Welcome to *In Focus!*

The University of Missouri System
Finance & Administration quarterly newsletter

Vice President Krawitz

It's the beginning of a new Fiscal Year and Finance & Administration continues to strive to be an innovative provider of value-added financial and administrative services. One of the ways in which we maintain this vision is to do our individual jobs … and then some.

Featured in this edition of InFocus are several services provided by our departments. The Travel Assistance Program is offered through our Risk & Insurance Management office for those traveling on University business outside of the United States. The Office of the Controller conducted Unrelated Business Income (UBI) Workgroup sessions on each campus not only to explain what UBI is but also to answer questions about how to manage this type of income. Management Services has developed a Board Document Preparation Manual to assist those of you who are involved with bringing items to the Board of Curators. In all these ways, my staff has strived to serve our customers … and then some.

Spotlighted in this edition is the method by which we manage financial risk at the University through a system of checks-and-balances monitored by Internal Auditing. Along the lines of money management, there are articles on Rebates and how to set up E-Commerce to make your transactions go smoothly.

We have also responded to comments from you – our customers – on issues such as the Travel Reimbursement Policies, Purchasing Card issues, and how to avoid those confused vendors who receive a check from UM and have no idea what it is for!

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

Spotlight

In the first newsletter we learned that F & A looks after University money. **But who monitors that, among other things, money is appropriately managed, appropriate controls are in place, and that policies and procedures are being followed?** The University's **INTERAL AUDITORS**, have that big responsibility. Internal Audit was outsourced to PricewaterhouseCoopers LLP, and Nilufer Joseph, who is the Financial Projects Manager for Finance and Administration serves as the University liaison to Internal Audit. Internal Auditing is a proactive process to evaluate and improve internal controls, and is ever on-going.

Internal Auditing has a direct reporting line to the President, and meets four times a year with the Board of Curators Finance and Audit Committee. This committee serves as the Board committee on audit as stipulated in the Collected Rules and Regulations (10.050)

Internal Auditors work directly with an Internal Audit Steering Committee. Although this committee is led by UM System staff, other members are from UMC, UMKC, UMR, and UMSL as well as UMHC so all units are represented.

Management officials work with Internal Audit on a continuing basis to identify areas of potential finance and business risk that warrant periodic or special review through the development of a multi-year audit plan. These audits can focus on one or more of these areas:

- **Financial** – focus on the accounting and reporting of financial transactions
- **Operational** – focus on an efficient and effective use of a unit's resources to fulfill the mission & objectives
- **Compliance** – focus on the degree of a unit's adherence to external and internal policy and procedures
- **Investigative** – are performed at the request of management

Internal Audits are happening all the time. Chances are that your department has gone through the process.

To find out more about the different ways that Internal Auditing can assist you and the University and who to contact if you have a question, check out our website.

WISDOM'S CORNER

Featuring Challenging and Inspiring Thoughts

And Then Some

"AND THEN SOME …" these three little words are the secret to success. They are the difference between average people and top people in most companies.

The top people always do what is expected … and then some.
They are thoughtful of others, they are considerate and kind … and then some.
They meet their responsibilities fairly and squarely ... and then some.
They are good friends and helpful neighbors … and then some.
They can be counted on in an emergency … and then some.

I am thankful for people like this, for they make the world a better place. Their spirit of service is summed up in these three little words … and then some."

-Carl Holmes-

Account-ability

"Money from the University? But Why? There's not information on this check stub …"

You'd be amazed how many calls the Office of the Controller receives from payees inquiring as to the purpose of the payment they received! How can we help our customers (UM Staff dealing with confused customers as well as receivers of unknown checks) and avoid these calls? When entering your voucher in PeopleSoft, be sure to:

- Enter the Invoice Number in the "Invoice" field (this will appear on the check stub)
- Enter a description of the payment in the "Description" field (this will appear on the check stub)
- Enter a detailed explanation of the payment in the "Comments" field (this will NOT appear on the check stub, but will help staff explain the payment to our confused customers).

A little bit of proactive work on your end will keep everyone happy!

Risky Business

I'm traveling out of the United States for the University. This is Risky Business – is there a program to help me?

