NEW DIRECTIONS

Quality Improvement in Financial Management at the University of Washington

Vol. 4, No. 4, Autumn 2005

Letter from the Editor, Autumn 2005

by Dinah Walters

The signs of fall are everywhere. Umbrellas and raincoats have been retrieved from the depths of our coat closets. Waxy candy corn is being nibbled in three tiny bites. Soon coworkers will don Halloween costumes, giving us an illuminating glance into their personalities. Autumn quarter has begun and the students have returned bringing with them bustle and excitement. The campus is buzzing with activity and Financial Management is no exception! So grab a warm mug of coffee, sit back and enjoy the latest issue of *Directions*.

The following articles can be found in this issue:

Treasury Office looks to Asia for Opportunity

by Chris Malins

The Treasury office is currently undertaking a major push to invest in the fast growing economies of Asia. Over the past year, the University's endowment portfolio has seen a meaningful increase in Asian market exposure – in public markets, private equity, and real estate investments.

As most people in the Pacific Northwest know, trade and investment in Asia is growing very quickly for local companies that look across the Pacific Ocean. Washington's historical trade in airplanes, apples, and timber are now complimented by investments in knowledge based exports. Financial market investments are starting to follow that two-way migration. In recent years, Washington has been among the top five US states for international trade on a per capita basis, and Asia has been the main engine of that growth.

Given that Asia accounts for over two thirds of the world's population, yet far less than half of the world's GDP – Asian economic growth potential looks strong. International capital markets have grown dramatically in the last decade, and the non-US portion is estimated to exceed 56% by 2006, according to various investment research sources. What does all this mean? The UW Treasury Office investment team is starting a multi-year research push to investigate Asian investment opportunities.

The first step is travel to Asia to visit companies and managers, as well as to understand the business culture and climate. This legwork is currently underway as the University's portfolio managers – **Scott Davies, Keith Ferguson, Elise Hebb, and Garth Reistad** – have traveled to Japan, China, India, Singapore, Malaysia, and Hong Kong in 2005 to meet with investment managers and explore the intricacies of putting the UW portfolio to work in those Asian countries.

Recently, the UW has increased our investments in Japanese real estate, SE Asian regional equities, and Indian private equity. All of the endowment assets are invested in external managers, who in turn invest in public and private companies. The UW is embarking on a long journey of investment exploration. Research of great investment ideas is often a case of constant investigation. With this in mind, the UW investment team will spend more time traveling overseas, especially in Asia, as they look further abroad to gain greater investment knowledge of new growing economies outside the US. Over time, we hope to find more Asian investments with greater return expectations for future growth.

Combined Fund Drive Unmasked at Halloween Party

by Ann Sarna

Witches, goblins, monsters and Financial Management employees gathered on October 31st to celebrate Halloween and to raise funds for the Combined Fund Drive (CFD).

The carnival included a silent auction, cake walk, costume and pumpkin building contests and various carnival games. The best overall costume honors were shared by Mike Fleming's grim reaper and the talented Green Giant and Little Sprout team of Erick Winger and JR Sloan. There were four very skilled teams competing to turn their co-workers into pumpkins. In the end, it was the Student Fiscal Services team that snatched first place after a very close run-off.

Representatives from the Salvation Army and Childhaven spoke about the need for services to help the less fortunate in our community. The Combined Fund Drives runs until November 23, so there is still time to participate and make a difference. Please complete your form and turn it in to your department representative.

The CFD provides university employees with an opportunity to support people in need. There are more people in need of assistance this year due to the recent hurricanes and earthquake disasters, as well as the ongoing needs of people in our own community. There are hundreds of charities that benefit from your CFD contributions – everything from Adopt–a-Stream Foundation to Yelm Community Services. You can give to the general CFD pool or direct your contribution to a specific charity. If you have a charity that isn't listed in the CFD Catalog, you can direct your contribution through the CFD as long as it's a certified charitable organization.

