# Senate for Financial Affairs

# End-of-Year Report

# Academic year 2017-2018

Members: Steve Bunker, Joy Burnham, Bob Findlay\*, Peter Johnson\*, Steven Ramey, Regina Range, Lesley Reid

\*co-Chairs

The committee met several times during the academic year and chose the following topics to address:

* Standard meetings with University financial officers
* Faculty/staff complaints with the Concur system
* Inadequate startup funds within the STEM disciplines

Meetings with the University financial officers were delayed by the announcement of Dr. Gilbert’s retirement and the subsequent recruitment of a new Vice President for Financial Affairs. Matthew M. Fajack joined the University in this position as of February 15, 2018 and the committee has requested to meet with Vice President Fajack during March 2018.

On November 16, 2017 the committee met with Kevin Stevens, Executive Director of Procurement Services, to discuss concerns with the Concur system. We provided the following agenda for that meeting:

*Discussion items:*

*What problem(s) was the shift to Concur meant to solve?*

*Work flow*

User Submit Agreement

*Irrelevant statements – designed for personal travel?*

*Ignores standing University accounting*

*Faculty complaints*

Findlay recorded the following minutes for that meeting and circulated these to the committee and Mr. Stevens:

The Senate Subcommittee for Financial Affairs (members present Findlay, Bunker, Range, Reid and Remy) met with Kevin Stevens for a little over an hour to discuss the Concur system. Discussions were wide-ranging and for the most part constructive.

The meeting was opened with introductions and the question "what was the goal behind implementing the Concur system?" Stevens replied it was to move from paper to electronic processing of financial transactional documentation – moving from the 19th to the 20th century.

The committee (with Reid in the lead) tried to impress upon Stevens that the workflow generated by Concur was not compatible with Departmental/College structure. The first example was that any transaction entered into the system first goes to a departmental Chair for approval and then, for many accounts, on to the Dean's office (Jimmy Vail). Subsequent discussions brought to light that chairs have no way of knowing if a faculty member or a delegate (office financial administrative staff) as submitted the charge and for most, if not all chairs, only the delegate can determine if the account to which the charge is being brought has sufficient funds to cover the charge. It was suggested (rejected as undoable) that the first person to approve a charge be the departmental financial administrative staff. It was suggested that the University, as the customer should impress upon Concur that this needs to change.

The committee attempted to convey a series of faculty complaints that they had collected over the semester, as vignettes of the general faculty experience with Concur as a system that creates greater workloads for Chairs, departmental (and maybe College) administrative staff and faculty.

Perceptions conveyed were:

* That the system was designed/implemented for travel reimbursement (and that faculty interact with procurement services in many more ways).
* The on-line training was one-size fits all and not faculty appropriate.
* The presence of popup on-line ads was not appropriate.
* That in cases of cheaper flights being found outside the Concur system a penalty was incurred (having a greater administrative burden for reimbursement). This happens but not always – sometimes Concur flights are as cheap as those found outside the system.
* There is no acknowledgment of the preparation of reports (faculty are forced to certify all work, even if they are not accountants and it was done by departmental emplyees).
* That direct inquires to procurement services are often met with "you cannot do this" (several of these statements were met with comments from Stevens that it was indeed possible).
* The user submit agreement reflected travel and was not appropriate for monthly P-card reconciliations.
* That emails to faculty from the system that do not require faculty action evoke one of two responses – inquires to the departmental administrative staff or "delete all" for emails originating from Concur – neither of which is productive.

The meeting ended with a series of recommendations, which included:

* Procurement services (Stevens, others?) travel to and learn from other SEC schools that have implemented Concur and have strong ***faculty*** support for use of the system.
* That procurement services operate with the understanding that faculty will have difficulty accepting a system that appears to increase their workload as it pertains to travel and/or procurement. "it's nice that we have entered the 20th century, but not on the backs of the faculty".
* Develop a "best practices" approach to training. Procurement services should identify units that are interacting with Concur in efficient manners and help develop networks to transfer this knowledge. Move from "this is how you do it", to "this is how you do it well".
* Develop a "users group" to interact with Procurement services on a regular basis so that they can get regular feed back on both the success of their intended outcomes as well as any, typically negative, unintended consequences. Findlay with interact with Senate Steering committee and Provost Whitaker as to the appropriate mechanism for the establishment of this group.

Kevin Stevens provided the committee with his takeaways from the meeting. These were:

1. Number of Emails
2. Click thru Submit agreement – change wording to more accurately reflect what the employee is submitting
3. Contact other schools and see how they handle the faculty approvers
4. How you can tell if someone else prepared the report
5. Reach out to colleges about lunch and learn best practices
6. Dr. Findlay will talk to Dr. Whitaker about forming a Faculty user/advisory group

It is clear that the meeting was moderately successful but that there are still areas where communication can be enhanced.

In one of the December Provost/Senate Steering Committee meeting Findlay discussed the establishment of a user/advisory group and Provost Whitaker indicated that he thought this appropriate. Dr. Lesley Reid will chair this group with members Dominic Yeager and Janis Akins. It is intendeds that the group will meet monthly with Mr. Stevens, executive director, procurement services.

Subsequently, Provost Whitaker asked for any notes that the committee had on the meeting. The above minutes were provided and it is our understanding that they have been passed along to Vice President Fajack.

We have requested information from several departments concerning difficulties in hiring new faculty driven by a lack of adequate startup funds. For the most part, these requests are still pending. However, Biological Sciences has provided the information concerning their Departmental costs. The following table shows the Department’s costs by year. Beginning with academic year 2016-17 the College of Arts and Sciences has required the Department provide 25% of awarded startup costs.

Initial year of appointment BSC commitment

2014 $62,000

2015 $17,000

2016 $183,528

2017 $189,026

The costs for 2016 and 2017 reflect the hiring of 3 new tenure-track faculty each year; it is anticipated that the Department will continue to hire at this pace for the foreseeable future. Startup costs are currently covered under “returned overhead” – the 50% of overhead collected by the University on extramural grants returned to the College, of which 20% is passed through to the Department, which in turn, passes 10% on to the Principle Investigator. The BSC committee gives a rough estimate of the total startups paid per faculty (~250,000). This value is extremely low for our peer and aspirational peers.

In addition, the expense incurred by Biological Sciences is not sustainable. The College annual report provides the total research awards to the Department for 2015-2016 and 2016-2017, $2,227,826 and $4,131,255, respectively. Using an overhead rate of 47% (a clear overestimation as this reflects only the “on campus” rate where many biological sciences grants are off-campus [research done in the Arctic or on the Gulf of Mexico] and not all expenses incur overhead – equipment, sub-contracts, etc.), these awards will generate $712,000 and $1,321,00 in total overhead. Given that the eventual pass-through (10% of total overhead; $71,200 and $132,100, respectively) fall far short of the current levels of commitment it is impossible to conclude that the current formula for funding faculty startups is sustainable, never mind sufficient to allow for STEM departments to contribute in a meaningful way to the University’s current strategic plan.

If further data can be collected from other departments prior to the end of March, these will be added to the End-of-Year report.