

Welcome to *In Focus!*

The University of Missouri System
Finance & Administration quarterly newsletter



Vice President Krawitz

Service is the highlight of this quarter's InFocus newsletter. We value service by demonstrating a willingness to go out of our way, to help our customers, give prompt personal attention, and resolve problems quickly. We strive to meet and exceed expectation with each customer interaction.

- [Spotlight on Procurement Services](#) - Get a better look at the department that is all about Customer Service. P-Cards, tracking inventory, ePro, RFPs – all of these are ways in which Procurement Services brings quality products and services at low cost to the University. Learn more about this office within Finance & Administration.
- [Account-Ability](#) - "*Segregation of Duties*" - Achieving internal control with limited staffing can be difficult but it is doable (and University policy). Training for you and your coworkers on this vital function is being provided on each campus – read more!
- [Risky Business](#) - *Does your department have a University Vehicle?* With over 2 million miles driven in official University vehicles, the department of Risk & Insurance Management wants to make sure your vehicles are covered with the correct insurance services.
- [On the Drawing Board](#) - *UMKC – New Student Union* – With more than double the number of students on campus, the 1959 student union was just outgrown. Check out the design concept!
- [Compliance Corner](#)
 - [Check out the new Financial Compliance Training Web Site!](#) If you are involved with Sponsored Programs and research grants awarded to the university, this new site provides information on compliance with federal rules and regulations.
 - [F & A or F&A?](#) We are Finance & Administration, abbreviated as F & A. But the indirect or overhead costs associated with sponsored programs are called Facilities and Administrative costs – abbreviated F&A. Learn more about why these are important to your sponsored program operations! What is F&A?
- [Hats Off](#) - To University employees who have given exceptional customer service that assists Finance & Administration achieve our goals. Check out those award winners!

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

Procurement Services



Nikki Krawitz and Bill Cooper hold the "13th Annual Achievement of Excellence in Procurement Award" presented to UM Procurement Services by the National Purchasing Institute

UM Procurement manages the purchasing operations for all campuses within the University of Missouri System, including: Columbia, Kansas City, Rolla and St. Louis. Bill Cooper currently leads this team as the Chief Procurement Officer as well as the Associate Vice President of Management Services. His purchasing staff is here to make sure requests for goods and services meet quality bidding standards, while encouraging the diverse use of Missouri and MBE/WBE suppliers with whom we strive to develop business relationships. The department aims to provide exceptional customer service while initiating contracts that bring quality products and services at low cost to departments. Procurement continually analyzes the spending trends of the University to remain proactive in developing campus and system-wide contracts.

Additional services provided by Procurement include inventory tracking and surplus property management. Surplus Property helps departments dispose of unwanted items through live and on-line auctions and by selling items to other departments. This brings revenue to departments, frees up much needed space, and supports the sustainability goals of the University. Inventory control tracks items purchased so the campuses have an accurate listing of all assets.

Procurement Services' vision is to be innovative and entrepreneurial in applying new concepts, processes and technologies which add value to our services. Procurement initiated and continues to manage the procurement card program which streamlined the small dollar purchasing process. A couple of years ago eBay auction services for surplus property was implemented. This brought additional revenues to departments when disposing of unwanted equipment. One of the newest initiatives is eProcurement, which plays a primary role in the University's strategic plan. By enabling contract vendors in our Show-Me Shop on-line catalog environment, we greatly enhance contract compliance resulting in anticipated material cost reductions totaling approximately \$24.9 million over five years. Since its pilot introduction in October 2007, eProcurement has already returned over \$3.3 million for reallocation to the core missions of the University. Simultaneously, we are improving processes and continuing to develop a high-

performance organization; which in turn creates an environment that is conducive to quality education, teaching and research.



Account-ability

Segregation of duties



Do any of your staff perform more than one key accounting function?

