

2017 FINANCIAL SUMMIT

FRIDAY, NOVEMBER 3, 2017

GTRI CONFERENCE CENTER AUDITORIUM

9AM - NOON

CREATING THE NEXT®

OPENING REMARKS



CAROL GIBSON
CONTROLLER

AGENDA



9am to 10am

Opening Remarks – Carol Gibson
Central Admin & Finance – Jennifer Hubert
FMKD Training Series – Teisha Alsobrook
Financial Transformation – Greg Phillips
Grants & Contracts – Jonathon Jeffries & Sandy Mason

10am to 10:35am

Budget Office – Jim Kirk & Robert Foy
Controller's Office – Carol Gibson
15 minute Break

Agenda

10:50am to 11:45am

PCard Update - Phil Hurd
Procure to Pay – Abbie Coker & Ajay Patel
Human Resources/Payroll – Kevin Merkel & Zach Rogers

11:45am - Noon

General Questions and Wrap Up

CENTRAL ADMIN AND FINANCE



JENNIFER HUBERT

INTERIM EXECUTIVE DIRECTOR
INSTITUTE PLANNING AND RESOURCE MANAGEMENT

Status of SVPAF Search

Status of OIT CIO Search



FINANCIAL COUNCIL MEMBERSHIP



Financial Council

Chair: Jim Fortner, Interim VP Finance

Coordinator: Jennifer Hubert, Interim Exec. Dir., Institute Planning & Resource Management

Academic/Research Subcouncil

Chair: **Alan Katz**, Asst.
Dean for Fin. & Admin.,
College of Computing

Representatives from
academic and research
units, with central A&F
unit reps. participating
upon invite

Administrative Subcouncil

Co-chairs: **Melanie
Megenity**, Director,
Resource Mgmt., OIT;
Tina Clonts, Director,
Institute Finance Support
Team

Representatives from
central A&F units

Affiliate Subcouncil

Chair: **Marvin Lewis**,
Assoc. AD for Finance &
Admin., GT Athletic
Association

Representatives from GT
Affiliates (e.g., GTF,
GTRC, Alumni
Association) and central
units who work closely
with these units

LIVING BUILDING SITUATED IN ECO-COMMONS



LIVING BUILDING EXTERIOR



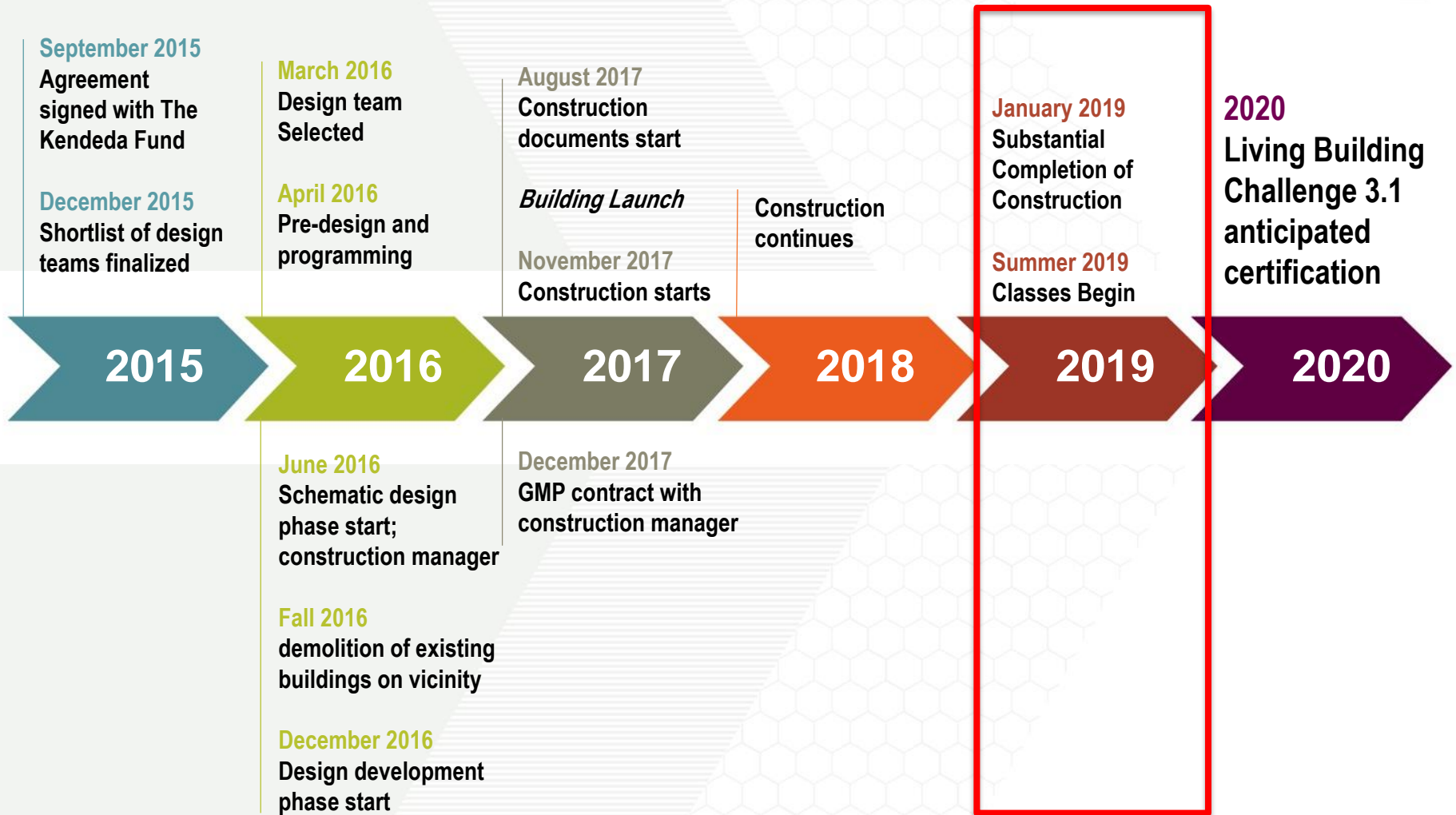
CREATING THE NEXT®

20 IMPERATIVES WITHIN A 7 PETAL STRUCTURE



Integrated Holistic Planning & Design

PROJECT SCHEDULE



OCCUPANCY: CURRENT FOCUS



Inhabitant Groups (10-14 seats in building)

- **Building Director** - only permanent inhabitant
- **“Expert in Residence”** –
Desired program to bring in a series of external experts to develop programming / events around particular topics
- **Analytical / research support** –
“Hotel” seats for support staff, faculty or students associated with research projects on the building
- **Programming / laboratory support**
“Hotel” seats for support staff, faculty or students associated with laboratories, scheduled classes/labs within the building

*As curated by
future Living
Building Advisory
Council*

• **Support for building operations / systems**

Facilities Management will have several staff and contractors working on mission-critical aspects of the building before, during and after certification, hoteling for computer-intensive work

Campus Sustainability staff matrixed with Building Director provide on-site support as needed

QUESTIONS



TEISHA ALSOBROOK

FINANCIAL COMPLIANCE PROGRAM MANAGER
CONTROLLER'S OFFICE

- Goal – Develop consistent, accurate and thorough understanding of business operations and management
- Courses developed by subject matter experts & HR Training team
- Track 1 - Financial Fundamentals (FF)
 - Thirteen online courses
 - Staff with a financial management role
- Track 2 - Extramural Sponsored Programs (ESP)
 - Six online courses
 - Financial staff who manage sponsored projects
- Visit training.hr.gatech.edu to access the FMKD courses

NEW REQUIREMENTS & SYSTEM ACCESS



New Requirements

- **New employees hired after May 1, 2017** who are granted access to applicable PeopleSoft Financials and PeopleSoft HR/SPD system roles
- **Employees hired prior to May 1, 2017** who are granted new access to applicable PeopleSoft Financials and PeopleSoft HR/SPD system roles **after May 1, 2017**

System Access Examples

- Asset Management – AM Dept Coordinator, AM Dept Manager
- Travel - T&E Financial Approver, T&E Department Administrator
- Purchasing - BuzzMart Financial Approver
- General Ledger – Campus Reports
- Grants & Contracts – Budget Revisions, Electronic Cost Transfers (ECT's)
- HR/SPD - Summer Pay Processor, SPD Campus Update

SECURITY REMOVAL PROCESS



Step 1: Employee is granted new access to PeopleSoft Financials and/or PeopleSoft HR/SPD.

