

*University of Wisconsin-Madison*



*Financial Management Meeting*

*October 10, 2017*



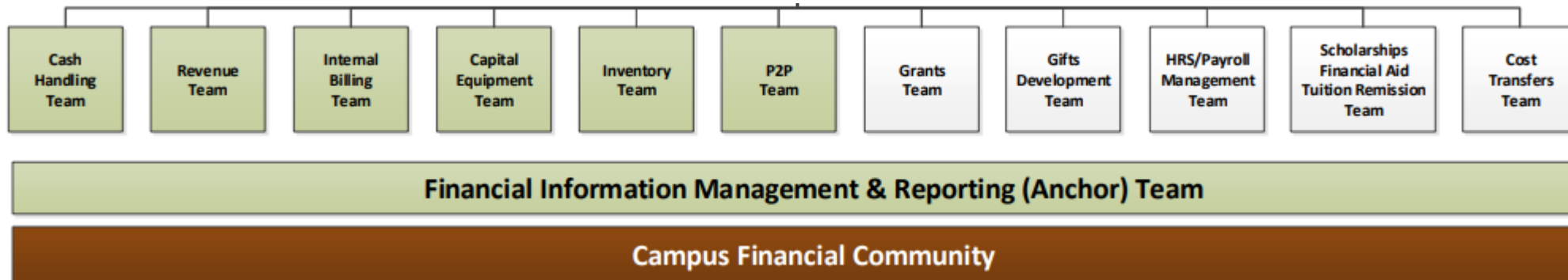
# Agenda

Welcome & Introductions	Dan Langer	10 minutes
Financial Internal Controls Update	Dan Langer	30 minutes
Student Payment Process	Carla Perez	15 minutes
Workers Compensation Study	Jeff Karcher	15 minutes
VCFA Priorities, Goals, Strategies	Laurent Heller	30 minutes
Q&A and Other Topics		



# Financial Internal Controls Initiative

- First UW-Madison Financial Forum in February 2014
- 395 attendees identified challenges, offered suggestions
- Based on outputs, Seven APR Financial Process Improvement teams were formed with campus-wide representation



More information: <http://www.bussvc.wisc.edu/intcntrls/intcntrls.html>

# Financial Information Management and Financial Reporting

**Project Start Date:** May, 2015

**Team Members:** Natalie Feggstad, Matt Griffith, Donna Halleran, Laurent Heller, Tammie Hodgson, Arnie Jennerman, Martha Kerner, Steve Kuhn, Dan Langer, Susie Maloney, Mari Ann Ménager, Ken Mount, Tim Norris, Ed Rodriguez, Adam Whitehorse, Amy Wilson

# Financial Information Management and Financial Reporting (Cont.)

## Accomplishments:

- Updated glossary in WISDM
- Initiated project to reallocate balances from Division 98 to the appropriate Divisions.
  - Approximately 40,000 project balances have been reallocated; \$8.2 billion.
  - Balance yet to be reallocated is approximately 10,000 projects and \$135 million.
  - Were related primarily to Funds 133, 135, 144, 161, 162 and 233.

# Financial Information Management and Financial Reporting (Cont.)

## Work in Progress/Near Term Next Steps:

- Finalizing P&L report to make available to divisions (see next slide).
- Improve controls to transfer revenue in the journal entry tool (JET).
- Complete work request to add a “flexible” field in concert with the 9.2 upgrade.
  - This is also intended to serve as a potential vehicle to assist with addressing internal billing control, management, monitoring and accounting issues.
- Review enterprise and shadow systems.
- Request proposals for internal control resources offering varying skill sets.

