Treasurer’s Town Hall

J. Michael Gower

Executive Vice President, University Finance and Administration
University Treasurer

May 10, 2019

401 Penn Street
Camden, NJ
Today’s Agenda

Finance Update
  Mike Gower
  Kathy Dettloff

Procurement Initiatives
  David Fenkel

Ethics & Compliance
  Casey Woods
  Miranda Alfonso-Williams
94,000 Attended the 11th Annual Rutgers Day
Explored ways to better serve the University through chart of accounts changes, improved controls and education, guidance, support, and policies to ensure best use of the COA.

**Goal**

Improve how we support our operations by making the chart of accounts simpler to use, ensuring the data are accurate and easily reportable across the University, and making certain that the project ledger interacts seamlessly with the general ledger.
✓ Sponsored and non-sponsored **master project data** to ensure accurate and consistent projects-to-general ledger accounting

✓ **Sub-ledger accounting rules** to enable project cost and revenue transactions to follow project’s U-D-O combination

✓ **Cross validation rules** to ensure use of only valid and correct chart segment combinations

➢ More intuitive **segment value descriptions**

➢ **Correct balances and delete invalid strings** after clearing balances in all 10 segments of the chart of accounts

➢ Accounting **procedures and guidance** on financial transactions
Accounting Procedures

• **July 2018**
  – Funding Transfers
  – Expense Recovery
  – Faculty Funds

• **March/April 2019**
  – Educational Opportunity Fund
  – Internally Designated Funds – Fund 165
  – Salary and Wage, Fringe, FICA and Medicare
  – Prior Year Balances

• **Timing TBD**
  – Month-End Close
  – Strategic Funds
  – Internal Charging
  – Auxiliaries
  – RU Corporate and Corporate Pass-through Activities
  – Project Portfolio Management
What is the biggest difference that you see between this year and last year?
Enterprise Planning and Budgeting Cloud Service

- First budget cycle near completion
- Your hard work with Workforce is paying off
- More accurate and understandable salary and wage budgets
- Fringe benefits aligned with prior year trends
- Significant difference in quality v. prior year practices
How can we improve the budgeting process next year?
## April FY19 Month End Close

<table>
<thead>
<tr>
<th>Description</th>
<th>Business Day</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable Ledger Close</td>
<td>3</td>
<td>Friday, May 3, 2019</td>
</tr>
<tr>
<td>Account Reconciliations Complete and Recurring Central Adjustments Complete</td>
<td>8</td>
<td>Friday, May 10, 2019</td>
</tr>
<tr>
<td>Field Close*</td>
<td>10</td>
<td>Tuesday, May 14, 2019</td>
</tr>
<tr>
<td>Chancellor and Controller’s Office Close</td>
<td>12</td>
<td>Thursday, May 16, 2019</td>
</tr>
</tbody>
</table>

*Projects ledger will close at approximately 2:00 p.m. and the general ledger will close at approximately 4:00 p.m.*
## May FY19 Month End Close

<table>
<thead>
<tr>
<th>Description</th>
<th>Business Day</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable Ledger Close</td>
<td>3</td>
<td>Wednesday, June 5, 2019</td>
</tr>
<tr>
<td>Account Reconciliations Complete and</td>
<td>8</td>
<td>Wednesday, June 12, 2019</td>
</tr>
<tr>
<td>Recurring Central Adjustments Complete</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Field Close*</td>
<td>10</td>
<td>Friday, June 14, 2019</td>
</tr>
<tr>
<td>Chancellor and Controller’s Office Close</td>
<td>12</td>
<td>Tuesday, June 18, 2019</td>
</tr>
</tbody>
</table>

*Projects ledger will close at approximately 2:00 p.m. and the general ledger will close at approximately 4:00 p.m.
### Description | Business Day | Date              
---|---|---
Accounts Payable Ledger Close | 14 | Friday, July 19, 2019  
Account Reconciliations Complete and Recurring Central Adjustments Complete | 19 | Friday, July 26, 2019  
Field Close* | 24 | Friday, August 2, 2019  
Chancellor and Controller’s Office Close | 29 | Friday, August 9, 2019  
Year-End Reporting | 39 | Friday, August 23, 2019  

*Dates are tentative and subject to change.