The University recently implemented a policy about segregating the duties of key accounting functions: authorizing, recording, verifying and managerial review in financial transactions. The policy spells out the optimal scenario where an individual performs only one of these key accounting functions. Then there is the less than optimal office where someone may need to perform more than one of these functions. So, how do you provide strong internal controls with less than optimal segregation of duties? Training is offered that will give you several solutions to help you implement good segregation of duties and strong controls.

Please contact your Accounting office for the next available training offered.

Does your PI authorize for EVERY transaction?

Often a PI needs to have someone authorize transactions in their absence and may delegate them to authorize transactions on their behalf. What are the requirements for the delegate? What documentation is required? Training is available that explains these requirements.

Please contact your Sponsored Programs office for the next available training.



Risky Business

Insurance service for more than 1,300 university vehicles driving more than 2 million miles per year



Does your department have a vehicle? Is it insured?

Each campus has a designated individual to complete the titling and licensing process and to assist you with answering this question.

These folks will schedule your vehicle with Risk & Insurance Management so your vehicle is covered in case of an accident.

Each campus has a designated individual to complete the titling and licensing process and to assist you with answering this question. These folks will schedule your vehicle with Risk & Insurance Management so your vehicle is covered in case of an accident. When you contact them, be sure to have at your fingertips:

- Year
- Make
- Model
- VIN
- Purchase price
- License plate number

Licensed or Unlicensed? Licensed Vehicles include all vehicles that are licensed for city streets and highway driving that are owned, rented or leased by the University for official business purposes. An unlicensed vehicle is not designed for highway use and generally used on University grounds. Examples of these vehicles are golf carts, "Gators," also known as all-terrain vehicles, etc. used for landscaping or maintenance.

Licensed Vehicles are covered by the University's self-insured [Auto Liability](#) program. The Liability program covers, less the deductible, costs for bodily injury or physical damage caused to someone else's vehicle or property. This does not include costs to repair physical damage to your vehicle.

Physical damage, better known as Comp/Collision coverage, is an optional coverage. This coverage has an additional annual premium assessed on the original cost new of the vehicle being insured. Example: A car is purchased for \$12,000 and the original cost of the vehicle was \$14,000, the premium would be based on the original cost of \$14,000.

Unlicensed Vehicles are considered "property" and are covered under the University [Self-Insured Property Program](#).

Do not delay scheduling licensed vehicles – be sure to send the information to your coordinator as quickly as possible to make sure you're covered! Buckle up and Drive safely!



On the Drawing Board!

Current university projects in design

UMKC – New Student Union



The University of Missouri-Kansas City's New Student Union will replace the existing student union which with a new 108,300 s.f. facility. Located on the corner of Cherry and 51st streets, the New Student Union is along the University Way pedestrian walk and close to the expanding residential campus.



The new union will replace the university's existing 1959 student union. "We have just outgrown that building," said Mel Tyler, Vice Chancellor for student affairs and enrollment management. When the 50-year-old union was built, UMKC had about 6,000 students on its campus. Now there are more than double that number, and there are 50 percent more students living on campus. Tyler says that the new building is "extremely important as we look at trying to grow our undergraduate enrollment. And we want to have space on campus to keep students on campus, not just those students who live on campus but those students who commute to campus as well."

The Union will include a coffee shop on Cherry Street along with other dining venues, the UMKC bookstore, and a new 300-seat movie theater. It is designed to be a bright and lively

building that will provide a vibrant edge along University Way, with storefronts along the ground level and entrances from inside the building as well as the street.

The design is being prepared by Gould Evans, of Kansas City, Missouri. The project team is under the direction Larry Eisenberg, University Architect, and Bob Simmons, UMKC Assistant Vice Chancellor of Facilities. The New Student Union is expected to open in August, 2010.



Compliance Corner

Financial Compliance Training: New Web Site



To improve our compliance with federal regulations, the University has initiated a compliance training program focusing on Sponsored Programs and the implementation of new policies.

