

## **Business Affairs Office Committee**

### **Minutes**

**May 6, 2015**

#### **Members Present:**

Rachel Beatty, Kathleen Blumberg, Curtis Brahm, Mary Beth Buchan, Tamaka Butler, Linda Carter, Shelley Clifton, Daniel Cooper, Warren Doucet, Elizabeth Elder, Joan Ferguson, Rita Gordon, Andrew Kaufman, Sausha Kellogg, Ricardo Kisner, Larry Klain, Celeste Lezuch, Stuart May, Sharon Progar, Kimberly Rize, Lisa Shrader, Catherine Siladi, Arthurine Turner, Karen Vest, Donna Wells, Antonio Yancey

#### **Guests:**

Jim Barbret, Rob Kohrman, Kathryn Guarano, Laura Hendrick

#### **I. Call to Order – Kathleen Blumberg**

##### **A. Agenda Approval**

- May 6<sup>th</sup> – approved

##### **B. Previous Meeting Minutes Approval**

- April 1st – approved

#### **II. New Business**

##### **A. Budget FY 2015 – Rob Kohrman**

- Tuition Cap: If you kept your tuition below a certain amount, you would get performance money.
- We will change our numbers based on the state appropriations; state appropriations will be zero now, tuition rates will not be a 2.8 increase, but right now we do not know what they will be.
- The ICR numbers are much higher than the 3 percent; we budgeted those at 28 million dollars this past year. They are expected to come in at 31.9 million this year and projected to jump to 33 million dollars.
- Debt Service numbers are going to jump by about 3 million.
- Schools and colleges have about 4.1 percent target reduction and 2/3 of that was determined by the metrics.
- 1.5 percent is not your maximum, but is the average; some schools and colleges will have some amounts that will increase beyond the 1.5 percent target.
- Budgets, including the cuts, are due on May 19, 2015.
- Enrollment numbers for undergraduates are down; graduate numbers have increased about 7 or 8 percent.
- HR question regarding possible reductions in the HR support/services for various schools, colleges or divisions has been heard and it will be taken to Alicia Pendleton, HR Associate Vice President, for clarification; but it is believed there are no planned reductions in services.

- Additional things for consideration by the Board of Governors – changing the fee structure for Mort Harris.
- The School of Medicine (SOM) will impose a 2 percent increase for first year students; and then second, third, and fourth year students' tuition will freeze.
- SOM students were paying \$20.00 once a year for Mort Harris, and everyone else was paying \$20.00 twice a year; but now SOM will start pay twice a year too.
- The Mort Harris fee will be incorporated into the Student Service fee.
- Differential tuition for the College of Nursing (CON) is way too high; it represents anywhere between 30-40 percent of the tuition rates.
- The CON's charges per credit hour were the highest charge of all the schools and colleges at WSU.
- The Law School is freezing incoming class tuition rates. Second and third year student tuition is going up, but they are going through Financial Aid to have a tuition freeze too.
- Summer School strategies appear to be working. For the first time in about 7-10 years, Summer School numbers are going up.
- Concerning the budget, there will be two special meetings on May 22, 2015 and June 4, 2015 and then they will come back on June 26, 2015 with the whole package.

#### **B. Travel Policy – Dennis Orr and Jim Barbret**

- The Provost asked last year for travel expense issues to be addressed.
- A committee was formed to review the issues.
- There were quite a few conflicting practices going on from the various schools and colleges relating to travel.
- Multiple expense reports can be prepared for one approved requisition.
- Some of the major policy changes include: Meal per diems, approval for international travel, supporting documentation and local or unit level policies. There will be some minor changes to allowable/unallowable costs.
- The meal per diem for first and last days of travel will be 75 percent of the daily per diem rate for the city destination, regardless of travel time.
- Interim travel days where there are multiple destinations, the per diem is set at the final destination of each day.
- If a meeting or conference supplies a meal, that meal is removed from the daily per diem; it doesn't matter what it cost.
- The effective date for policy changes has not been determined.
- International travel must be approved in advance of the departure. The new policy will require that a request be submitted and approved before traveling.
- Local policies and rules are in the process of changing. Some departments, schools and colleges have more restrictive policies. There is a lot of confusion on a departmental level, but the policies need to be consistent throughout the system.
- Items listed as supplemental documentation for expenses have been removed. Example: Submitting a program where you are participating in the conference; that type of documentation is being removed.
- Some previously allowable and unallowable items have been removed. Example: Child care expenses were not reimbursable; people who have to travel for business may have a need for child care.
- The TravelWayne user interface was launched, January 31, 2015, with positive feedback.
- In the implementation of the plan, communication will go through Cabinet, Council of Deans, Faculty Senate and Administrative Conference.