TOP 10 REASONS TO PARTICIPATE

10. CFD IS TARGETED. You can choose the contribution amount and the charities receiving your gift.

9. CFD CHARITIES ARE SCREENED. CFD only lists charities that have been screened or approved.

8. CFD IS TAX DEDUCTIBLE. You have a record of your payroll contribution.

7. CFD IS EASY. You simply choose between an automated payroll deduction or a one-time gift.

6. CFD IS EFFICIENT. Volunteers conduct the drive so more of every dollar reaches your favorite charities.

5. CFD IS FLEXIBLE. You may increase or decrease your deductions, add or delete charities or discontinue your contribution by contacting the UW CFD office.

4. NO MORE TELEMARKETERS. Well, not really. CFD can't stop them from calling, but it provides you with a ready response when you get a telephone solicitation.

3. CFD IS EFFECTIVE. Individual charities receive 105% on the dollar from contributions made through the CFD! How is this possible? It is because about 10% of the contributions made are given to a general fund which benefits all of the charities. This means that after the 7% administrative fee (quite low for an operation of this size) and plus the accrued interest on the balances, charities receive $1.05 for every dollar donated directly to them.

2. CFD IS A JOINT EFFORT. In 2004 alone, 25,000 state employees contributed more than $5.6 million to over 1,900 local, national and international charities and federations.

1. THE COMBINED FUND DRIVE IS MAKING A WORLD OF DIFFERENCE!

If you have questions about CFD or the Halloween event, you can contact one of the CFD team members: **Erick Winger, Martin Crabb, Ann Sarna, Mike Flemming, Mildred Davis, Paige Hamlin, Shani Wellls, Aris Gempesaw, Karl Kraber, and Sheryl Angeletti-Harris** or check the CFD website:

http://www.washington.edu/uwcfd/index.html

EIT's Sweet Sixteen

Record Attendance, Six Sigma, and Cash Management Mark 16 years of EIT Retreats

by Michael Anthony, Management Accounting and Analysis

The 16^{th} annual EIT retreat was held again this year at Fort Warden near Port Townsend from September 7^{th} through the 9^{th}. This was an expanded group from prior years resulting in a record total attendance of 15 EIT members plus three invited guest speakers. For two of us, Michael Lanham and me, it was our inaugural EIT retreat. In fact, it was Michael's very first day on the job.

Wednesday's focus was for us to get know one another. For some it began with a kayaking event and for others it began at the guesthouses. We all gathered for dinner after which we convened back at the house and began introducing ourselves. After general introductions, Karl split us into two groups and told us all to tell two truths and one lie about ourselves to our other group members. Our group members were then challenged to figure out which was the lie. We definitely found that we needed to get to know some of our fellow EIT members (or that they are excellent liars). This was followed by a team-building event that, much to Karl's dismay, we solved quite quickly, because we just worked too well together as a team!

Thursday was spent with three guest speakers learning about Six Sigma process improvement and how it might relate to FM and the UW. Six Sigma is a methodology that uses a standard method for approaching process improvement that is a mix of project management and statistics. Our first guest speaker was Wren Rex from General Electric, which has been using Six Sigma extensively for the last several years. Wren provided us with a great overview of what Six Sigma is and how it can generally be applied. Our second guest speaker was Velios Kodomichalos from Pepperdine University, who walked us through how he has used Six Sigma to improve Pepperdine's cash management process. Our last speaker of the day was Nate Findley, who provided us with an overview of the many ways FM is involved in Cash Management currently.

The presentations were very enlightening and provided us with some good concepts to consider. In addition, they served as a validation of the approaches we presently take with respect to projects and initiatives with which we are or soon will be involved.

Friday morning was devoted to discussions of FM's strategic measures and initiatives. Kris Box facilitated the session and, despite our best efforts to go down other roads less traveled, Kris kept us focused on the task at hand. There was consensus we should concentrate on a limited number of objectives (four) and to keep them at a high level (i.e., FM wide). Time constraints resulted in us not completing all of the discussions surrounding our measures and initiatives but it did establish a unified basis for moving forward.

