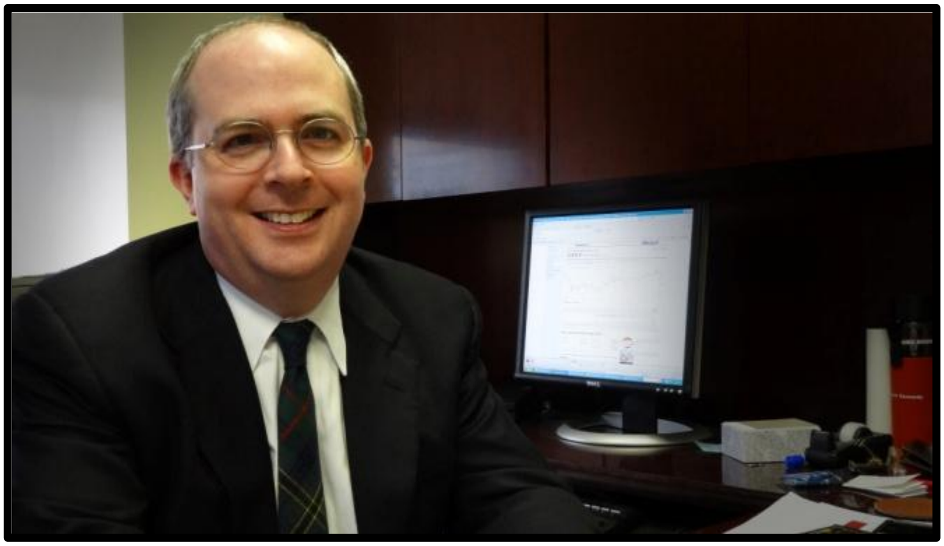
Finance Bulletin

February 2, 2012

Congratulations to two members of Finance!



Chuck Kennedy named Carnegie Mellon University's new Chief Investment Officer

Please join with us in congratulating Chuck Kennedy for being named the university's chief investment officer (CIO). Since the departure of Ed Grefenstette in March 2010, Chuck has been serving as the interim CIO.

Our national search turned up many fine candidates, but Chuck Kennedy rose to the top," said CMU Trustee David Shapira, head of the CIO search committee and chair of the board of trustees' Investment Committee. "Chuck did an outstanding job as interim CIO and his performance, coupled with his knowledge and understanding of the Carnegie Mellon culture made him the right choice."

Chuck joined the university in 2007 as the senior investment manager. All of Chuck's colleagues in Finance wish him well in his new role.

For more info about Chuck's background, see the university's press release here.

Shawn Fronzaglia promoted to Procurement Director

In December, Shawn Fronzaglia was promoted to the role of procurement director. Shawn joined procurement services in 2010 as a spend manager, and was subsequently promoted to senior spend manager. Prior to joining the university, Shawn was a procurement consultant with ARIBA.

ADP iPayStatements

Did you receive your W-2?

Form W-2 for the tax year of 2011 have been mailed to your home. If you did not receive your W-2, please contact Payroll Services for help.

Also, did you know that your W-2 is available **online**. Simply log in to your ADP iPay account to find it.

As a reminder, to log in to your iPay account…

1. Go to iPay.adp.com
2. Your log in name should be your [CMU username]@CMUEDU
3. Click on the W-2 button to see your statement

In this issue

ORACLE

Financials System

Scheduled Maintenance:

2/9/12: 7 pm - 9 pm
2/17/12: 10 pm - 1 pm (2/18)
3/8/12: 7 pm – 9 pm
3/24/12: 9 am – 1 pm

All times EST & tentatively scheduled

You've been reading about R12 for over a year. In 94 business days, we expect to be live in Oracle Financials R12.

Next month's Bulletin will provide schedule, cutover plans, and training details. To keep current on R12 developments, please monitor the R12 website.