Yes there is! The University offers a **Travel Assistance Program** for staff and faculty traveling outside of the United States on UM business. The department of Risk & Insurance Management coordinates this program to provide such assistance through AIG WorldSource. They provide toll free and collect telephone numbers for travel related assistance needs such as:

- Medical Emergency Services
- Lost Baggage/Passport
- Evacuation and Repatriation
- Legal Assistance
- Language Interpretation

And many more! These services are available 24-hours a day, 7 days a week.

While the Travel Assistance Program provides assistance in *securing* Medical Emergency Services, it does not provide *payment* for these services. Health care providers in some countries expect payment in advance before admitting or treating patients – even if your health insurance provides coverage in foreign countries. It's strongly recommend that all travelers plan for financial emergencies by carrying a credit card and/or information on whom should be contacted in the event it is necessary to make financial arrangements to pay for treatment.

There is no cost for this program, but contact Risk & Insurance Management to receive your Identification Card. Call (573) 882-8100 to protect yourself from this International Risky Business!

Auto Rental Update!

In the last edition of InFocus, we listed the conditions in which the insurance options **should** be elected. This included **all** rentals at the Enterprise Car Rental location in Rolla because of the contract specifications.

However, due to a recent contract change, not all rentals at the Enterprise Car Rental location in Rolla should elect the insurance option!

Now, all University of Missouri vehicle renters **should** take the insurance options if you are:

- Renting a vehicle for a country OUTSIDE of the United States or Canada
- Renting a passenger van with seating capacity greater than 8
- Renting a truck (or similar vehicle) with the purpose to transport any type of cargo or property
- Renting an SUV for off-road use

- Renting within the United States and Canada by authorized foreign national guests of the University

Thanks to the UMR Procurement staff for clarifying the UMR vehicle rental criteria!

For more information about Auto Coverage or other insurance matters please go to: www.umsystem.edu/rim or contact Risk & Insurance Management (573) 882-8100.

News & Updates

Finance & Administration

Quarterly Division Meeting – "Customer Service"

Finance & Administration is a rather large division, yet each unit works together to support the mission of the University and to give you – as our customers – good service! To foster better working relationships between departments, F & A encourages all staff within the division to attend the Quarterly Division Meetings.

With our common communication methods of e-mail and the telephone, these meetings help put a face with the name, which improves our service. Questions arise about policy, procedure, and just what is going on with the University, so to answer these questions, Vice President Krawitz opens the floor for Q&A. The meeting concludes with recognition of exceptional customer service.

The next meeting's focus is on Customer Service and is scheduled for Wednesday, July 18th from 3:00-4:00. The conference room at the Old Alumni Center on Carrie Francke Drive in Columbia is the place to be!

Internal Auditing

2007 Big 12 Internal Audit Conference

The 2007 Big 12 Internal Audit conference was hosted by the University of Missouri this year. It was a tremendous success with record attendance! There were speakers from PricewaterhouseCooper's (PwC) Higher Education practice, including John Mattie, PwC's National Higher Education and Non-Profit practice leader. In addition, a number of University personnel spoke, including Natalie "Nikki" Krawitz, Vice President for Finance and Administration, who kicked off the conference; John Gardner, Vice President for Research and Economic Development; Larry Gates, Associate Vice President for Finance and Administration; David Sheahen, Director, Facilities Planning and Development; Beth Chancellor, Associate CIO for the Division of Information Technology, UMC; George Rickerson, Associate Vice President, AITS, Division of Information Technology; and Brian McNamee, Manager of Investments. Our core Internal Audit team for PwC of Audrey Katcher, Partner; Dennis Curtis, Senior Manager; and Tara Duncan, Manager; also were among the list of superlative speakers. The conference topics touched on variety of areas, from Information Technology, to Healthcare, to Compliance, to Risk Management and Internal Controls.

Office of the Controller

Unrelated Business Income (UBI) Workshops

Well, we did it! In June, staff from the Controller's Office along with the University's tax advisors, Deloitte Tax LLP, traveled to each campus for a presentation on Unrelated Business Income (UBI) that concluded with an open discussion and Q&A. Included in the UMC session were representatives from UMHC, UM System, and UM Extension.

