



FINANCIAL MANAGERS' MEETING

December 10, 2019



Agenda

Welcome/Introductions	Dan Langer	5 minutes
Accounts Receivable & Billing Updates	Tricia Johnson Shauna Schwantes	15 minutes
Affiliated Organization Reporting Updates	April Cook	15 minutes
FY19 Capital Equipment Inventories	Cindy Gillis Amy Rognsvoog	20 minutes
Website Search Improvements for Department, Org Edit, and Account Code	John Jameson	5 minutes
Expense Reimbursement Updates	Graig Brooks	5 minutes
Shop@UW Continuous Audit Results	Dan Purcell	15 minutes
Financial Internal Controls	Liv Goff Imad Mouchayleh	15 minutes



Accounts Receivable & Billing

Tricia Johnson / Shauna Schwantes

Financial Information Management: Accounts Receivable & Billing

Division of Business Services



AR/BI Updates

Current Departments using AR/BI

- Medical Physics/Radiation Calibration Lab
- School of Pharmacy
- Extension departments (WPM, COOP, Mail, Conference Centers)
- Athletics

AR/BI Updates

Aging Summary as of November 2019

Aging Period	Dollar Value	Number of invoices
Not yet due	2,488,104	386
Current	1,728,385	293
1 – 30 Days Past Due	71,736	40
31 – 60 Days Past Due	92,703	75
61 – 90 Days Past Due	261,317	170
91 – 180 Days Past Due	167,019	277
TOTALS	4,809,264	1,241

AR/BI Updates

Policies

- Policies and Procedures have been drafted
 - One overall AR policy
 - Four procedures providing more detail
 - Requesting a customer (shared customer file)
 - Creating a bill
 - Canceling or adjusting an existing invoice
 - Write off and collection
- Tentative policy review plan
 1. Currently with small committee made up of existing users
 2. Financial Management Systems Work Group – Jan/Feb 2020
 3. Administrative Council – Feb/Mar 2020
 4. FMM – April 2020
 5. Final policies in place for FY21

Intra & Inter-Unit Billing

WHAT ARE THESE 'BIN' JOURNALS?????

<u>Jrnl Date</u>	<u>Source</u>	<u>GL Jrnl ID</u>
11/12/2019	BIN	<u>BIN0533228</u>

<u>Monetary Amt</u>	<u>Descr</u>	<u>Acct Descr</u>
263.97	AR0008398	Services - Miscellaneous
263.97		

<u>Monetary Amt</u>	<u>Descr</u>	<u>Acct Descr</u>
1.71	YAR00000314	Services - Internal

Intra & Inter-Unit Billing

- Inter-Unit Billings
 - Campus to campus billing
 - Currently coming from ICS for Wisline Services at UW System to Madison departments
 - This may grow as more and more campuses begin using AR/BI
- Intra-Unit Billings
 - Madison campus department to department billing
 - Largely coming from Extension departments
 - This will grow as we add more Madison departments
- How they function:
 - Revenue & Expenses recorded at the time of the invoice.
 - Intra-unit journals will begin with BIN, rather than IUJ.
 - Shared Customer File
 - Departments create bills in SFS
 - Daily invoicing
 - Central AR generates and e-mails invoices

UW Extension Transition for Accounts Receivable & Billing (AR/BI)

Example E-mail Sent with Intra-Unit Invoice

(E-mail comes from an Accounting Services shared e-mail address)

Attached is an invoice from UW-Madison, Lowell Center.

Invoice #: AR0000095

Invoice Date: 2019-04-03

Amount Paid: \$926.00

This invoice was paid via Intra-Unit Billing. No further action is needed.


Thank you,

UW-Madison Accounting Services



Intra & Inter-Unit Billing

Example Intra-Unit Invoice

 WISCONSIN <small>UNIVERSITY OF WISCONSIN-MADISON</small> Lowell Center	<div style="display: flex; justify-content: space-between;"> <div> INVOICE Invoice No: AR0000095 Invoice Date: 4/3/19 Page: 1 of 1 </div> </div>
--	--

Bill To: UW-Madison Test <div style="background-color: black; width: 100px; height: 15px; margin: 5px 0;"></div> Madison WI 53597 United States	Customer Number: 555222 Order Number: PO1616 Order Date: 03/01/2019 3/1/19 Thru 3/31/19 AMOUNT PAID: 926.00 USD
---	---

THIS INVOICE HAS BEEN PAID VIA INTRA-UNIT BILLING. NO ACTION ON YOUR PART NEEDED.

For billing questions, please call 608/265-3858

Line	Identifier	Description	Quantity	UOM	Unit Amt	Original Net Amount
1	Boxing Class	19-Mar	1.00		614.00	614.00
<small>This line item has been charged to your funding: 491003-136-6-2623 Event #3234</small>						
2	Beginner Boxing Class	Boxing Class 19-Mar	1.00		312.00	312.00
<small>This line item has been charged to your funding: 491003-136-6-2623 Event #3234</small>						
Total Paid:						926.00

Intra & Inter-Unit Billing

Instructions will be sent to FMM email list when functionality is available.