Help Info

Systems Help Desk (orclhelp@andrew.cmu.edu)	x8-4666
PCard Help (pcrdhelp@andrew.cmu.edu)	x8-4666
Expense Report Help (er-help@andrew.cmu.edu)	x8-6017
Payroll Help (payroll@andrew.cmu.edu)	x8-2097

AN 8 FOOT ALLIGATOR IN NYC SEWERS…
THE LOCHNESS MONSTER ROAMING OPEN WATERS…

According to dictionary.com, an **urban legend** is a modern story of obscure origin and with little or no supporting evidence that spreads spontaneously in varying forms and often has elements of humor, moralizing, or horror: *Are there alligators living in the New York City sewer system, or is that just an urban legend?*

Unfortunately this can also occur in business settings. Often the rules for operation start out clearly enough, however, as things pass from one person to another, the meaning can be distorted through either missed details or annotated examples added by the "teller." In an effort to resolve misconceptions, we want to use this column to hopefully get everyone on the same page.

Violations have been issued for using the PCard for purchases that involve "click through agreements" (CTAs).

Purchases that include a click through agreement are permitted on the PCard up to $2,499.99, but the University Contracts Office (UCO) will need to review the terms and conditions prior to making the purchase. Please see the article *Click Through Agreements* (page 3) for upcoming changes to the CTA approval process.

I can purchase services on a purchase order (PO) or with personal funds (to be reimbursed) without providing a contract, but must attach a contract when using my PCard.

Contracts are required when purchasing services regardless of the mechanism for payment. Contracts are an important protection for both the university and for the individual in that they establish the terms and conditions of the contract agreement.

If you use the PCard without a contract, you are automatically accepting the vendor's terms and conditions, even if they are unfavorable to the university.

Payment for services on an ER is strongly discouraged due to the IRS reporting requirements associated with these types of service.

If you use personal funds to purchase and pay for services (with plans to be reimbursed through an expense report), you would be liable in the absence of a University contract.

For services placed on a PO, a contract is still required, but in the absence of a contract, the University's standard terms and conditions will apply.

Violations have been issued for PCard charges related to the purchase of sympathy flowers.

Fortunately, to date, Card Audit has not had to issue violations relating to sympathy flowers; however, as a reminder, gift forms do need to be completed for a tangible gift when it is in excess of the $75 gift threshold (and as required by the IRS).

The point program was implemented to suspend PCards and to drive transactions back to purchase orders.

Since November, 2010 when the point program started, only 19 cards have been suspended for non-compliance. In fact, due to the improvements in compliance**, we are actually allowing more activity on the PCard. In July 2011, the threshold was raised from $1,000 to $2,500 for equipment and services transactions on the card. Additionally, we are currently piloting the use of a travel card for making travel arrangements.

If you have questions about anything you've heard, please send them to fin-comm@andress.cmu.edu. We'll be happy to include them in future editions.

**Of the 1500 cardholders, only 19 cards have been suspended since the point program inception.

EGENCIA UPDATE

Implementation of the Egencia solution here at CMU is moving full speed ahead. As we reported in December's issue, the project is currently in its pilot phase. The goal of the pilot phase is to test the Configuration of the Egencia web-based system and seek feedback from the pilot participants. In addition, the pilot participants are providing valuable input on the types of documentation and training materials that would be important to ensure a successful full campus rollout of the solution.

Pilot participants are also testing a new travel card solution for the payment of major travel related expenditures such as airfare, hotel, rental car, and train costs. The pilot participants are testing not only the use of the card but also the process to verify charges and document requirements.

The current organizations involved in piloting are: Finance Division, Tepper School Admissions, Provost's Office, National Robotics and Engineering Center (NREC), and the Institute for Complex Engineering Systems (ICES).

It is anticipated that, by the end of February, two more groups will be added to the above list of pilot participants. At that time, the project plan allows for roughly two months of pilot activity to accurately assess the solution, gather feedback, and develop documentation and training. Upon completion of the pilot program a detailed campus rollout plan will be developed with the input of the TRIP (Travel Resources Implementation Project) team and other campus committees. The goal is to successfully have implemented the new travel solution for the entire campus community before the close of the calendar year.