Our goals were met! They were:

- To educate – fiscal officers and campus departmental representatives learned about activities that might generate potential UBI revenue streams and result in Unrelated Business Income Tax (UBIT).
- To answer – questions related to UBI were brought forth and answered.
- To introduce a draft questionnaire – a document which will be used as a tool in helping the University reduce its exposure to risk relating to UBI activities. Final questionnaire and more information coming soon, so stay tuned!

The fiscal officers and departmental representatives are not expected to become UBI experts, but the information sessions provided them with a general understanding of the concepts and potential issues so they may inform their local accounting offices of possible UBI revenue streams.

The Controller's office thanks everyone who participated in these sessions for their time and insightful questions! A frequently asked questions (FAQ) relating to unrelated business income tax is maintained on the Controller's Office website.

Travel Reimbursement Policies

In each edition of InFocus, we ask you – our readers – for your feedback and contributions. As Vice President Krawitz has stated with each newsletter, "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"

After the last edition of InFocus, one of our University staff members wrote in about the UM Travel Policies, specifically about food allowance and reimbursement policies, concerned that they have not been increased in many years, do not equal the federal allowance, and lack of meal reimbursement when traveling less than 12 hours.

We took that comment and acted upon it! The first review was to compare UM Travel Policies with our peer institutions! When compared to institutions of the Big Twelve and Big Ten, our travel reimbursement policies are consistent with other Big Twelve (Baylor, Iowa State, Kansas State, Oklahoma State, Texas A&M, Texas Tech, Univ. of Colorado-Boulder, Univ. of Kansas, Univ. of Nebraska-Lincoln, Univ. of Oklahoma, Univ. of Texas-Austin) and Big Ten (Univ. of Illinois, Indiana Univ., Univ. of Iowa, Univ. of Michigan, Michigan State, Univ. of Minnesota, NW University in Illinois, Ohio State, Pennsylvania State, Purdue, Univ. of Wisconsin) Universities.

But why do all these Universities follow similar policies?

Travel reimbursement policies are designed to comply with the IRS Accountable Plan rules which allow for reimbursements to be made and not reported as income (and so without tax consequences to the employee). If UM did not follow the IRS Accountable Plan rules, reimbursements are reported as pay and the employee is responsible for paying those extra taxes! No one wants that! So, just to keep you informed, these rules are:

1. Your expenses must have a business connection — that is, you must have paid or incurred deductible expenses while performing services as an employee of your employer.
2. You must adequately account to your employer for these expenses within a reasonable period of time.
3. You must return any excess reimbursement or allowance within a reasonable period of time.

It's good that we are following these rules. But what about comparing to the federal allowance?

The Federal Per Diem Expenses are found in the Code of Federal Regulations 41 CFR 301-11. These regulations implement statutory requirements for travel by federal civilian employees and others authorized to travel at government expense. As many who deal with Travel Reimbursements know, their meal allowances take into account the cost of living standards city by city. What many do not know is that they do not reimburse per diem expense (ex., meals) when traveling less than 12 hours (Section 301-11.2). The Office of the Controller is currently reviewing the IRS recent clarification on this issue.

But who creates UM policies?

The Incidental Expenditure Committee, which included accounting representatives and travel coordinators from all campuses and business units, was convened in 2003. The goals were to review existing travel expenditure policies and update them as necessary, recommend new travel expenditure policies where needed, and recommend procedures to monitor compliance. In the Spring of 2005, the Committee recommended changes to the University's travel policies which were approved by the Administrative Management Council (AMC) and subsequently implemented.

There is an active committee – Travel Reimbursement Implementation Project (TRIP) committee which has been hard at work to implement software that will provide a better way to process travel reimbursements as well as gather travel cost information. This is key in creating better policies for the University. The TRIP project is nearing completion, and once the program is in place and enough data has been accumulated on travel costs, there are plans to revive the Incidental Expenditure Committee to review UM Travel Policies.

We thank our readers for asking these tough questions – it helps F & A keep on track with our goals of communication and customer service.

The Travel Reimbursement Policies are found in the Business Policy Manual.

Office of the Treasurer

E-Commerce: Moving $$ on the Internet

Do you pay your University bills on-line? Then you are engaged in E-Commerce! Do you swipe your University purchasing card in a store as payment? That's also E-Commerce. E-Commerce service enables secure credit card and check payments on the Internet.