# Sample Draft P&L Report Template

Consolidated Financial Statement									
Business Unit	UWMSN								
Fiscal Year	2017								
Division	ABC								
Division Description	School of ABC								
	FUNDS BY SOURCE								
	GENERAL PROG OPERATIONS	TUITION & FEES	AUXILIARY OPER & HOSPITAL	GENERAL OPERATIONS	GRANTS & CONTRACTS	GIFTS AND ENDOWMENTS	CLEARING/ SUSPENSE	UNSPECIFIED	ALL FUNDS TOTAL
<b>REVENUES</b>									
Revenue	\$0	\$0	\$3,096,915	\$2,846,210	\$119,663	\$0	\$36,924	\$0	\$6,099,712
Revenue Transfers	\$0	\$0	(\$11)	\$2,075,773	\$2,505,397	\$10,101	\$0	\$0	\$4,591,260
<b>TOTAL REVENUE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,096,903</b>	<b>\$4,921,984</b>	<b>\$2,625,060</b>	<b>\$10,101</b>	<b>\$36,924</b>	<b>\$0</b>	<b>\$10,690,973</b>
RedBook Budget	\$4,437,206	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,437,206
GPR Fringe Allocation	\$1,535,969								\$1,535,969
Budget Transfers In/Out	\$136,431	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$136,431
<b>TOTAL BUDGET REVENUE</b>	<b>\$6,109,606</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,109,606</b>
<b>TOTAL REVENUE &amp; TRANSFERS</b>	<b>\$6,109,606</b>	<b>\$0</b>	<b>\$3,096,903</b>	<b>\$4,921,984</b>	<b>\$2,625,060</b>	<b>\$10,101</b>	<b>\$36,924</b>	<b>\$0</b>	<b>\$16,800,579</b>
<b>EXPENDITURES</b>									
Sales Credits	(\$41,465)	\$0	(\$48,664,689)	\$0	\$0	\$0	\$0	\$0	(\$48,706,154)
<b>TOTAL SALES CREDITS</b>	<b>(\$41,465)</b>	<b>\$0</b>	<b>(\$48,664,689)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$48,706,154)</b>
Permanent Salaries	\$4,273,436	\$0	\$1,351,719	\$974,253	\$0	\$0	\$0	\$0	\$6,599,409
LTE & Student Salaries	\$1,788	\$0	\$22,099	\$290,317	\$5,253	\$0	\$0	\$0	\$319,457
Fringe Benefits	\$1,535,969	\$0	\$679,802	\$354,212	\$1,366	\$0	\$0	\$0	\$2,571,349
Supplies	\$405,858	\$0	\$48,769,013	\$3,435,536	\$117,401	\$10,101	\$0	\$0	\$52,737,908
Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Purpose	\$0	\$0	\$568,080	\$0	\$0	\$0	\$0	\$0	\$568,080
Financial Aid									\$0
<b>TOTAL EXPENDITURES</b>	<b>\$6,217,051</b>	<b>\$0</b>	<b>\$51,390,713</b>	<b>\$5,054,318</b>	<b>\$124,020</b>	<b>\$10,101</b>	<b>\$0</b>	<b>\$0</b>	<b>\$62,796,203</b>
Expense Transfers	\$12,763	\$0	\$4,335	\$3,171	\$0	\$0	\$0	\$0	\$20,268
<b>TOTAL SALES CREDITS, EXPENDITURES, TRANSFERS</b>	<b>\$6,188,349</b>	<b>\$0</b>	<b>\$2,730,359</b>	<b>\$5,057,489</b>	<b>\$124,020</b>	<b>\$10,101</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,110,317</b>
<b>TOTAL</b>	<b>(\$78,743)</b>	<b>\$0</b>	<b>\$366,544</b>	<b>(\$135,505)</b>	<b>\$2,501,041</b>	<b>\$0</b>	<b>\$36,924</b>	<b>\$0</b>	<b>\$2,690,261</b>

Template is expandable to identify amounts per fund and per account code

# Capital Equipment Physical Inventory Tracking & Asset Valuation

**Project Start Date:** August, 2014

**Team Members:** Sandy Fowler, Matt Griffith, Brenden Hedberg, Carl Johnson, Steve Kuhn, Dennis Manthey, Karen Mier, Hartley Murray, Nicholas Novak, Janel Oster, Gerry Pelanek, Mehdi Rezai, Kathleen Sielaff, Matt Thies, Jim Thompson, Jim Walker



## **Capital Equipment Implementation – Phase 1**

**Project Start Date:** May, 2015

**Team Members:** Sandy Fowler, Matt Griffith, Brendan Hedberg, Tammie Hodgson, Janel Oster, Carla Parker, Gerry Pelanek, Mehdi Rezai, Melissa Steinl, Matt Thies

## **Capital Equipment Implementation – Phase 2**

**Project Start Date:** March, 2017

**Team Members:** Sandy Fowler, Tammie Hodgson, Gail Levine, Murali Manyam, Janel Oster, Gerry Pelanek, Mehdi Rezai, Amy Rognsvoog, Jeanette School, Kathleen Sielaff, Colleen Sims, Melissa Steinl, Amy Wilson

## Capital Equipment (Cont.)

### Accomplishments:

- 100% capital equipment inventory including retagging of all assets and write-down to appropriate valuation (approximately \$250 million and 20,00 items).
- Appointed new Capital Equipment Supervisor having significant capital equipment control and accounting experience.
- Updated policy and all procedures.
- Worked with campus personnel to identify and train all department property administrators (DPAs).
- Converted from Legacy Capital Equipment Information Management System (CEIMS) to the PeopleSoft Asset Management Module.
- Transitioned physical inventory scanning software and hardware from recently unsupported systems to new equipment and software.