Step 2: Employee receives an email indicating they have been enrolled in certain courses and have 60 days to complete the courses in order to maintain system access

Greetings!

Based on your system access, this email is confirmation of your enrollment in the following Financial Management Knowledge Development (FMKD) online course:

Fiscal Year-End

Visit training.hr.gatech.edu to access this course and any other FMKD courses for which you are enrolled.

Please complete this course within 60 days in order to maintain system access.

For additional information on the FMKD training program, email fintrain.ask@gatech.edu.

SECURITY REMOVAL PROCESS



Step 3: Employee receives an email reminder after 30 days to complete the courses in order to maintain system access

Greetings!

This is just a reminder that you need to complete the following Financial Management Knowledge Development (FMKD) online course within the next 30 days in order to maintain PeopleSoft Financials and/or PeopleSoft HR/SPD system access.

Fiscal Year-End

If you have any questions, email fintrain.ask@gatech.edu.

SECURITY REMOVAL PROCESS



Step 4: Employee receives an email reminder after 45 days to complete the courses in order to maintain system access

Greetings!

This is just a reminder that you need to complete the following Financial Management Knowledge Development (FMKD) online course within the next 15 days in order to maintain PeopleSoft Financials and/or PeopleSoft HR/SPD system access.

Fiscal Year-End

If you have any questions, email fintrain.ask@gatech.edu.

SECURITY REMOVAL PROCESS



Step 5: Employee receives an email reminder after 55 days to complete the courses in order to maintain system access

Greetings!

This is just a reminder that you need to complete the following Financial Management Knowledge Development (FMKD) online course within the next 5 days in order to maintain PeopleSoft Financials and/or PeopleSoft HR/SPD system access.

Fiscal Year-End

If you have any questions, email fintrain.ask@gatech.edu.

SECURITY REMOVAL PROCESS



Step 6: After the 60 day deadline, employee receives an email from the Compliance Team notifying them that they have 2 weeks to complete the applicable courses in order to maintain system access. The employee's supervisor and unit financial manager/director are copied on this email.

Greetings,

Based on the system access below, you are currently enrolled in the following Financial Management Knowledge Development (FMKD) online course(s):

PeopleSoft System Access	FMKD Online Course
General Ledger Reports	Basic Accounting
	Financial Administration
	Procure to Pay
BuzzMart Finance Approver	Asset Management and Property Control
	Insurance and Claims Management

According to our records, you have not completed the FMKD online courses within the required 60 day time frame. To avoid removal of system access, please complete these courses by **Friday, September 22, 2017**.

If you believe you have received this email in error or have additional questions related to the FMKD program, please send an email to fintrain.ask@gatech.edu.

SECURITY REMOVAL PROCESS



Step 7: Two weeks later, the Compliance Team verifies if the employee completed the applicable courses.

- If so, access is maintained.
- If not, the Compliance Team notifies data/security stewards to remove role/system access

Step 8: Data/security stewards request access removal from the security team

Step 9: Data/security stewards confirm with Compliance Team that access has been removed.

SECURITY REMOVAL PROCESS



Step 10: Employee receives an email from the Compliance Team indicating that system roles/access have been removed

Greetings,

According to our records you have not completed the FMKD online courses provided in the email below. Your system access to General Ledger Reports and BuzzMart has been removed. In order to reinstate your access, please complete the FMKD online courses listed below and send proof of completion to fintrain.ask@gatech.edu.

Please let me know if you have any questions or need additional information.

SECURITY REMOVAL PROCESS



Step 11: Employee must complete the appropriate FMKD training in advance in order to reinstate system roles/access. Employee must provide proof of course completion to the Compliance Team.

* Basic Accounting

100.00 %



* Procure to Pay

100.00 %



Greetings,

Your system access to General Ledger Reports and BuzzMart has been reinstated.

If you have any questions, email fintrain.ask@gatech.edu.

DEPARTMENTAL IMPACT



Inability to:

- **Approve** requisitions in BuzzMart
- **Approve** travel authorizations and travel expense reports
 - Travel documents in process **will not** move through the workflow process until system access is reinstated
 - This may cause **delays** in approvals and lead to **delays** in **employee reimbursements**
- **Enter** budget revisions, cost transfers, summer payroll
- **Run** general ledger reports (i.e. Expense Ledger, PY Expense Ledger, Agency Fund, Revenue Ledger, etc.)

QUESTIONS



Email fintrain.ask@gatech.edu for additional questions

THE ENTERPRISE TRANSFORMATION



GREG PHILLIPS

SENIOR DIRECTOR
ENTERPRISE RESOURCE PLANNING (ERP)

THE ENTERPRISE TRANSFORMATION



Our Goal

Serve the Institute better by reducing our administrative burden
and increasing our ability to advance our mission

Progress & Service

Our Objective

Develop a campus-wide partnership with an ongoing dialogue

ORGANIZATIONAL MODEL



The Enterprise Transformation

Executive Leadership Team

Governance Committee

Steering Committee: Transformation Champions

Management Team

Program Management

Scope Management
Cost Management
Resource Management
Work Plan Management
Quality Management
Risk Management

Process Transformation

FDM
Financial Accounting
Banking & Settlement
Grants & Contract Billing
Projects
Customer Accounts
Procurement
Supplier Accounts
Business Assets
Expenses
Planning (Budgets)
HCM Integration

Enablement

System Management
Integration
Conversion
Reporting

Organizational Readiness

Communication
Engagement
Learning
Adoption

WORKDAY FINANCIAL MANAGEMENT PEERS



Yale



OUR GUIDING PRINCIPLES



- ➡ Think Enterprise
- ➡ Streamline & Standardize Processes
- ➡ Minimize Technical Complexities
- ➡ Practice Effective Project Governance
- ➡ Communicate, Collaborate & Share

OUR SYSTEMS TODAY (TECHWORKS)



Applications and Resources



HR Administration



Financials, Procure-to-Pay & Research Administration



Salary Planning & Distribution



oneBudget



BuzzMart



Travel & Expense Reimbursement



WebNow



Works PCard Manager System



Concur Travel Booking & PCard Management



Applicant Tracking System (Taleo)



Banner



BuzzPort



MarketPlace



GTCrossroads (formerly My Research Portal)



WebWISE



Web Grants Management



GT-TRACS



Time Approvals



Electronic Cost Transfer(ECT)

**** Pending Plan Phase Results ****



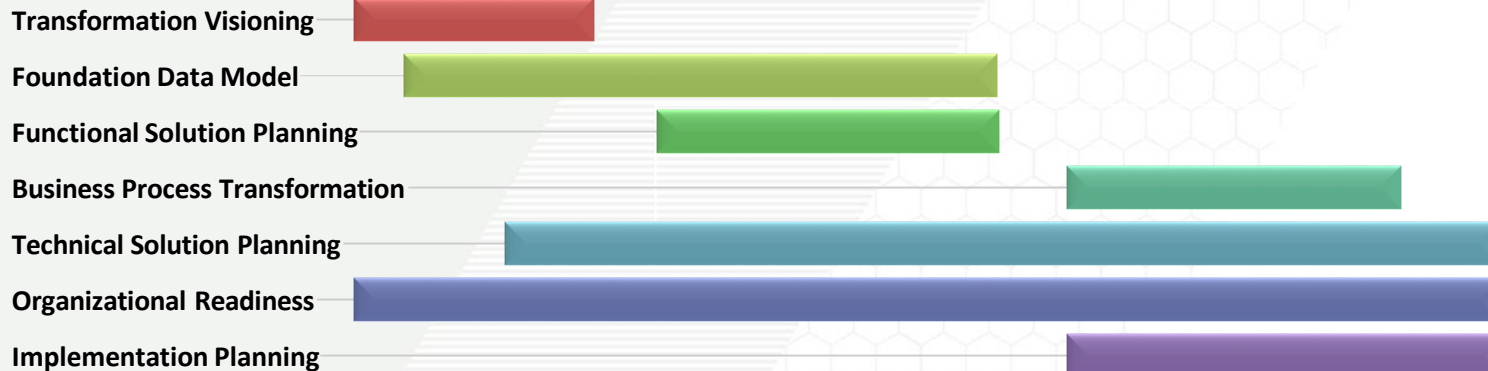
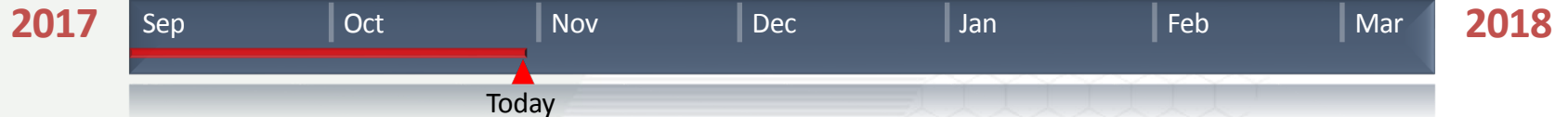
Workday First