Projects ledger will close at approximately 2:00 p.m. and the general ledger will close at approximately 4:00 p.m.
Upcoming Planning Meetings
• May 7 – IT Audit
• May 16 – Grants; Student Accounting
• May 17 – Treasury; Payroll/University Human Resources; Patient Services

Scheduled Work
• May 2019 – IT Work
• June 10-July 5, 2019 – Interim Financial Statement Work
• July 29-August 9, 2019 – Interim Single Audit Work
• August 26-November 6, 2019 – Final Financial Statement Work
• November 25, 2019-February 28, 2020 – Final Single Audit Work
Facilities and Administrative Costs?

Direct Costs

These are generally what people think about when it comes to federal support for research projects – they solely support the actual research that is about to take place.

Includes:

- Laboratory supplies
- Certain research equipment
- Salary support for researchers and lab personnel
- Travel for conducting research or disseminating research results

Total Costs

F&A covers a portion of infrastructure and operational costs related to federally-funded research that cannot be attributed to a single project (and that the university wouldn’t have incurred if it weren’t conducting research on behalf of the sponsor).

Includes:

- Facilities
  - Building depreciation
  - Equipment depreciation
  - Interest
  - Operations and maintenance
  - Library
- Administrative
  - General administration
  - Departmental administration
  - Sponsored projects administration
  - Student administration and services

Source: EAB interviews and analysis; COGR, Primer on F&A.
## Prior Rates v. New Rates

<table>
<thead>
<tr>
<th></th>
<th>PRIOR TO July 1, 2018</th>
<th>EFFECTIVE July 1, 2018 - June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>7/1/2018 - 6/30/2019</td>
</tr>
<tr>
<td><strong>ORGANIZED RESEARCH</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rutgers</td>
<td>55%</td>
<td>55%</td>
</tr>
<tr>
<td>RBHS</td>
<td>59%</td>
<td></td>
</tr>
<tr>
<td><strong>INSTRUCTION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rutgers</td>
<td>53%</td>
<td>53%</td>
</tr>
<tr>
<td>RBHS</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td><strong>OTHER SPONSORED ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rutgers</td>
<td>37.2%</td>
<td>37.2%</td>
</tr>
<tr>
<td>RBHS</td>
<td>26.1%</td>
<td></td>
</tr>
<tr>
<td><strong>NATIONAL TRANSIT INSTITUTE (NTI)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td><strong>OFF-CAMPUS (ALL)</strong></td>
<td></td>
<td>26%</td>
</tr>
</tbody>
</table>
What’s Next?

**Open Sessions**

<table>
<thead>
<tr>
<th>Location</th>
<th>Date</th>
<th>Time</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>RBHS / NJMS (Newark)</td>
<td>May 13</td>
<td>1:00-2:30 p.m.</td>
<td>MSB B610</td>
</tr>
<tr>
<td>RBHS / RWJMS (New Brunswick)</td>
<td>May 21</td>
<td>10:00-11:30 a.m.</td>
<td>TBD</td>
</tr>
<tr>
<td>SEBS, ENG, SAS (New Brunswick)</td>
<td>May 23</td>
<td>2:00-4:00 p.m.</td>
<td>TBD</td>
</tr>
<tr>
<td>Rutgers–Newark</td>
<td>June 5</td>
<td>10:00 a.m.-12:00 p.m.</td>
<td>TBD</td>
</tr>
<tr>
<td>Rutgers–Camden</td>
<td>June TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Rutgers–New Brunswick (In Person and Webinar)</td>
<td>June TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

**Training and education sessions being planned and will be available throughout FY19 and beyond**

**Inquiries**

<table>
<thead>
<tr>
<th>Type of Question</th>
<th>Who to Contact</th>
</tr>
</thead>
</table>
| Proposal and Pre-Award| Chrissa Papaioannou at cp847@ored.rutgers.edu  
Diane Ambrose at ambrosdm@ored.rutgers.edu |
| Post-Award            | Lamar Oglesby at gca@ored.rutgers.edu  |
| General F&A           | A. Chea Smith at cost@finance.rutgers.edu  |
Vice Chancellor for Finance, Rutgers University–New Brunswick

Chief Business Officer, leader and change agent for financial management and planning for RU-NB