## **Capital Equipment (Cont.)**

### **Work in Progress/Near Term Next Steps**

- Following OQI/APR FY18 Q2 Review/Assessment, work with them to team with colleagues at UW System contracting for work flow tool for DPAs to update location and other information as equipment moves.
- Physical Inventories
  - In process of closing out 6 of 9 physical inventories completed in Q4 of FY17
  - Schedule development for FY18 inventories and planning in process
  - Questions remain regarding frequency of capital equipment inventories.

## **Procure To Pay**

**Start Date:** June, 2015

**Team Members:** David Brinkmeier, Angie Erickson, Kevin Galles, Liv Goff, Matt Griffith, Chris Gunter, Alice Gustafson, Rusty Haines, Meredith Luschen, Mari Ann Ménager, Kerry Morgan, Dave Nelson, Don Schwoerer, Diane TeBeau

## Procure To Pay (Cont.)

### Accomplishments:

- Primary emphasis to date was on low cost improvement to better control use of purchasing cards. Stimulated by both observations of the team and subsequent results of UW System internal audits.
  - Worked with campus community to transition formal authorizations to established designated card users in compliance with State Procurement Guidance.
  - Revised Purchasing Card Policy and Procedures.
  - Established framework for action steps for card use in violation of guidance.
    - First set of warning letters will be disseminated in coming weeks.
- Instituted improved vendor controls including export control clearance for all vendors prior to doing business and on a recurring, regular periodic basis.
- Improved controls over the voucher upload process, formal related guidance and training.

## **Procure To Pay (Cont.)**

### **Work in Progress/Near Term Next Steps:**

- Developing dashboard information to be made available behind a firewall for financial officers to review and monitor
  - Initially purchasing card and mass voucher upload activity.
  - Intended to expand to include all payment channels including Shop@UW
- Working with campus community to eliminate purchasing card spend at internal UW departments and divisions.
- Evaluating options for improved procure-to-pay system, options include, but are not necessarily limited to:
  - Enhance Shop@UW (Jaggaer/SciQuest vendor)
  - Conversion to PeopleSoft eProcurement
  - Explore other PeopleSoft 9.2 Accounts Payable and Purchasing functionality.

# Cash Handling and Revenue

**Start Date:** June, 2015

**Cash Handling Team Members and Contributors:** Tim Delaney, Brian Diebling, Matt Griffith, Mike Halton, John Harvey, Camille Hogan, Mario Morris, Angie Seitler, Colleen Sims, Jim Thompson

**Revenue Team Members and Contributors:** Robert Bolles, Ann Bourque, José Carus, Katie Chase, Susan Dahmen, Jim Franzone, Cristi Fusch, Amy Johnson, Fariba Kiani, Steve Kuhn, Randy Marnocha, Debi Morgan, Ron Ravel, Johnathan Wolf

## Cash Handling and Revenue (Cont.)

### Accomplishments:

- Appointed new Cash Management Supervisor having multiple years of internal control audit and accounting experience.
- Updated and improved custodial account practices and controls
  - Revised custodial accounts guidance.
  - Updated memorandums of understanding for all custodial accounts effecting appropriate segregation of custodian, signer and reconciler responsibilities.
  - Trained personnel involved in custodial account processes.
  - Implemented a check log to ensure separation of duties and to track checks received.
  - Updated the reconciliation form and implemented a late notice policy for past due reconciliations.
- Auxiliary Operations Analysis Office developed improved policies, procedures and related guidance for revenue-producing activities.



## Cash Handling and Revenue (Cont.)

### Work in Progress/Near Term Next Steps:

- Auxiliary Operations Analysis Office, in partnership with Accounting Services, is developing policies and procedures training.
  - Training will include establishing and managing revenue-producing activities and guidance specific to related cash handling activities to reinforce appropriate duty segregation.
- Discovery and pilot to be launched for enterprise billing to collection system.



# Student Payments Project

Carla Perez  
Bursar

# Background

- Departments have used multiple ways to pay students: Payroll, Accounts Payable (AP), Bursar/Financial Aid (FA).
- There have been questions as to how payments should be processed.
- The terms that have been used for payments may vary from department to department – (award, scholarship, fellowship, etc.)