Workday Impacted

CREATING THE NEXT®

PLAN PHASE WORKSTREAMS



PLAN PHASE WORKSTREAMS



PLAN PHASE WORKSTREAMS

Foundation Data Model Design & Tenant

ATHL	123	72345	12500	11200	12200	12345678	Q2345	12345780
	124	72346	12501	11300	12210	12345679	Q2453	12345781
	GT	125	72347	12502	11400	12345680	Q2534	12345782
	126	72348	12503	11500	12212	12345681	Q2645	12345783
	127	72349	12504	11600	12213	12345682	Q2743	12345784
	128	72350	12505	11700	12214	12345683	Q2845	12345785

Company	Cost Center	Ledger Account	Fund	Class	Function	Program	Grant / Contract	Project
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Please note: Generic example only

- ➔ Foundation Data Model
- ➔ Foundation Tenant
- ➔ Tenant Management Plan



PLAN PHASE WORKSTREAMS



Functional Solution Planning

Review Workday business processes, security, and FDM; identify and assess business impacts



- ➔ Workday Demonstrations by Functional Area
- ➔ Business Process Transformation Prioritization



PLAN PHASE WORKSTREAMS



Technical Solution Planning

Engage functional and technical stakeholders to assess technical impacts and develop integration, conversion, and reporting strategies



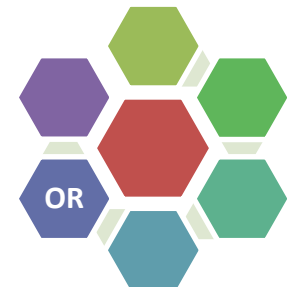
PLAN PHASE WORKSTREAMS

Organizational Readiness

Develop an Organizational Readiness plan to prepare Georgia Tech for its transformation and align key decision makers and stakeholders across the Institute



- ➔ Organizational Readiness & User Adoption Strategy
- ➔ Engagement Strategy & Communication Plan
- ➔ Learning Approach
- ➔ Transformation Website



PLAN PHASE WORKSTREAMS

Implementation Planning

Define the scope, effort, timeline, work plan, key milestones, resources, and costs for the Workday implementation

Give me six hours to chop
down a tree and I will
spend the first four
sharpening the axe.

-Abraham Lincoln



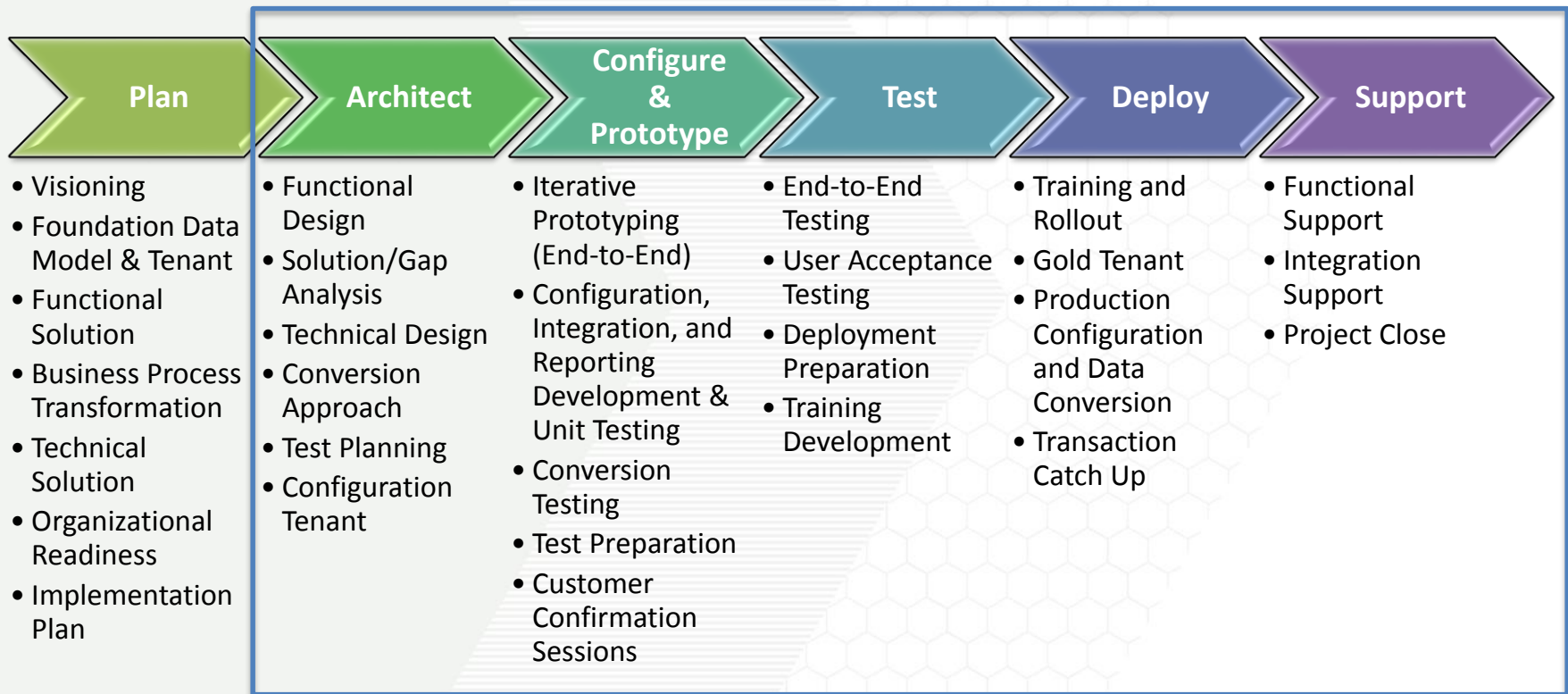
- ➔ Project Charter
- ➔ Implementation Roadmap
- ➔ Implementation Kickoff Presentation



WORKDAY METHODOLOGY



Implementation



LET'S STAY CONNECTED

- Questions?
- Feedback: **erp.ask@gatech.edu**
- Be a Transformation Ambassador
 - Spread the word
 - Get energized
 - Build excitement
 - Invest your best



THE ENTERPRISE TRANSFORMATION



**“The significant problems we face today cannot be solved
at the same level of thinking we were at when we created them.”**

– Albert Einstein

THE ENTERPRISE TRANSFORMATION



TRANSFORM
YOUR



QUESTIONS



GRANTS AND CONTRACTS



JONATHON JEFFRIES

DIRECTOR
COST ACCOUNTING

SANDY MASON

SENIOR DIRECTOR

SERVICE CENTER REVIEW



- **Objective:**

- Ensure current practices are in line with Federal and Institute policy
 - ✓ Rates and billing records subject to audit by DCAA or other Federal Agencies
 - ✓ All studies provided to DCAA and some directly to the Office of Naval Rsch
- Streamline workflows, define responsibilities, and provide increased reporting to Colleges, Centers, and EVPR