Do you accept E-Commerce payments? If you do, or plan to develop and deploy an E-Commerce application, you need to be aware of University policies, procedures, and the very stringent security requirements. The Division of Information Technology (DoIT) has recently contracted with NelNet Business Solutions' (NBS) QuikPAY service which will phase out the old MVL system by Fall of 2007

One of the most important steps requires interaction with and approval by the Office of the Treasurer. Their staff will work with you (and your vendor if you purchased an application) to connect your front-end application to NBS QuikPAY to accept credit card and check payments. The University has processes in place to feed E-Commerce payments to the Financial Systems General Ledger and the student systems.

For more information, visit the E-Commerce Service Web site.

Management Services

Document Preparation Manual - Board of Curators Physical Facilities & Management Services Committee

The University makes millions of decisions every day – so what items go before the Board of Curators for a vote?

The University of Missouri's Collected Rules & Regulations (CRR) are the governing standards which specify which items need to have Board approval before commencing. Based on the subject matter, items to be brought before the Board are designated to a close review by one of the seven standing Board committees. Each committee has a System office which is responsible for preparing this information.

Finance & Administration and the Division of Management Services are responsible for the agenda items going before the Physical Facilities & Management Services (PF&MS) Committee. This includes matters related to the planning, building, maintenance and operation of the physical facilities of the University, real estate items, and the purchasing of equipment and supplies utilized by the University.

But wait! I purchase supplies for my office – and I don't get Board approval!!

Thank goodness you don't have to! Through the CRR, the Board has delegated authority for University staff to process those activities so that there isn't too much of a hold up to get our jobs done. However, it can be confusing as to what items need to be approved by the Board.

To assist with those decisions, Management Services has prepared a **Document Preparation Manual**! This manual takes you step by step through the process. The first check is to determine if your item needs Board approval. If it does need Board approval, this manual will assist you with what information is needed, when it is needed, to whom to give the information, and when the critical dates are before the Board Meeting.

You can find this manual on the Finance & Administration website.

And don't worry – unless you're purchasing office supplies greater than $500,000, you do not need Board approval.

New Executive Assistant!

Nancy Benedict transitioned from the Administrative Assistant for Procurement Services to the Executive Assistant of Management Services on July 1st. A Columbia native, Nancy is a Rock Bridge Bruin, attended UMC, and is actively involved with the Columbia Entertainment Company. She has been an office assistant in California as well in several positions at the University. This past Staff Recognition Week, she was the Semi Finalist for the Service and Support Award.

Please join us in welcoming Nancy to her new role within F & A!

Facilities Planning & Development

Coordinating Campus Development – From Behind the Desks!

Each campus is in a continual state of development – buildings going up, coming down, and being maintained. Responsible for coordinating these changes are the Campus Facilities Management departments for each campus, as well as the System office of Facilities Planning & Development (FPD).

In recognition of common concerns which arise with campus development projects, FPD organizes a bi-annual meeting for the Administrative Support Staff of these departments. These front-line staff members working from behind their desks are responsible for much of the coordination of these projects.

Meeting on the Columbia campus in the fall as a center point between the campuses, and then alternating between the UMKC, UMR, and UMSL campuses gives these colleagues the opportunity to see and visit the other campuses. Tips and suggestions on how each campus has efficiently dealt with problems produces a proactive approach so that when issues arise, there is a better sense of the scope of work, campus locations, and what has worked in the past. This past April, the spring meeting was held at the Havener Center at UMR. Changes to policies and processes were discusses, and new updates to the inter-campus project software was reviewed.

This proactive approach of discussing issues and their solutions, or soliciting advice, has facilitated system-wide improvements to a variety of processes, including an overall awareness of campus development matters.

Procurement Services

Show-Me Shop – ePro taking Purchasing to the Next Level!

We've got a name! "***Show Me Shop***" is the new name of our virtual shopping mall – taking University purchasing to the Next Level!

The "Show Me Shop" name and logo received 64% of the votes in our Name the Marketplace contest.

Submitted by a team of staffers from the Columbia campus, these Grand Prize Winners received prizes from UMC's Vice Chancellor of Administrative Services, Jacquelyn "Jackie" Jones.

Runner-up prizes were also presented to the finalist submissions received from UMKC, UMR and UMSL. Check out the this link to see pictures of all the winners and get details of the marvelous prizes they received.