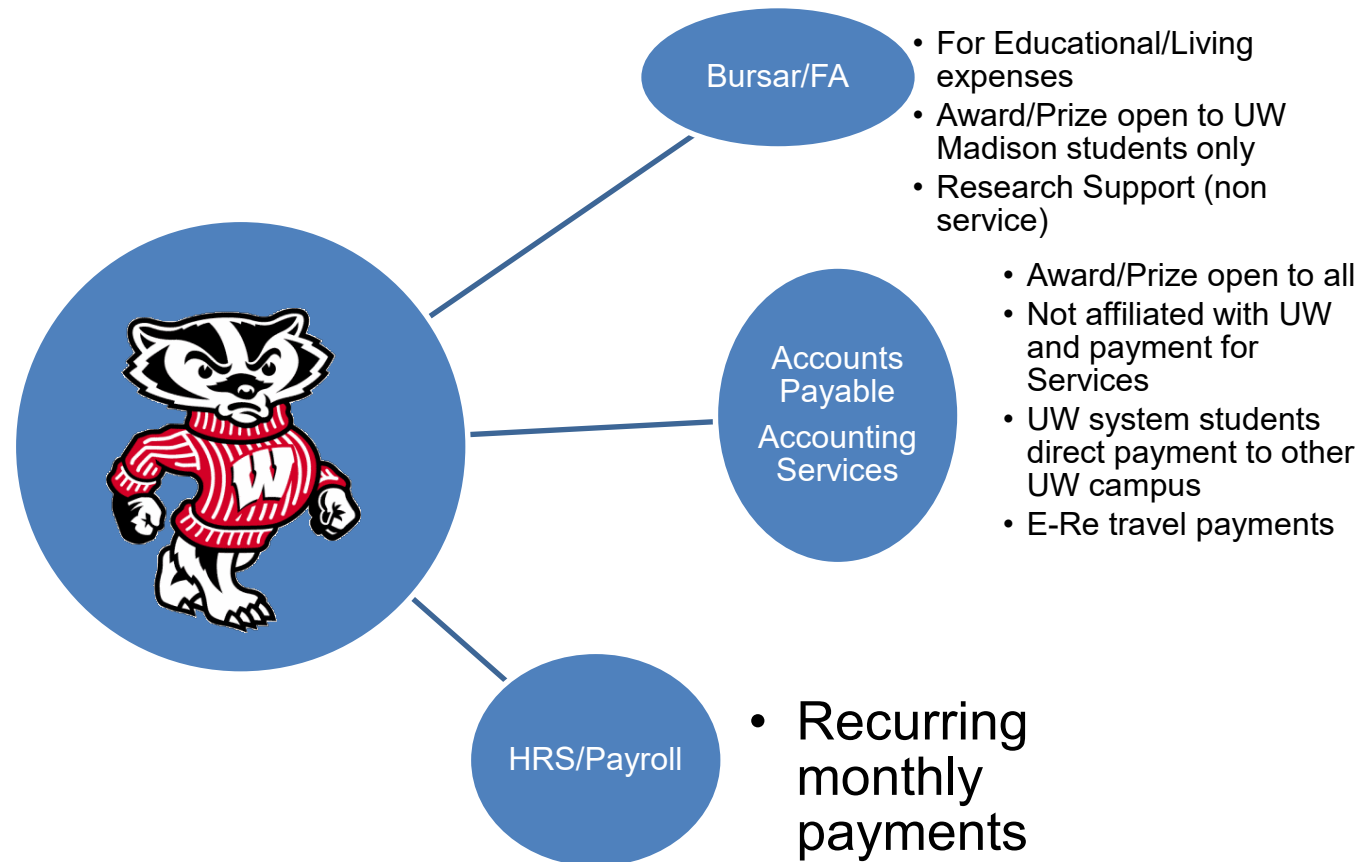
# Current Issues

- Departments want to utilize a payment method that results in a perceived benefit to the student
- Culture change - leveraging institutional resources
- Students vs. employees
- Donor intent suggests that payment cannot be applied to tuition or affect financial aid
- Awards during periods of non-enrollment
- Need for compliance in regards to federal regulations (tax, financial aid, etc.)