- **Background:**

- ✓ Initial discussion between G&C Accounting, EVPR, and Institute Partners to review current structure, procedures, and workflows
- ✓ Expanded group to include department reps from COE, IBB, MSE, and Chemistry

- **Overall Themes:**

- ✓ Clarify policy language – routing, billing, and responsibilities
- ✓ Minimize complexity
- ✓ Enhance cost recovery and financial performance
- ✓ Improve compliance oversight

SERVICE CENTER REVIEW - RECOMMENDATIONS



- Revise definitions and F&A rate application process for external sales
- Clarify charge rate and expense account depending on internal, external, or external sponsored customer
- Update process related to establishing and sun setting Centers
- Review Carry Forward process at year end
- Document responsibilities of School, College, Center, and Grants Accounting
- Initiate Service Center Kickoff Meeting for all new centers
- Revise Annual Validation Process to capture all costs including departmental subsidy and require a reconciliation of revenue to units sold
- Separate GL project numbers for department/other subsidies
- Create a process to enhance oversight at the College level
 - ✓ Annual Financial Performance
 - ✓ Annual approval/renewal of center subsidies

SERVICE CENTER REVIEW – NEXT STEPS



- Provide update during Annual Financial Summit
- Report recommendations to working group for feedback and discuss any additional items that need resolution
- Partner with OSP and Industry Engagement to develop questionnaire that allows invoicing via the Bursar's Office when appropriate
- Communicate procedure and policy changes via G&C Notice
- Hold Lunch and Learn sessions to review changes as needed

AUDIT UPDATES AND LESSONS LEARNED



Annual Federal Single Audit

Areas of Focus:

- Internal Controls
- Subrecipient Monitoring
- Interviews with Research Faculty
- Schedule of Expenditures on Federal Awards (SEFA)

Annual State Audit

Areas of Focus:

- Internal Controls
- Sponsored Revenue (Federal and non-Federal)
- Sample award agreements

GT Internal Audits

- Annual Internal Audit of Personal Services Reporting Under the Plan-Confirmation System
 - Areas of Focus:
 - Internal Controls
 - Policies & Procedures
 - Repeat Finding: understanding of procedure regarding electronic Workload Assignment Forms (eWAF)
- Internal Audits – reviewed for impact on sponsored awards

Other

- Defense Contracts Audit Agency (DCAA) monthly DoD Voucher (billing) review
- Sandia Nat'l Labs Annual Audit of Costs Claimed
- Site visits, desk audits, Federal Agency specific audits, etc.

AUDIT UPDATES AND LESSONS LEARNED



NSF-OIG Audit

Background:

- Objective: To determine if costs claimed [billed] were allocable, allowable, reasonable, and in conformity with NSF and Federal financial assistance requirements
- Audit covered \$200+ million in costs over a 3-year period across 1,072 awards
- Included testing of 250 judgmentally selected transactions identified using data analytics; totaling \$4.5 million
- Conducted interviews covering Institute Internal Controls
 - Effort Reporting, Cost Transfers, Budget vs. Actual Expenses, Participant Support Costs, NSF 2-month Salary Process, NSF Award Cash Management System Procedures (billing)
- Transaction testing focused on: **Late term and past term expenses**, Salaries, Subrecipient Monitoring, **Travel**, **Cost Transfers**, and **Allocation Methodology**

AUDIT UPDATES AND LESSONS LEARNED



NSF-OIG Audit

Questioned transactions:

- “The questioned costs related to 1) transactions near the end of the award period; and 2) travel and relocation costs.”
 - Late term and past term equipment expenditures – questioned benefit to award and allocation methodology
 - Late term general purpose items (laptop computer, graphics card, DVD set, digital camera, dust buster...) – questioned direct benefit to award
 - Travel transactions – questioned as not reasonable and necessary
 - Relocation transaction – questioned as not complying with NSF requirements

Recommendations:

“Strengthen the administrative and management controls and processes over expenditures near the end of an award and allocation of equipment.”

AUDIT UPDATES AND LESSONS LEARNED



COMPLIANCE PROGRAM

Historical Compliance Focus

- Safeguard GT's research enterprise
- Identify and mitigate areas of risk
- Allowability/Allocability
 - Random samples
 - Quarterly or Annual Reviews
- Policy compliance/internal controls
 - Compliance with policy

Current/Future Compliance Focus

- Safeguard GT's research enterprise
- Identify and mitigate areas of risk
- Allowability/Allocability
 - Targeted risk based samples
 - Analytical reviews for patterns and outliers
 - Daily, weekly and periodic reviews
- Policy compliance/internal controls
 - Documented evidence of policy compliance **PRIOR** to payment
 - "Add a sentence"

GRANTS AND CONTRACTS

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by Mark Parisi

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QUESTIONS



JIM KIRK

ASSISTANT VICE PRESIDENT
INSTITUTE BUDGET, PLANNING AND ADMINISTRATION

ROBERT FOY

SENIOR DIRECTOR
INSTITUTE FINANCE SUPPORT TEAM

BUDGET UPDATE

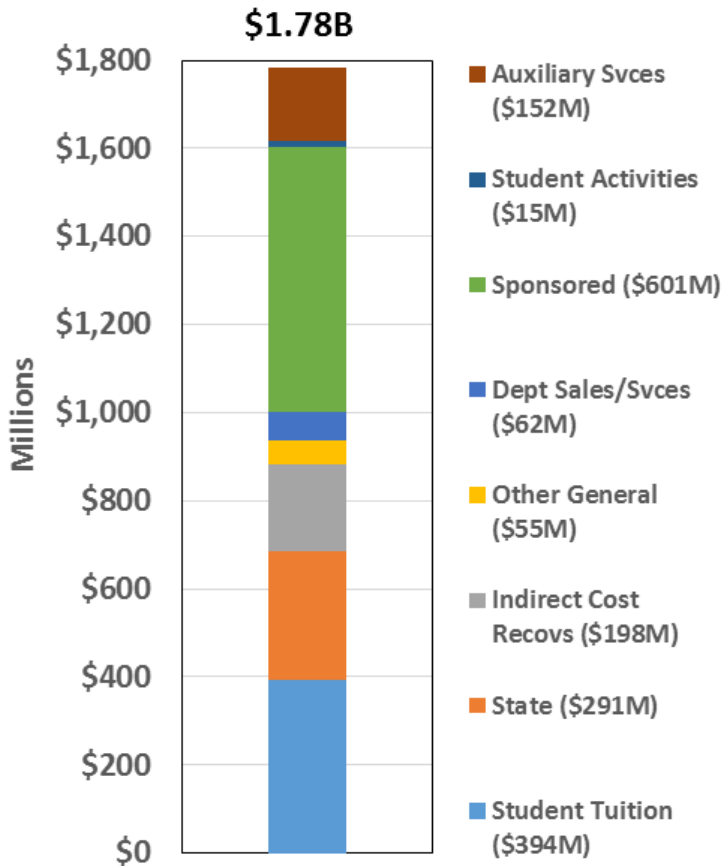


- oneBudget implementation
- Fiscal 2018 Recap
- Fiscal 2019 Budget
 - Outlook – what we know
 - [Budget calendar](#)
 - Revisions to merit pay process
- Institute Finance Support Team update