Check out the new [Financial Compliance Training](http://www.umsystem.edu/ums/departments/fa/controller/compliance) Web site at <http://www.umsystem.edu/ums/departments/fa/controller/compliance>.

This site is your central place for all Financial Compliance Training and other related resources. Please take a moment to review some of the items recently posted:

- [EVR Training](#) – This is an on-line module focusing on the requirements for effort reporting and the responsibilities of the Principal Investigators.
- [Reference Guide for Sponsored Programs](#) – As noted in the last issue of *InFocus*, this is a pocket guide summarizing the requirements for sponsored programs as a resource for Principal Investigators and research administrators.

Our training initiative will continue to evolve over time. Comments and suggestions are welcome!

F & A or F&A?



We are Finance & Administration, abbreviated as F & A. But the indirect or overhead costs associated with sponsored programs are called Facilities and Administrative costs – abbreviated F&A. Learn more about why these are important to your sponsored program operations!

What is F&A?

Facilities and **A**dministrative (F&A) costs, previously called indirect costs or overhead costs, are costs that are not easily identified with a specific sponsored project, but are real costs to the University.

These costs directly support a project; however, since they are difficult to allocate, they are calculated indirectly. F&A costs include **F**acilities costs, such as plant operations and maintenance and depreciation of buildings and equipment, and **A**dministrative costs, such as costs for general administration, sponsored programs administration and departmental administration.

F&A costs are allocated to projects using rates negotiated with the Federal Department of Health and Human Services (DHHS). The F&A cost rate for the University is currently fixed for a three-year period (fiscal years 2007, 2008 and 2009) based on a signed F&A Cost Rate Agreement with DHHS. The University is conducting a cost study based on actual expenditures in fiscal year 2008 and will submit new proposed rates to DHHS by December 31, 2008. Separate rates will be negotiated for the different types of sponsored activity: research, instruction, and other sponsored activity (public service and outreach and extension) and the approved rates will be fixed for fiscal years 2010, 2011, and 2012. The University's current negotiated rates for research activity range from 47% to 51%.

F&A Recovery is very important to the campuses and represents reimbursement for costs already incurred that are not covered by direct charges. The F&A recovery is an unrestricted source of funds and is a component of general operating funds. The campuses allocate F&A recovery based on their individual campus philosophy which may include amounts set aside for startup funds, research incentive funds, and support for various research initiatives.

Even though the appropriate F&A rates should be charged to all projects, regardless of the sponsor, there may be limits on F&A rates by congressional statute or a waiver may be given if the sponsor has a written policy that limits F&A charges. Some Principal Investigators seek to reduce the University's F&A recovery on specific sponsored projects and, when this occurs,

those costs must be borne by some other part of the campus' budget. In fiscal year 2008, the campuses only recovered an average of 19% in F&A recovery which falls below the national average.



Please contact Joe Sanning in the Controller's office at (573) 882-6435 if you have questions on F&A rates, F&A recovery, and available training for departmental units.



News & Updates

► Office of the Controller

Segregation of duties – new policies coming soon!



The Controller's Office has issued two new policies related to Segregation of Duties. Both are effective October 1, 2008.

1. Segregation of Duties (APM 2.25.55) – Outlines the proper segregation of duties for financial accounting transactions.
2. Segregation of Duties – Sponsored Programs (APM 2.25.55.01) – Outlines the proper segregation of duties to meet the compliance requirements for sponsored programs and when a delegation of authority is necessary.