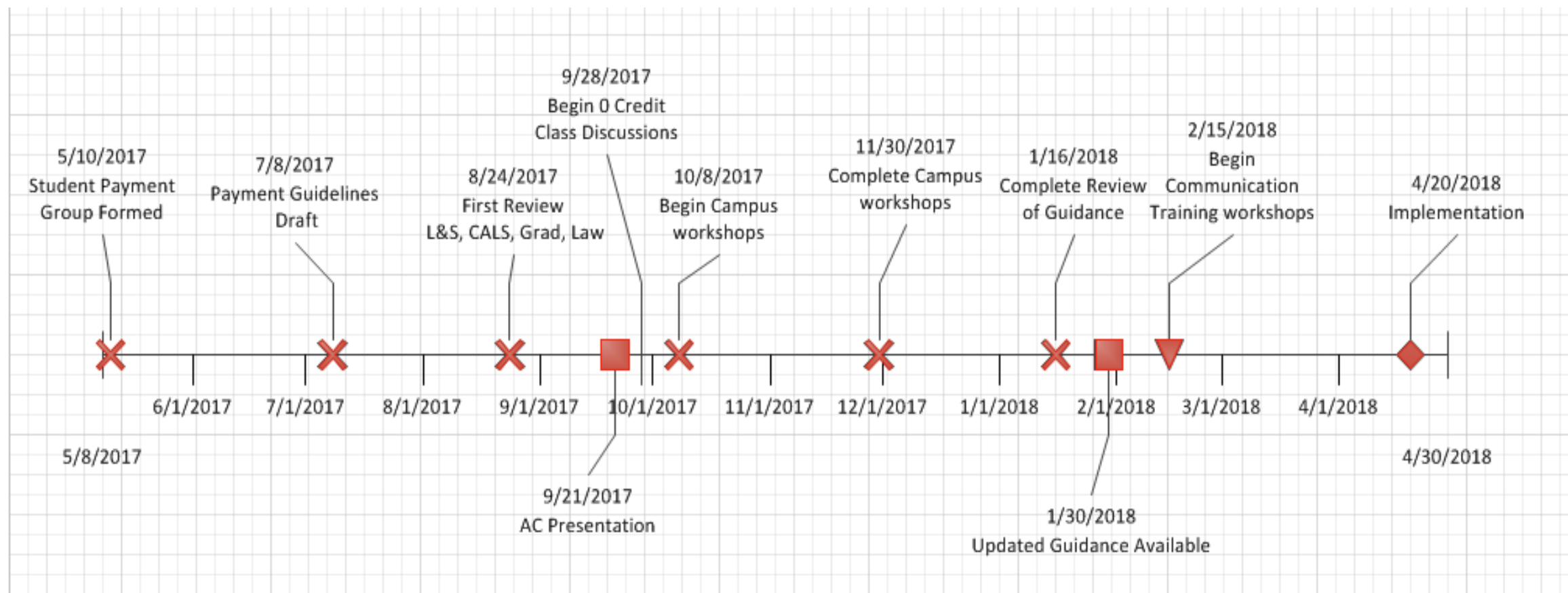
# Key Goals

- Streamline the process to pay students
- Consistent practices across campus
- Make sure the University is compliant with federal regulations (tax, financial aid, etc.)
- Provide Documented Guidance – Including definitions
- [Departmental Tool](#)

# Payment Method/Intent of Payment



# Timeline



# Next Steps

- Campus Workshops
- Gather comments and suggestions
- Review current document
  - Adding suggestions
- Communication
- Implementation