In all, it was a successful EIT retreat with members coming back informed about new concepts and with a more unified focus for the future.

Equipment Insurance Online!

by Lisa Read

Part of quality and process improvement is using technology to increase the ease of use of services by our customers. Insuring University equipment online is easier and faster now than when it was UNIX-based. It's now web-based, and by using UW Net ID's and passwords (instead of separate ID's and passwords required by UNIX) and a UW budget number, our UW customers can insure most equipment such as computers, lab equipment and audio-visual equipment for a competitive premium, and do all the 'paperwork' online. This system is managed by the Office of Risk Management with staff ready to answer any questions pertaining to the system or equipment insurance in general.

Terry Taft Harter, the Information Specialist in our office, is at the front end of the Equipment Insurance program. She assists users with on-line enrollment and daily use of the program, and she manages the yearly renewal process. **Lisa Read**, the Claims Administrative Coordinator for our office, handles claims for stolen or damaged insured equipment.

When a loss occurs, such as a stolen laptop, Lisa leads the insured through the claim submission process. She contacts the police department involved to receive their report. She confirms that the person who suffered the loss was authorized to have the equipment. When all the information we require is received, a decision is made about how to resolve the claim.

We have had good feedback that our web-based system is very user-friendly, but we hope you never need to contact us about damaged or stolen insured equipment!

Like A Hurricane…

by Kyra Worrell

Like many people, I was shocked and horrified by the destruction left in the wake of hurricane Katrina and immediately wanted to do something to help. UW President Emmert felt the same way, and shortly after the disaster hit, sent out an email to the University community detailing how the UW could assist both the college students and educational institutions effected by the hurricane. As early as 09/01/05, the UW opened its doors to all students displaced by the hurricane and ended up admitting about 100 students. Most of the students were from Tulane, but we also had students from other area colleges and universities. In addition to admitting the students to UW to continue their education without interruption, UW will forward the tuition revenue back to the home school to assist in funding the rebuilding.

Once this initiative was established, Student Fiscal Services (SFS) found itself at the forefront of the effort to assist these students. Vice Provost **Gus Kravas** brought together the "Katrina Response Resource Group" to address the challenge of assisting college students displaced by hurricane Katrina. SFS was one of the offices serving students invited to join in these discussions. SFS faced several challenges specific to our office: Do we charge tuition or not, and if we don't charge tuition, how do we code the student in the Student Data Base? Will the students receive a bill? Will they be charged for UPasses and student health insurance? If they are receiving financial aid and /or scholarships, how do they receive the money? SFS generally does not hand out actual checks to students – they have the option of having their money directly deposit into their bank account or having a check mailed to their home address. However, some of the displaced students did not have access to their bank accounts and had no place to send a check to – and they needed the money right away for immediate needs. We knew that our staff would have to be extra sensitive to the displaced student's situation, but we didn't know if the students would feel comfortable making their situation known to staff members. We had to have a way to identify and serve these students without making them uncomfortable.

Peggy Fitzwater and **Ruth Johnston** were selected as the right people to represent SFS in the Katrina Response Resource Group and to address these issues. I was able to attend one of these meeting and was amazed at the level of cooperation and concern between the many offices on campus participating in the group. Everyone wanted to help in any way they could!

It was decided that the best course of action was to give the displaced students "exchange student status". The exchange student model would make the collection of tuition unnecessary. The program normally serves UW students seeking to study abroad and visiting international students. It is a way for students to experience another university while still remaining enrolled and paying tuition to their home institution. In the case of the students displaced by hurricane Katrina, it is up to Tulane – and the other universities and colleges – to negotiate the payment of tuition with their students.

All of the participants in the Katrina resource group wanted to make the transition to the UW easy and uncomplicated for these students whose lives were already complicated enough by Katrina. Transportation gave free UPasses to the students. The Student Activities Fee committee waived the Student Activities fee for the students. Since the dorms were full, Housing and Food Services used the space available in the Radford Court Family Housing units. Housing and Food Services also worked with a local Rotary chapter to locate offers for home stays from the community. Fraternities and sororities in the Greek community housed students from their respective chapters. Students wanting student insurance were able to contact the Insurance Office directly. With tuition being billed by the student's home school, the UPass and Student Activities fees waived and the student insurance handled by the insurance office, SFS did not need to send these students a bill.