COMING SOON!
The ability to look up invoices in SFS

[Billing WorkCenter](#)

[View Supporting Document](#)

[Header Documentation](#)

[Line Documentation](#)

Business Unit ARMSN Invoice AR0007754

Invoice Documents

1-2 of 2

Documents

Additional Info

Document Description	Attached File	Internal Only	View
Invoice Image	ARMSNAR00077540.pdf	<input type="checkbox"/>	<div>View</div>
	509319_Clarios-Branson_II_(2).pdf	<input type="checkbox"/>	<div>View</div>

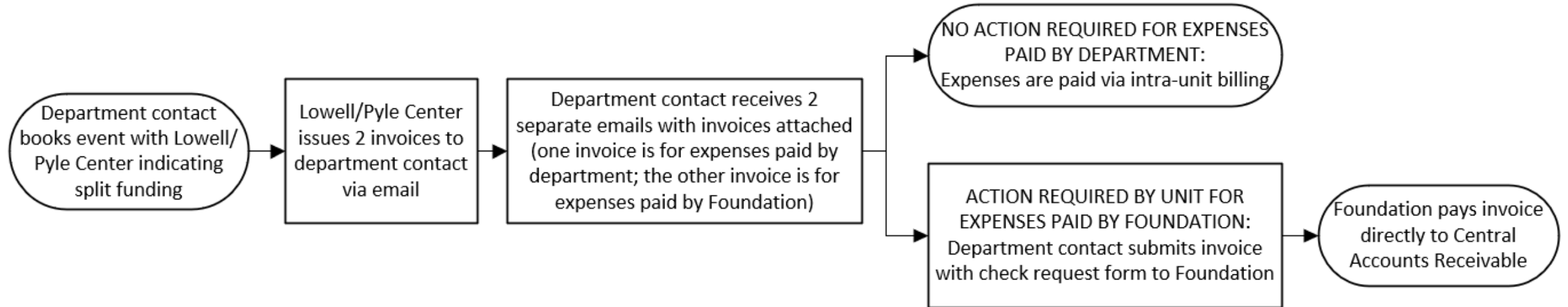
[Return to Search](#)

[Notify](#)

[Header Documentation](#) | [Line Documentation](#)

Foundation Portion of Conference Center Events

High-level process for routing of invoices when funding is split between the department and Foundation





INVOICE
Invoice No: AR0004888
Invoice Date: 8/23/19
Page: 1 of 1

Bill To:

UW Foundation on behalf of UW-Madison

1848 University Avenue
Madison WI 53726
United States

Please Remit To:

UW Madison Accounting Services
PO Box 78004
Milwaukee WI 53278-8004
United States

Customer Number: AR-0001194
Payment Terms: NET 30
Order No: 103002
Due Date: 9/22/19
7/21/19 Thru 7/21/19
AMOUNT DUE: 585.50 USD

UW-Madison Non-Sponsored Accounts Receivable & Billing (AR/BI)

Future Plans

We are aware that additional UW-Madison departments are interested in exploring intra-unit and external billings through AR/BI. We are planning to work with other departments on this functionality in the coming months/years. Anticipate updates at future Financial Managers' Meetings.



Affiliated Organization Reporting Updates

April Cook

Financial Information Management: Gift Management

Division of Business Services



UW System Admin Policy 362 issued January 2019 requiring financial reporting on Affiliated Organizations that receive administrative support from UW System or UW Institution

- **Administrative Support:** Personnel, facilities, or other monetary or material resources that UW System or UW Institution provides to an Affiliated Org without direct and full reimbursement.
- **Affiliated Organization:** Entity that is legally distinct from the University but is organized and operated for the benefit and in support of the University, and/or conducts activities that advance the mission of the University. Specifically excludes certain orgs, such as:
 - ☐ University recognized student, faculty, or staff groups/orgs
 - ☐ Other state agencies or statutorily-created entities
 - ☐ Research sponsors

FY2018 Results:

51 organizations originally identified

2 newly identified organizations

20 organizations no longer active or not deemed affiliates

33 organizations identified as affiliates to UW-Madison

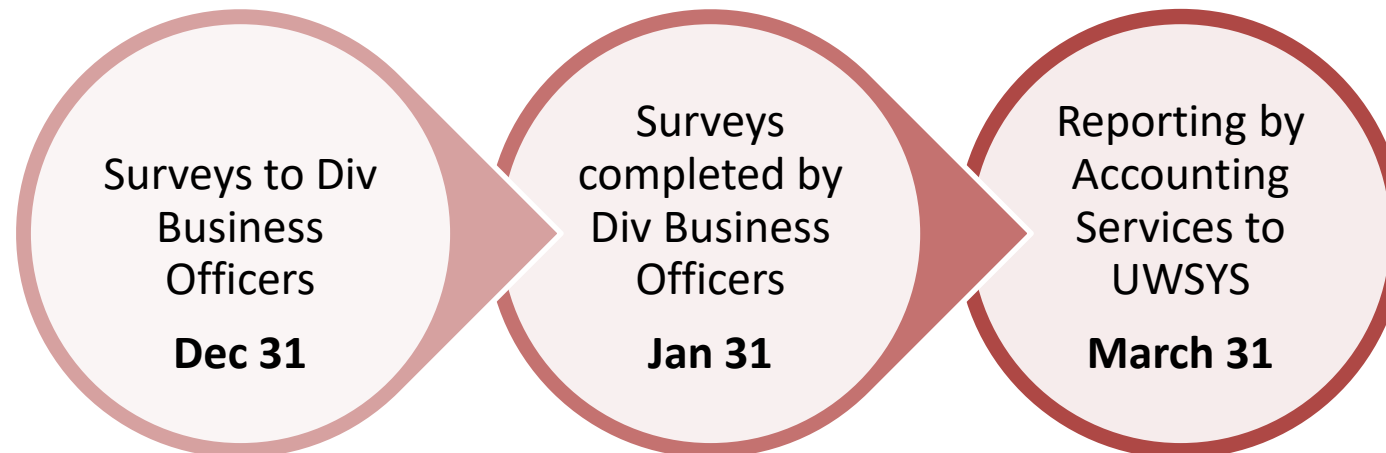


3 organizations received administrative support valued at \$100,000 or greater

Accounting Services will send out electronic surveys to all Division Business Officers to:

