



**WISCONSIN**

UNIVERSITY OF WISCONSIN-MADISON

# **Financial Management Meeting**

## **April 15, 2015**



# Agenda

## Welcome

- Introductions

## Risk Management

- |   |              |            |
|---|--------------|------------|
| – International Risk Management and Travel Policy | Ron Machoian | 20 minutes |
|---|--------------|------------|

## Purchasing

- |                            |                              |            |
|----------------------------|------------------------------|------------|
| – Dave Nelson Introduction | Dave Nelson                  | 10 minutes |
| – Second Year PO Roll-Over | Steve Carrola/Hartley Murray | 10 minutes |

## Accounting Services

- |                                   |                          |            |
|-----------------------------------|--------------------------|------------|
| – Accounting for Deferred Revenue | Susie Maloney            | 10 minutes |
| – Year-end Reporting              | Susie Maloney/José Carus | 10 minutes |

## UW System Service Center

- |   |           |            |
|---|-----------|------------|
| – Fiscal Year End Key Dates and Other Updates | Sue Adams | 15 minutes |
|---|-----------|------------|

## Other Matters



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# **Risk Management**



**University of Wisconsin-Madison**

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# **International Safety and Security Director (ISSD)**



<http://internationaltravel.wisc.edu>

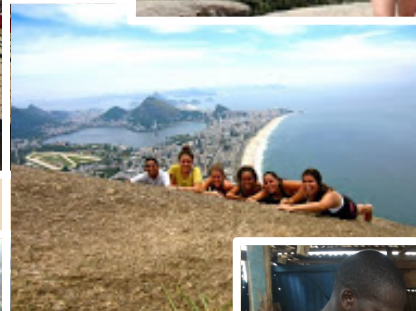
# Roles and Responsibilities



- Work across campus to **develop, review and implement policies** to heighten safety and security for international travel by students, faculty and staff
- **Assess risk in locations abroad** and make-available resources to help UW-Madison students and employees plan to mitigate risk in the international travel environment
- **Develop, coordinate and prepare protocols to align UW-Madison resources** in support of potential international emergencies that involve students and employees
- Work with university study abroad offices and other programs to **address emergent demands by UW-Madison students and employees for supporting intervention**



# The goal ... vibrant, successful learning, research and outreach experiences for UW-Madison students, faculty and staff who travel abroad!



# “Facts” about the ISSD ...

- The ISSD role is present in some form as a full-time position at about **35 colleges and universities nation-wide**
- The position is a **RESOURCE** for int’l education--**NOT** a constraint as might be associated with the name
- Creates, maintains and makes-accessible **related material resources** and fulfils a demand for **knowledgeable partnership in planning** safe and secure int’l programs
- The ISSD is focused **full-time** on safety and security in a **dynamic int’l environment** that defies “part-time” address, works in support of other campus offices/orgs
- **Represents the university** in external discussions related to int’l safety and security issues



# More “Facts” about the ISSD ...

- The ISSD works with and through the **University International Travel Committee (UITC)** ... representative of the campus, 19 members from various schools, divisions and offices
- The Provost signed the UW-Madison “**Travel Resources, Guidelines and Policies**” (Feb 2015 ) ... provides a framework for student and employee travel abroad
- **ISSD website** provides many helpful and informative links, resources and information: <http://internationaltravel.wisc.edu>
- On 1 July 15, **Fox World Travel** will become the single provider for international travel reservations
- Risk Mgt provides **CISI’s** reasonably priced **int’l health & medical insurance**; also covers medical evac & repatriation – req’d for students, *HIGHLY RECOMMENDED for employees!!*





# Vision for the role ...

- Create campus processes that work seamlessly within existing systems to increase support for travelers and also ISSD awareness of campus int'l travel
- Broaden role to become a resource to other UW-system campuses and even the Madison community when appropriate to the university's role as a regional leader
- Work with UITC and campus leaders to ensure there is deliberate consideration and review of UW-Madison's cultural disposition regarding int'l risk relative to world events and a changing threat landscape



