

# FINANCE AND ADMINISTRATION

## 2008-2009 Unit Accomplishments

### INTERNAL AUDIT

#### 1. COMPLETED AUDITS AND ISSUED THE FOLLOWING AUDIT REPORTS:

*Thereby identifying problems for correction & accomplishing internal control/process improvements in support of NAU Strategic Plan Goal 7: Innovative, Effective, and Accountable Practices*

*Strategy 1: Continuously improve institutional effectiveness and organizational performance*

*Applicable Initiatives:*

- *Strengthen budgetary and financial performance to achieve financial accountability and transparency*
- *Support a robust information infrastructure to ensure the quality and availability of needed data and services for faculty, staff, students, and partners*

### Financial Aid: Non-Federal Awards and Disbursements

Major findings/recommendations:

- *Refund Policy (no policy for recovery of institution and NAU Foundation financial aid from students when student drops classes and/or withdraws from the University),*
- *NAU Tuition Payment Plan (students in Tuition Payment Plan not required to have financial aid applied to tuition, fees, and other charges- can allow for excess funds given to students when student still owes NAU money),*
- *Departmental Scholarships Awarded to Ineligible Recipients (eligibility requirements for department scholarship programs not being reviewed-allowing disbursement to ineligible students),*
- *Authorization to Waive Tuition & Fees (no definitive person established to authorize waiving tuition, university fees, class fees, etc).*

### High Country Conference Center Construction Costs

Major findings/recommendations:

- *Project Management and Control (Current project management processes, procedures, and resources need to be re-evaluated, need a critical review of the construction planning process, need to formalize project management policies & procedures),*

- Control Over Change Orders/Guaranteed Maximum Price (GMP) Adjustments (*NAU project management staff should have a complete understanding of GMP Adjustments before signing and approving them*),
- Construction Project Documentation (*documentation not always given to project manager*),
- Allowable/Non-Allowable Costs (*Contracts not identifying allowable and unallowable costs chargeable to the Owner*),
- General Conditions Expenses (*GC expenses need more clarification for reimbursement, actual labor costs should be used for CMAR's GC costs, contract wording needs to state that only CMAR personnel on site be included in negotiating GC expenses, need to create a detailed budget of GC expenses, NAU paid \$25,826 of GC expenses because they were excluded from negotiations*),
- Change Order Pricing (*Improve supporting documentation for Change Orders, need to develop an approval coversheet for GMP Adjustments/COs*)
- Owner's Right to Recover Change Order Pricing Errors (*Need to be able to recover CO pricing errors even after CO signed*)
- Payment Application Review and Approval (*NAU Project Manager should review and approve payment applications, CMAR should submit a current job cost ledger, need to develop a "Payment Application Checklist", CMAR contract needs to include the right to recover payment errors*).

### **Subrecipient Monitoring**

Major findings/recommendations:

- Subrecipient Monitoring Policies and Procedures (*Need written policies and procedures for subrecipient monitoring*).

### **Personnel Costs & Related Processes**

Major findings/recommendations:

- FLSA Compliance (*Need more FLSA compliance training, need to track comp time in PeopleSoft, non-exempt employees should receive overtime for hours worked over 40 per week, need to ensure that all employees correctly classified as exempt or non-exempt*),
- Social Security Number (SSN)/Name Verification (*HR needs to verify employee names and SSNs using SSNVS, ITS needs to create an easy method for HR to access and extract payroll data into the "Submission File Format" for SSA, HR needs to resolve any issues with employee SSN*),
- Form I-9 Employment Eligibility Verification/E-Verify Process (*HR complete automated I-9 checks for all employees hired or re-hired after December 31, 2007*),
- Access to Social Security Numbers and Banking Data (*HRIS needs to ensure only necessary people have access to view SSN and banking information of employees*).

## **Student Travel**

Major findings/recommendations:

- Student Travel Policies (*Need written policies and procedures for student travel*).
- Medical and Liability Release Forms (*Need to develop a standard form and policies outlining which forms need to be required from students*).
- Charter Bus Safety Record Verification (*Need policy requiring the obtaining of safety records and liability insurance information before hiring a charter bus*).
- Behavior Expectations/Emergency Contact Information/Safe Travel Guidelines (*Recommend that a standard behavior expectations and emergency contact form be developed and required from students who travel, and that safe travel guidelines be incorporated into the travel policies*).