- Identify what Affiliated Orgs exist for each Division
- Determine whether administrative support was provided by UW Madison to an Affiliated Org valued at \$100,000 or greater during FY2019

UW System Cost-Benefit Report required for all Affiliated Orgs that receive administrative support valued at \$100,000 or greater



FY19 PHYSICAL INVENTORY UPDATE

Amy Rognsvoog & Cindy Gillis

Financial Information Management: Property Control

Division of Business Services



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College/School/Division	Count of Assets	
	FY18	FY19
COLLEGE OF LETTERS & SCIENCE	469	2,419
SCHOOL OF MEDICINE AND PUBLIC HEALTH	1,701	1,867
INFORMATION TECHNOLOGY		1,548
COLLEGE OF AGRICULTURE & LIFE SCIENCES	848	1,405
COLLEGE OF ENGINEERING	925	1,040
VC FOR RESEARCH & GRADUATE EDUCATION	1,653	1,032
SCHOOL OF VETERINARY MEDICINE		864
FACILITIES PLANNING & MANAGEMENT		819
INTERCOLLEGIATE ATHLETICS		589
WI UNION		319
GENERAL LIBRARY		94
SCHOOL OF NURSING		20
SCHOOL OF PHARMACY	397	
WIS STATE LAB OF HYGIENE	650	
UW CAMPUS TOTAL	6,643	12,016

College/School/Division	Dollar Values	
	FY18	FY19
COLLEGE OF LETTERS & SCIENCE	\$ 15,132,789.27	\$ 147,378,130.25
INFORMATION TECHNOLOGY		\$ 59,810,573.87
COLLEGE OF AGRICULTURE & LIFE SCIENCES	\$ 14,564,750.50	\$ 55,155,403.47
SCHOOL OF MEDICINE AND PUBLIC HEALTH	\$ 45,211,821.63	\$ 53,982,505.34
COLLEGE OF ENGINEERING	\$ 36,977,179.31	\$ 42,970,298.33
VC FOR RESEARCH & GRADUATE EDUCATION	\$ 102,762,575.94	\$ 37,489,216.09
FACILITIES PLANNING & MANAGEMENT		\$ 23,625,564.00
SCHOOL OF VETERINARY MEDICINE		\$ 20,788,096.26
INTERCOLLEGIATE ATHLETICS		\$ 16,842,823.65
WI UNION		\$ 4,740,850.74
GENERAL LIBRARY		\$ 3,448,835.30
SCHOOL OF NURSING		\$ 617,282.68
SCHOOL OF PHARMACY	\$ 14,479,575.25	
WIS STATE LAB OF HYGIENE	\$ 25,065,438.98	
UW CAMPUS TOTAL	\$ 254,194,130.88	\$ 466,849,579.98

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FY19 UPDATES MADE TO ANALYTICS

- Increased involvement of financial contacts
- Pre-inventory snapshot of labor (Excel Document)
- Phase I scanner analytics (Excel insert to email)
- Formal extension request analytics for Phase 2

FY19: BENCHMARKS

Total assets inventoried

- Percentage of total campus assets held: by count
- Percentage of total campus assets held: by cost
- Federal titled equipment vs. University titled equipment