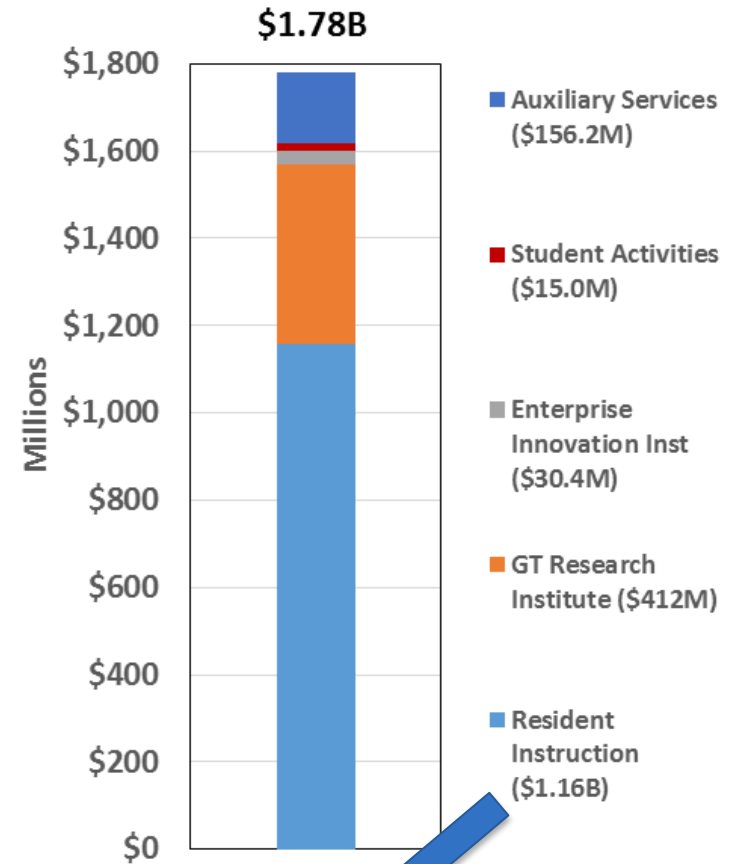
APPROVED FY18 OPERATING BUDGET TOTAL FUNDING SOURCES – ALL UNITS



Building Blocks of Georgia Tech's
FY18 Budget by Revenue Source



Building Blocks of Georgia Tech's
FY17 Total Budget by Major Unit



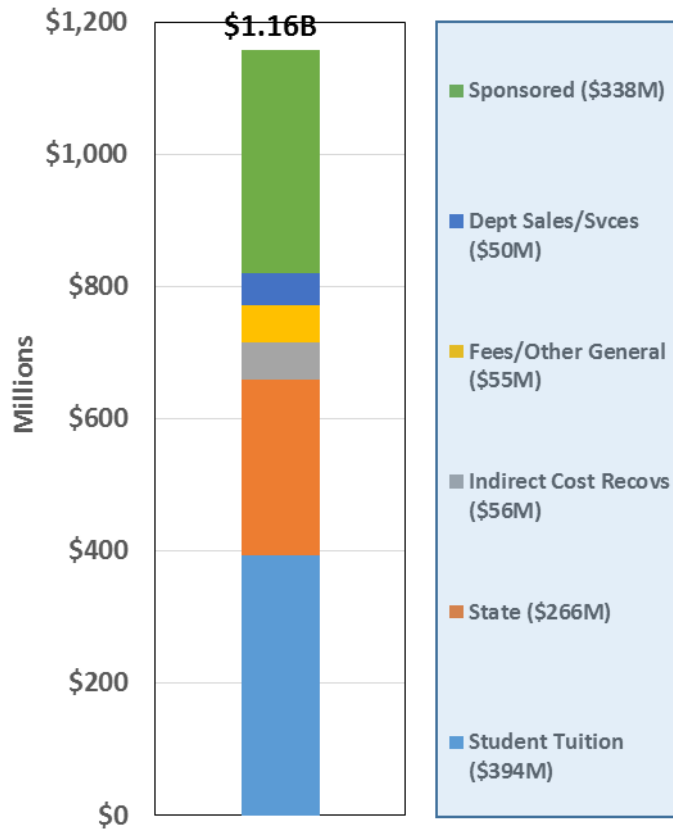
“Resident Instruction” – core activities of GT including colleges & excluding other units listed in chart

APPROVED FY18 OPERATING BUDGET

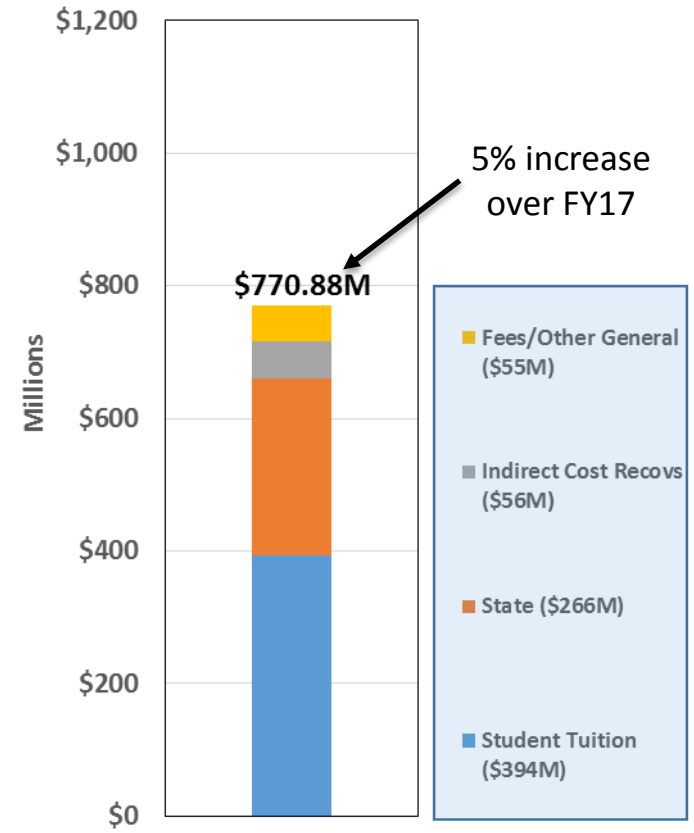
RESIDENT INSTRUCTION REVENUE



Building Blocks of Georgia Tech's
FY18 Resident Instruction Budget



Building Blocks of Georgia Tech's
FY18 R.I. "Gen Ops" Budget

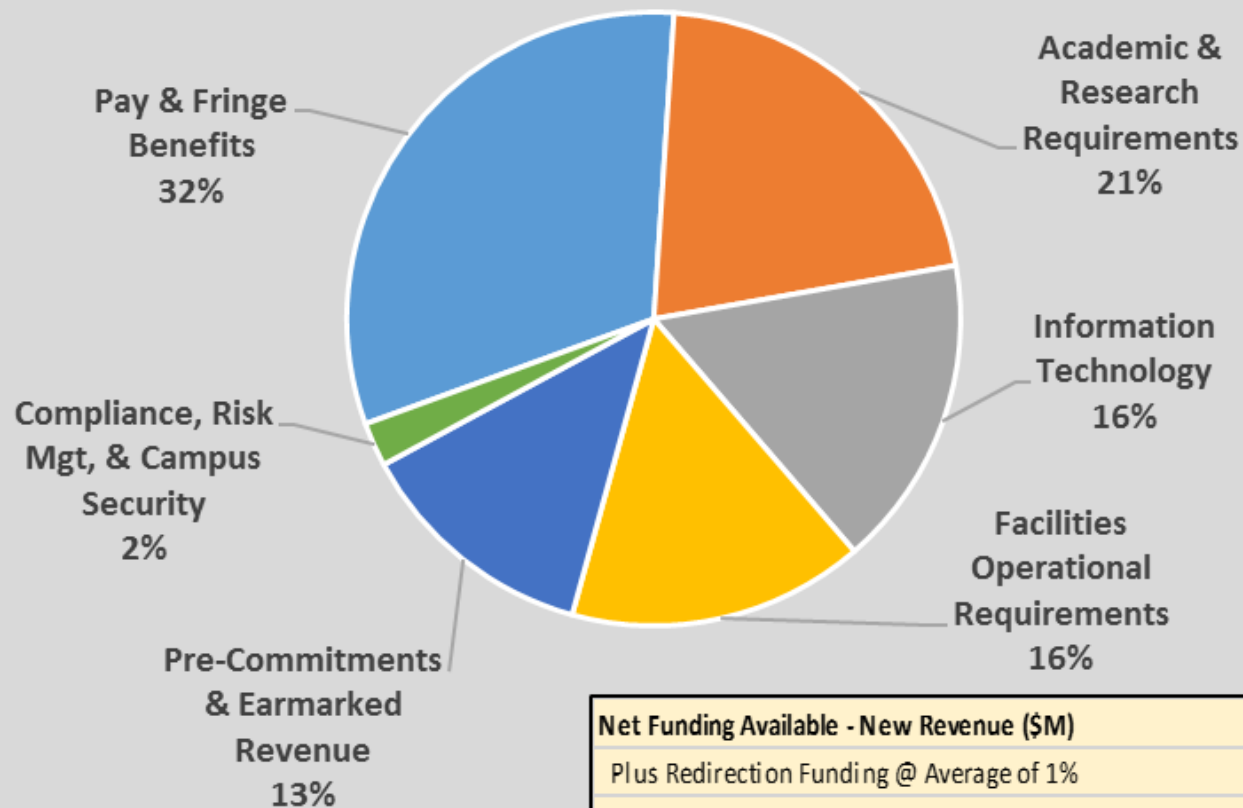


"Resident Instruction" – core activities of GT including colleges, student support services, administration, facilities O&M