Please be on the lookout for more information about the Egencia travel solution in future Bulletins. If you have any questions about the project please contact either a TRIP team member (listed in December's Bulletin), **Matthew Sheehy** (msheehy@cmu.edu), **Kathy Proch** (kproch@cmu.edu), or **Shawn Fronzaglia** (sgfronza@andrew.cmu.edu) in the Finance Division.

ORACLE RELEASE 12 (R12) UPGRADE PROJECT

Next Planned Meeting: February 7th

With the start of the new year, the team quickly started work on Pass 3 of the upgrade which involves the most aggressive upgrade schedule yet. As you may recall, for each "pass" of the project, the team completes the same "upgrade" processes: each pass begins with a technical upgrade, including moving to new hardware and operating system and upgrading the data, followed by requisite data validation, and functionality testing by the R12 project team. A large component of Pass 3 focuses on end user acceptance testing (UA Testing) which is performed by end users in order to confirm that the upgraded data is correct and system functionality is working properly in order to perform your job functions in R12 as you do today. More than 100 end users from campus and central Finance were selected by the ALG members and the R12 PARTNER group to be invited to participate in user acceptance testing sessions from February 20th through March 2nd. If you received an invitation to participate in UA testing, please RSVP by February 3rd.

The R12 PARTNER group met on January 10th and discussed the following:

R12 Update on project timeline, activities, and website;

Discussed UA Testing in detail, which included identifying campus testers;

Discussed communication strategies, which included the various methods to disseminate information about R12 to campus; and

Discussed conducting 'R12 Road Shows,' where specific presentations will occur for the different schools or areas.

Please visit the R12 Website for details on what was discussed with the above topics. Speaking of the R12 website, it is now being updated more frequently as we get closer to the go-live date. The training page has been added, which contains information about numerous changes to R12, online demos and documents that highlight changes associated with the R12 upgrade. We encourage you to check it out!

R12 PARTNER group campus reps: Nick Frollini (SCS), Margie Hinebaugh (Heinz), Cathy Schaefer (Cylab), Michelle Slusser (SEI) and Ryan Wolfe (Campus Services)

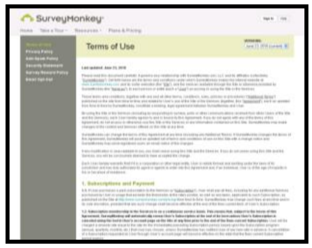
For more PARTNER Group Updates, see page 5…

Click Through Agreements

Written by: Matthew D'Emilio, Director of University Contracts Office

Click Through Agreements (CTAs) are an important part of business at Carnegie Mellon University. The University Contracts Office (UCO) has been reviewing its internal procedures to maintain stringent review of these agreements while expediting the requests for campus buyers. In order to fulfill those criteria, the UCO will start the process of uploading the approved CTAs to the UCO website. The CTAs will appear as a menu item on the UCO webpage similar to the Master Service Agreements.

CTAs have a unique set of legal and business terms, many of which are non-negotiable, based upon service and price. The UCO currently reviews the terms of use and advises the buyer of the risks related to the purchase. If the buyer accepts the risk associated with the purchase, the buyer affirmatively replies to the UCO that they have accepted the risk and the transaction can be completed. Website access will allow the buyer to accept the risks associated with the purchase without contacting the UCO.



The "Terms of Use" on *Survey Monkey* is a good example of a CTA.

The University Contracts Office website will be under construction in the coming months. The basic process will be as follows. A buyer will open the UCO website and choose "Click Though Agreements" from the menu. That link will take the buyer to a page that provides basic information relative to all CTAs. In addition, the basic information page will provide a statement directing the buyer to confirm the version date of the CTA that the buyer wishes to purchase. If the version on the UCO website differs from the desired version, the UCO must be contacted to review the new terms. The volume of CTAs to be posted prohibits the UCO from maintaining a review process of approved CTAs. The UCO is enlisting the buyers on campus to provide that information.

