordering and provide training for Go-Live.



The benefits of having a Perpetual Inventory system are to avoid overstocks and shortages, to keep accurate real time records and to help cut waste while reducing expenses. We continue to provide daily assistance to the eleven business units on the system and will provide support for those slated to go live in the near future.

A List of Emergency Supplies

"What Would you need to have on hand in a major disaster?"

By Willie Jones, UM Records Management Analyst

Below is a list of emergency supplies that any of us might need after a major disaster; lessons



learned from Sandy Disaster 2012.

Worldwide & Community Wide Emergency Checklist

- Coolers for Ice and Food Storage
- Flashlights and extra batteries or hand crank flashlights
- Battery-powered or hand-crank radio (NOAA Weather Radio, if possible)
- Extra batteries
- Battery or Solar Powered Lanterns
- Car charger for mobile phone
- Battery operated digital TV with car adaptor
- Grill with extra propane, charcoal, or Sterno (OUTDOOR Use only)
- Matches in waterproof container or butane lighter/starter for grill and candles
- Paper plates, plastic utensils, moist towelettes
- Manual can opener and bottle opener
- Cleaning Supplies
- Non scented liquid chlorine bleach or water purification tablets to purify water
- Duct tape
- Work gloves
- Plastic Sheeting
- Rope
- Basic tool kit
- Two-way radio if power and phones are not available
- Fire Extinguisher
- Smoke Detectors
- Carbon Monoxide Detectors
- Water-at least a 3-day supply; one gallon per person per day
- Food-at least a 3-day supply of non-perishable, easy-to-prepare food
- First aid kit
- Medications (7-day supply) and medical items (hearing aids with extra batteries, glasses, contact lenses, syringes, cane)
- Multi-purpose tool
- Sanitation and personal hygiene items
- Copies of personal documents
- Cell phone with chargers
- Family and emergency contact information
- Extra cash
- Emergency blanket
- Map(s) of the area
- Baby supplies (bottles, formula, baby food, diapers)
- Pet supplies (collar, leash, ID, food, carrier, bowl)
- Tools/supplies for securing your home
- Extra set of car keys and house keys
- Extra clothing, hat and sturdy shoes
- Rain gear
- Insect repellent and sunscreen
- Camera for photos of damage



- Medication list and pertinent medical information, proof of address, deed/lease to home, passports, birth Certificates, Insurance policies)

Changes to EO 28

"President Wolfe has issued a revision to Executive Order 28"

By Vickie Moore, Capital Budget Analyst

President Wolfe recently issued a revision to Executive Order 28 (EO28), Section 110.015 of the University of Missouri Collected Rules and Regulations, entitled *Facilities Needs Funding and Reporting*. This revision modifies the methodology the university currently uses for Facilities Needs Funding. A copy of the revision can be found [here](#).

EO28 originated in 1994 when former UM System President Russell established a goal for each campus to spend 1.5% of building replacement value for maintenance and repair needs. This goal was the industry's best practice and was supported by studies relating the decay of building components and the cost of building maintenance. EO28 recognized the need for the University of Missouri to renew its facilities; more specifically, it addressed deferred maintenance and ensured the modernization of campus facilities.



Moreover, the revised policy will also adhere to industry best practices by establishing facilities renewal goals, thus, enabling campus facilities to meet the standards of a world-class university. The campuses, using information management tools unavailable in the 1990's, can track both facility replacement value and the cost to repair and renovate each building through periodic facility condition audits. This allows each campus to tailor its facilities renewal programs to the actual condition and age of its buildings. With this information, the campus can determine the unique Facilities Needs Condition Index (FCNI) of each building and the overall campus. FCNI is the cost to repair or renovate a building divided by the building replacement value. The current industry best practice is to achieve an FCNI of 0.30 or less.

Lastly, the facility condition audit technology used by the university allows each campus to budget towards a unique campus FCNI goal and to predict the long-term impact of campus spending on its FCNI. The latest report on EO28 can be found [here](#).

The revised Executive Order 28 was formulated and recommended by a system-wide task force. The task force members included David Sheahan, James Krueger, Robert Simmons, James Packard, Gary Ward, Larry Eisenberg, Vickie Moore, Jeffery Brown, Gregory Watts, Cuba Plain, Karla Dowd, and Brenda Hogenkamp.

Compass Project

"Your update on the Compass Project"

By Renee Riley, Technical Writer, University of Missouri

The Commitment, Planning and Support Systems (COMPASS) project team is excited about the progress it has made during 2012 and continues to forge ahead in 2013. User acceptance testing for Hyperion-Human Capital Planning (HCP) is complete and training for the pilot group begins in February. The pilot group includes a variety of departments across all four campuses. This conscientious group of individuals will be frontrunners in the implementation of this portion of Hyperion over the remainder of this fiscal year.



In addition to Hyperion-HCP training, all users, across all campuses, have begun training on Hyperion Financial (FIN) Budget Development in preparation for the regular budget season. For more information about COMPASS and the Hyperion Planning System, please visit the [COMPASS website](#).

Top Hat Award

"Congratulations to Shawn Twenter for the receipt of the Top Hat Award!"

By InFocus Editor

Shawn Twenter was nominated for the Top Hat Award by Bobbi Walker, Financial Systems Principal, for his impressive work that was critical to the successful implementation of the Order to Pay (OTP) module. The OTP project encountered several bumps along the way but Shawn was able to work with the vendor and devise solutions to keep the project on track. His ability to analyze and explain the technical side of the module to others on the project team was instrumental in project planning and problem solving. His tireless work on this project is a reflection of his professionalism and dedication to the University. The OTP module will assist the University in managing funds through the utilization of payment and discount terms realized through automated delivery of orders and receipt of invoices.

Shawn's steady, calm demeanor is a positive influence on those who work with him. His exceptional programming skills and insightful ability to solve problems make him a valuable asset to the Controller's Office and the University of Missouri. Shawn joined the Controller's Office in June 2009 and is currently a Programmer/Analyst-Principal.



Bobbi Walker, Shawn Twenter, Jane Closterman

Wisdom's Corner

"Featuring Challenging and Inspiring Thoughts"

By Memoree Bradley, Secretary to the Vice President of Finance & Administration

A mature person is one who does not think only in absolutes, who is able to be objective even when deeply stirred emotionally, who has learned that there is both good and bad in all people and in all things, and who walks humbly and deals charitably with the circumstances of life, knowing that in this world no one is all knowing and therefore all of us need both love and charity.—Eleanor Roosevelt



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