# Risk Management

Jeff Karcher

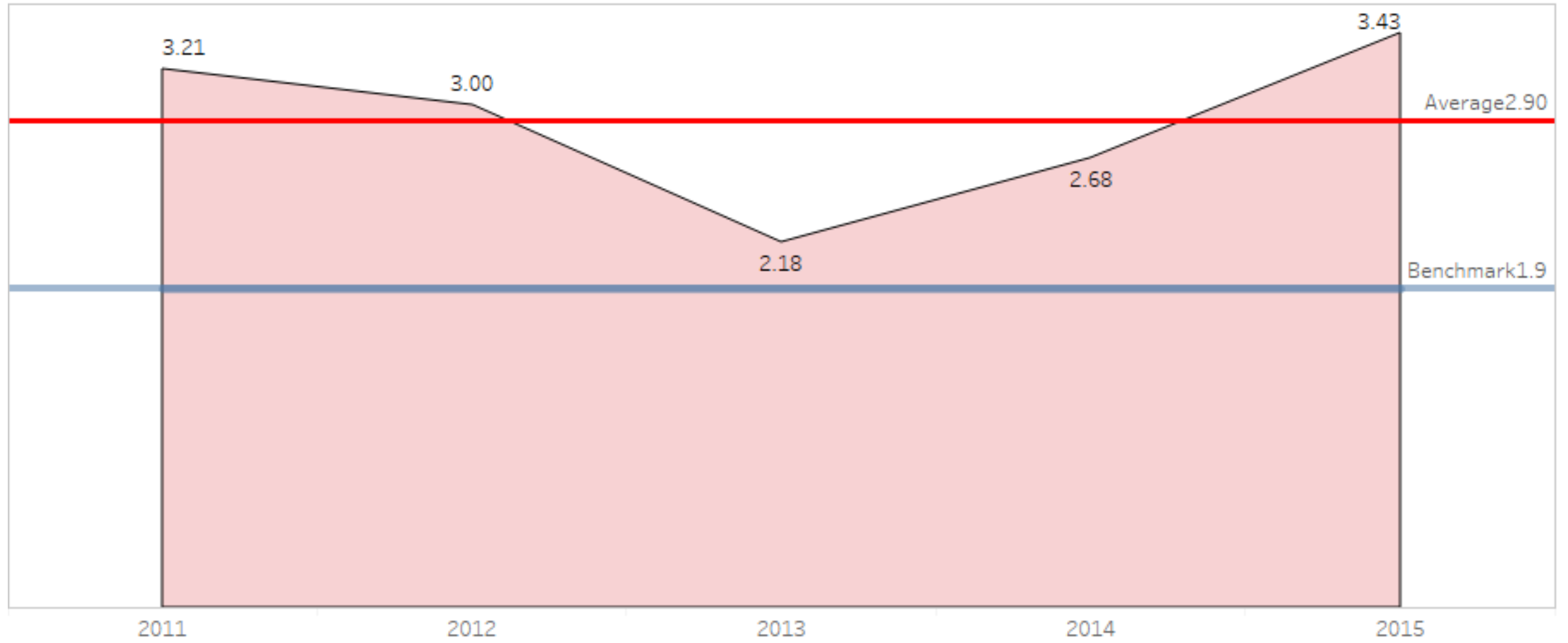
Director of Risk Management

## New [Enterprise Fleet Management System \(EFMS\)](#)

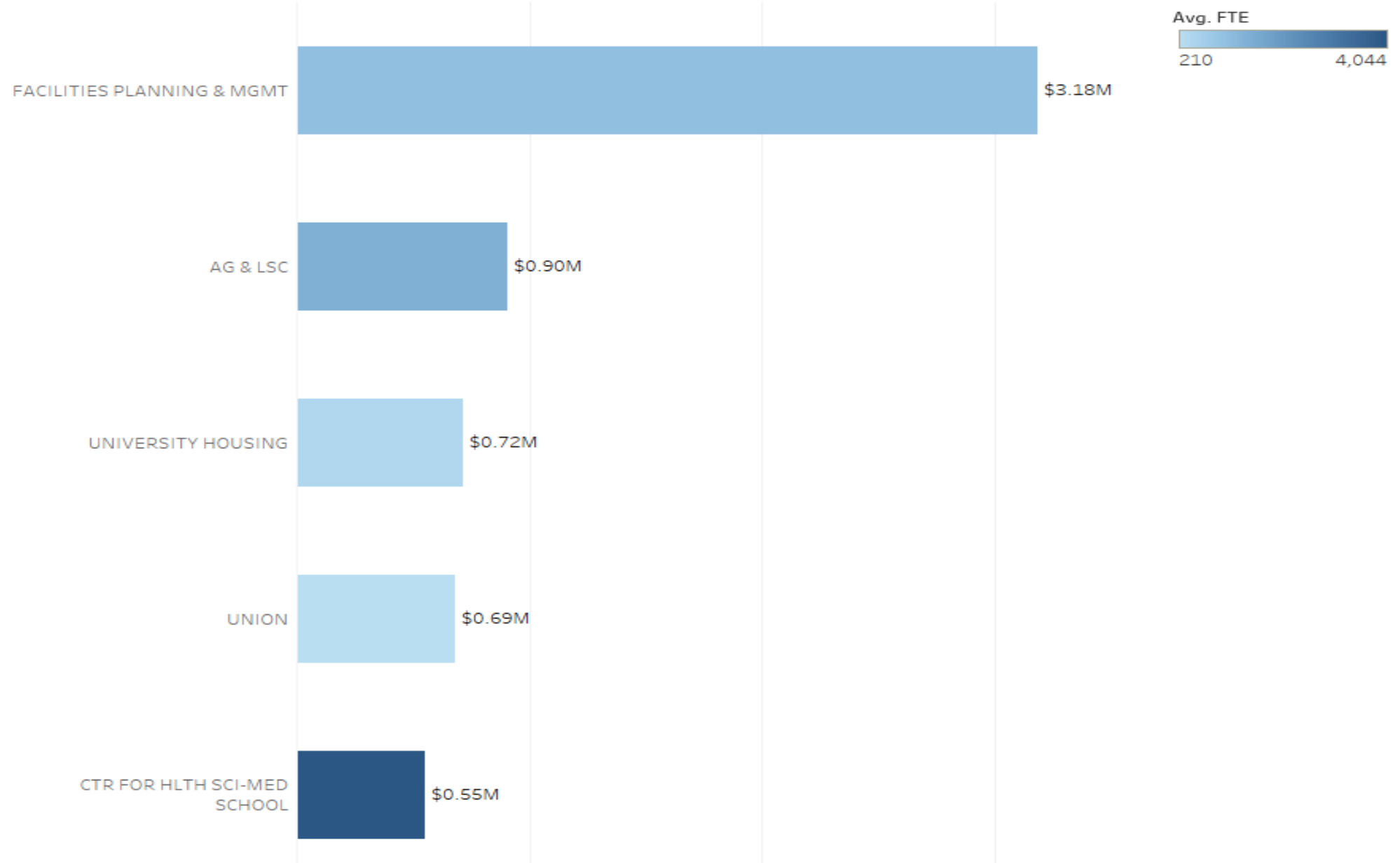
Return To Work Policy/Procedure Project

Worker's Compensation Data – Tableau  
(Draft examples in following slides)