Students did still need to contact SFS to receive aid checks. **Kay Lewis**, Director of the Office of Student Financial Aid (OSFA), personally handled all of the displaced student's awards. In determining aid awards, our process partners in the Financial Aid office looked at book costs, transportation to get here, and transportation while they were here. All of the students displaced by Katrina were also eligible for short term loans. Financial Aid waived the service fee. If the students was already registered, they could go online and apply like any other UW student. If the student was not yet registered (for example, if they needed the money for transportation to get here), Financial Aid would work with Accounting Operations to get a check issued. Financial Aid is also in charge of awarding the funds for the recently created Katrina Scholarship Fund, which was created for students affected by hurricane Katrina. SFS disburses the funds for this scholarship. If you are interested in finding out more about this scholarship and/or contributing to this scholarship, or to help a displaced student directly with essentials such as clothing, go to: http://depts.washington.edu/uwassist/

The OSFA worked closely with SFS to insure that these students were able to get their checks in a timely manner. SFS printed the checks in the office and handed them to the students, thereby eliminating the need for direct deposit or mailing. Again, everyone worked together to make things as easy as possible.

The Gateway Center for Undergraduate Education was designated as" The Katrina Assistance Center", in order to have a central place to get the displaced students orientated to the UW. Emergency Management Office formed the UW Assist website to shows ways that people can help and to answer questions concerning the University's response to the hurricane.

The UW – and the SFS's – response to the students displaced by hurricane Katrina has been one of generosity, cooperation and teamwork. It's amazing what we can accomplish when we work together for a common and worthwhile goal!

The Indirect Cost Negotiations are Over!

By Cristi Chapman, MAA

In July, Management Accounting and Analysis (MAA) successfully completed negotiation of the University's Facilities and Administrative (F&A or indirect cost) rates with our largest sponsor, the Department of Health and Human Services (DHHS). Although the actual negotiation took only a morning, the rates were the culmination of many years of work putting together and defending our proposal! The last F&A negotiation took place in the late 1990's.

The new F&A rate for all on-campus sponsored agreements increased from 51.6% to 55.5% through 2007 and 56.0% for FY 2008 and 2009. In addition, MAA was able to negotiate a new rate for the South Lake Union Biomedical Complex and higher rates for research at the Washington National Primate Research Center. All of the F&A rates will be applicable through June 30, 2009. Grants Information Memo 13A lists all of the new rates. F&A rates are charged to grants and contract awards when those awards incur direct expenditures related to the research.

F&A represents costs which cannot be directly charged to sponsored research agreements but that are integral to supporting the research function. Facilities costs recovered from the F&A rate include things like building and equipment depreciation, operations and maintenance costs (such as utilities and repair costs) and library costs related to research. Administrative costs recovered through the F&A rate include a portion of departmental, college, fiscal and general university staff salaries, such as Office of the President, Provost, and Executive Vice President. Because many of the Executive Vice President's functions support the research function, a portion of that funding comes from the F&A recovery.

In FY 2005, the UW received over $182 million in indirect cost. Higher F&A recovery translates into increased funding of critical research infrastructure.

Although our new rate agreement is in effect through June 2009, we have already begun planning for the next F&A proposal. Our next indirect cost change takes effect on July 1, 2007!

Closer Encounters – Payroll's Open House

by Anita Bingaman

In this age of using email to communicate, workers are becoming more and more isolated and the UW's payroll processors are no exception. Much of the departmental Payroll Coordinator's communication with Payroll staff is by phone or, more often than not, via email. There are, on occasion, the "almost close encounters" with real people in the lobby of the Benefits Building when Coordinators hurriedly drop off or pick up documents, stand in line, or lean across the reception counter to discuss a problem. There is little time to meet any of the Payroll staff, put a face with a name, or take a few minutes to chat.