Directs and facilitates financial strategy, management, and planning

Develops strategies that ensure the University’s financial well-being and promote efficient operation
Senior Vice Chancellor for Administration and Economic Development and Chief Financial Officer, Rutgers University–Newark

Leader and change agent for financial management and planning for RU-Newark

Develop and implement best practices, cultivating strong relationships throughout the City of Newark

Coordinate activities of campus planning and facilities, real estate, information technology, EMS, parking services, and business and budget matters.
Procurement Initiatives

David Fenkel
Director, University Procurement Services
Access to Communications and Marketing Experts (ACE)

- University Communications and Marketing, and University Procurement Services
- Vendors trained on Rutgers brand standards, communications and procurement policies
- **More than 60** ACE suppliers including firms of various sizes, capabilities, price points and locations, as well as freelancers
Self-service and collaboration with suppliers in the cloud

**Supplier Management Project Vision**
A simple Supplier Information Management tool aimed at increasing efficiencies, data accuracy, and risk compliance, while decreasing cost, manual effort, and duplicate records

**What are we doing?**
Procurement is implementing a new supplier self-service portal to:
- Improve supplier data management
- Reduce manual effort and errors through rekeying
- Provide better supplier controls, allowing them to update their profile
- Reduce erroneous or duplicate records

**How are we doing it?**
Procurement, with the support of Accounts Payable and Vendor Management, contracted with PaymentWorks, a leading provider of Supplier Information Management solutions.

The PaymentWorks tool:
- Integrates with Oracle Fusion
- Allows suppliers to keep their vendor status up-to-date in real-time
- Keeps the frontend supplier request process remotely unchanged and eliminates the need for Supplier Maintenance Forms

**When are we doing it?**
- Oct 2018 – Completed RFP request, review and selection process
- Feb 2019 – Kicked off Supplier Management project with PaymentWorks
- Jul 2019 – Begin using PaymentWorks to onboard new suppliers
- Dec 2019 – Fully deployed and migration of existing suppliers initiated

**Why are we doing it?**
- Reduced cost and inefficiencies resulting from multiple manual handoffs and improved onboarding time
- Increased security of sensitive data such as social security numbers and bank accounts
- Suppliers own their information, allowing them to view / update information in real-time, greatly improving the accuracy and completeness of supplier data
- Reduced internal and external compliance risk as a result of automatic IRS or OFAC validation
- Reduced inquiries to our help desk due to direct visibility to suppliers for payment inquiries
QUESTIONS & ANSWERS
Ethics

Casey Woods
Interim Director of Ethics, Training, Investigations and Public Records, Ethics Liaison Officer/OPRA Custodian
University Ethics and Compliance
Phone: (973) 972-1887

Email: ethics@uec.rutgers.edu

University Ethics and Compliance
uec.rutgers.edu

Rutgers Ethics Armor Program
ethics.rutgers.edu
The Mission of University Ethics and Compliance is to support Rutgers, The State University by analyzing and mitigating complex compliance requirements; providing support and education to help meet operational, strategic, and reputational organizational risks; promoting an environment focused on respect and integrity; and enhancing the operational, financial, and reputational goals of our Rutgers partners.
What Do We Mean When We Talk About Ethics?

Integrity

Reputation

Accountability

Transparency

We are a public university; we answer to the public.
Rutgers Ethics Armor Program

The new Ethics Armor provides a streamlined ethics reporting system. From the menu on the left, faculty and staff will be able to access the policies that drive the program and FAQs on certain requirements. Faculty and staff are able to access each of the required forms on the system and complete each one electronically. Tutorials on the use of the program are available at the ethics website: http://erm.rutgers.edu/departments/rutgersEthics.html

Rutgers, the premier public research university in New Jersey, is a steward of the public trust. As faculty and public employees, we must take care to exhibit the highest ethical standards of conduct in carrying out our duties and to avoid rigorously any conduct that might produce even the appearance of the misuse of our Rutgers positions to further our own personal interests.

The New Jersey Conflicts of Interest Law, which is generally applicable to all Rutgers employees, recognizes the need to educate public employees in ethical standards. Accordingly, Rutgers has introduced this Ethics Armor platform to assist faculty and staff in complying with the State regulations and all faculty and staff are urged to cooperate and participate in this effort.