FISCAL 2018 NEW FUNDING DISTRIBUTION RECAP



**Distribution of New Funding Allocations
Resident Instruction - Fiscal Year 2018**



Net Funding Available - New Revenue (\$M)	\$40.84
Plus Redirection Funding @ Average of 1%	\$3.70
Total Funding Available for Allocation and Reallocation	\$44.54

BUDGET UPDATE



- oneBudget Implementation
- Fiscal 2018 Recap
- Fiscal 2019 Budget
 - Outlook – what we know
 - [Budget calendar](#)
 - Task force update – merit pay process
- Institute Finance Support Team update

MERIT PAY PROCESS TASK FORCE



- Sponsors: Academic Sub-Council & Budget Office
- Efforts/Meetings to Date
- Changes in Process Planned for FY19:
 - Simplification of merit pool computation
 - Earlier issuance of GT pay policy
 - Improved finance/budget/HR staff coordination
 - HR data on employees available throughout FY18
 - Expanded HR data including GT policy compliance
 - HR reps – view only access to oneBudget HR data
- Outlook for FY19 pay raises

INSTITUTE FINANCE SUPPORT TEAM (IFST)



TEAM

- Michael Cox
- Tina Clonts
- Cynthia Martin
- Preeti Sagar
- Ernestine Stephens

INSTITUTE FINANCE SUPPORT TEAM (IFST)



Examples of current projects:

- Partnering with unit to developing a tracking tool for projects receiving new workload funding
- Assisting with budget development for Living Bldg.
- Working with division to develop operating budget
- Working to determine best practices of budgeting and procurement for student organizations
- Rate Study for affiliate

INSTITUTE FINANCE SUPPORT TEAM (IFST)



Examples of current projects (cont.):

- Time and effort study for academic program
- Service Center Review – providing support to implement process efficiencies, standardize administration
- Support of CODA –Operating budget development and assisting with shared services design
- Support on committee evaluating Visiting Scholar Fee to develop policy and procedures
- Interdisciplinary Research Institutes – assisting with review of organizational structure, support, staffing, and operational needs

QUESTIONS



CONTROLLER'S OFFICE



CAROL GIBSON
CONTROLLER

ANNUAL STATE AUDIT

- FY2017 State Audit is nearing completion
 - Internal Controls (**IC**) over Accounting and Finance
 - Segregation of Duties (**SOD**) for Systems
 - **Compliance** with Federal, State, USG and Institute Policy
 - **Financial Transaction** recognition
 - System **Access** and **Password** Settings
 - **Business Continuity**/Disaster Recovery



GT INTERNAL AUDITS



- Department of Internal Auditing focus:
 - Segregation of Duties (**SOD**) and Internal Controls (**IC**)
 - Employee **Malfeasance** and Financial **Misappropriation**
 - **Purchasing** and **Payment** Processes
 - Accounting for **Purchases** and **Financial** Transactions
 - Travel **Approval** and Business **Purpose**
 - Conflict of Interest (**COI**)



Ethics Hotline - <http://www.audit.gatech.edu/> - 866-294-5565

JOURNAL ENTRY COMPLIANCE



- All journal entries are **required** to have two signatures
 - Preparer and approver – Printed and signed
 - Manual/Standard and Online JE's
- Adequate documentation is necessary to support the entry
- Manual/Standard JE's
 - **Do not** alter the excel template
 - **Do not** change the font type or font size
 - **Do not** add lines to page 1
 - Number the pages appropriately
 - i.e. Page 1 of 1, Page 1 of 2, Page 2 of 3
 - www.controller.gatech.edu/forms

AGENCY FUNDS



- Complete the entire agreement form
 - All lines are mandatory to determine if the request is valid
 - If the form is not complete it will be returned
- When would a request be denied?
 - If the fund/activity is for GT business
 - If the fund/activity is not for an external entity
- **All** current Agency Funds will be reviewed to determine if:
 - They are true agency funds and should remain open
 - They are funds that should be moved to another funding source
 - They should be closed
- GT is Consulting with other USG schools on treatment

PRIOR YEAR PURCHASE ORDERS



QUESTION #1

College of Computing carried forward a \$1,000 encumbrance for prior year purchase order (PO) #1 for a laptop. When the invoice was received from SHAM (Southall-Herron-Alvoid-MacArthur) Computing Associates, the amount \$1,100. Can this entire amount be paid against the PY PO?

ANSWER

NO. *\$500 of the invoice can be paid against the PY PO. The remaining \$100 must be paid from current year funds.*

QUESTION #2

OIT carried forward a \$5,000 encumbrance for prior year purchase order (PO) #2 for network cabling. The invoice amount from WWJD (Wates-Wynne-Johnson-Douglas) Network Cablers, Inc. was \$4,500 - \$500 less than the encumbrance. Can the department use the remaining funds to buy a new office chair for the CIO?

ANSWER

NO. *The \$500 can be used to purchase a “like item”. It cannot be repurposed for something else.*

QUESTION #3

In the previous scenario, what happens to certain non-sponsored funds if OIT cannot find a “like item”?

ANSWER

Once we cross into the new fiscal year, the funds lapse and are surplused to the State of Georgia. The funds cannot be recovered by the Institute to be used by the department or central administration.

QUESTION #4

College of Engineering carried forward a \$10,000 encumbrance for prior year purchase order (PO) #4 to renovate the Dean's suite. The vendor, H&W (Henderson & Wilkerson) Interior Design Specialists, went out of business and cannot deliver the goods/services? Can the department still use these funds?

ANSWER

YES. *The department can contact the Controller's Office and request permission to use a "like vendor" to deliver the goods/services. They would then work with Purchasing to cancel PY PO #4 and establish a new PY PO.*

QUESTION #5

GTRI carried forward a \$2,000 encumbrance for prior year purchase order (PO) #5 for office furniture. When the invoice was received from BAM (Baylis-Alsobrook-Mathis) and Friends Furniture & Fixtures, the payment was made against the current fiscal year instead of the prior fiscal year. Can GTRI somehow use the prior year funds for this payment?

ANSWER

YES. *If the PO is still open, GTRI can contact Accounts Payable to move the funds to the PY. If the PO is closed, GTRI can process a prior year journal entry to move the transaction to the prior year and in essence use the prior year funds.*

QUESTION #6

The Budget Office created a \$7,500 encumbrance for PO #6 for a consulting contract in fiscal year 2017. On June 15th, they requested the PO be canceled as it was no longer needed. On August 15th, they received an invoice from EGGS (Evans-Gibson-Grattan-Sheffield) Consulting Inc. for this amount. Can this PO be reinstated so they can use the funds?