All that changed at the annual Payroll Open House on September 7th when the Payroll Office celebrated National Payroll Week. The doors to the Payroll Office were thrown open and Coordinators were invited to come into the internal halls of Payroll. Balloons and banners set a festive tone compared to the very businesslike mood that exists at other times. Guests were greeted at the door and offered a chance to enter their name in a drawing for a National Payroll Week tee-shirt, provided by the American Payroll Association.

To break the ice there was a multiple choice questionnaire on payroll facts and processes. Since it was a self test with the answers available, many of the Coordinators were willing to test themselves. It was agreed that the test was another way to learn more about the payroll process.

Once guests felt comfortable, the office filled with laughter and the sounds of many conversations. The most often heard refrain was, "It is so nice to put a face with a name. Now when I talk to you I can have a face to go with your voice."

Using this fun relaxed atmosphere Payroll continued its goal of educating and supporting the Coordinators to better meet their customers' needs. A table of snacks enticed guests past flow charts, bar graphs and descriptions of payroll processes. These visual depictions provided useful information about the many aspects of the Payroll Office.

It was agreed by guests as they left that the 3rd Annual National Payroll Week was a rousing success and that there should be one next year. Everyone was glad to have a closer encounter with Payroll staff and to have the opportunity to relax, have fun, chat with coworkers, meet new people and learn something new.

Summer Event 2005 – Great Company, Good Prizes, and Decent Popcorn

by Chris W. Malins

The FM summer event has always been a great way to network with colleagues, share success stories, and take a break from the rigors of the office. This year's event was no exception. Sponsored by the EIT and administered by the RQT, well over 100 of us braved the stairs next to the Physics Building to attend this widely anticipated event. Orville Redenbacher would have been proud of the amount of popcorn that was consumed and Edward Deming would have positively beamed at the poster boards summarizing each department's accomplishments and goals. Which brings us to the prizes. Let's just say that "Let's Make a Deal" never had so much good stuff! There was a mini TV, a CD player, a single beverage refrigerator, and a giant yellow bowling pin radio; all for the lucky winners.

All of the excitement happened on the afternoon of September 13th in the Physics Courtyard. A typical visitor would first talk a bit with the EIT member handing out the popcorn, grab a bag of fresh kernels, and pick up a trivia game form. The trivia game was a fun way to test FM knowledge. With the caliber of prizes at the event, there were plenty of folks vying for the good stuff. People scratched their heads and quizzed their FM co-workers with such questions as: "What does FMAT stand for?", "What 2 teams in Payroll formed a partnership this year?", and "What was the room number of the SFS Office in Schmitz that was recently remodeled?" Answering the questions wasn't easy and required networking with co-workers… which was the purpose of the day, after all.

After all the partygoers had headed back to their offices and all of the game forms were turned back in, the winners were announced. **Kristen Findley** from GCA won a TV, **Winnie Cao**, from Payables won a mini digital camera, **Kelley Johnson** from Payables won a desktop refrigerator, and **Aris Gempesaw** from Financial Services won a car kit. There were also a few smaller door prizes that were given away through random drawings every half hour.

A brief exit survey indicated that the event was an unmitigated success. Although it's tough to rank this event in the storied universe of past events, anyone who was there on the 13th must feel that they were part of something special. See you next year!

Spreading the Word on Faculty Effort Requirements

By Suzette Ashby-Larrabee

Faculty effort on grants and contracts has become a topic of national interest and attention. (As a reminder, faculty members paid by a grant or contract and/or have cost sharing commitments must document how much time they spend on a particular project.) The federal government requires payroll costs charged to grants and contracts and committed cost sharing effort be documented and signed by the faculty member and reviewed quarterly by Management Accounting and Analysis (MAA). For University of Washington faculty this is accomplished via the Faculty Effort Certification (FEC) form.