Training sessions for the above are currently being offered on all 4 campuses. Please contact the Ericka F. Kranitz, the Director of Financial Compliance Training at kranitze@umsystem.edu for information. PowerPoint slides of these presentations are available on the [Financial Compliance Web site](#). *Click on the links on the left of the screen: Training, Prior Presentations.*

► Procurement Services

Show-Me Shop Vendor Showcase



Procurement Services hosted another successful Vendor Fair! The Show-Me Shop Showcase was held at each campus the week of September 29th. It featured 19 vendors in the Show-Me Shop marketplace who currently have contracts or who will be added soon. The number of vendor catalogs continues to grow as we expand this exciting project. At the showcase we also introduced our new mascot, Sally Shopper. Link to our website at www.umsystem.edu/showmeshop and watch Sally take a ride through the virtual marketplace in our e-pro commercial. Thank you, to all of our customers that took the time to meet our Show-Me Shop vendors and who stopped by the Procurement booth to talk to us about the program expansion and your personal experiences. It is through communication and feedback that we can continue to support our customers the best way possible.

ExacTrac payments for Show-Me Shop orders

ePro catalog purchase orders will begin using a new payment method on October 6th, called ExacTrac. This payment option uses a virtual credit card number that the vendor will receive when orders are placed for catalog items purchased through the ePro Show-Me Shop. Cards are set with a 0% tolerance to allow the vendor to charge up to the amount of the purchase order and no more. This will insure vendors are not charging more than the contracted price set in the Show-Me Shop marketplace. **Invoice/voucher processing by Accounts Payable will no longer be necessary!**

We will begin utilizing this option with Fisher Scientific. The remaining ePro catalog vendors will be added after a few weeks of piloting with Fisher. We should have all ePro vendors added to this process by the end of calendar year 2008. Notifications will be added to the Show-Me Shop as each vendor is added. Catalog orders sent to vendors before they have been added to this process will continue to be paid through the traditional invoice/voucher method.

For more details on ExacTrac, including how the charges will appear on your income statement, visit the Procurement Show-Me Shop Web site at: <http://www.umsystem.edu/showmeshop>.

New director of Procurement Services



Please welcome Stephen "Steve" Mack to our division as he has been appointed director, Procurement Services-UM System.

Steve brings impeccable credentials being widely recognized as one the top procurement professionals in higher education today. During his twenty-six year career in higher-ed, Steve has served as Director of Procurement and Contracting Services at the University of Arizona and Director of Procurement Services at the University of Oklahoma.

Steve fully shares our vision of procurement as a strategically essential and highly valued partner, supporting the University's core missions of teaching, research, community engagement, and economic development through exceptional client service and innovative and cost effective program solutions.

Steve will officially begin work October 20, initially taking up temporary residence until his wife Rosita and high school sophomore son Ty can join him later. Reporting to Chief Procurement Officer Bill Cooper, Steve will provide direction to the four campus Procurement Services Managers as well as the System Commodity Specialists. The new Procurement Services organization chart may be viewed at

<http://www.umsystem.edu/ums/departments/fa/management/procurement>.

► Records Management

Campus initiates training for managing records



Records are an important University asset and like our physical, financial, and human assets, they must be appropriately managed to maintain their value. One campus takes managing this asset seriously. Missouri S&T recently required a representative from each department to attend a Records Management training session. Provost Warren K. Wray requested that either an administrative assistant, chair and/or department head attend one of the three training sessions organized and coordinated by Diana L. Ahmad and Melody Lloyd from the campus Archives office.

Provost Wray, in his request, stated that it is vital for departments to appropriately manage their records and comply with records retention requirements to meet the legal and administrative needs of the University. To assist departments, Records Management held three 3-hour records management overview sessions covering records management policy, records identification and declaration, records retention, vital records, and electronic records.

The sessions were well attended and well received. All academic departments and more than 30 administrative offices sent representatives to the training. In all, over 60 people attended including three department chairs and one interim department chair. The presentations were interactive and many attendees said that even though they had been required to attend the training it was not what they expected. They left the session glad they had come because the training provided them tools they could use to better serve their department and Missouri S&T.

If you are interested in a training session for your department or division, please contact Cyndie Parks, Director of [Records Management](#), at (573) 882-5459 or parksc@umsystem.edu.

