

June 5, 2007

MEMO

To: Business Practices Committee
Through: Lowell Catlett
From: Tim Nesbitt
Subject: Response to Committee Report May 2007

Prior to responding point by point to your report please allow me to update the committee on developments related to business operations within the college. On December 7, 2006 I shared with Dean Catlett some specific plans that were developed to respond to issues disclosed in the initial CAHE Visioning Team report.

1) **FISCAL REPORTING NEEDS:**

I have met several times with central administrative staff to refine responses to our fiscal reporting needs. COGNOS (the university ad hoc reporting tool) has been used to develop standard reports which can be used by all colleges and departments. The reports are still in the testing module of the system and are being refined and are being used by test groups now. It is expected that shortly after the close of the FY 2007 books the reporting tool will be available for use campus wide. I have asked both Beth Chorey and Brooke Boren to join me as a part of the test group.

2) **TRAIN & RE-TOOL BOOKKEEPING STAFF:**

In a meeting with Jennifer Taylor-Vice President for Business & Finance I requested Jennifer's thoughts about the level of accounting knowledge she thought departmental bookkeepers should have to successfully work with a system as complicated as the Banner System. After considerable discussion we concluded certainly bookkeepers needed additional support to be successful. Not only is training sorely needed there is also a need for accounting technical support that is not currently being met. We concluded it would be appropriate to have "fiscal specialist", degreed accountants available to support the line bookkeepers. I estimate the college needs three additional exempt FTE with strong governmental accounting knowledge to address financial accounting. I will discuss the funding of these additional FTE later in this report.

Training up to this point in the conversion to Banner has been handled by the central offices. All staff both exempt and non exempt have received the same training and reference materials. Clearly in your report you encourage training be handled within the college. Developing “tip sheets” and procedure & practice manuals could certainly be incorporated into an “intercollege” training program for distribution in July 2007. Quarterly updates to “tip sheets” and practice manuals will also be incorporated to keep staff informed of efficient techniques.

3) **STAFFING OF OFFICE OF BUSINESS & RESOURCE PLANNING:**

A vacant exempt position has been filled and is currently contributing effectively to output of the office. An inventory of pending projects has been developed and assigned to staff with specific completion date targets. A recent retiree from the central business office has been identified to assist with special projects.

Executive administration of NMSU has announced a reorganization of the pre award grant and contract function. Effective June 15, 2007, duties performed by the contract administrator positions and pre award support staff will be performed by central staff. College administration has agreed to re-assign personnel to address business related needs in the college. This move effectively reassigns two exempt FTE and one non exempt FTE to meet needs identified as critical and essential.

4) **APPROVAL PROTOCOL:**

Based upon the committee comments I assume this action will be reviewed by the Dean for disposition. My recommendation continues to be, if manual signatures from a multitude of administrators adds little or no value the manual signatures should be eliminated or minimized.

5) **FOCUS ON COMPLIANCE:**

Violations of policy and procedure have been documented and certain privileges have been suspended for repeated violations of policy. My recommendation is to continue this practice.

The following is a response to the Business Practices Committee Report point by point:

TIMELY PAYMENT TO VENDORS- Committee recommends staff be told that the “net #” is the indication Hadley uses to determine when bills are paid. Teach staff/vendor that the net # can be changed at any time. **Included in training modules will be reminders to staff of vendor set up process described in the business procedures manual and on-line aids on central purchasing web site. Tip sheet advice will also include a discussion of what the payment terms mean.**

Committee recommends vendor payment receipts contain adequate information so vendor and NMSU offices know what dollars/accounts are allocated to what bill. Ex: Phone bills for 11 county offices is paid with one check with NO indication of how much is being credited toward each office's phone. **Payment advices (check stub) are sent along with checks for each payment. The central accounts payable office (Aida Lopez) has been notified that in many cases there needs to be more detail included in the payment advice section of payments remitted.**

Committee recommends NMSU staff should be able to look on Banner to see what accounts bills are being paid from and how much is being paid on each bill. **This is a good subject for a tip sheet transmission.**

Committee recommends each Extension District Office hire a bookkeeper. **This recommendation echoes the recommendation made to hire fiscal specialists to guide, assist, and oversee departmental bookkeepers. If CES is considering implementing this recommendation I suggest that the level of employee be defined as exempt Fiscal Specialist I.**

Committee recommends the Dean retract his statement about reimbursements not needing to go through district CES offices. **Based upon the committee comments I assume this action will be reviewed by the Dean for disposition. My recommendation continues to be, if manual signatures from a multitude of administrators adds little or no value the manual signatures should be eliminated or minimized.**