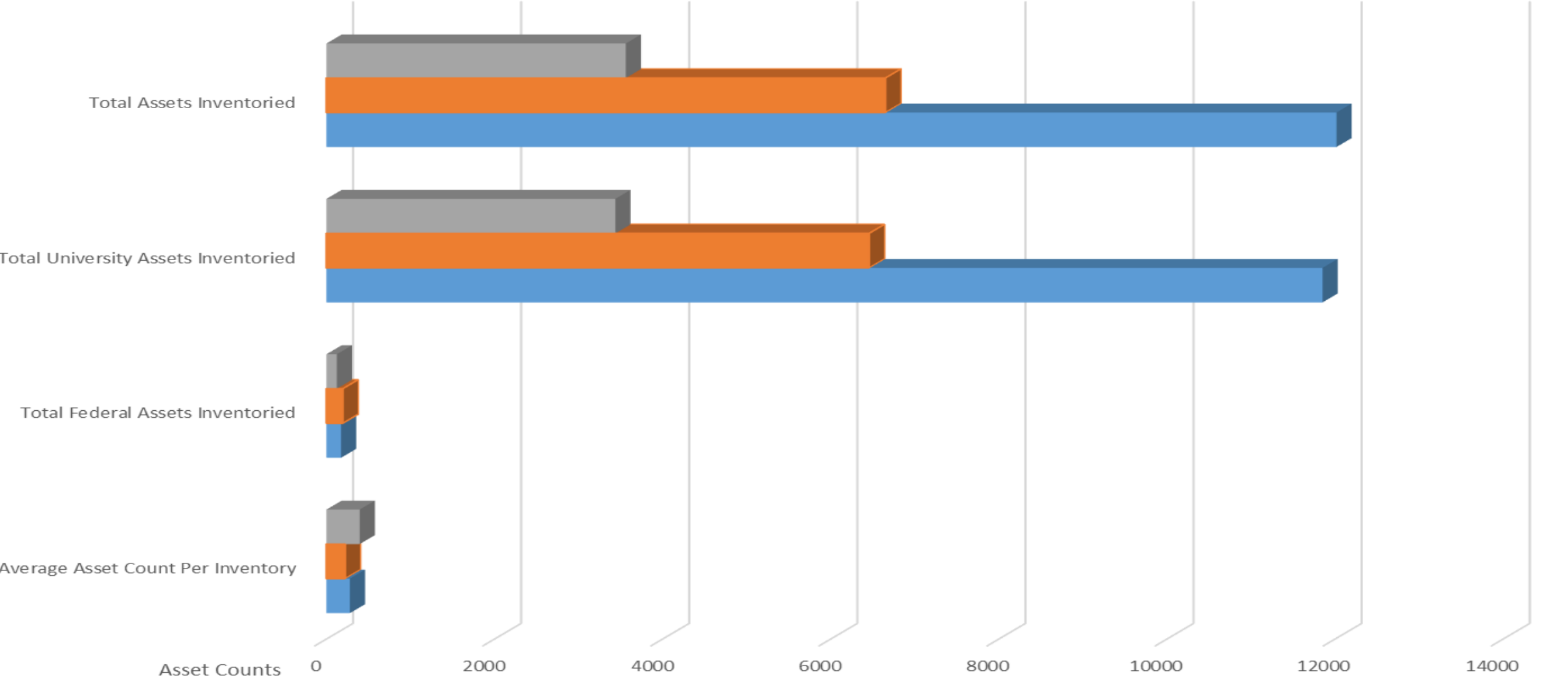
Assets found per phase of the inventory

- Federal vs. University title
- Duration of the inventory

Disposal of assets during inventory

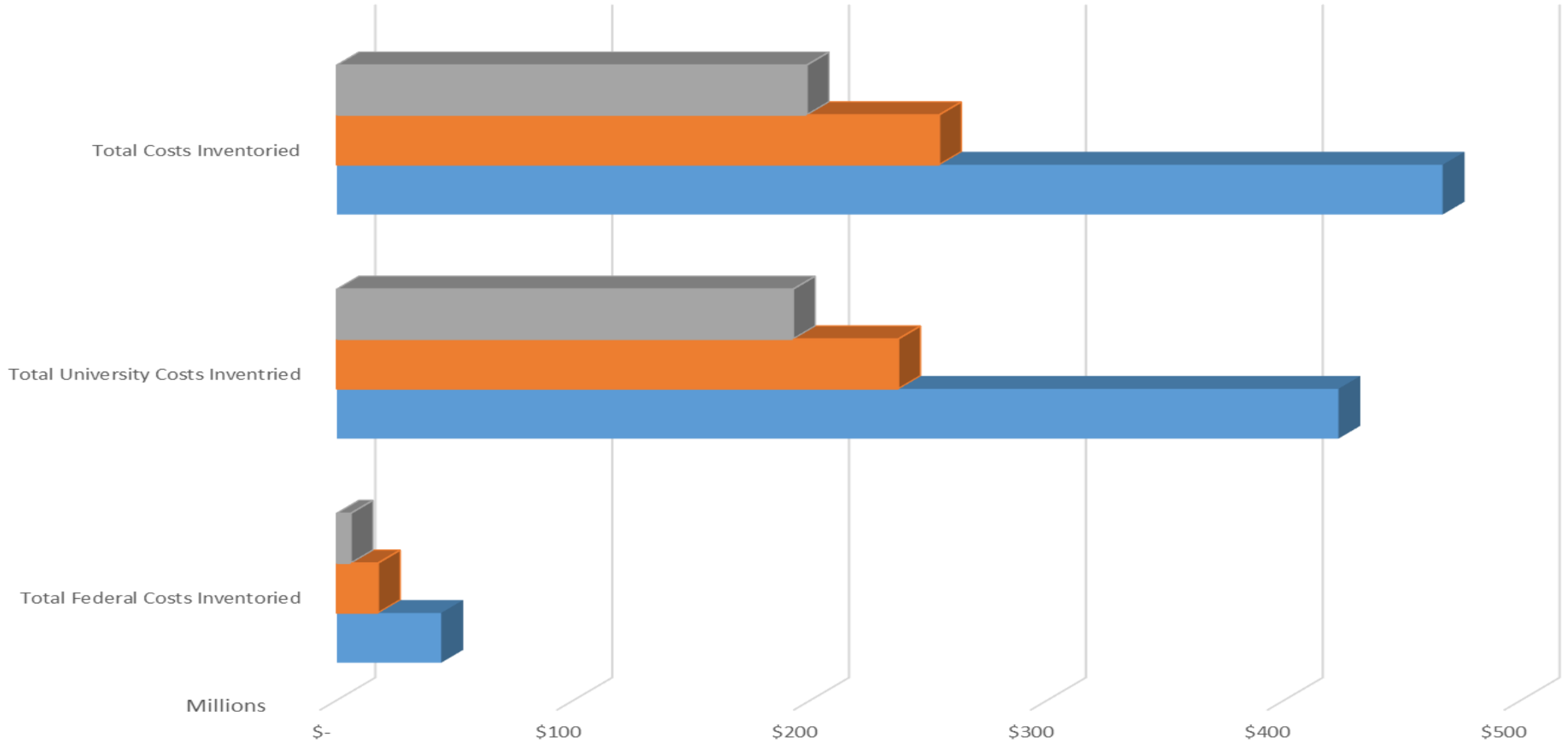
- Percentage of departments total inventory
- Percentage of assets recorded as “lost”