# *Questions ... ?!*



<http://internationaltravel.wisc.edu>





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# Purchasing Services

# Introductions

David Nelson

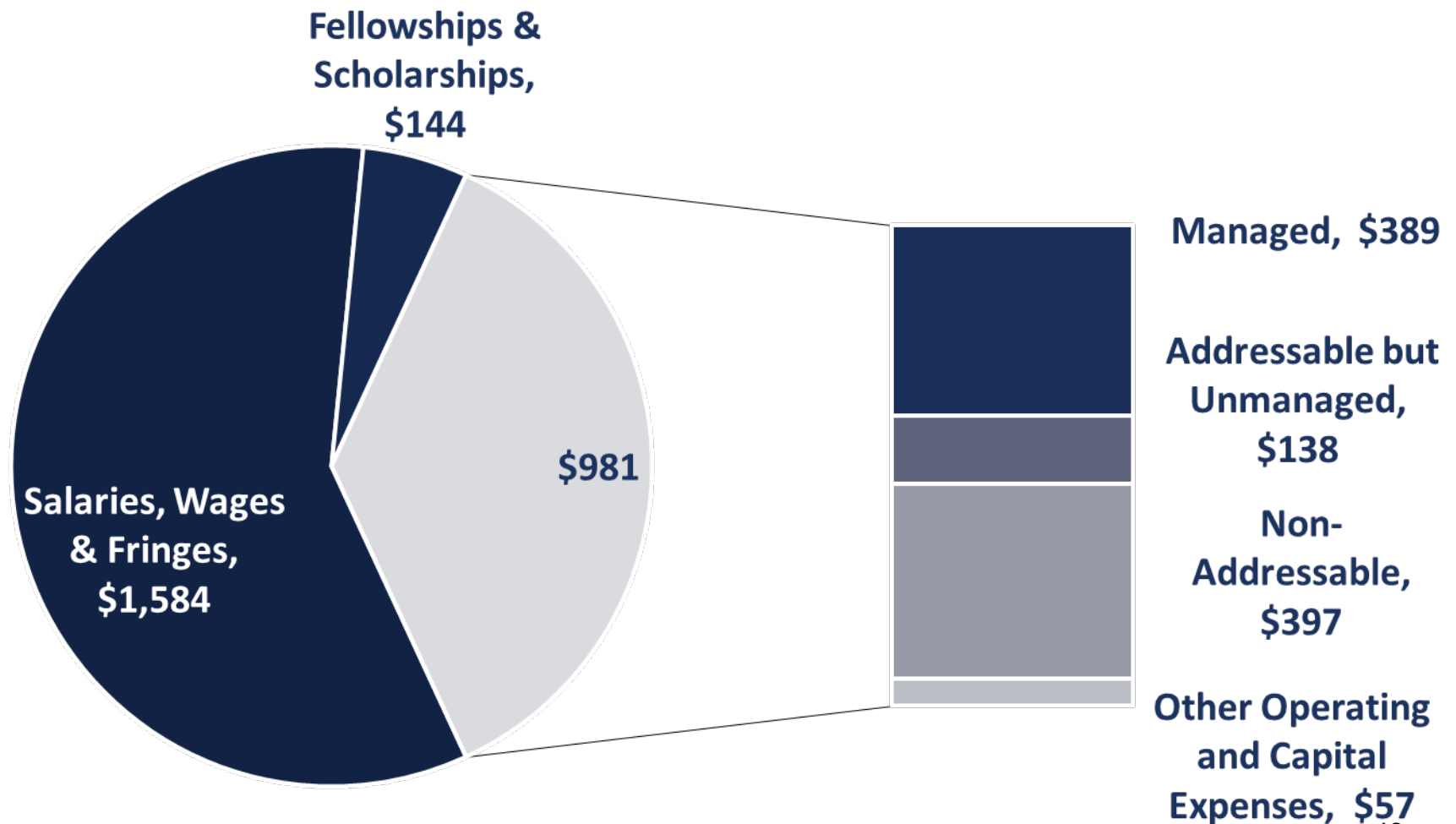


<b>Title</b>	Director of Purchasing
<b>Office</b>	Room 6210, 21 N Park Street
<b>Phone</b>	608-890-1341
<b>E-mail</b>	<a href="mailto:dnelson@bussvc.wisc.edu">dnelson@bussvc.wisc.edu</a>