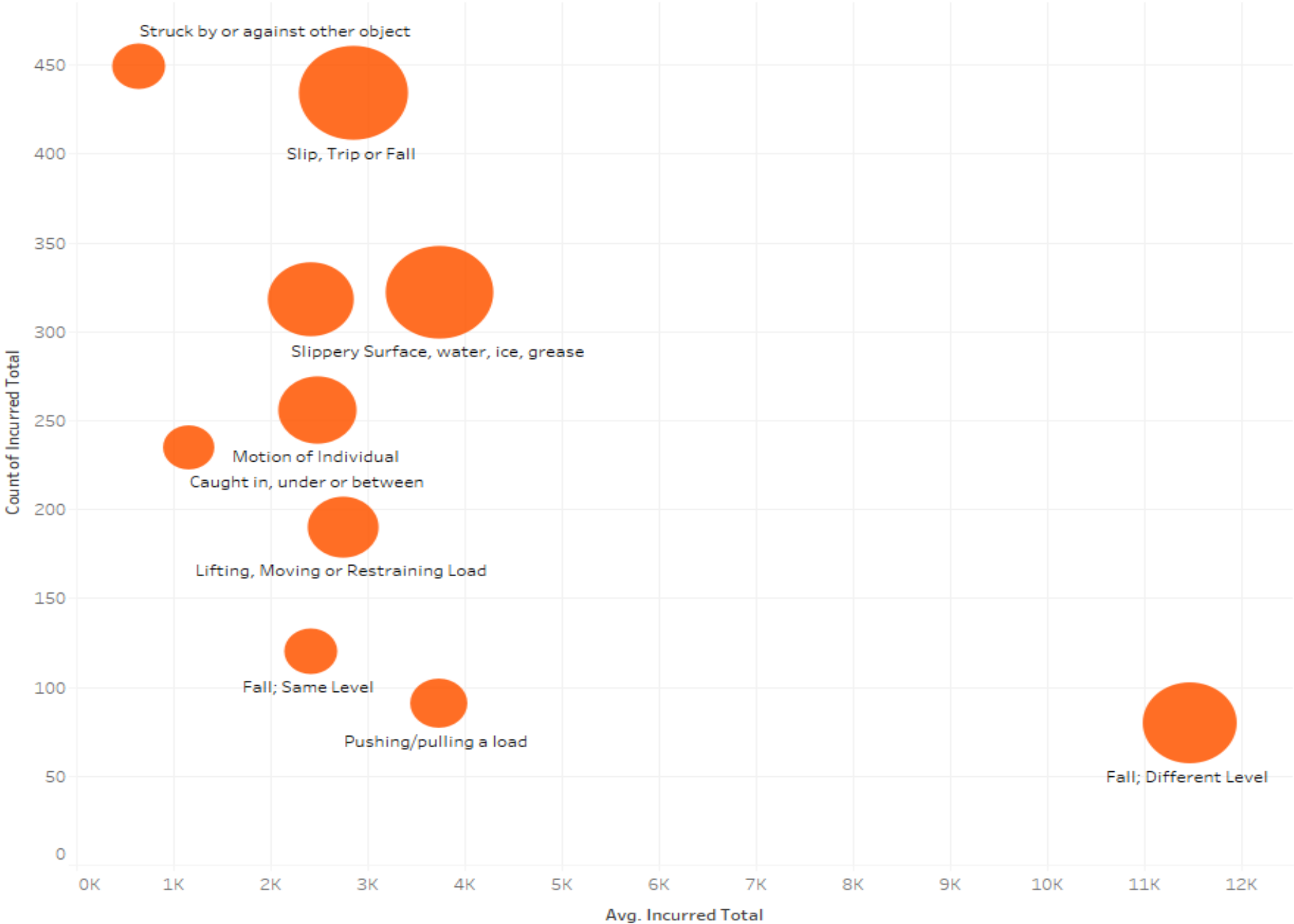
## Frequency - OSHA Recordable Rate per 100FTE