BOOKKEEPERS MEETINGS - Committee recommends Bookkeeper trainings be re-instated on a regular and frequent basis. **Training up to this point in the conversion to Banner has been handled by the central offices. All staff both exempt and non exempt have received the same training and reference materials. Clearly in your report you encourage training be handled within the college. Developing "tip sheets" and procedure & practice manuals could certainly be incorporated into an "intercollege" training program for distribution in July 2007. Quarterly updates to "tip sheets" and practice manuals will also be incorporated to keep staff informed of efficient techniques**

PROCUREMENT CARDS - Committee recommends CAHE use procurement cards for travel and utility payments and eliminate Diner's Club card. **The use of procurement cards, actually any entity owned credit card to direct pay for travel related expenses is prohibited by state statute.**

NON-EXEMPT PROMOTION AND WAGES - Committee recommends a PDQ be completed on all College audit/records techs and request a group grade increase. **This issue has been discussed with Vice President Jennifer Taylor (see note above in item #2) and is under consideration.**

PER DIEM - Committee recognizes day travel reimbursements are a concern for some. Day travel is considered taxable income by IRS is reflected in paycheck.

In 2006, NMSU's Central Acctg processed 3 months of reimbursements which hurt some in their December paycheck. Delayed and stalled paperwork creates aggravation and loss of productivity. The delay is what caused the attention to this issue. The issue of reporting partial day per diem as a part of compensation has been discussed at length with the central business office personnel. The response is that the payment method is required by Department of Treasury (IRS) regulations. The central business office has pledged to not allow delays as was the case in 2006-2007.

ESTABLISHING INDEX #s – Committee recommends regular communication with PI about the progress of establishing index #s. Executive administration of NMSU has announced a reorganization of the pre award grant and contract function. Effective June 15, 2007, duties performed by the contract administrator positions and pre award support staff will be performed by central staff. We can utilize our own forces to improve communications regarding process in getting index numbers established.

Committee recommends use of the comment box at the bottom of the form. Please specify the form referenced here.

Committee recommends Dr. Daughtery's funding award letters should be automated and indicate when the PI should expect to receive an index number and copied to the PI's Dept Head and Bookkeeper. We can utilize our own forces to improve communications regarding process in getting index numbers established.

Committee recommends Dr. Daughtery tell faculty that their Hatch salary dollars can follow the federal fiscal year. The Hatch O & M dollars can follow the state fiscal year or visa versa or all dollars can go into one state OR federal account. All federal appropriated funds are allocated based upon approved projects through CSREES and are subject to federal fiscal year periods, October 1 through September 30. This is a matter of training and communication including Department Heads, research faculty, and staff. Dr. Daugherty has indicated that he is interested in formalizing this training and communication from his office.

Committee recommends faculty should be told state-funded index numbers take 2-3 days to set-up; State of NM funding often has tremendous amounts of negotiation issues. CHIP index numbers should take less than three days; Restricted index numbers should take 2-3 weeks to establish They go through 3 offices – CAHE Budgets, OGC and SPA. The bulk of our work is on restricted accts. We can utilize our own forces to improve communications regarding process in getting index numbers established.

Committee recommends faculty be told that restricted accounts have negotiated terms/conditions/language that slow the process down. Agreements involve five forms (Proposal Award Form; Export Control Form; New Funding Regulations Form; and the CAS Template. All forms require original signatures. All faculty are required to attend and participate in a mandatory PI Certification Training program. The issue of negotiating terms and conditions is discussed in that program.

Committee recommends repeated negotiation problems should be resolved once. All faculty are required to attend and participate in a mandatory PI Certification Training program. The issue of negotiating terms and conditions is discussed in that program.

Committee recommends electronic signatures need more exploration. Banner has many capabilities that have not yet been activated, the plan is to activate those capabilities as we mature in our ability to use Banner.

Committee recommends holding mandated PI training geared at CAHE faculty who don't often understand the proposal submission process. All faculty are required to attend and participate in a mandatory PI Certification Training program. The issue of negotiating terms and conditions is discussed in that program.

Committee recommends Tip Sheets (if you want your index no. w/in 3 weeks of award, here's what YOU need to do). Tip sheets are a great idea and will be incorporated into an "intercollege" training and communication program beginning after books are closed for current fiscal year.

Committee recommends more staff need to be hired to work on pre- and post-awards. NMSU faculty and administrators sometime negotiated directly with agencies. When this happens, pre-awards has to play catch-up which slows down the process of producing an index number.