Left to Right: John Layman (Accounting Svcs.), Brandon Guffey (Accounting Svcs.), Jacquelyn Jones (Administrative Svcs.), Donna Farris (Printing Svcs.)

*A big **Thanks** to all Contest Participants!*

Stay tuned …Show-Me Shop as your one-stop University Shopping center will debut soon!

Rebates, Gifts, Gratuities

What should you do if you are offered a free product, check, debit card, or other gift from a vendor?

You may accept it on behalf of the department making the purchase – but not to the individual employee.

The University has several policies on this Conflict of Interest. The Collected Rules and Regulations section 330.015 – Policy on Conflict of Interest states that "*University employees shall faithfully discharge their duties and shall refrain from knowingly engaging in any outside matters of financial interest incompatible with the impartial, objective, and effective performance of their duties. They shall not realize personal gain in any form which would influence improperly the conduct of their University duties. They shall not knowingly use University property, funds, position or power for personal or political gain. They shall inform their supervisors in writing of reasonably foreseen potential conflicts.*" The University's Purchasing Policy Manual states in section 204 – Gifts and Gratuities "*No University employee may accept for individual or personal benefit any gift or gratuity from any current or potential supplier of goods or services to the University.*"

Because of these policies, please encourage discounted pricing at the point of sale instead of offering free-bees. Gifts and Gratuities should never be considered when making departmental purchasing decisions.

If you have any questions, please contact Procurement Services at (573) 882-3201.

Purchasing Card vs Travel Card

One of our readers wrote asking why hotel accommodations and meals are not allowed to be placed on the Purchasing Card (PCard), but can only be placed on the Travel Card (TCard). Why not just have one card that allows all purchases?

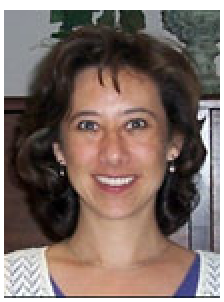
The main reason is the bottom-line cost to the University in terms of people-hours to reconcile this one card would be unacceptably high.

The way this reconciliation nightmare has been avoided is to have the two cards with corporate vs. individual liability. The payments for the PCard are the responsibility of the University (corporate) while the TCard is the employee (individual). The person with the TCard can stay in the hotel and charge all sorts of incidentals – like movies and dry cleaning – and then just present the hotel cost for reimbursement. If there was one card, not only would there be people-hours to reconcile these charges, but those same people would have to chase down payments from those employees to pay back the University for those incidentals.

We are currently working on a better way to manage this situation! The Travel Reimbursement Implementation Project (TRIP) committee is reviewing these issues as part of their study (see the article on Travel Reimbursement Policies in this edition for more on this committee). In the mean time, Procurement Services has started to move a few travel related purchases to the Pcard, such as airfare because the entire fee is reimbursable. They are currently exploring the option of putting rental cars on Pcards – so stay tuned! For the complete list of what are allowable charges and what are not, check out the Purchasing Card website.

Thanks to our readers for such great questions!

UM Business Services

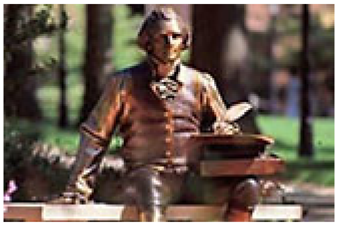


New Coordinator of UM Business Services!

Tanya Haeussler transitioned from the Executive Assistant for Management Services to the Coordinator for UM Business Services on July 1st. A graduate from Stephens College and a 15 year University of Missouri employee, Tanya will continue to work closely with Director Mary Sapp on Real Estate, Business Policy Manual, and Non-PO Contract as well as provide additional business services to assist University departments in the accomplishments of their missions.

Please join us in welcoming Tanya to her new role within F & A!

Focus On: Answer



UMC, Thomas Jefferson Bronze Statue on the Frances Quadrangle

In 2000, the Jefferson Club presented the University with this bronze statue. Thomas Jefferson's ideal of an "academical village" in which students would receive a broad education in the arts and sciences is the model for today's American university. As the first public university in Jefferson's Louisiana Purchase territory, UMC reflects Jefferson's ideals in its mission of teaching, research and service.