NOTE: A system maintenance window is scheduled for Fridays after 5:00 pm. Employees are encouraged to plan accordingly to avoid that maintenance window as the system may be unavailable.

If you have questions about the program please contact the Ethics Office via email at ethics@ca.rutgers.edu.
• Integrity and reputation of public employees
• Conflicts of interest concerns
• Operational concerns
• Your Outside Activity Questionnaire is not public
• We will never ask for your personal political or religious affiliations
• Nepotism: You are not allowed to hire, fire, or supervise a relative
• Do not use university time or resources for personal gain
Any compensated activity that you perform in addition to your University employment

Examples:
- Per diem
- Consulting
- Part-time
- Family/Personal business
If you are in a leadership position with a volunteer organization please disclose that affiliation

Examples:
• Executive Board Member
• Appointed to a Board or Commission
• Treasurer for a charitable organization
Casino Employment
Gifts between colleagues are acceptable

Use your best judgment: nothing excessive or inappropriate
University staff should **not accept gifts** from the public

However, if the gift is delivered or you don’t wish to offend, please let us know

Return the gift if possible – we can provide an explanation letter

If it is a perishable item, please donate to a local charity
ETHICS HERO
Scarlet Knight Does Right

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The university has a “Code of Ethics” which has been approved by the State. The university also has policies which underscore that ethical behavior is a basic requirement of faculty and staff in all aspects of the conduct of their duties.

The conflicts of interest law provides principles that are generally applicable to all employees as well as standards and prohibitions to guide public employee conduct. The statute
Phone: (973) 972-1887

Email: ethics@uec.rutgers.edu

University Ethics and Compliance
uec.rutgers.edu

Rutgers Ethics Armor Program
ethics.rutgers.edu
Privacy

Miranda Alfonso-Williams
Director of Privacy
University Ethics and Compliance
Privacy is a Right

CALIFORNIA CONSUMER PRIVACY ACT

STATE LAWS

FERPA

HIPAA

IDENTITY THEFT

RULES LAWS REGULATIONS
Unlike EU, US Privacy Law Is Sectoral

<table>
<thead>
<tr>
<th>Electronic</th>
<th>Health</th>
<th>Children &amp; Education</th>
<th>Financial</th>
<th>Government</th>
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</thead>
<tbody>
<tr>
<td>Federal Information Security Management Act (FISMA)</td>
<td></td>
<td>Family Education Rights and Privacy Act of 1974 (FERPA; also know as the Buckley Amendment)</td>
<td>Electronic Funds Transfer Act (EFTA) Summary</td>
<td>Electronic Freedom of Information Act of 1996 (E-FOIA)</td>
</tr>
<tr>
<td>Cable Communications Policy Act of 1984 (Cable Act)</td>
<td></td>
<td></td>
<td>Fair and Accurate Credit Transactions Act (FACTA) of 2003</td>
<td>Telecommunications Act of 1996</td>
</tr>
<tr>
<td>Video Privacy Protection Act of 1988</td>
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</tr>
</tbody>
</table>
• Privacy

• Health Insurance Portability and Accountability Act (HIPAA)

• Family Educational Rights and Privacy Act (FERPA)

• Social Media

• Phishing
Quantitative  Qualitative  4-Factor
Inadvertent Disclosures

Improper Disposal

Unsecured Protected Health Information

FERPA
THE HIPAA Wall Of Shame
## HIPAA Civil Penalties

<table>
<thead>
<tr>
<th>Violation Category</th>
<th>Each violation</th>
<th>All such violations of an identical provision in a calendar year</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Did Not Know</td>
<td>$100–$50,000</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>(B) Reasonable Cause</td>
<td>$1,000–50,000</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>(C)(i) Willful Neglect-Corrected</td>
<td>$10,000–50,000</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>(C)(ii) Willful Neglect-Not Corrected</td>
<td>$50,000–1,500,000</td>
<td>$1,500,000</td>
</tr>
</tbody>
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Criminal Penalties Can Also Apply
University Ethics and Compliance Website
https://uec.rutgers.edu/frequently-asked-questions/

University Ethics and Compliance Email
privacy@uec.rutgers.edu
QUESTIONS & ANSWERS
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