Annual Comparison: Inventory Counts



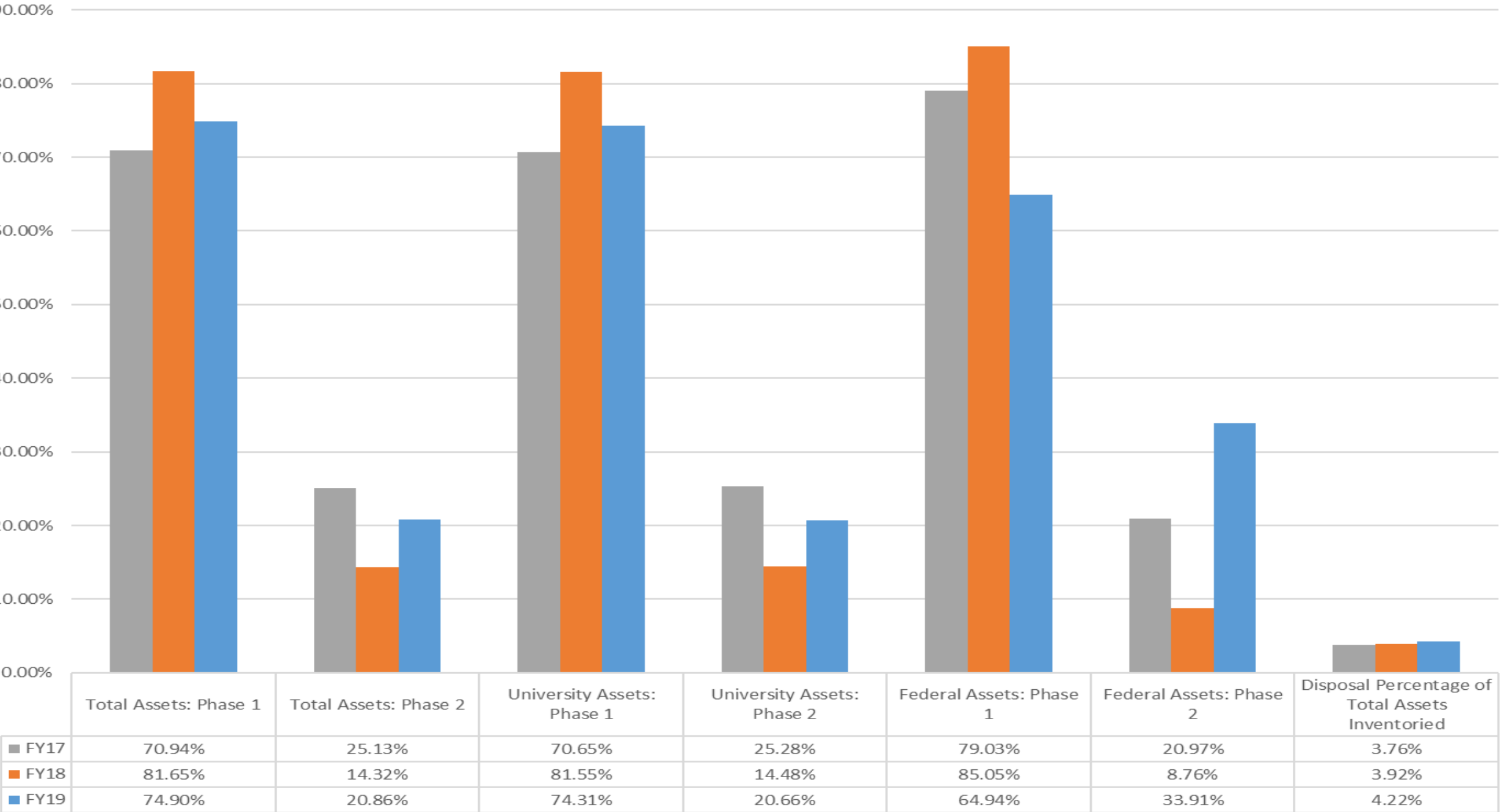
	Average Asset Count Per Inventory	Total Federal Assets Inventoried	Total University Assets Inventoried	Total Assets Inventoried
FY17	395.78	124	3,438	3,562
FY18	221.67	194	6,456	6,650
FY19	279.44	174	11,851	12,016

Annual Comparison : Inventoried Asset Costs



	Total Federal Costs Inventoried	Total University Costs Inventried	Total Costs Inventoried
FY17	\$5,798,136.53	\$192,496,598.87	\$198,294,735.40
FY18	\$17,257,094.32	\$236,937,036.56	\$254,194,130.88
FY19	\$44,017,889.95	\$422,831,690.03	\$466,849,579.98