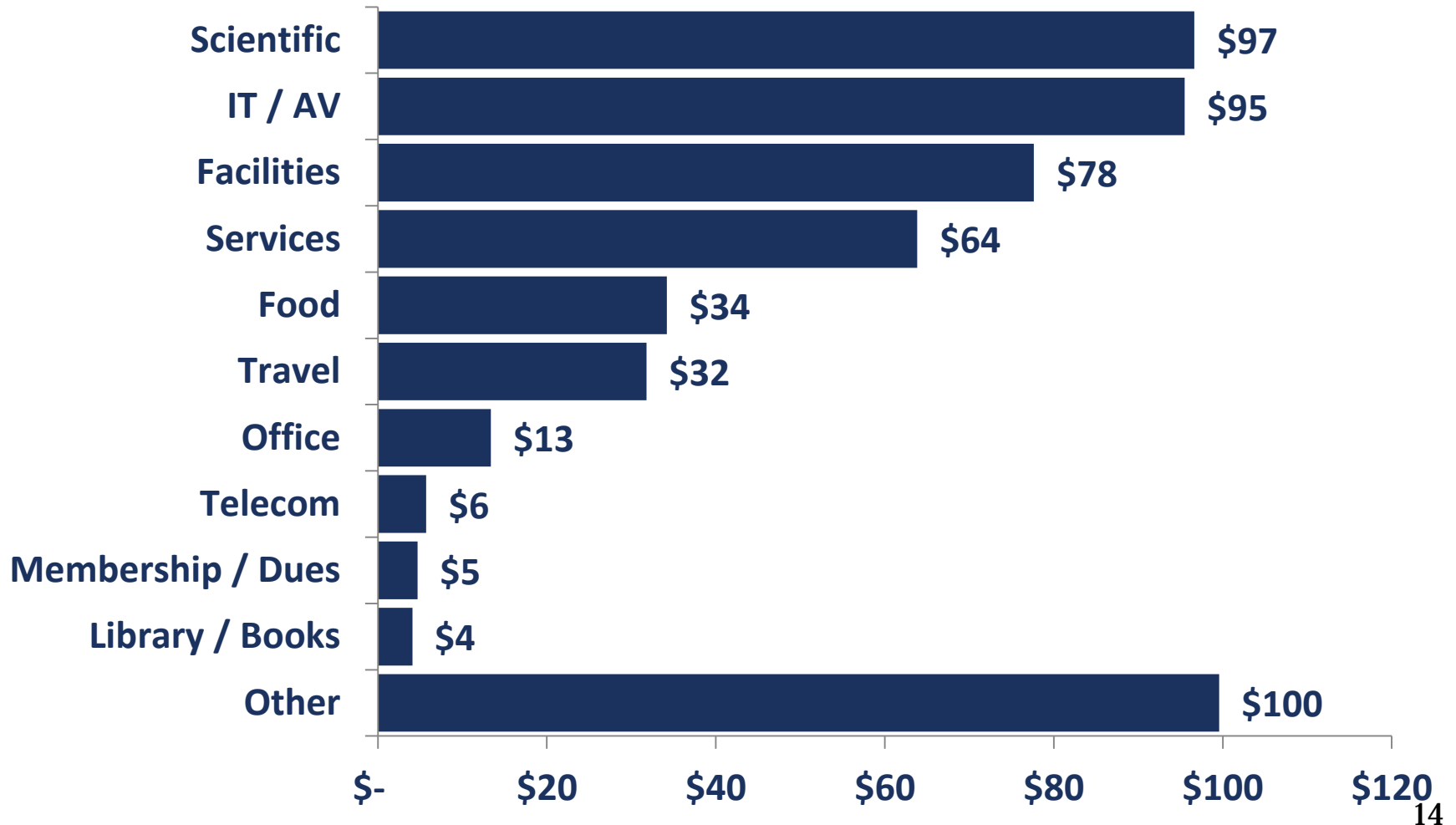
# Expenditures

USD millions



# What do we Buy?

USD millions



# Complexity by Numbers

- Item Complexity

- Shop@UW Suppliers: 24
- Shop@UW Items: >5,000,000
- Laboratory Items: >3,250,000
- Laboratory Items = 80% of Spend >22,000

- Who Buys?