## **POLICE**

During this past year the NAUPD has had several accomplishments that have benefitted the community it serves as well as the department itself;

- The department was reaccredited by the Commission for the Accreditation of Law Enforcement Agencies (CALEA) after an extensive on-site inspection, and was recognized at the CALEA national conference as a “Flagship Agency” for its demonstrated leadership ability in performing its mission in compliance with CALEA standards,
- Researched, developed and implemented a police aide program, two existing campus safety aides selected, trained and certified to take police reports with no suspect information thus providing sworn officers with more pro-active law enforcement time at minimal cost,
- Implemented a crime victim callback program which resulted in 16% of the reported crimes being determined to have not actually been a crime, but rather in some cases temporarily misplaced or borrowed property, thus substantially reducing our campus property crime rate,
- Obtained, programmed and issued Panasonic Toughbook computers for use by uniformed officers to facilitate completion of their field reports in a more efficient manner,
- Obtained a grant award from the METRO task force to purchase, train and certify our officers with patrol rifles.
- Obtained a grant award from the Governor’s Office of Highway Safety to complete equipping all of our patrol vehicles with in car video cameras

## **SKYDOME**

- Installation of “state of the art” Matrix Turf System in the Skydome
- Successfully hosted Big Sky track championships
- Hosted 1-A, 4-A Regional Basketball Championships in the Skydome and Rolle Activity Center
- Hosted state 2-A and 3-A Football Championships in Skydome
- Hosted 2008 Arizona Cardinals Training Camp (started quest for NFC Championships and Super Bowl appearance)
- Successful coordination and communication of scheduling and implementation of athletic events
- Successful organization and response for two NAU commencements
- Successful host for three high school graduations
- Hosted successful Nazarene Church Festival during the spring
- Worked closely with summer conference to interface rental use of Skydome with numerous different groups and organizations
- Hosted the Catholic Diocese Regional Mass
- Worked with student services to host Relay-For-Life
- Hosted another successful Home Show and contracted with them for another three years
- Worked with design matrix to plan for stimulus money implementation of Skydome renovation
- Hosted two Youth Football groups in Skydome
- Provided NAU Athletics with organization, staffing, set-ups, and game management for all scheduled events
- Hosted high school football every Friday – September thru November
- Hosted high school football “Extravaganza” in August – 8 teams

## **FINANCE AND ADMINISTRATION**

- During the past year, Finance & Administration has successfully completed a reorganization of its functional areas of responsibility. This includes the loss of:
  - a. Capital Assets & Services to the President,
  - b. the Central Ticket Office to Enrollment Management - Campus Services,
  - c. Parking Services to Enrollment Management - Residence Life,
  - d. Regulatory Compliance to Research, and
  - e. the Bookstore operation to University Advancement.
- Similarly, Administration & Finance has gained jurisdictional responsibility for:

- a. Campus Supply from Capital Assets, and
  - b. State Risk Management Property Liability and Insurance Services from Capital Assets.
- From a budgetary perspective, areas within Administration & Finance successfully closed out Fiscal Year 2008 within its jurisdictional resources. We are on target to reduce State spending for Fiscal Year 2009 by 5.5%, and have come up with a plan to cut State allocations as directed by University Administration for Fiscal Year 2010. The Fiscal Year 2010 State Budget will be cut by \$583,000 and includes the elimination of 5.5 positions and shifting 1.09 positions from state funding to local funding.

## **COMPTROLLER**

- Drafted the NACET agreement for Technology Transfer and Intellectual Property services
- Added better content to the Financial Literacy sessions during orientation.
- Programming for the new tuition is calculating correctly
- Held Business Manager Meeting for all NAU employees with Fiscal responsibilities
- Implemented EFT payments for employee reimbursements, including implementation of JP Morgan Chase INFODEX system for ACH file management – March 08
- Tested and implemented a mass fixed asset deletion of assets under the \$5,000 capital threshold, including a mass reload of tag-gable assets as non-depreciated assets. – February 08.
- Tested and implemented security enhancements for A/P payments and ABS type documents (travel) – January 08 (RC docs) and April 08 (ABS docs).
- Assumed payroll tax reporting responsibilities from AZ DOA, including direct payment to payroll vendors and filings with the IRS and AZ Dept of Revenue. Implemented tax payment process through JP Morgan Chase for IRS and AZ Dept of Revenue payments – January 08
- Assumed accounting responsibility for the Pine Ridge/McKay Village LLC from Residence Life – January 08
- New inventory process has resulted in return of 98% of all departmental inventories to date as compared to a 20% return in prior years. Under the new inventory process, Property Control is comparing departmental inventories and is locating missing items across campus. Turn-around for Purchase Order Processing (time between RQS and PO) is as follows (781 PO's processed):
  - a. 75% processed within one week
  - b. 8% processed within two weeks
  - c. 3% processed within three weeks