Annual Comparison: Assets Found Per Physical Inventory Phase



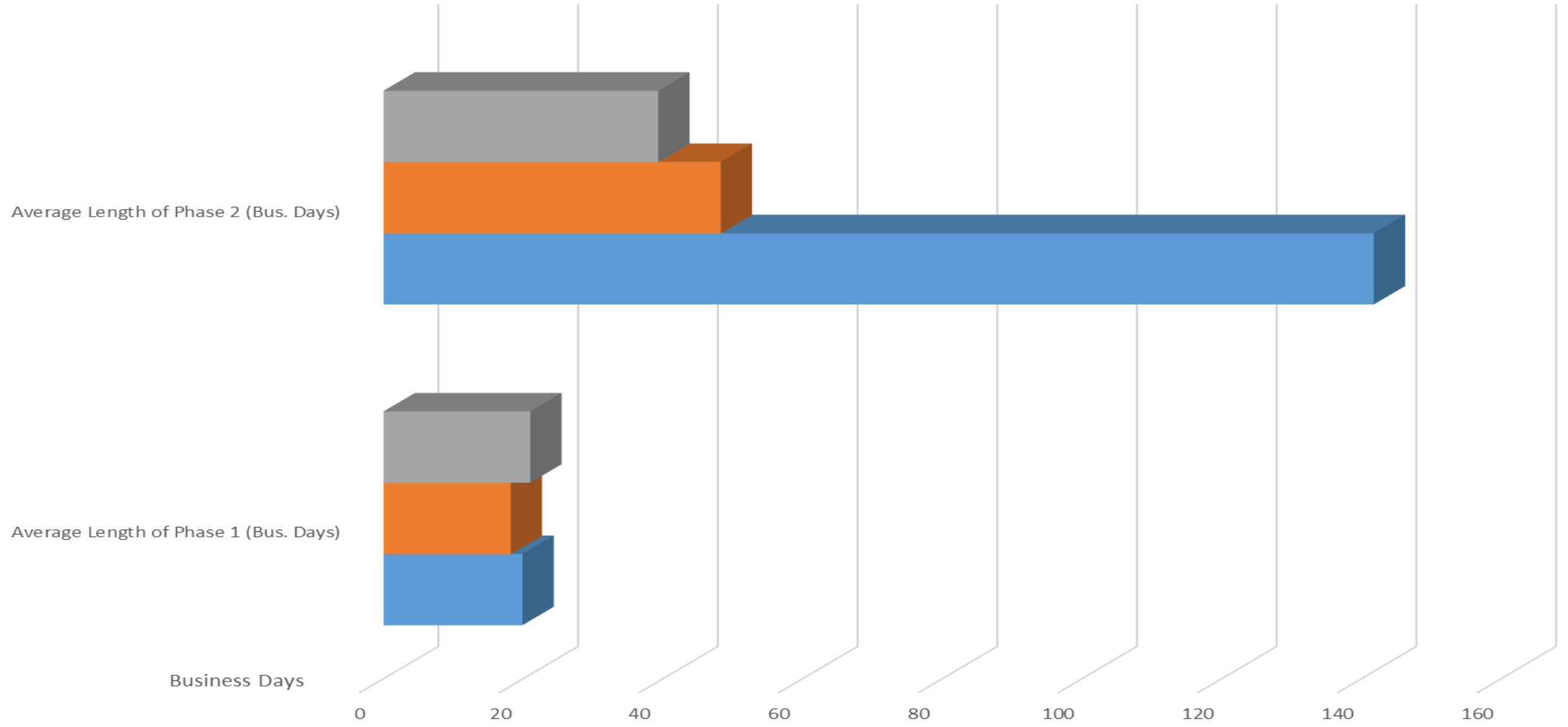
26

FY19 NOTED TRENDS: PHASE 2 15 DAY REQUIREMENT

Phase 2: Reasoning for Delay

- Increased from average of 48 business days to 141 business days – 6-7 months
- DPAs retiring without training a new replacement
- Departments are waiting for inventory in order to consider their assets
- DPAs taking vacations during scheduled inventory
- DPAs attending conferences during inventory
- DPAs on FMLA without backup

Physical Inventory Phase Duration



Business Days

Average Length of Phase 1 (Bus. Days)

Average Length of Phase 2 (Bus. Days)

■ FY17

■ FY18

■ FY19

21.00

18.20

19.88

39.33

48.27

141.76

FY19 NOTED TRENDS: CANNIBALIZED ASSETS

Cannibalized Assets

- Known way for departments to minimize labor
- Increased scrutiny now by Property Control
- Assets to remain inventories until the point they leave the university.

CANNIBALIZE	COUNT	INITIAL VALUE
FY18	51	\$ 1,339,131.65
FY19	85	\$ 1,362,762.57

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NEXT STEPS

- What are your departments doing to support conversations regarding capital stewardship?
- If your department has assets and has not been formally selected by Property Control to date, has your Departmental Property Administrator (DPA) actively considered the details of your property report?
- Are your DPAs involved in the proper communications relative to asset disposals, purchases and changes?
- Property Control considering moving towards standard meeting wrap-up conversations with department

Website Search Improvements for Department, Org Edit & Account Code

John Jameson

Financial Information Management: Financial Reporting, Analysis & Systems

Division of Business Services



Department IDs

- List will show the fund and program combinations (org edits) that are currently valid
- List will be updated on Monday mornings
- When getting funding string errors check this list to see if the fund-program combination is valid with the department
 - In the example below, 101-1 and 136-1 are the valid combos for dept 030502
 - 233-R is valid for all departments (but transaction would still have to pass project edits).