- Shop@UW Accounts: >6,000
- pCards: >2,200
- Travel Cards: >1,200
- Delegated agents: ~20
- Purchasing Agents: 11\*

*\*estimated 3 FTEs consumed complying w/State Procurement rules*

# Complexity by the Numbers

- How do we transact?\*
- pCard: ~250,000
- Shop@UW: ~175,000
- Direct Payment/PIRs: >125,000?
- Purchase Req/Order: ~17,000
- How do we Source, Bid & Contract?\*
- RFI/P: 56
- ASSAs: ~350
- Sealed Bid/Contract: 156
- Simplified Bid/Contract: 23

*\*Annual Volumes*



# Second Year PO Roll-Over

Steve Carrola & Hartley Murray



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# Accounting Services

# Deferred Revenue

## New UW System Administration Policy

(effective 4/2/2015)

### **Processing Guidelines for Advance Fee Collections Future Year Receipts collected before July 1.**

- Cash must be deposited in current fiscal year (Within 5 business days of receipt)
- All advanced fees must be recorded as Deferred Revenue in the general ledger by end of current fiscal year
- No amounts can remain in a revenue account at the end of the current fiscal year

# Deferred Revenue

## What is Deferred Revenue?

Advance payments or unearned revenue, recorded on the recipient's balance sheet as a liability, until the services have been rendered or products have been delivered. Deferred revenue is a liability because it refers to revenue that has not yet been earned, but represents products or services that are owed to the customer. As the product or service is delivered over time, it is recognized as revenue on the income statement.

*Source: "Deferred Revenue Definition | Investopedia." Investopedia. n.p., 25 Nov. 2003. Web. 13 Apr. 2015. <<http://www.investopedia.com/terms/d/deferredrevenue.asp>>.*



# Deferred Revenue

## Campus Examples



**A department is holding a conference in August 2015. External conference attendees send payments for fees starting in June 2015.**

- Cash – Must be deposited in current FY, within 5 business days.
- Revenue – Not earned until Conference occurs in FY 2016. Receipt is recorded as deferred revenue in FY 2015



**A department will be providing a service to an external customer in July 2015. The customer sends us a check for the services in May 2015.**

- Cash – Must be deposited in current FY, within 5 business days,
- Revenue – Not earned until the service is provided in FY 2016. Receipt is recorded as deferred revenue in FY 2015.