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Committee recommends clarifying for faculty/staff procedure for eliminating an index number. The close out process is included in the PI Certification Training program. Because of complexities related to the use of Banner the account close out has been identified as an area needing attention. This project has been identified in a listing of pending projects. Dean Catlett has granted permission to hire a temporary/occasional employee to help complete pending

projects. Quarterly communications and tip sheets will be utilized to remind faculty and staff of the close out procedures.

LOADING BUDGET ON TIME - Committee recommends hiring at least one additional FTE each for both CES and AES accounting in CAHE. The late entry of budgets was a serious short coming this past year and steps have been taken to ensure that budgets are entered in a timely manner for fiscal year 2008.

PERMANENT POOL OF NON-EXEMPT TEMPORARY STAFF – Committee recommends that Dean Catlett work with University administration to establish a permanent pool of temporary (temps) non-exempt staff to work in positions across campus that require immediate temporary occupancy. A response for the need for additional help has been addressed above. I assume the committee is referring to non exempt help for bookkeeping effort.

APPROVAL PROCESS FOR HIRING - Committee recommends that Dean Catlett handle all signatures that fall under 1 & 2. It is recommended that the Provost continue to sign 'recommendations to hire' for all professional and faculty positions that are covered by hard dollars. It is recommended that the College Dean sign 'recommendations to hire' for all soft money positions and non-exempt hard money positions. This committee recommends that there be a two-day turn-around for all three signatures listed above and that both the Dean and Provost designate an approver in their absence. Dean Catlett has designated alternate signatories in his absence in an effort to ensure that paperwork move immediately through the college's portion of the approval process.

Committee recommends all position announcements that go out have the exact job location on the announcement. This recommendation will be forwarded to the college and central personnel processing offices for consideration.

BUSINESS AND RESOURCE PLANNING OFFICE - Beth and Rita have been asked to help facilitate designing office procedures report cards that will not only reflect the depth and breadth of Business and Resource Planning work, but help faculty and staff recognize the number of tasks completed in a timely manner. A routine entry in a quarterly communication is going to be used to report to faculty and staff benchmarks that accurately reflect activity associated with the various functions of the office.

Committee recommends Tim should not be doing reimbursements or purchase orders. I am not authorized to entry purchase orders into Banner because I am listed as an approver. On rare occasions I am asked to facilitate the completion of complicated purchase orders and I will continue to coordinate that effort. I will work hard to ensure that purchase orders that I facilitate are completed timely, accurate, and compliant with policy, procedure, and regulation. On rare occasions I am called upon to facilitate vouchers, direct payments, and one time transactions. I will continue that effort. I will work hard to ensure that payment requests that I facilitate are completed timely, accurate, and compliant with policy, procedure, and regulation.

Committee recommends the BRP office provide immediate assistance. Change the position description for the individual who currently sits right outside of Tim's office. Move that individual to the front desk closest to the door. Change the position to a Secretary/Receptionist/Data Base reader; create position requirement that this position can field questions about where a process is to date. We are currently looking into redefining front office personnel duties and will take this recommendation into consideration.

Faculty are frustrated by a lack of information from BRP. Committee recommends establishing some kind of quarterly or monthly communication to provide the College with status of proposal submissions, accounts, budget loads, etc. A set of clear benchmarks will be incorporated into an "intercollege" training and communication program beginning after books are closed for current fiscal year.

One goal set out by Dean Catlett has yet to be discussed. Dean Catlett had asked that the committee attempt to discover whether or not other colleges had experienced difficulties in establishing index numbers and processing paperwork. Recently the Council on Research Centers invited all business managers from the academic colleges to come meet with them to discuss how wide spread current difficulties are. It was clear from that meeting (Dr. Daugherty was in attendance) that the problems are campus wide. Each research center mentioned specifically that it was taking extremely long periods of time to get restricted grant and contract index numbers established. Further it was discovered in the meeting there were other difficulties related to timeliness of processing paperwork. Jennifer Taylor was in attendance, noted that the Banner module dealing with Grants and Contracts was the weakest module implementation so far. Jennifer discussed the possibility of abandoning the Banner module for grants and contracts and designing a customized system for NMSU. The other condition revealed by Jennifer was a review of the manner in which the chart of accounts had been defined within Banner. Jennifer reported there were complexities created as a result of some design decisions that could be corrected now. There is an on-going review of the chart of accounts in an attempt to streamline accounting.