Show 50 ▼ entries

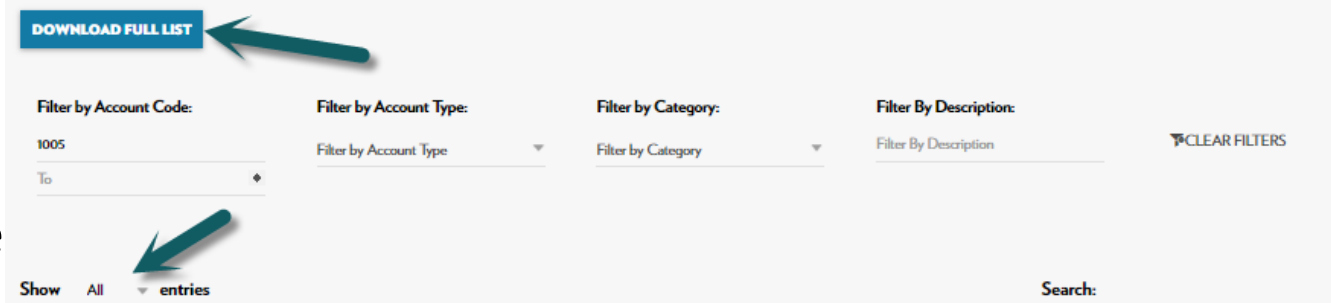
Search: 030502

DIVISION ▲	DIVISION NAME ▲	DEPT. ID ▲	DEPT. NAME ▲	DEPT. LONG NAME ▲	VALID FUND-PROGRAM COMBINATIONS ▲
03	BUSINESS SERVICES	030502	ACCOUNTING SVCS*FIN INFO MGMT	FINANCIAL INFORMATION MANAGEMENT	101-1
03	BUSINESS SERVICES	030502	ACCOUNTING SVCS*FIN INFO MGMT	FINANCIAL INFORMATION MANAGEMENT	136-1
03	BUSINESS SERVICES	030502	ACCOUNTING SVCS*FIN INFO MGMT	FINANCIAL INFORMATION MANAGEMENT	233-R

Showing 1 to 3 of 3 entries (filtered from 54,056 total entries)

Account Codes

- Consolidated the info that used to be on several pages to one page
- Additional info can be seen by clicking the + next to the account code
- Now includes Budget Accounts
- Toggle to Show All entries to get a full list similar to what was on the former site
- “Download Full List” to export it to excel. This list will include the expanded long descriptions



DOWNLOAD FULL LIST

Filter by Account Code: 1005 To

Filter by Account Type: Filter by Account Type

Filter by Category: Filter by Category

Filter By Description: Filter By Description

Search:

Show All entries

ACCOUNT CODE	ACCOUNT TYPE	CATEGORY	1099/1042 REPORTABLE	CODE TITLE	SUB-CATEGORY	SHORT DESCRIPTION
+ 1005	Expense	Salary and Fringe Benefits	No	Faculty - Lump Sum	Faculty - Professor/Associate Professor/Assistant Professor/Instructor	"L" LUMP SUM TERMINATION, OVERLOAD, AWARDS
+ 1006	Expense	Salary and Fringe Benefits	No	Faculty-Purchased Services IIA	Faculty - Professor/Associate Professor/Assistant Professor/Instructor	PURCHASED FACULTY SERVICES: See details for more
Detailed Description: PURCHASED FACULTY SERVICES (Includes faculty, academic, student assistants, etc.).For use with inter-institutional agreements and for expenditures related to inter-institutional activities but not stated on an I.I.A. form. Reference FPPP#18. To be used by the buying and selling UW Institutions for transferring the expense and the credit. NOTE: For supply and capital expenses refer to codes 3798 and 4698.						
+ 1007	Expense	Salary and Fringe Benefits	No	Faculty - Foreign COLA	Faculty - Professor/Associate Professor/Assistant Professor/Instructor	Faculty - Foreign COLA

<https://businessservices.wisc.edu/accounting/using-funding-codes-and-strings/>

Expense Reimbursement Updates

Graig Brooks

Disbursements: Travel & Cards

Division of Business Services



Driver Authorization Notification

- Bubble in e-Reimbursement notifies when traveler is not an authorized driver.
- Approvers/Auditors do not need to check Driver Auth database anymore.
- Not date-driven
 - Still important for drivers to be authorized *prior to travel!*



- Blocking tax-reportable account codes in e-Reimbursement (e.g. 2620)
- Relocation expenses – adding a tax withholding expense type.



Shop@UW Continuous Audit

Dan Purcell

Purchasing Services: Verona Operations

Division of Business Services



Internal Audit issued a letter to the Chancellors regarding the internal audit of Shop@UW on September 17, 2019.

- Comment 1 - Best Practices
- Comment 2 - Additional Controls and Monitoring
- Attachment A – New Procurement Automation Initiative

Comment 1 – Best Practices

- Documented procedures for review and approval of Shop@UW transactions
- Documented approval of Shop@UW transactions including the following elements:
 - Separation of duties between purchaser and approver
 - Documented proof of review (physical signature, email approval, verifiable electronic workflow, etc.)
 - Timeliness: A standard should be adopted defining the expected timeframe for transaction review.
- Additional items to consider during review of Shop@UW transactions:
 - Business purpose
 - Physical location of the items purchased should be known or verified. This step is best reserved for unusual, non-routine items.
 - Ensure that purchases that may meet the criteria of a capital purchase are appropriately recorded and accounted for.
 - Approvers should have procedures or processes in place to handle exceptions noted during review. This includes a proper escalation path, how many exceptions are allowed before an account is revoked. When in doubt contact Shop@UW Financial Program Supervisor (Dan Purcell).

Comment 1 – Best Practices (Cont.)