A buyer will then access the CTA list by choosing the link at the bottom of the page. The next page will list the CTAs. Each CTA will have a link that will provide risks unique to that CTA and a statement indicating that use of the CTA deems acceptance of the risks. This page will be printable and must be attached to verify the transaction in Oracle. Currently, a buyer must scan and attach the email approval of the applicable purchasing card transaction (PRC) or expense report (ER), the CTA page will act as that final approval that must be scanned and attached to the applicable PRC or ER.

As with any new procedure, circumstances will arise that will require modification of the procedures. In the event that modifications of the procedures are necessary, the UCO will endeavor to update the campus buyer of the changes either on the UCO website or through the Finance Bulletin. One last request from the UCO is patience. There are many CTAs and the uploading will not happen overnight. If you have any questions or concerns about the process please contact the UCO via the inbox (university-contracts@andrew.cmu.edu) so that your issue can be tracked. Thank you in advance for all the anticipated cooperation with this new process.

IRS News

Payroll Tax Cut Temporarily Extended into 2012

The Temporary Payroll Tax Cut Continuation Act of 2011 temporarily extends the two percentage point payroll tax cut for employees, continuing the reduction of their Social Security tax withholding rate from 6.2 percent to 4.2 percent of wages paid through Feb. 29, 2012. This reduced Social Security withholding will have no effect on employees' future Social Security benefits.

For more information, please reference this article on the IRS website.

Standard Mileage Rates stay the same in 2012

The rate for business miles driven is unchanged from the mid-year adjustment that became effective on July 1, 2011. The medical and moving rate has been reduced by 0.5 cents per mile.

The standard mileage rates for the use of a car (also vans, pickups or panel trucks) are:

- 55.5 cents per mile for business miles driven
- 23 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

For more information, please reference this article on the IRS website.

Local Taxes now being withheld from Paycheck

Starting in January, the university was required to begin withholding local earned income tax from the checks of all employees who live or work in Pennsylvania. This tax is calculated based on your Local Taxable Wages which are the same as your State Taxable Wages. Your EIT withheld appears in the "Statutory Deductions" section as XXXXXXXXXXX Income Tax. XXXXXXXXXXX is either the worked in or lived in local tax jurisdiction. If the withholding percentages are different, the name of the jurisdiction with the higher rate will be displayed. If the withholding percentage for both jurisdictions is the same, the name of the worked-in jurisdiction will be displayed.

Please validate that your EIT is being withheld at the appropriate rate. See the Payroll website for information and FAQs. Contact Payroll (**x8-2097** or payroll@andrew.cmu.edu) for other questions.

Changes to SPA Closeout Packets

Have you heard that SPA has changed the closeout reconciliation package?

In an effort to update the reconciliation package to better facilitate current processes and regulations, we have revamped the spreadsheets within the package. We've deleted some obsolete fields, added some formulas, added some reminders for the business managers/reviewers, and made it more visually effective. Our goal with these changes is to standardize the look and make the closeout process more efficient. We've incorporated feedback from the SPA PARTNER group and have been using the new template with a select group of 'testers', so we believe that the transition to the new template will be smooth.

Beginning February 1st, we will roll this out to the rest of campus. We hope that you find the changes to be as beneficial as we do, and we welcome any feedback.

New Method of Accessing Decision Cast

COMING TO A COMPUTER NEAR YOU!

Beginning February 13, 2012, Decision Cast on Citrix/MyApps will be available to a limited number of campus users. As a reminder, MyApps is a way of delivering software applications to university users in a secure interface that looks the same no matter what type of computer, operating system, or browser you currently use. Decision Cast users will be able to access the application from a Mac, PC, or mobile device using Mac O/S, Windows XP or Windows 7, and from more browsers such as Firefox, Safari, and Internet Explorer 9.