- 13% processed in a time greater than three weeks  
 Note: Those that fall in c and d above are those that required bidding, insurance or contract negotiations. Solicitations and PO's were accomplished with vacancies of up to two buyer positions.
- Issued \$36,780,000 in lease revenue refunding bonds to respond to negative market conditions. These bonds were for the Pine Ridge Village and McKay Village student housing projects.
- Negotiated changes to existing software contract to add the software and consulting services for the campus-wide email upgrade.
- Completed Long Form proposal and negotiated new four year rate with Division of Cost Allocation. New rates are FY's 2009-2010 48.5% FY's 2011-2012 49.0%. Generally rate agreements are negotiated for three years. Accomplishing a four year rate allows NAU to postpone having to expend resources for this requirement for a greater length of time.
- Implemented recommendations from the Effort Distribution Report (EDR) internal audit by revising the Effort Reporting form and language. This has been accomplished through cooperative effort between personnel in Human Resources, ITS and Sponsored Projects Services. The first printing of the new report will be on the August 15<sup>th</sup> payday. The new procedure includes all employee pay groups and will be processed every other pay cycle rather than the current every pay cycle in an effort to ease some of the burden of this function across campus.
- Invested NAU funds safely with increased investment income return
- Completed two federal desk reviews on grant projects from National Science Foundation (NSF) and Department of Health and Human Services (DHHS).
- Filed all monthly financial status reports with ABOR Ad Hoc Finance committee
- Processed RFP for new Skydome turf saving the project greater than \$1 million.
- Implemented collection and recycling of toner cartridges for campus through Property Surplus.
- Coordinated and responded to IRS audit of 2002 tax exempt bond issuance. Received clean audit results.
- Implemented a new cashiering process and procedure that provides a means for Sponsored Projects Services to complete our own cashiering functions along with reconciliations and deposits.
- Successfully completed the creation of a Sub-recipient database and mailed out required OMB A-133 verification letters to NAU sub-recipients. Once returned to NAU these letters are logged into the database and placed into the grant folders
- Represented University on ABOR internal control and other issues.
- Held two Business Manager Meetings for all NAU employees with fiscal responsibilities.
- Held Use Tax training session for 120+ employees with a Dept. of Revenue spokesman as guest speaker

- Improved controls over processing of travel payments in Advantage. Audited all transactions that were processed with the control deficiency.
- Developed new format for Comptroller policies and manual. New format will be utilized in fall 2008.
- Reviewing travel, Pcard and purchasing policies for publication in September, 2008.
- Partnered with Internal Audit to execute a university wide risk assessment process that was the basis for the FY09 audit plan proposal.
- Partnered with an external resource to conduct a departmental fraud investigation.
- Submitted a proposal for a university level compliance program.
- Continued consulting with departments across campus regarding procedures and control improvements.
- Completed 70 Pcard and Travel Compliance Reviews.
- Initiated quarterly surveys on the Pcard and Travel Compliance Review process.
- Held a Pcard and Travel Compliance Review focus group to obtain ideas for improvement to the process.
- Successful Implementation of new loan servicer
- Completed inter-departmental training for staff to better serve customers.
- Reorganization and streamlining of Cashiering department - Bursar
- Combined enrollment deposit and housing application.
- Maintain postal services operating cost per piece below \$.05
- Purchased new mail processing equipment to process mail more efficiently.
- Received \$700.00, from the Marketing Services to develop posters marketing our services sent to all departments.
- Coordinated USPS mail delivery to the new Drury Hotel and High Country conference Center.
- Developed a video tour of our Postal and Shipping Operation. Once this is uploaded to our Postal Services Website it will assist departments to better understand our internal mail processes.
- Departments will learn how to submit their mailing jobs and see the steps in processing their mailing.
- Our on-line customer satisfaction survey and internal campus delivery audits indicates our customers are highly satisfied with our services and delivery standards performance.
- Upgraded all Ticketmaster equipment
- Improved deposit procedure while maintaining accuracy
- CTO assisted in development of Access Reporting to further streamline deposit and event ledger procedure, work in progress
- Indirect Cost revenue increased from \$4.3 million in FY07 to \$5.1 million in FY08