- Save Supporting Documentation, including:
 - Packing list with shipping info
 - Receipt, invoice, or order confirmation
 - Pre-approval documentation
 - Vendor quote
 - E-mail correspondence discussing transaction
 - Budget information

*not all of these may apply depending on the purchase.
- Ensure Completeness and Integrity of Transaction Reports
 - Shop@UW Parent Account Access
 - Compare detail reports provided by account holder to charges in WISDM/WISER
 - Monthly detail report available on Business Services website (*coming soon*)

Comment 2 – Additional Controls and Monitoring

- Training, including:
 - Review of any institutional procedures and internal controls
 - Summary of procedures account holders must perform when reconciling their statements
 - Summary of procedures approvers must perform
- Employee turnover & account deactivation
- Periodic monitoring of account usage

Attachment A – New Procurement Automation Initiative

- Documentation of new central policy and procedure
- Central documentation of business purpose, transaction review, and approval
- Standardization of controls and better control of the controls:
 - System maintained Separation of Duties
 - Standardized proof of review
 - Standardized timeliness of review. Possibility of system reminders.
 - Standardized process for escalating exceptions
 - More preventative controls
 - Integrity of data maintained by the system
 - Account access tied to Campus ID

Questions?

Dan Purcell

Shop@UW Financial Program Supervisor

dan.purcell@wisc.edu

608-497-4403

Financial Internal Controls

Imad Mouchayleh, Financial Internal Control Advisory Services

Liv Goff, Disbursements

Division of Business Services



Separation & Delegation of Duties

FINANCIAL INTERNAL CONTROL ADVISORY SERVICES/DISBURSEMENTS

DIVISION OF BUSINESS SERVICE

FINANCIAL MANAGERS MEETING – DECEMBER 10, 2019

Agenda

1. What is Delegation of Authority (DOA)?
2. What is Separation of Duties (SoD)?
3. DoA & SoD From a Disbursements lens.

Delegation of Authority (DoA)

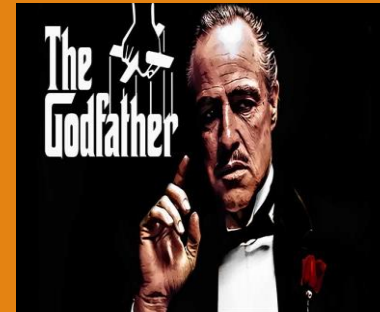
- DoA (a.k.a Delegation of Duties) is a control that involves managers sharing downwards to subordinates some of their responsibilities and part of their authority that is necessary to perform these responsibilities.
- Objective: Get the work done.

With Great Power Comes Great Responsibility

a. Spiderman



b. The Godfather



c. Dan Langer



d. All the above.

What Should Managers Ask?

- What should they delegate?
- What is it that they cannot delegate?
- Would a task be more time and cost effective if delegated?
- What's in it for them?

What Should Managers Not Do?

- Delegate tasks they are not comfortable doing themselves.
- Surrender their authority completely.
- Lose confidence and trust in their subordinates.

What Should Managers Do?

- Delegate tasks people aspire to handle.
- Share their visions before they share the task. Clarity brings the best of a team.
- State the desired outcome and results of the outset.
- Delegate tasks to people who are capable of doing them.
- Have enough time to review the delegated work, and address any gaps.
- Allow subordinates to use their own methods and processes.
- Absorb the consequences of failures.
- Reinforce their believes in their subordinates.

DoA - Disbursements



Separation of Duties (SOD)

SOD (a.k.a. Segregation of Duties) is a control that involves breaking down financial tasks that might reasonably be completed by a single individual.

Objectives:

1. No one person is solely in control.
2. Mitigate the risks of errors and fraud.

SoD – Financial Internal Control

For any given transaction, the following three functions preferably should be performed by separate individuals in different part of a division:

- Authorization of a transaction.
- Recording of a transaction.
- Custody of the assets associated with a transaction.

SoD - Disbursements



Vendor
Management

Voucher
Management

Payment
Management

Case Study–Requests to Pay

Task	Control	Executor
Initiate a request to pay	Divisions initiate, complete, attach support documents and submits a request to pay to direct supervisor for approval.	An employee at the division or Department level
Approve a request to pay	Supervisors review submitted requests, validate how payments relate to University business, validate sources and availability of funds, validate accuracy of accounting coding and records, and either approve, return, or deny requests to pay.	Dean or delegate
	Submit approved request to Disbursements for processing.	
Receiving	Designated employees validate if the received requests to pay enclose accurate information and are properly approved by an authorized officer.	An employee at the division or Department level
	Validate receipt of products and/or services. E.g., Positive Approval asserts that the division or the department received the goods and/or services.	
Vendor Management	Validate/create/maintain vendors' records in SFS	Disbursements Vendor Team
Vouchers Management	Audit payment requests	Disbursements Audit Team
	Create payment vouchers in SFS	
Payments Management	Issue and safeguard Payments in SFS (e.g., Checks, ACH, CC)	Disbursements Payment Team

Questions

Liv Goff

Director of Disbursements

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Imad Mouchayleh

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Control Advisory Services

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Thank you for attending.

Future Financial Managers' Meetings*

Rooms 1106 & 1108, 21 N Park Street
9:30 a.m.

Monday, February 10, 2020

Tuesday, April 14, 2020

Tuesday, June 9, 2020

Tuesday, August 11, 2020

Tuesday, October 13, 2020

Tuesday, December 15, 2020

*Dates are subject to change



WISCONSIN
UNIVERSITY OF WISCONSIN-MADISON

