

Business Affairs Officers Committee
Minutes
June 4, 2014

Members present:

Rachel Beatty, Kathleen Blumberg, Mary Beth Buchan, Linda Carter, Warren Doucet, Elizabeth Elder, Marlene Erno, Joan Ferguson, Elizabeth Godwin, Robert Harris, Ricardo Kisner, Larry Klain, Celeste Lezuch, Sheila Primas, Sharon Progar, Kimberly Rize, Lisa Shrader, Lara Trocchio, Arthurine Turner (Heather Howell), Donna Wells, Antonio Yancey

Guests: Jeff Bolton, David Harmon, Roger Kempa, Robert Kohrman, James Barbret, Financial Aid team

I. Call to Order – R. Beatty (Meeting called to order at 1:33 p.m.)

- Minutes from the previous meeting were modified Michigan First Bank changed to Michigan First Credit Union.
- There was one change to the Agenda for the day: James Barbret was added.

II. NEW Business

A. SAMS portal presentation – Jeff Bolton, David Harmon and team

- The SAMS portal is used to view scholarships and private grants.
- Used as a tool to organize the awards, research, and track information.
- Focus was on the scholarship funding availability report which acts as a balance sheet for the school, college or division (SCD) private scholarships and focus on the reconciliation aspect.
- Access through pipeline and click on the BI reporting tab, scroll down and click on SAMS.
- Displays endowed and annual scholarships.
- Information is separated by org code so that you can view your individual SCD.
- Displays balance sheet, the goal was to put all critical information in one area as opposed to clicking through multiple screens in Banner.
- Displays index, fund scholarship, scholarship name etc. – information pulling directly from Banner. This is a COGNOS report so the information included is as of close of the prior day.
- SAA (Student Award Authorization). progress column shows information earmarked for a student that's currently with that department or financial, but not processed in Banner.
- Can click on link and will provide COGNOS report and show the status of an SAA
- Unpaid awards column – shows anything currently in Banner but has not paid out yet. One reason is the amount is for a future semester. Another is an award is for a prior semester but the student did not meet the enrollment criteria. At this point the funds could be cancelled and used for another student.

- The goal of the system is to make certain that everyone knows where the funds are – what has been spent and what is available to provide to students.
- There are different view options. There is the availability to look at one scholarship or look at what's unpaid to a student.
- Every year \$5 million is posted to the endowment spending accounts.
- Transitioning from 5% to a 4.5%, tuition is smoothed over a 12 quarter moving average of the total endowment value. Ninety percent will go to operating scholarship accounts and the other 10% will be used for fundraising activities.
- A 12 quarter moving average is used to reduce the volatility in the distributions you are getting. This takes into account the ups and downs of the market. This smooth's out the amount you are getting for any particular quarter.
- Projected income and available to award columns – cash management will be helping administrator's project the available income.
- They are trying to project six quarters or three academic terms of endowment income. This will help scholarship administrator's determine what will be available for each term.
- As actual income postings have occurred projected income will be reduced.
- The goal is to give two quarters of projected income per academic term as long as no actual income has been posted.
- Proposed projection scenarios were presented. Two columns per academic term in order to help scholarship administrators know their projected receipts and projected balance. Scenario posed to hide income columns if preferred and just show the available to award.
- The thought is to use 90 or 95 percent of the projection.
- David can provide spreadsheets of projection to the SCD's now until the database is complete.
- Send any recommendations to Roger Kempa and David Harmon regarding the database.
- They are looking for volunteers to help with the database.
- Rob Kohrman mentioned how to use unspent financial aid balances and whether the use can be left up to the central financial aid office.
- Also adding a column so the business officers can encumber 4 year awards. This will give a better reflection of what is not being spent.
- A suggestion was given to give a quarterly report to the deans showing awards and balances.
- Development will be working with the schools and colleges to identify scholarships with donor restrictions and secure agreements and clean them up.
- Weekly emails will be sent summarizing the status of each student and to show what's outstanding.