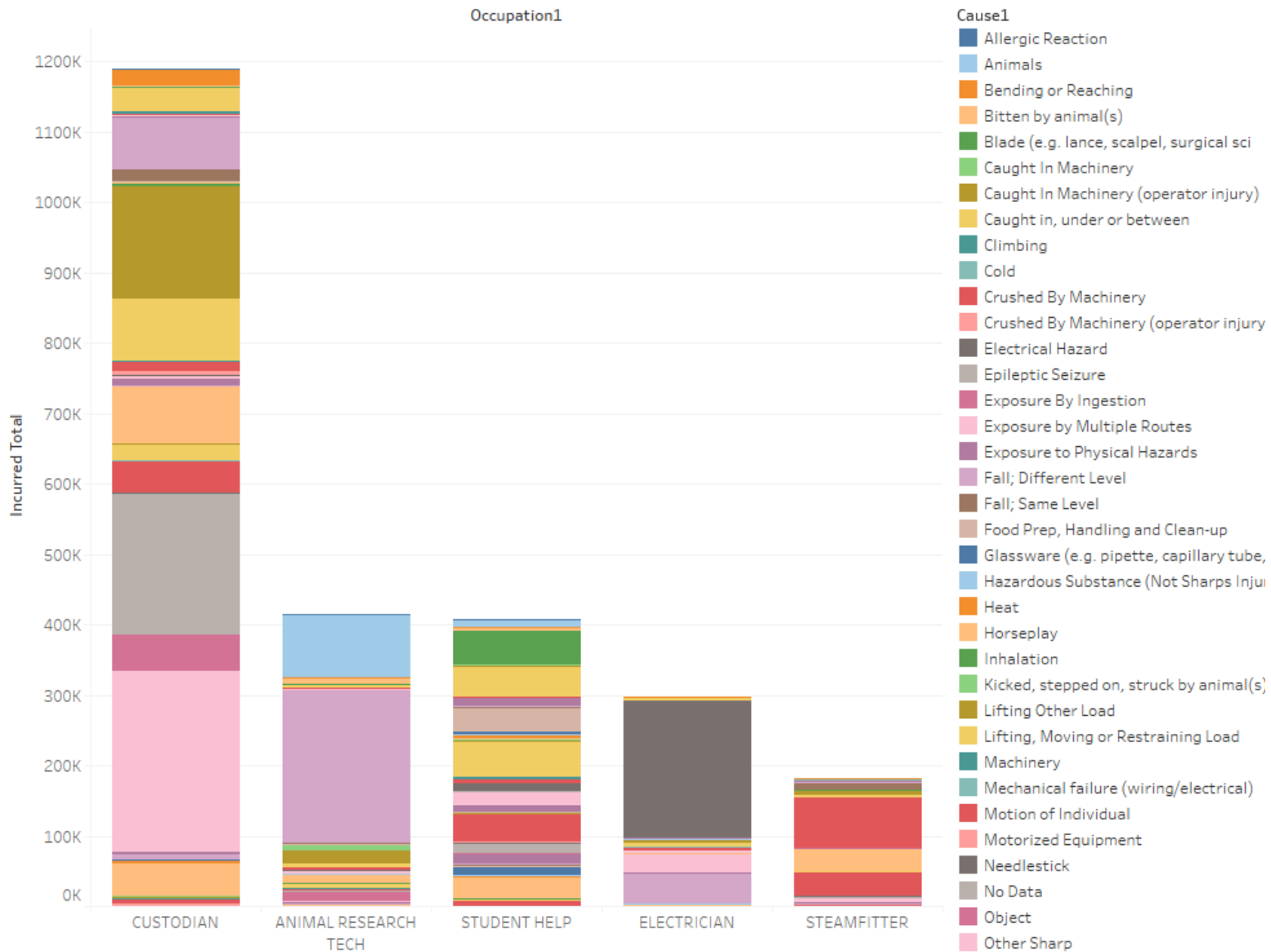
**Top 5 Departments With The Highest Total Losses** 2011-2015



Heat-map on Top 10 Cause



## Incurred Total and Cause of Loss by Occupation



Sum of Incurred Total for each Occupation1. Color shows details about Cause1. The data is filtered on Loss Date Year and Department Name1. The Loss Date Year filter keeps 2011, 2012, 2013, 2014 and 2015. The Department Name1 filter keeps 36 of 36 members. The view is filtered on Occupation1, which keeps ANIMAL RESEARCH TECH, CUSTODIAN, ELECTRICIAN, STEAMFITTER and STUDENT HELP.



# Q&A and Other Topics



# Thank you to The Wisconsin School of Business.

Dana Gilbertson, Event & Facilities Lead

Lindsey Honeyager, Director of Facilities and Event Services

Meloney Linder, Associate Dean for Communication, Facilities and Technology

Dave Towers, Assistant Dean for Budget and Finance

Jenny Yuan, Senior Financial Specialist





# Thank you for attending.



## Future Financial Management Meetings

Rooms 1106 & 1108, 21 N Park Street  
9:30 am - 11:30 am

December 12, 2017

February 13, 2018

April 10, 2018

June 12, 2018

August 14, 2018

October 9, 2018

December 11, 2018