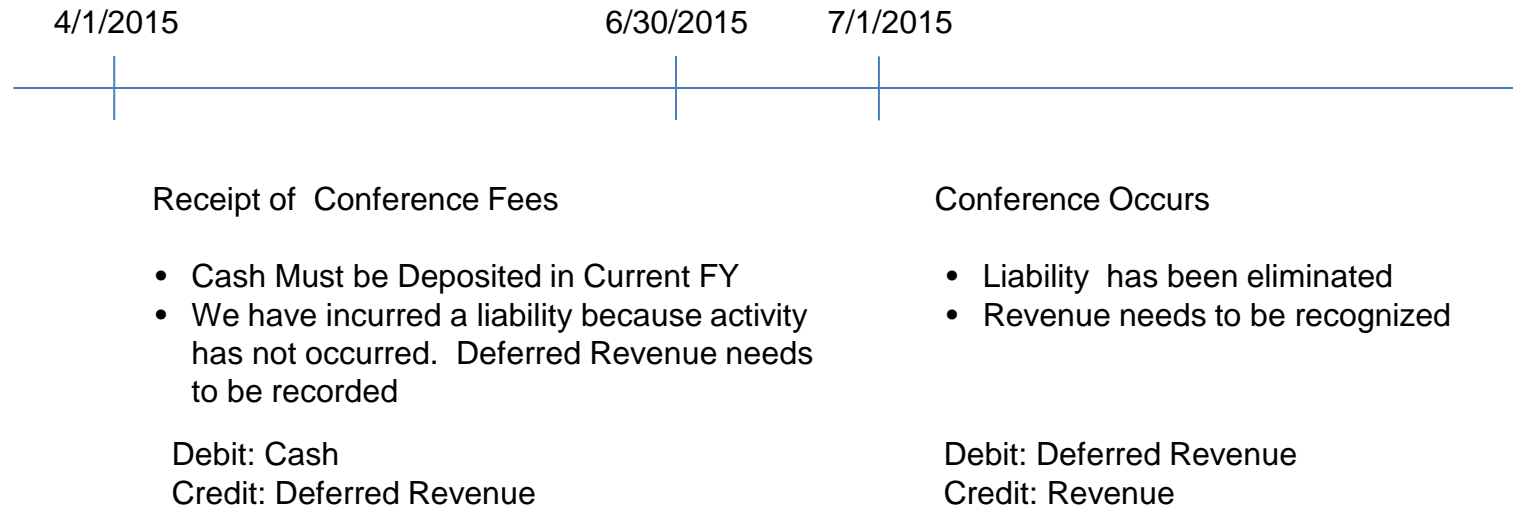


**A department will be providing services to another UW department in August 2015 and pre-bills for the services in June because there are GPR funds to be spent.**

- In general it is not appropriate to pre-bill when the customer is internal.

# Deferred Revenue

## Deferred Revenue Timeline Conference Example



# Deferred Revenue

## Changes in Reporting Deferred Revenue for FY2015

### Prior Years Process

- Accounting Services sends request for D/R report to campus
- Dean's Office distribute request for Deferred Revenue reports to their departments.
- Departments submit D/R reports to Dean's Offices for review and submission to Accounting Services.
- Accounting Services compiles submission into a summary report and submits to UW System Administration by established due date.

### Current Year Process

- Due to the implementation of the new policy from UW System Administration, no request will be sent to the campus because all revenue will be classified in the correct fiscal year thus eliminating the need for the D/R report. Data for the financial reports will be in SFS due to proper fiscal year recording.
- To initiate a transfer to record deferred revenue per new policy please complete the **Deferred Revenue – Future Year Revenue** form (see form and instructions at <http://www.bussvc.wisc.edu/acct/forms.html#drfr>) by July 2.
- New Deferred Revenue Policy 405  
<http://www.bussvc.wisc.edu/acct/policy/revenue/defrevfy.html>

# Fiscal Year End Financial Reports

## 1. Request for reports will be sent out on June 15, 2015 for the following reports:

- Accounts Receivable
- Deferred Expenses
- Supplies

These reports and associated instructions will be sent by Accounting Services on June 15, 2014 via our Newsletter to the Dean's Offices.

## 2. Presentations on Basics of FY End Reports:

a) Late May/Early June. Will take an hour or less.

- Host: Mehdi Rezai from L&S Dean's Office
- Location: Birge Hall lecture room. Pending confirmation of Room
- Notice: Will send out confirmation once room is finalized
- Registration: Training Officer Dawn Rekoske will post on OHRD web site for registration

b) Late May/Early June. Will take an hour or less.

- Host: Darlene Wood from Medical School Dean's Office
- Location: TBD
- Notice: Will send out confirmation once logistics are finalized
- Registration: Training Officer Dawn Rekoske will post on OHRD web site for registration



# Tuition Remission

## Increase in Surcharges for Graduate Assistantships



**WISCONSIN**  
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### MEMORANDUM

Date: March 12, 2015

To: Deans  
Directors  
Department Chairs

From: Sarah Mangelsdorf, Provost *Sarah C. Mangelsdorf*  
Darrell Bazzell, Vice Chancellor for Finance and Administration *Darrell Bazzell*

Re: Assessments for Graduate Assistant Tuition Remissions

Based on recommendations made by a faculty committee in 2006, UW-Madison re-implemented a surcharge on graduate assistantships to recover a portion of the forgone tuition revenue associated with graduate assistant tuition waivers (or tuition remissions). The committee devoted over a year of intense study of the significant negative impacts that excess graduate assistant tuition waivers were having on the university's base budget. In response to the structural budgetary shortfall caused by excess tuition waivers, the committee recommended and the campus implemented a fixed surcharge of \$8,000 per year for graduate assistants who have appointments at one-third time or greater.