The first deployment to campus of Decision Cast on MyApps will be on February 13th, and all campus users will be migrated to the new version by March 19, 2012.

Help maintain integrity at our University

Report any unethical activity related to financial matters, academic and student life, human relations, health and campus safety, or research.

Go to
www.reportit.net
for more information
login name: tartans
password: plaid

CMU's ethics reporting hotline is operated by **Report It**, *an independent, third-party, anonymous reporting hotline service.*

This hotline is for faculty, staff, and students. All submissions to this hotline will be provided to the appropriate university personnel and handled discreetly. This hotline is not a suggestion box. Intentionally filing a false report will be deemed a violation of university standards. ***This hotline is not an emergency service. For emergencies, call University Police at 412-268-2323 or 911.***

training news

Budgeting and Planning Tutorial

A new online Budgeting and Planning tutorial has been posted to the training webpage. The tutorial, entitled '*Introduction to Budgeting and Financial Planning*' is also available from a link on the Budget Office site. This tutorial is a combined effort of the Budget PARTNER group, Budget and Financial Planning group, and the Finance Training team.

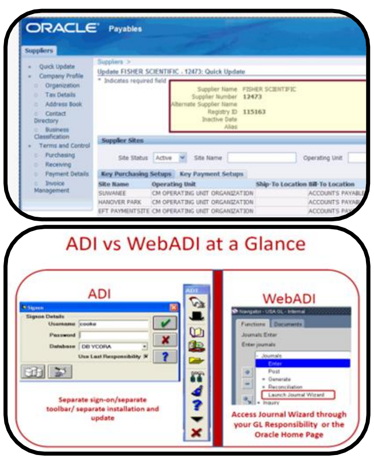
The purpose of this tutorial is to provide a resource for anyone new to budgeting responsibilities at the university. The tutorial covers the following budget topics:

1. Understanding the university's budget cycle.
2. Understanding the different types of allocations and the different funding source categories.
3. Using both Oracle Financials and data warehouse reports to view prior year(s) history and current financial standings related to revenue, expenses, and transfers in order to plan for future years (based on trends and other knowledge).
4. Documenting expectations/assumptions that support the budgets and forecast information, including examples of the different exhibits that are completed as part of the budgeting process.
5. Making updates to the ADI budget file.
6. Using reports in Oracle to check your budget upload and its impact to your financial reports.
7. Review of what the Budget Office does once the budget is uploaded.

Please note that while the tutorial was developed specifically to assist those who are new to budgeting at the university, the information included would apply to most everyone who has a budgeting responsibility. With a table of contents included in the demo, you can quickly review the information provided and also skip around to the areas that may interest you the most. Feedback would be most welcome and can be sent to **Alison Campbell** at acampbell@cmu.edu.

R12 Training Materials

Resources and opportunities will continue to be updated through May 2012 by the Training team. These are the most recent updates on the R12 Training site.



Two examples of R12 Training materials.

Previews: Online demos that show what is new in R12 and/or how R12 differs from Oracle today. These are relatively short demos (~5-15 minutes) and cover the most common tasks/activities performed in Oracle today.

- AP Supplier Inquiry (modified and reposted)
- AR Receipt Inquiry (modified and reposted)
- AP Invoice and Payment Inquiry
- Grants R-Actuals

At a Glance Documents: Documents consisting of screenshots comparing today's Oracle to R12 for areas where there is the most significant change.

- ADI Journals vs WebADI Journals
- ADI Budget vs WebADI Budget
- ADI Reports vs Report Manager
- AP Invoices
- AP Suppliers

Continue to monitor the R12 Training Page for additional materials.

Still wasting your time standing in line at the bank?

Sign up for Expense Reimbursement Direct Deposit!

In FY11, less than 25% of our employees received their reimbursement payments electronically. Electronic payments are processed more frequently than checks are printed and mailed; therefore, after your expense report is approved, you receive your money much faster.

www.cmu.edu/finance/forms/oracle

Finance People

Those who are new to the Finance Divison

Cost Analysis:

Bill Stewart, Senior Cost Accountant, billrs@andrew.cmu.edu, x8-1010

Questions related to recharge and auxiliary service centers can be addressed to Bill who replaces **Greg Tarr**.

