2017 FINANCIAL SUMMIT

FRIDAY, NOVEMBER 3, 2017
GTRI CONFERENCE CENTER AUDITORIUM
9AM - NOON
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

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

**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
20 IMPERATIVES WITHIN A 7 PETAL STRUCTURE

Integrated Holistic Planning & Design
September 2015
Agreement signed with The Kendeda Fund

December 2015
Shortlist of design teams finalized

March 2016
Design team Selected

April 2016
Pre-design and programming

June 2016
Schematic design phase start; construction manager

Fall 2016
demolition of existing buildings on vicinity

December 2016
Design development phase start

August 2017
Construction documents start

November 2017
Construction starts

January 2019
Substantial Completion of Construction

Summer 2019
Classes Begin

2018
Construction continues

2019
GMP contract with construction manager

2020
Living Building Challenge 3.1 anticipated certification

2015

2016
Building Launch

2017

2018

2019

2020

CREATING THE NEXT®
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

- **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

As curated by future Living Building Advisory Council
QUESTIONS
TEISHA ALSO BROOK
FINANCIAL COMPLIANCE PROGRAM MANAGER
CONTROLLER’S OFFICE
FMKD TRAINING SERIES

• 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

- **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](http://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](mailto:fintrain.ask@gatech.edu).
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.
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):

<table>
<thead>
<tr>
<th>PeopleSoft System Access</th>
<th>FMKD Online Course</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Ledger Reports</td>
<td>Basic Accounting</td>
</tr>
<tr>
<td></td>
<td>Financial Administration</td>
</tr>
<tr>
<td></td>
<td>Procure to Pay</td>
</tr>
<tr>
<td>BuzzMart Finance Approver</td>
<td>Asset Management and Property Control</td>
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<tr>
<td></td>
<td>Insurance and Claims Management</td>
</tr>
</tbody>
</table>

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.
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.
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.

Greetings,

Your system access to General Ledger Reports and BuzzMart has been reinstated. If you have any questions, email fintrain.ask@gatech.edu.
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.)
Email fintrain.ask@gatech.edu for additional questions
THE ENTERPRISE TRANSFORMATION

GREG PHILLIPS
SENIOR DIRECTOR
ENTERPRISE RESOURCE PLANNING (ERP)
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

<table>
<thead>
<tr>
<th>Executive Leadership Team</th>
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<tbody>
<tr>
<td>Governance Committee</td>
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<tr>
<td>Steering Committee: Transformation Champions</td>
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<tr>
<td>Management Team</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program Management</th>
<th>Process Transformation</th>
<th>Enablement</th>
<th>Organizational Readiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope Management</td>
<td>FDM</td>
<td>System Management Integration</td>
<td>Communication Engagement</td>
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<tr>
<td>Cost Management</td>
<td>Financial Accounting</td>
<td>Conversion</td>
<td>Learning</td>
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<tr>
<td>Resource Management</td>
<td>Banking &amp; Settlement</td>
<td>Reporting</td>
<td>Adoption</td>
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<tr>
<td>Work Plan Management</td>
<td>Grants &amp; Contract Billing</td>
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<tr>
<td>Management</td>
<td>Projects</td>
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<tr>
<td>Quality Management</td>
<td>Customer Accounts</td>
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<tr>
<td>Management</td>
<td>Procurement</td>
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<tr>
<td>Risk Management</td>
<td>Supplier Accounts</td>
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<td></td>
<td>Business Assets</td>
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<td>Expenses</td>
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<td>Planning (Budgets)</td>
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<td>HCM Integration</td>
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</tbody>
</table>
WORKDAY FINANCIAL MANAGEMENT PEERS

ARIZONA STATE UNIVERSITY

BROWN UNIVERSITY

GEORGETOWN UNIVERSITY

NYU

UNIVERSITY OF MIAMI

Yale University

TEXAS A&M UNIVERSITY

THE UNIVERSITY OF TEXAS AT AUSTIN

LOUISIANA STATE UNIVERSITY

OHIO STATE UNIVERSITY

UNIVERSITY OF ROCHESTER
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
PLANNING PHASE WORKSTREAMS

- Vision
- Foundation Data Model
- Functional Solution Planning
- Business Process Transformation
- Technical Solution Planning
- Organizational Readiness
- Implementation Planning
Foundation Data Model Design & Tenant