Teaching assistants were excluded from the surcharge because the institutional tuition and budget model accommodates a fixed number or value of tuition waivers associated with teaching assistants. Tuition waivers in excess of that fixed number cause a structural imbalance in the base budget. Roughly 85% of the related assessments for graduate assistantships that are subject to the charge are applied to external funds—federal and non-federal grants and contracts and gift funds. It should be noted that this assessment is permissible under federal guidelines and a common practice among our peer institutions.

Although campus administration initially planned to index the surcharge to establish annual increases, the \$8,000 per year surcharge has not changed since implementation in 2007. However, since the first full year of implementation in 2007-08, graduate assistant waivers have grown by approximately \$8.0 million per year. Total revenue accruing from the surcharge has not grown sufficiently enough to keep pace with the growth in excess graduate assistant tuition waivers. This growing structural imbalance is causing increasing problems.

Office of the Vice Chancellor for Finance and Administration

100 Bascom Hall University of Wisconsin-Madison 500 Lincoln Drive Madison, Wisconsin 53706-1380  
608/262-9943 FAX: 608/263-7449

# Tuition Remission

**2015 Fall Semester**  
Surcharge will Rise  
from \$8,000 per year  
to **\$10,000** per year

**2016 Fall Semester**  
Surcharge will rise an  
additional \$2,000  
bringing assessment  
to **\$12,000** per year.

Budget reductions imposed on the campus in the current biennium and anticipated reductions that will be imposed in the 2015-17 biennial budget have created additional budgetary pressures to address the structural imbalance. Our approach to these budget reductions has been to seek ways to spread the reductions across the university, rather than concentrating them in the units that are heavily dependent on state dollars. Higher tuition remission surcharges can help address our budgetary pressures. As a result, UW-Madison must raise the tuition remission surcharge to help address both the structural imbalance and budgetary pressures. This will help ease pressures on other areas of the base budget.

Therefore, we are establishing a two-year plan to phase in the necessary increase to the tuition remission surcharge. Specifically:

- Beginning with the 2015 Fall Semester surcharge assessment, the surcharge will rise from \$8,000 per year to \$10,000 per year.
- For the 2016 Fall Semester surcharge assessment, the surcharge will rise an additional \$2,000, bringing the assessment to \$12,000 per year.

We note that the final phased-in amount of \$12,000 per year is still well below the weighted average tuition waiver for graduate assistants based on residency status and dissertator/non-dissertator status, which is estimated to be approximately \$16,000 and in many cases lower than the corresponding assessments charged by our peers. And, as in the past, the assessment will be allowable under applicable federal guidelines.

For most existing sponsored projects, the total award amount will not increase due to the change in the surcharge. However, tuition remission surcharge is exempt from overhead charged to sponsored projects. Therefore, under most sponsored projects, the principal investigator will be able to re-budget the overhead savings to partially offset the impact of the increase in the surcharge. Nonetheless, we understand that this will be a significant change for faculty and some local units and/or specific programs. If the increase will cause extreme hardship for any of your programs, please let us know. In exceptional cases we may be able to discuss potential options for transitional mitigation.

The increase offers the best strategy available to help resolve a structural imbalance that has grown since 2007, which is now all the more significant given our current budget challenges. As you work through these changes, we stress that the university must make every effort to honor commitments to existing graduate students.

cc: Chancellor Rebecca Blank  
Interim Vice Chancellor Marsha Mailick  
Kim Moreland  
Martha Kerner  
Dan Langer  
Tim Norris  
University Committee

# Project Numbering Change

## Change in Project ID Numbering Scheme

May 13, 2015

- The current scheme used in SFS for creating project IDs (PRJXXXX) is running out of combinations.
- New numbering scheme: AAANNNN where N = number.
- The letters and numbers will grow incrementally until ZZZ9999. The project ID after AAA9999 will be AAB1111.
- Existing projects will maintain their original number.