► Risk & Insurance Management

UM assistant director appointed to executive committee of URMIA

At last month's annual meeting for University Risk Management & Insurance Association (URMIA), Assistant Director JoAnne Flowers was appointed to the Executive Committee of the Board of Directors. JoAnne's service to this national organization will allow her to share the expertise from the University of Missouri with other Higher Education institutions and promote the advancement and application of effective risk management practices. Please join us in congratulating JoAnne in this exciting new role!

► Hats Off!

Hats Off Award winners!



The HATS OFF AWARD is the recognition from F & A to those who have made an Exceptional Customer Service Contribution to the University of Missouri, specifically in the facilitation F & A objectives. We thank the following people for doing their jobs ... and then some!

Hats Off Award Winners

**Nominee/
Position/
Department**

**Nominator/
Date**

Reason



Laura Roth
Administrative Assistant
UM Procurement Services

Bill Cooper
*Associate Vice
President,
Management
Services*
July 8, 2008

Although she has only been with UM Procurement Services for less than a year, Laura has displayed a penchant for providing stellar service. Shortly after she started, she provided exceptional customer service with her representing Management Services as well as procuring all items on the silent auction for the United Way Campaign. She also went above and beyond by filling a vacant position on the Staff Advisory Council (SAC) and being very involved in the Staff Recognition Week's events.

However, the most sensitive and complex of Laura's special assignments in the last year, was the coordination of numerous department relocations, in both University Hall and 1105 Carrie Francke Dr. (Old Alumni Center.) Once again Laura's performance was exemplary. FY08 was quite a "Rookie" year for Laura and to her we say "Hats Off" for exceptional service support!!

Working together to develop a Sustainability Plan, David was proactive in pursuing numerous leads which will provide contracts for products that are sensitive to the environment and the University's pocketbook.



David Silvey
Commodity Specialist
UM Procurement Services

Mary Sapp
*Director,
UM Business
Services*
Aug. 28, 2008

Instead of just doing the research for the Committee, David went above and beyond by bringing samples to those groups who currently would benefit from his findings – for example, Printing Services now plans to introduce a 30% recycled content paper as its default paper for printing jobs. Nice job!



Nicole Beaumonte
*Administrative Assistant,
Facilities Planning &
Development*

Beth Asbury
*University
Engineer, Facilities
Planning &
Development*
Sept. 25, 2008

After a Facilities Planning & Development marketing meeting with KJWW and University Engineer Beth Asbury, their staff asked to give feedback on the process. The staff from KJWW wanted them to know that Nicole had been very helpful and proactive in setting up the meeting, sending directions, getting parking passes, etc. Her actions were so outstanding, they wanted her supervisors to know how much they appreciated such exceptional customer service.



Roger Heath
*WAN Engineer Expert,
Division of IT - Telecom*

Memoree Bradley
*Secretary to the
Vice President for
Finance &
Administration*
Sept. 29, 2008

Memoree worked with Roger in setting up video conferencing calls as well as off-site conference calls. "I have had virtually no experience in this area and Roger has been very helpful in arranging and training me to ensure things run smoothly. In my opinion, he went above and beyond the call of duty with the first two calls in August by taking time out of his schedule to show me how to operate the system in the President's conference room and also monitoring both calls remotely to ensure the calls ran smoothly."

Please join me in thanking Roger Heath in IT for his exceptional customer service!

Each of us is vital to the success of the University. When you see someone making an Exceptional Contribution, let them know - you just might make their day!



Focus On: Answer

UMKC Epperson House



This Tudor-style mansion houses UMKC's Architectural Studies program. Donated to the University of Kansas City (UKC) in 1942, the once-private residence was used as a dorm for male dental students, the School of Education and the Conservatory.

Believed to have ghosts, Epperson House was featured on "Unsolved Mysteries" as one of the top five haunted houses in the country. The building was completed in 1923 and has many secret passageways.



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