Please note: Generic example only

- Foundation Data Model
- Foundation Tenant
- Tenant Management Plan
Functional Solution Planning

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

- Workday Demonstrations by Functional Area
- Business Process Transformation Prioritization
Technical Solution Planning

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

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

- Project Charter
- Implementation Roadmap
- Implementation Kickoff Presentation

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

-Abraham Lincoln
WORKDAY METHODOLOGY

Implementation

Plan
- Visioning
- Foundation Data Model & Tenant
- Functional Solution
- Business Process Transformation
- Technical Solution
- Organizational Readiness
- Implementation Plan

Architect
- Functional Design
- Solution/Gap Analysis
- Technical Design
- Conversion Approach
- Test Planning
- Configuration Tenant

Configure & Prototype
- Iterative Prototyping (End-to-End)
- Configuration, Integration, and Reporting Development & Unit Testing
- Conversion Testing
- Test Preparation
- Customer Confirmation Sessions

Test
- End-to-End Testing
- User Acceptance Testing
- Deployment Preparation
- Training Development

Deploy
- Training and Rollout
- Gold Tenant
- Production Configuration and Data Conversion
- Transaction Catch Up

Support
- Functional Support
- Integration Support
- Project Close
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 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

workday

CREATING THE NEXT
QUESTIONS

Questions

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

- Pay & Fringe Benefits: 32%
- Academic & Research Requirements: 21%
- Information Technology: 16%
- Pre-Commitments & Earmarked Revenue: 13%
- Compliance, Risk Mgt, & Campus Security: 2%
- Facilities Operational Requirements: 16%

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
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
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
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
• 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](http://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
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.
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
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
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](http://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
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
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)

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

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

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

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

<table>
<thead>
<tr>
<th>Behavioral</th>
<th>Financial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the company <strong>control</strong> or have the right to control what the worker does and how the worker does their job?</td>
<td>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.)?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Relational</th>
</tr>
</thead>
<tbody>
<tr>
<td>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?</td>
</tr>
</tbody>
</table>
## ENABLE SUCCESS

<table>
<thead>
<tr>
<th>1. Wait</th>
<th>2. Classify</th>
<th>3. SLA</th>
</tr>
</thead>
</table>
| • The worker should not perform any services prior to classification. | • 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. | • 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
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
• 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).

• [Link](http://www.policylelibrary.gatech.edu/employment/purchase-gifts-employeesstudents)
<table>
<thead>
<tr>
<th>When does it occur?</th>
<th>Who pays for it?</th>
</tr>
</thead>
<tbody>
<tr>
<td>When a <em>requesting institution</em> (RI) is in need of a specific knowledge or skill set from an employee currently working at another USG <em>home institution</em> (HI).</td>
<td>Individuals should be paid from their home institution to ensure that the USG is compliant with Federal and State tax law.</td>
</tr>
</tbody>
</table>
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.
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.
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.
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
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
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
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?
“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
Questions?
<table>
<thead>
<tr>
<th>Benefits Adjustments</th>
<th>Salary and benefits overpayments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductions in arrears require additional payroll deductions to “catch up” missing contributions for the pay cycle(s) in which the action should have occurred.</td>
<td>Untimely ending of benefits due to termination may result in employee collections and financial impact to institute.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Inconsistent Eligibility</th>
<th>Untimely Pay Rate Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create gaps in coverage during the period the employee is not working at 75%.</td>
<td>Untimely processing associated with interim pay, temporary pay, transfers, promotions/demotions, pay group changes, etc. may result in benefit arrears.</td>
</tr>
<tr>
<td>Leave Accruals</td>
<td>Retirement Accounts</td>
</tr>
<tr>
<td>----------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Sick or Vacation accruals may be negatively impacted.</td>
<td>Lost interest on investment amounts.</td>
</tr>
</tbody>
</table>

**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!!!