# UW-Madison FMM Fiscal Year End Key Dates April 15, 2015

*The Service Center Mission is to provide “best in class” HRIS and customer service to support the effective management of the University of Wisconsin System’s Human Capital at the highest value.*

# Fiscal Year End Key Dates – May/June

## All dates tentative and subject to change

May 18 – 19	Test Budget Import – results sent to business units
May 30	Short Work Break Job Data Row Insert
June 5	Funding Page Lockout (Notice Will Be Sent)
June 8	Budget Import
June 9	Funding Rollover for Valid Funding
June 10	Expected Funding Page Unlock (Notice Will Be Sent)
June 12	Encumbrance Full Reversal
June 17	Final 2015BW06A Biweekly Calc and Confirm (Morning Calc). Health and life (if any) use FY 2015 funding, but post to FY 2016. Salary and other fringes are posted to FY 2015.
June 19	Last day to request technical fixes for problematic direct retros that need to be posted to fiscal year 2015
June 22	<p>Final 2015UNC06 Monthly Calc and Confirm; Final FY 2015 unclassified payroll.</p> <ul style="list-style-type: none"><li>▪ Overnight processing</li><li>▪ Ensure correct funding is in place for all employees, as options to process salary cost transfers/direct retros on this payroll that post to FY 2015 will be limited or not available.</li><li>▪ C-Basis prepaids use FY 2015 funding, but post to FY 2016.</li><li>▪ A-Basis health and life fringe use FY 2015 funding, but post to FY 2016.</li><li>▪ Summer session (S-Basis) salary and fringe use FY 2015 funding, but post to FY 2016.</li><li>▪ All other salary and fringes post to FY 2015.</li></ul>
June 22	MADISON ONLY: Salary Cost Transfers (SCTs) processed through Cost Transfer Tool for FY 2015 must be fully approved by June 22 to guarantee entry into FY 2015. After this cutoff date, SCTs will be processed as time permits

# Fiscal Year End Key Dates – July/August

July 2	<p>Final 2015BW06B Biweekly Calc and Confirm.</p> <ul style="list-style-type: none"> <li>▪ Ensure correct funding is in place for all employees, as options to process salary cost transfers/direct retros on this payroll posting to FY 2015 will be limited or not available.</li> <li>▪ Life and health (if any) fringe use FY 2015 funding, but post to FY 2016.</li> <li>▪ All other salary and fringes posted to FY 2015.</li> </ul>
July 5, 10, 11	Placeholder dates for HR Design/UPS Job Data Row Inserts
July 7-11	Encumbrance Initialization Process (depends on HR Design/UPS Job Row Insert)
July 8 (applies to Accounting Services)	Last day to submit for batch processing FY 2015 Direct Retros (Except Madison), with processing as early as 12:01 AM, depending on volume. Direct retros for all PRDFLT, PRSUSP, and Account 1000 transactions not at \$0 must be submitted for batch processing.
July 20	First day for Salary Cost Transfers/Direct Retros to be processed and posted in FY 2016
July 16	<p>Final 2015BW07A Biweekly Calc and Confirm.</p> <ul style="list-style-type: none"> <li>▪ Payroll is for the period 6/28/15 – 7/11/2015 and crosses fiscal years.</li> <li>▪ Biweekly employees being paid for dates prior to 7/1/2015 must have FY 2015 funding valid through 6/30/15 in place.</li> <li>▪ Biweekly employees being paid for 7/1/2015 or later must have FY 2016 funding effective 7/1/15 (or hire date after 7/1) in place.</li> <li>▪ Payments for 6/28/15 - 6/30/15 use FY 2015 funding, but post to FY 2016</li> <li>▪ Payments for 7/1/15 – 7/11/2015 use FY 2016 funding and post to FY 2016</li> </ul>
July 23	<p>Final 2015UNC07 Monthly Calc and Confirm.</p> <ul style="list-style-type: none"> <li>▪ Payroll crosses fiscal years for summer positions, except Oshkosh.</li> <li>▪ FY 2015 funding for S-Basis and V-Basis positions with a Hire/Rehire/Transfer/Department Change prior to 7/1/2015 must be in place effective with the date of the Job Data action.</li> <li>▪ FY 2016 funding effective 7/1/15 must be in place on all unclassified positions, including C-Basis positions with prepaids</li> </ul>
August 21	Return from Short Work Break, Job Data Row Insert