Lee Mancuso, Staff Accountant, lmancuso@andrew.cmu.edu, x8-3646

Lee replaces **Kristin Colley** and will be the point of contact related to documentation/support for federal and state audits.

Accounts Payable:

Jeanne Brundage, AP Representative, jeanneb@andrew.cmu.edu, x8-4296

Jeanne joined the department in January, 2012. She will be providing back office support for payment processing.

Departing Employees:

Sponsored Projects Accounting:

Andy Jackson will be leaving SPA on 2/10/12 having accepted the position of Leadership Annual Giving Officer with University Advancement. Please join SPA in wishing Andy success in his future endeavors!

Please direct questions to **David Thomas**, dthom@andrew.cmu.edu, x8-4283.

PCard Guidelines and Points Program Updated

The Purchasing Card Guidelines and Points Program documents have been updated to reflect the following:

- Clarification regarding services and software requirements and thresholds
- Enhanced definitions on software

The new documents will be posted effective February 1, 2012 and can be found at:

cmu.edu/finance/procurementservices/policies-procedures/procurement-manual.html

Finance + Partner Groups

working together for better solutions

UPDATES

AUDIT SERVICES

Last Meeting: January 16th; **Next Planned Meeting:** March 28th

The January meeting included discussion of the following topics:

- Recap of the CIT Purchasing Refresher training conducted by Amanda Perkins, Matt D'Emilio, Shawn Fronzaglia, Angela Pecora and Rachel Askey).
- Self-audit Toolkit – the group discuss the development of a tool for campus. Targeted date will be late spring.
- Purchasing Card Point Program - Reviewed information about the Point Program statistics prepared by the ARF Purchasing Card Subcommittee. Additionally, it was shared that a study on PCard program administration, management, and auditing will be conducted by the Education Advisory Board. They will produce a report that shows comparable data for CMU and its peers.

Campus reps include: Melanie Horvath (Campus Affairs), Jennifer Cox-Siegel (Student Affairs), Matthew Coley (CIT), Daniel McNulty (HR), Pam Sellitti (NREC); and Marilyn Seigh (Payroll)

BUDGET

Last Meeting: January 16th; **Next Planned Meeting**: February, 2012

Alison Campbell from Training attended the last meeting to discuss feedback from the group on the Budgeting and Financial Planning online tutorial and to discuss the R12 upgrade impact on budgeting and forecasting. The group discussed ideas that would improve the understanding and development of campus budgets. These ideas will be reviewed and prioritized at the next meeting.

Campus reps include: Dan Giammatteo (CIT), Amy Patterson (Dietrich), Ken Hallinen (Computing Services), Haley Comer-Williams (Campus Services), and Kathleen Flanigan (Provost's Office)

INTERNATIONAL FINANCE

Last Meeting: January 18th; **Next Planned Meeting:** April, 2012

Finance Contact: Carrie Nelson

The group had their initial meeting in January. Some draft documentation was provided to the group for review and feedback purposes:

- Glossary of items that should be considered when starting foreign programs,
- Considerations around creating new set of books vs. new entity in an existing set of books,
- Form for requesting a new currency, and
- A brochure that provides a glance at important items to be considered when starting a new international program.

International Finance also provided a brief summary on the India PAN number obtained by the University in India and the associated implications. Additional group discussion focused on:

- How foreign programs can have different meanings from department to department,
- What documents could potentially assist the campus in differentiating various types of programs, and
- Some specific items that should be considered when starting these different programs.

These topics will continue to be reviewed at the April meeting.