ANSWER

NO. *Once we cross into the new fiscal year, the funds are no longer available, and thus, the PO cannot be reinstated. The Budget Office would have to use current year funds to pay for this invoice.*

PRIOR YEAR PURCHASE ORDERS



Tips and Tricks

☐ Rules

- PO must reflect PY Bud Ref on ledger , Exp Amt cannot exceed Enc Amt
- If Exp less than Enc, balance returned to the State of Georgia

☐ PY PO Payment Posted to Wrong Year

- PO Open - Contact ap.ask@business.gatech.edu to correct payment
- PO fully liquidated - Process PY JE to correct payment – form found on www.controller.gatech.edu > Forms

☐ Issues with Vendor or Item/Service

- Vendor Cannot Supply Item/Out of Business – Substitute Vendor
- Item/Service cannot be provided – Like Item or Service
- Contact purchasing.ask@business.gatech.edu for assistance



☐ Reports Available

- Open Encumbrance Report (262), Sum PY PO Report (718) & PY Expense Ledger (306)

QUESTIONS



BREAK – 15 MINUTES



NEXT TOPIC WILL BEGIN PROMPTLY AT 10:50AM

PCARD UPDATE



PHIL HURD

CHIEF AUDIT EXECUTIVE
DEPARTMENT OF INTERNAL AUDITING

PROCUREMENT AND BUSINESS SERVICES



ABBIE COKER

DIRECTOR
ACCOUNTS PAYABLE AND TRAVEL

AJAY PATEL

DIRECTOR
PURCHASING

TRAVEL UPDATES



1. Air Class Restriction with State Funds *effective October 1, 2017*
 - Business class only for international and U.S. routes of 10 hours or more
 - First class only if approved under certain circumstances
2. Meal per diem Calculations *effective September 1, 2017*
 - Employees traveling overnight within the State of Georgia or “In State” will now receive 100% reimbursement on the first and last day of travel, less any provided meal(s)



Employees traveling 50+ miles from home or primary work location **and** are away for more than 4+ hours than their regular work schedule receive 100% per diem.



Employees headquartered outside of GA receive 75% on first and last day.

In all cases deductions must also be made for any meals that have been provided.

USE OF TRAVEL INC.



Plan to move forward with the required use of Travel Inc. in 2018

Why?

1. Duty of Care

- Georgia Tech Obligation for traveler visibility, safety
- People Track Assist Tool identifies travelers globally
- Provides travelers 24 / 7 / 365 support

2. Single Sign-on

- Ease of use; relieving administrative burden

3. Financial accountability and visibility for audit and compliance purposes

- Unused ticket tracking and recovery

4. State and Georgia Tech Travel Contract Supplier

- Compliance with GA State and DOAS Purchasing Policy
- Discounts rates of 2-30% available for air, car and hotel

BENEFITS OF TRAVEL INC.



Benefits to employees:

1. Customize your travel profile with air, hotel and car rental preferences
2. Add your frequent flyer, hotel and car rental loyalty programs
3. Earn miles, points etc. with use of personal credit card
4. Price match to best available airfares
5. Exchanges, refunds, itinerary changes and unused tickets are tracked and managed

AIR TRAVEL SPEND VS. TRAVEL INC.



- 1) Total Air Travel Spend for FY 2017: \$10,400,940
 - Travel-Emp Dom-Air Travel: \$7,378,019
 - Travel-Emp Intl-Air Travel: \$3,022,921
- 2) Total Travel Inc. Air Spend for FY 2017: \$8,414,898
 - GTRI Air Spend: \$3,725,364
 - Georgia Tech Faculty and Staff: \$4,689,534
- 3) Percentage of campus using Travel Inc. 81%
- 4) GTRI implemented 5 years ago.

Redpoint | All benefits-eligible USG employees traveling 100 miles or more from their home address, including spouses and dependents, have access to travel assistance services from **Redpoint**, a service provided in conjunction with the USG's group life insurance plan through Minnesota Life. **No additional premium or enrollment is required.**

(855) 516-5433 | +1 (415) 484-4677 (International, call collect) | operations@redpointresolutions.com

- Before you travel, visit www.LifeBenefits.com/travel for the complete list of available resources
- Covers business and personal travel, both international and domestic
- 24/7/365 service for emergency assistance and transport services when traveling 100+ miles from home
- Services are available for up to 90 consecutive days
- Emergency assistance and medical evacuation services:
 - Medical professional locator services
 - Telephonic interpretation services
 - Assistance replacing lost or stolen luggage
 - Identity theft assistance when traveling
 - Return of dependent children and rental vehicle
 - Transport to nearest appropriate medical facility or home if medically necessary
 - Security evacuation services including transport to the nearest safe area
 - Repatriation of mortal remains
- Online resources including passport/visa information, security and crime alerts, and political stability alerts

ACCOUNTS PAYABLE UPDATES



1. Coming soon from January 2018 are schedules for:
 - AP and Travel Training Sessions
 - One hour Drop in Sessions
2. Swift Card program for research subject payments
 - Working with OIT and IRB on cybersecurity compliance
 - Utilize Program Advance for Participant Research by submission of an employee payment request form
3. Request for travel advances to be submitted to GTRC at:
GTRC.Travel@gtrc.gatech.edu

GT ACCOUNTS PAYABLE VS. GT FOUNDATION



What can be paid through GT on Foundation Funding vs what has to be processed directly by the Georgia Tech Foundation?

GT ACCOUNTS PAYABLE	GT FOUNDATION
Supplies and Equipment	Fine Art, Sculpture
Travel	Holiday/Year End Parties
Memberships	Retirement/Personal Events
Conference Registration	Development Entertainment
Visitor Travel Expenses	Gifts
Research Participant Payments	Alcohol
Business Meeting Food/Meals	Retreats w/Recreational Activities

★ Key thing to look for – what is the business purpose and how does it benefit the Institute?

Certain items cannot be paid via GT AP even with Foundation funds (e.g. alcohol)

- Policies and Procedures Training
- BuzzMart Catalog Additions
- PCard
 - Requisition form
 - Changes / waivers
 - Approver changes
 - New amendment being submitted

QUESTIONS



HUMAN RESOURCES/PAYROLL



KEVIN MERKEL

SENIOR DIRECTOR
PAYROLL AND TOTAL REWARDS

ZACH ROGERS

DIRECTOR
HR FINANCIAL OPERATIONS

AGENDA



1. Pay Classification Matrix (Employee, Independent Contractor, Honorarium)
2. Gifts to Employees & Students
3. Dual Appointment Agreements (Joint Staffing)
4. Salary Overpayments
5. Supplemental/Special Employee Payments (other than extra comp)
6. Off-Cycle Checks & PSF Implications
7. Year-end Vacation Balances

PAY CLASSIFICATION MATRIX



	Employee	Independent Contractor	Honorarium
Description	A person who renders services to Georgia Tech .	A person who renders services to the general public .	A person who provides a service that would typically not be initiated with a service contract with payment via an invoice.
Supervised or controlled by Georgia Tech	Yes, including what work must be done and how it must be done.	No, they likely service multiple clients and maintain a separate workplace.	No
Service to Georgia Tech		Responsible for the means and methods for completing a task based on specifications in a contract with Georgia Tech.	No particular result expected.

INDEPENDENT CONTRACTORS: KNOW THE MYTHS



"I received a 1099, so I'm an independent contractor."

"I signed an independent contractor agreement, so I'm an independent contractor."

"I have my own EIN or performing services as a LLC, so I'm an independent contractor."

"I telework or work off-site, so I'm an independent contractor."

"I have been classified as an independent contractor before, so I'm an independent contractor."

INDEPENDENT CONTRACTORS: CONSIDER COMMON LAW RULES



Common Law Rules: facts providing evidence of the degree of control and independence are used to determine someone's status.

Behavioral

Does the company **control** or have the right to control what the worker does and how the worker does their job?

Financial

Are the business aspects of the worker's job controlled by the payer (such as how worker is paid, whether expenses are reimbursed, who provides tools/supplies, etc.)?

Relational

Are there written contracts or employee type benefits (e.g., pension plan, insurance, vacation pay)? Will the relationship continue and is the work performed a key aspect of the business?

1. Wait

- The worker should not perform any services prior to classification.

2. Classify

- The employee checklist should be completed.
- This is the same form the IRS would offer the worker to determine classification.
- Incomplete answers, blank answers, too many NA's or inconclusive responses may lead toward an employee classification.

3. SLA

- An Statement of Work with Service Level Agreement from the Worker (not drafted by GT) is recommended.

GIFTS: WHY THE POLICY?