# Payrolls That Cross Fiscal Years - Biweekly

## Biweekly Pay Schedule Classified and Student Hourly

Pay Period	Pay Run ID	Pay Period	Pay Date
Jul A	2015BW07A	06/28/2015 - 07/11/2015	07/23/2015

**Crosses Fiscal Year**



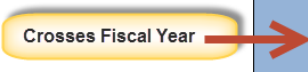
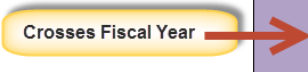
Salary and all fringes for entire 2015BW07A pay period will be posted to FY 2016, whether or not funding is changing between fiscal years. The following outlines how funding is applied.

- Fiscal Year 2015:
  - Populates funding for 6/28/2015 - 6/30/2015 of 2015BW07A pay period
  - Funding is for 3/7 of Week 1 payroll if employee has an active appointment on 6/28/2015, even if employee did not actually work on 6/28, 6/29 or 6/30
  - A FY 2015 funding entry with an effective date of 6/28/2015 is needed if FY 2016 funding changes from FY 2015 funding if the entire 2015BW07A pay period should be charged to the new FY 2016 funding
- Fiscal Year 2016:
  - Populates funding for 7/1/2015-7/11/2015 of 2015BW07A pay period
  - Funding is for 4/7 of Week 1 payroll plus Week 2 payroll, if employee has an active appointment as of 7/1/2015

Funding Chart Fields Are Setup by Controllers

# Payrolls That Cross Fiscal Years - Monthly

- Campuses: Madison (AG1)  
Eau Claire / Stevens Point (AG2)  
Green Bay / River Falls / Stout (AG3)

Pay Run ID	Pay Group	Period Begin Date	Period End Date	Payment Date
2015UNC07	ARG A-basis	07/01/2015	07/31/2015	07/31/2015
	SAR/SA9 Summer Session	06/22/2015	07/19/2015	07/31/2015
	VAR/VA5/VA9 Summer Service	06/25/2015	07/24/2015	07/31/2015

Salary and all fringes for entire 2015UNC07 pay period will be posted to FY 2016, whether or not funding is changing between fiscal years. The following outlines how funding is applied.

- Fiscal Year 2015:
  - Populates funding for 6/22-6/30 (S-Basis) or 6/25-6/30 (V-Basis) of 2015UNC07 pay period for employees with an active appointment at the start of the pay period
  - A FY 2015 funding entry with an effective date of 6/22 (S-Basis) or 6/25 (V-Basis) is needed if FY 2016 funding changes from FY 2015 funding if the entire 2015UNC07 pay period should be charged to the new FY 2016 funding
- Fiscal Year 2016:
  - Populates funding for 7/1/2015 – through end of pay period
- Funding Chart Fields Are Setup by Controllers

# Fiscal Year End – Coming Soon

- Fiscal Year End 2015 Web Page:  
<https://uwservice.wisc.edu/administration/finance>  
This page will incorporate all communications and presentations
- Presentations to AG Groups and Controllers
- Updated Information on Calendars that Cross Fiscal Years for S-Basis and V-Basis Employees for All Campuses
- E-mail Communication Summarizing Above
- Communications will be sent to Controllers, Campus Site Leads, Payroll and Benefit Coordinators, HR Representatives, Grant Accountants (where applicable), AG Groups, Budget Officers (where applicable), Fiscal Year End Mailing List

# Questions?

# Future Financial Management Meetings

Rooms 1106 & 1108, 21 N Park Street

9:30 am - 11:30 am

**2015**

June 9

August 11

October 13

December 8