## **HUMAN RESOURCES**

- HR administered the Employee Development Support Fund program. Awarded \$40,000 affecting professional development of 488 employees in over 80 departments. (FY08)
- All EAW services contribute to a healthy learning centered community for our students through the second order change model – we provide services to those who directly interact with students
- EAW staff served on doctoral dissertation committees
- HR played a key coordination role in the February 08 employee conference on Sustaining Ourselves, Our Work, Our World. A half day or full day format was offered with over 30 different breakout topics centered on personal, professional and environmental sustainability; a sustainability fair and green building tours were also offered.
- HR provided individual department training assistance on team building, personal accountability, customer service, NAU resources, and performance standards.
- HR provided 91 training sessions to 1141 participants (FY08)
- HR supervised internship for Educational Leadership Master's student.
- HR implemented minimum wage increase to 7.25 on 1/1/2009 affecting student employees.
- EAW offered counseling, consultation, conflict management, and critical incident response services to a higher number than targeted – 1,013 clinical contacts – 42 critical incidents
- EAW identified sustainability, managing change, and building resilience in uncertain times as key focus areas for our workshop series fall 08 and spring 09 - offered multiple workshops
- EAW screened 186 individuals through the Wellness at Work Health Screening program
- EAW provided 1,159 flu vaccines in partnership with Fronske Health Center
- HR & EAW developed resource and support mechanisms for employees affected by reductions in force, including resource meetings and partnerships, in addition to revamping notification processes, which included in person notifications across 13 statewide locations.
- EAW provided workshops and seminars for departments on request, focused on personal and organizational sustainability during uncertain times, healthy work climates, team development, and communication
- HR collaborated with other training staff on subcommittee of Advisory Council on Diversity and Equity to evaluate needs and provide a series of training events on diversity and equity.
- HR organized training in diversity awareness and inclusion for the Admin and Finance Team as part of a multi-year goal to increase competency in these areas.
- HR assisted Budget Office and ITS in implementing the NSTAR related phases of the HR data warehouse. (FY08)
- HR implemented training administration with 50 HR and Safety courses set up in the system and all HR classes currently using the system for registration. All safety class completion in ORC and SES are now being tracked in training administration.

- HR implemented process to comply with the Legal Arizona Worker's Act which went into effect on January 1, 2008. This included enrolling NAU as a participant in the Federal eVerify program, training staff on the proper use of the program and its systems, and verifying all newly hired employees through that program.
- HR developed automated upload capability that will provide ability to automate the entry on back pay, parking payroll deductions, graduate health insurance, and graduate tuition remission.
- HR developed a proposal and implemented a reorganization of HR functions to ensure streamlined functionality, increased consistency, and enhanced customer service. Held open house for customers.
- HR facilitated NAU's implementation of the Phased Retirement Program for ORP participants (FY08)
- HR developed a recommendation for mandatory employee training. (FY08) Never approved - budget constraints.
- HR participated in the development and implementation of a new cell phone policy; established procedures, instructions, forms and samples in support of the new policy. (FY08)
- HR developed a recommendation for annual administrator compensation procedures; presented to administration and received approval to implement. (On hold due to budget constraints)
- HR fine-tuned the workforce planning process, incorporating a three tier set of criteria for prioritizing, which assisted administration in being able to methodically approve adjustments with criteria equitably applied among all colleges and departments at NAU.
- HR established a set of security practices for HR internal department use focused on physical and information security. Includes supervisor responsibilities for orienting and exiting employees.
- HR incorporated state eligibility guidelines for domestic partners, children of domestic partners, and older children into NAU administered health related plans. Worked with ADOA in the planning for open enrollment materials and procedures.
- HR led the effort on the NAU health plan renewal (08-09). HR recommended alternatives resulting in a zero increase for both NAU and its employees for the 08-09 plan year.
- HR implemented enhancements and changes to the NAU administered life insurance plan while maintaining same rate of premium charges.
- HR led the development of a university wide furlough program for FY09 and FY10, including guidelines, communications, and processes
- HR participated in RFP process for selection of three 403b vendors and implemented conversion to web based, self service retirement manager, both as compliance measures to new 403b regulations (Pension Protection Act).
- HR led the effort to develop and implemented a domestic partner tuition assistance program.
- HR developed plan, materials and processes for complying with the American Recovery and Reinvestment Act of 2009 (COBRA subsidy).

- HR developed and implemented materials, processes, and communications to comply with revised Family Medical Leave Act regulations.
- HR developed ABOR HR Indicators Report in coordination with ASU and U of A. Established format, and revised in accordance with ABOR HR Committee requirements. This becomes an annual requirement effective FY10.
- HR coordinated campus wide retirement & investment information sessions to assist employees in understanding implications of economic crisis on retirement and investments.
- HR automated the delivery of the Leave Accrual Report to department leave reporters.
- HR worked with financial aid to automate the hiring process for work study employees.
- HR modified the on line leave application so that leave reporters can report furlough time.
- HR implemented federal tax withholding stimulus package.
- HR modified the entry of temporary, salaried employees to automate the payroll system termination transaction of this type of employee.
- HR provided information and assistance to Internal Audit for the Personnel Costs & Related Processes audit.
- HR worked with ITS to automate the HR jobs run by operators now run thorough the AppWorks program.
- HR worked with ITS to upgrade the HCM PeopleSoft Module to Oracle 10g and upgraded the Psoft system to tools 8.49.
- HR created system interface for Standard Life Products to address a new requirement from ADOA.
- EAW implemented infrastructure to offer web-based training and include the use of multimedia
- EAW enhanced web site education and support resources for on-campus and distance employees
- HR provided recommendations and options for administration to consider in managing service professional and administrator contracts during difficult budget times.
- HR collaborated with Comptroller's office to provide a new Administrative Development Series targeted at business managers/admin staff. Focus is on practical, applicable admin topics that help staff work more efficiently, effectively, and accurately.