B. Rob Kohrman – Budget Update

- Board meeting on Friday to talk about three components. Enrollment, tuition and fee recommendations and where we are with the budget situation.
- Enrollment – 65% of continuing undergraduates registered – on a historical basis, we are down about 4.4%. The indicators are CLAS and Fine Arts. CLAS is down about 7% and Fine Arts is down 2%. That’s just for continuing students. Overall we are down about 400 students.
- FTIAC students – 25% of our students are typically registered at this this time and we are at an apples to apples comparison to last year. We are up 2% which means we are up 10 students.
- Transfers students we are up 2%.
- Undergraduates we are down 3.36%.
- We are up in academic holds and down in financial holds. Looks like the problem is the number of students we have available to retain has gone down. Four years ago the freshman class was 2,900 now it is 2,100.
- Graduate students – students have registered earlier and we have a huge surplus in students registered. We are down 2% in continuing graduate students. We are up in new graduate students, about 16%.
- Overall we are down 3% for the University.
- The budget is based upon a 2.4% decrease in credit hours over last year.
- One of the challenges we are facing is the Summer Program, four years ago we were at 81,000 credit hours, and right now to date we have about 62,000 credit hours. This equates to an \$8 million dollar loss in tuition revenue just for summer.
- For a tuition proposal we are asking the board for a 3.2% increase for undergraduate and graduate tuition. Law school tuition is not finalized. The School of Medicine tuition for all students by 2% and those rates are locked in for four years.
- Examining a new application fee, an enrollment deposit, will eliminate the commencement fee for all new students. These fees hopefully will eliminate frivolous applications. Also will have student write a 250 word essay.
- Also looking to have a pilot program for summer. If a student can pass 24 credit hours in their first two terms and they enroll in spring/summer they would get a substantial discount on the tuition rate (one-third). They would have to pass not earn 24 credit hours and have a minimum GPA of 2.5. Only 25% of our freshman class pass 24 credit hour with a 2.5 GPA. Also students who have passed 54 credit hours after two years and maintained a 2.5 GPA will receive another discount for summer. This is to help them graduate faster.
- Budget outlook – we are still facing a significant shortfall for FY15. We have put a number of things in place – we have completed budget reductions. All will get a letter in 24 hours from the Provost and Rob finalizing their final budget cut. Division’s already have their final cuts. There are \$7 million dollars of budget cuts and fringes are flat. Will be taking some money from the rainy day fund, the amount isn’t yet determined.
- Next steps – board meeting Friday. Provost will be putting a group together on how to implement and go after low productivity programs. Also will be looking at

enrollment. Also the state has set up a financial system, that if you can't keep your enrollment stable you are going to have to make budget reductions. Research and enrollment are the President's two big focuses right now.

C. Hyperion Update – Celeste Lezuch

- Completed acceptance and administrators testing for Hyperion. Still working on processes and scripts with budget and C&IT. Training is down the road.

D. Travel – Jim Barbret

- Introduction of the new Accounts Payable Director – Dennis Orr
- Dennis has been working in Finance and Accounting for 20 years. Heavily involved in Accounts Payable. Most of his experience has been in the automotive industry. The last 4 years was at the University of Michigan as an Accounts Payable Manager.
- TravelWayne – we are now at the point where most of the University travel expenses being funneled through TravelWayne. This past year athletic and non-athletic team travel and study abroad into TravelWayne.
- Now at the point of reviewing the account code used to post travel to the operating ledger (O/L) from TravelWayne.
- Looking at what should be the driver of the O/L posting.
- Funnel any comments back to the BAO chairs.
- There will be between \$4 and \$6 million dollars more flowing through the system in the next year.
- Mary Beth asked that athletic recruiting be added as a travel type.
- Elizabeth Elder asked that a travel group be established to discuss the reports needed from CONCUR.
- Will look into using the activity code.
- The arrangement with AAA is going away June 30. We can no longer purchase tickets through AAA.
- Instead of travel advances we can use the travel card to pay for students not other employees. Non-employee travel is now available for the use of the card (students).
- Jim will send out the travel policy with clarification on the use of the travel card for students.
- People have to remember that yellow flags in CONCUR are for reminders. Ex. Attach agenda
- Jim will look into expense approvers being able to view the request so that they can see the agenda and not have to request it again.

III. Meeting was adjourned at 3:09 p.m.