- To provide guidance regarding items purchased with Institute resources and given as gifts to employees or students.
- To establish consistent, equitable treatment and prudent judgment for gift purchases.
- To ensure compliance with university funding restrictions, state purchasing guidelines, IRS tax implications, and other applicable regulations.
- To provide parameters for what constitutes a reasonable amount and type of gift.

GIFTS:

TO WHOM DOES THE POLICY APPLY?



- All Georgia Tech staff, faculty, researchers, and students
- Purchases made with any Institute funding source, including state, GTF, GTRC, and sponsored funds
- Any benefit provided to a Georgia Tech employee by an affiliated organization
 - The same tax evaluation additionally applies as if the benefit was provided by Georgia Tech

GIFTS:

WHAT DOES THE POLICY SAY?



Georgia Tech policy generally prohibits giving gifts to individual employees or students from Institute funding sources **except** for the following cases:

- Length of service recognition gifts,
- Retiring or separating employees,
- Formal and announced employee recognition awards,
- Sympathy gifts recognizing the loss of a close family member,
- Gifts of support following significant illness of employee
- Gifts given to groups of employees to recognize team performance
- Gifts and prizes for participation in university events or activities

GIFTS:

WHAT DOES THE POLICY SAY? CONT.



- Georgia Tech policy prohibits the use of most funding sources for gifts to employees except for GTF funds.
- No gift should ever be given to an employee under the premise that it is related to a specific performance event.
- It is not appropriate to use Institute funds for door prizes unless de minimis in nature (<\$50).
- <http://www.policylibrary.gatech.edu/employment/purchase-gifts-employeesstudents>

DUAL APPOINTMENT



When does it occur?

When a *requesting institution* (RI) is in need of a specific knowledge or skill set from an employee currently working at another USG *home institution* (HI).

Who pays for it?

Individuals should be paid from their home institution to ensure that the USG is compliant with Federal and State tax law.

DUAL APPOINTMENT: BEFORE WORK BEGINS



1. Employee and supervisor complete form and send to the requesting institution's dual appointment coordinator
2. Requesting institution coordinator will communicate with the home institution to secure the necessary salary and detail information about the assignment to seek approvals.
3. The payment schedule is part of the agreement.
4. The Dual Appointment form must be approved by the department and institute Presidents before it is complete.

DUAL APPOINTMENT AGREEMENTS: PAYING & INVOICING



- The home institution will pay the individual based on the amounts in the agreement.
- Payments are made as part of the regular payroll
- Home institution's Dual Appointment Coordinator works with the home institution's Accounting Office to initiate an invoice to requesting institution.
- Requesting institution's Accounting Office issues a check and sends it to home institution's Accounting Office for payment.

SALARY OVERPAYMENTS: ROLE OF HR REPRESENTATIVES



HR unit representatives and other administration

- Review standard HR reports to ensure payroll and salary information is accurate.
- Review appointments and payments processed for an employee to avoid duplication.
- Process terminations ASAP — preferably on or before date of termination.
 - Unexpected terminations (on or between the monthly payroll cutoff and the first of the following month): process the termination in HRIS immediately and contact UI Payroll immediately. They may be able to pull the ACH for individual and adjust their paycheck.

SALARY OVERPAYMENTS: ROLE OF HR REPRESENTATIVES



HR unit representatives and other administration

- Avoid retro-active change in status. Require changes be approved the first of the next payroll cycle unless they can be entered prior to payroll cutoff in the month the change in status occurred.
- Departmental responsibility (beginning FY18): Write-off amount + collection agency fees

SALARY OVERPAYMENTS: COMMUNICATE



Faculty/Staff Employees

Managers should be reminded to communicate to their HR BP/ Rep of any terminations in a timely manner to avoid salary overpayments.

Student Employees

Communication should be sent out to managers of student employees to communicate to their HR BP/Rep any student employees whose employment may be ending in December.

With calendar year-end approaching, if an employee is overpaid and the overpayment is not discovered/identified until January and beyond, **then the employee is responsible to repay the gross amount.**

Members of the Finance Council will be notified of SOP's concurrently with first notification to employee and HR Representative.

Salary Administration & Incentive Rewards Program

<10% Rule

Cumulative fiscal year adjustments greater than or equal to ten percent above the percentage increase authorized in the Board's annual salary and wage administration policy must be approved in advance by the Chancellor.

FY18: Maximum merit was 4%.

FY18 BOR limit: Less than 14%

Example: Pre-merit salary was \$50,000. Merit maximum was 4%. Cumulative fiscal year increase <14%, or less than \$57,000. BOR limit FY18 = \$56,999

SALARY ADMINISTRATION



- Effective 10/1/2017
- Working out details with BOR and GT's internal process
- Current Process
 - Internal offers >10% to Compensation for review
 - If request > BOR limit and GTHR supports, Executive Leadership will determine whether to proceed with BOR exception request.
 - Calculation of FY18 limit: **pre-merit salary X 14% - \$1**
- Other current policies still apply if more restrictive than BOR
 - Temporary and Interim pay held to same criteria
 - To minimum of salary range **is not an exception**

SALARY ADMINISTRATION – BOR EXCEPTION PROCESS



Eligibility

- Minimum of 6 months in current position
- Satisfactory or better performance rating
- No active formal disciplinary actions



Information Required

- No equity concerns
- No requests for additional allocations
- Justification to include Comp analysis and recommendations
- Approvals of Supervisor, Dept Head/Director/Dean, Chief Business Officer, AVP-HR



Feedback

- 30-day response time
- Not back-dated

Questions?

INCENTIVE REWARDS PROGRAM



“Institutions may establish incentive compensation programs consistent with state law, Board Policy, and applicable procedures, however, institutional incentive compensation programs must be reviewed and approved by the USG Offices of Fiscal Affairs and Human Resources.”

INCENTIVE REWARDS PROGRAM



- Used sparingly and aligned with strategic initiatives and goals
- High performance employees should be recognized through merit adjustments, training and assignment opportunities, and promotions.
- Plan Documents with details for eligibility, pre-determined standards and amounts
- Prior approval by BOR and annual certification

INCENTIVE REWARDS PROGRAM



- **Goal based** - measure performance against pre-determined strategic business objectives or critical performance targets. Employee or team based.
- **Hiring Incentive** – prospective employee with critical skills and/or qualifications or a position that is critical and difficult to fill.
- **Extraordinary Service, Acts, Achievements, or Suggestion Programs** – extraordinary performance or achievements that are outside of the employee's regularly assigned duties.

INCENTIVE REWARDS PROGRAM



- Current plan documents to GTHR
- Previously agreed upon payments
- GT Strategy and plans

INCENTIVE REWARDS PROGRAM



Questions?

THE IMPACT OF OFF-CYCLE PAYMENTS ON PSF



Benefits Adjustments

Deductions in arrears require additional payroll deductions to “catch up” missing contributions for the pay cycle(s) in which the action should have occurred.

Salary and benefits overpayments

Untimely ending of benefits due to termination may result in employee collections and financial impact to institute.

Inconsistent Eligibility

Create gaps in coverage during the period the employee is not working at 75%.

Untimely Pay Rate Changes

Untimely processing associated with interim pay, temporary pay, transfers, promotions/demotions, pay group changes, etc. may result in benefit arrears.

THE IMPACT OF OFF-CYCLE PAYMENTS ON PSF



Leave Accruals

Sick or Vacation accruals may be negatively impacted.

Retirement Accounts

Lost interest on investment amounts.

Inconsistent Eligibility

Risk to the department and/or Institute associated with employment, tax and negative financial impact to project budgets

Vacation Accrual

- Up to 45 days (360 hours) earned vacation may be carried over each calendar year.
- Once time taken through Dec. 31 has been posted, individual vacation records are adjusted to show no more than 45 days of vacation time.
- Pay attention to December ending balance in the system as it does not include the December vacation accrual.

Vacation payout delay

- One bi-weekly pay cycle after last paycheck
- Used to collect benefit premiums
- Accrual Discrepancies & Timing of PSFs

QUESTIONS



QUESTIONS FROM AUDIENCE



OTHER QUESTIONS???

WRAP UP



THANK YOU!!!