Campus reps include: Cari Marty (ETC); Romayne Botti (CIT); Lisa Ciletti (CMUQ); Ann English (Heinz); Nick Frollini (SCS)

PAYROLL SERVICES

Last Meeting: December 19th; **Next Planned Meeting:** TBD

Campus reps include: Barbara Bugosh (CIT), Rhonda Dierks (Campus Police), Karen Olack (SCS), Tami Long (Payroll), Shelley Segal (Tepper), Debbie Zalewski (Robotics)

SPONSORED PROJECTS ACCOUNTING

Last Meeting: November 21, 2011; **Next Planned Meeting:** March, 2012

The January meeting was cancelled however the SPA partner group was asked to review the R12 Grants related training materials posted to the R12 training site as well as drafts of training material in order to provide feedback to the Finance Training team. Feedback is to be sent to Alison Campbell (acampbell@cmu.edu).

Campus reps include: Keri Baker (CIT), Pat Carr (MCS), Deb Harvard (Robotics), Kristen Jackson (OSP), Rob Kearns (OSP), Rhonda Moyer (CIT), Todd Seth (SCS), Angie Yanez (Tepper)

FINANCIAL REPORTING

Last Meeting: December 16th; **Next Planned Meeting:** February 13th

In the December meeting, our PARTNER Group invited Linda Anderson, Elaine Taillon, Bonnie Lack and Sharon McCarl. We went through a series of questions to gather details about scholarships and fellowships from the Student Financial Aid Office. In the January 2012 ABMC meeting, Susan Kinchelow asked each ABMC representative to answer questions about scholarships, fellowships, and stipends to assist our group in the information gathering phase of this topic.

Colleen Bendl is attending our February meeting to provide information on this topic from a payroll perspective.

Campus reps include: Karen Faber (Campus Affairs), Brian Hill (Enrollment Services), Vicki Homitsky (Robotics), Susan Kinchelow (Dietrich), Barb Mulholland (Technology Transfer), Russ O'Lare (CDFD), Beth Yazemboski (Campus Services)

AP/TAXATION

Last Meeting: December 12th; **Next Planned Meeting:** February 13th

Finance Contact: Bob Riddle/Angela Pecora

The December meeting was the initial meeting of the AP/Taxation PARTNER Group. The Group discussed the purpose and goals and the frequency of the meetings. Discussion was held around the proposed changes to the supplier set-up forms, the independent contractor checklist and the importance of setting up employees and external vendors to receive electronic payments. Potential future topics include payments terms for individuals, department approval of invoices and payments to foreign nationals.

Campus reps include: Siobhan Sullivan (SEI), Ross Garin (CFA), Pina Olander (FMS), Jeff Moreci (MCS), Margaret Kinsky (Dietrich), Abigail Fasulo (Student Affairs), Susan Patterson (CDFD)

PROCUREMENT SERVICES

Last Meeting: January 31st; **Next Planned Meeting:** TBD

The group met in January and discussed the following agenda topics:

- *Supplier Set-up Forms and Independent Contractor Checklist* – The group reviewed the updated Supplier Set-up Forms and ICC forms and discussed the related processes for both including discussions of where the forms should be sent and how they should be provided.
- *Terms and Conditions* – Changes that occurred in November to the Terms and Conditions as well as the proposed changes that will occur with R12 were discussed with the group.
- *Procurement Manual* – Upcoming modifications to the Procurement Manual were discussed, including changes to the Procurement Card Guidelines and the development of the University Contracting Procedures.
- *Discuss Oracle Buyer Population Review* – The group discussed the process that Finance will be undergoing to review PO buyer and approval access in their departments/units.
- *Other* – The group discussed their recent presentation to the ALG and solicited feedback regarding the University's preferred supplier program.

Campus reps include: Ignatios Alexander (University Libraries), Kevin Bosle (CIT), Matthew D'Emilio (UCO), Roy Farkas (FMS), Lisa Gibson (OGC), Cindy Griffiths (Tepper), Bernadette Ledwich (SEI), Kelly Mullins (SCS), Sara Novelly (Advancement), Yvette Raymond (OGC), Debbie Spear (SEI), Laura Walsh (Computing Services)