- There are some new demonstration videos available in the “Training” section of the travel.wayne.edu website.
- Reminders – travel cards are not to be used for personal use regardless of whether the cardholder pays the bill. Using the travel card for personal use is a clear violation of the agreement.
- As BAOs review the expense reports, they need to question things like that with the cardholder.
- The BAOs should receive a report of unassigned card charges every two weeks that they should address with staff. If the BAO does not receive the report, they should contact Dennis Orr.
- When requesting a new travel card, or to increase the limit on an existing travel card, a budget to substantiate the limit based on the amount of planned expenses may be requested.
- There have been some situations where people have left WSU and we would still have to try and collect the funds they owe.
- A question was asked regarding the custodial child care reimbursement while traveling; will HR get involved? The answer is no.
- Federal rules say that the traveler has to justify that the custodial care is an incurrence of an incremental expense.
- If the custodial child care reimbursement becomes a big issue, then we may have to put some written guidelines in place.
- Interpretation is needed on the language regarding not reimbursing mileage for travel to other Wayne State locations. Part of the language says City of Detroit. What are the regulations regarding mileage reimbursement in this section? The answer is “there is no mileage reimbursement within the city of Detroit”. This will be reviewed again.
- The local policy for S/C/D approval or the vice president permits limits based on the amount of available resources. A flat fee reimbursement to the traveler is permitted. You are not limiting any specific expense, but limiting the amount of reimbursement. This is not considered a change in the policy.
- Ontario travel is considered out-of-state travel and not foreign travel.
- Question regarding lost receipts came up. What does everyone else do? The majority of BAOs say that they do not reimburse for lost receipts. Some suggestions given: if people use the travel card it will store the transaction. Also, you could take a picture of the receipts with your phone.

**C. Off Boarding – Kimberly Elms** (Tabled due to absence)

**D. AT&T Phone Project – Kathryn Guarano and Laura Hendrick**

- Eight slides were shown in an abbreviated version from the presentation shown at Administrative Conference.
- AT&T is doing away with the current phone system, Centrex; we are retiring it by 2020 so we can get more modern technology.
- We have a new contract in place for 36 months, but unfortunately the price has increased.
- C&IT is replacing Centrex with VoIP starting this year; we expect it to be an 18 month project, reaching 95 buildings and over 6,500 users.
- The savings will be about a 7 percent decrease in the monthly fees. Unlimited local and long distance calls are included; international calling will be the only usage rates that will apply.

- New line installation fees as well as move/add/change work will decrease by 25%.
- The monthly Centrex rate will increase by approximately 6 percent starting October 1, 2015.
- The implementation of the new telephone service will be done using a three-phase approach; basically, one-third of the campus will be included in each phase of the project.
- Phase one will begin in late July of this year; phase two will be in the winter, and phase three will be early next year.
- We are asking for your assistance. We want to review your existing equipment. This will run from May 2015 through September 2016.
- People in phase three will see their rates increase before they will see a decrease, but they are working to convert the phones as quickly as possible.
- Fax machines will not be affected.
- Polycom units are being tested before being rolled out.
- Questions were asked about the cost-savings. Will it be a centralized savings or stay in the unit? They will take the question back to Rob for an answer.
- There are currently two major projects that C&IT is working on. The new phone project and the Office 365 project. The Office 365 project comes with Microsoft Lync (collaboration - type software). We don't know at what point, but it will include videoconferencing and instant messaging.

#### **E. Accounting Presentation – Tamaka Butler**

- Some of the basics of the hierarchy were put together to give an overall view of the Chart of Accounts.
- WSU's overall accounting is pretty much based on governmental accounting standards and principles.
- The day-to-day accounting is fund accounting and functions like its own individual business.
- Encumbrances do not necessarily impact the university's true expenditures or financial statements in reports, but it is good for everyone to know when you are trying to track your costs.
- Banner is pretty familiar to everyone, but some of the core Banner forms from a financial standpoint is the balance sheet (used more in accounting), operating ledger, accounting statements, etc.
- The overall FOAPAL structure where the fund identifies the source of funds; the organization code is basically the cost unit or department that identifies the organization making the transaction; account code represents whether it is an asset, liability, expense or revenue; program code identifies the purpose of the transaction and tells how are expenses are categorized by the program, which makes it a very important element of the FOAPAL string. The activity code is not used that much and there is no real guideline in place for using it, but it is more of an option to identify different types of costs; location is used primarily in the plant funds.
- Different fund types – the general fund is used for what you are budgeting for; designated funds are not restricted, but set aside for some other purpose; auxiliary activity funds are business operations funds and should be revenue producing and self-supporting, independent operations funds (WDET radio station); non-current funds really have limited use.
- Within a roll-up, you have seven levels of funds.

- Something similar happens with org. codes; they also have roll-ups. The first two digits identify which S/C/D it relates to.
- For instance, starting with 01 which is university libraries, 02 education, etc.
- The org. codes are also in Smart Eye. If you have a question about what all is rolling up within your org., Smart Eye will assist you with that.
- SOM is unique; all levels of the roll-up are being used.
- Reading through some of the accounts that are set up and how new accounts are handled is a good idea.
- Question: If you see errors in program codes, how should you get them corrected?  
Answer – Accounting will try to get something in place to have a central point of contact.
- Question: When can funds be transferred in and out of an ICR index? Answer – it depends; general fund dollars are general fund dollars; ICR dollars are linked to a specific body and as those go away, they go back to the department level. There have been some exceptions on a case by case basis.
- Question: How can we understand some of the rule codes going on behind the scenes?  
Answer - One of things being worked on is getting more rules documented and more general dialogue going.
- Tamaka will probably be asked to come back maybe an hour before the regular meeting.

**F. Other - Celeste Lezuch**

- The tenure track binders – when you submit them, Celeste would like the PARs submitted with the binders. Do not submit the PARs to the Budget before the package is approved.
- Question: How is Hyperion going with everyone? Answer – They seemed to be going well is the general consensus.

**III. Adjournment**