Recent audits at several universities such as Johns Hopkins, Northwestern and Harvard have resulted in multi-million dollar settlements directly related to effort reporting problems at those institutions. These problems, combined with policy changes at the national level and heightened attention by federal sponsors, have increased the potential risk related to effort reporting.

To address this concern, teams from MAA and Grant and Contract Accounting have worked with customers and process partners to review effort reporting at the University. The teams collaborated to develop both an institutional policy statement regarding FECs and a course to educate and assist faculty and departmental staff in navigating the complexities of accurately documenting, reporting, and certifying effort.

The development of a mandatory online training course for all research faculty receiving grant funding or having committed cost sharing effort on a grant was completed in August. Considering that potential risk to the University for non-compliance with federal regulations is significant, faculty not completing the training by the November 30 deadline will lose their authority to submit grant proposals and to authorize grant purchases after that date until the training has been completed. Faculty members have until November 30, 2005 to complete the training. To date, approximately 46% of UW faculty have taken the course.

In addition, a Grants Information Memorandum (GIM) is in the final stages of approval. This document will serve as an additional guidance tool for faculty and departments on issues surrounding effort reporting.

For more information about faculty effort, please visit the FEC website below:
http://www.washington.edu/research/maa/fec/

Perspectives on Quality with Michael Lanham

by Kyra Worrell

Michael Lanham joined Financial Management as the Director of Student Fiscal Services (SFS) in September of this year. He recently took a few minutes to share with me his initial impressions on Financial Management's Quality program.

Kyra: *You come from a strong background in Quality management – although more in the corporate sector than in higher education. How is the Quality program here in Financial Management different from the other programs you've worked with?*

Michael: The main difference is the commitment of everybody to Quality in the organization – at least as far as the Executive Improvement Team (EIT) and SFS – I can't speak as much for other departments within Financial Management (FM) because I just haven't been here that long.

Everyone that I've encountered seems to understand the meaning of Total Quality Improvement, and its value…the entire process is the way it's meant to be.

There is a strong, committed leadership that understands what is needed in the way of resources and also understands the holistic nature of Quality, especially in terms of people. The leadership here understands that Quality can equal change. There is a commitment to diversity here as well, and a commitment to addressing how employees feel in the work place.

There's a big difference between this and what I've seen in other organizations where I've worked. There Quality is really seen as the "flavor of the month". Here we have a permanent systemic fix vs. the "big band-aid" I've seen at other places – a band-aid that will eventually fall off and then we're back to square one. These other organizations aren't thinking the concepts all the way through and/or they don't have the ability to successfully carry it all the way through. All these organizations pursuing the goals of Total Quality Management – including FM – have similar constraints and barriers to overcome. There's always the work that needs to be done right now vs. the work that is going to be done through process improvement. And there are always outside issues, like personnel issues – the major difference here is that the leadership recognizes these issues as a whole and addresses them as a whole.

Kyra: *What kind of training do you have do you have in Quality work?*

Michael: My experience and training with Quality work comes from many different sources. One such source is Goldratt's "Theory of Constraints" – the constraints in manufacturing can apply here. I like to drawn upon many different tools. I've worked with the balanced scorecard – FM's dashboard is one version. I'm interested in Process based management.

Kyra: *I've heard you are a Six-Sigma Black Belt. What does that mean?*

Michael: The Black Belt part comes from Karate and other martial arts, and it has a similar meaning here: you start at a white belt and move up – once you get to black belt you have several levels. Six Sigma is a specific methodology or approach to eliminating defects. You want to look at the level of defects in a process: level 1 is bad, level 6 is good. A normal company will be about a level 3 -- roughly about 150, 000 errors per million; level 6 is about 1 error per million.

Kyra: Very *interesting -- it sounds like another article!*

Michael: Yes, there's a lot there – it may be another article!

Richer PAS Database Aids Analysis

by Mary Brokaw

For the past couple of years, Financial Services / Payables Administration has been using data extracted from the Purchasing Accounting System (PAS) mainframe to answer questions about vendors, payments, requisitions and invoices. Until recently, they were only able to obtain a small data feed from the mainframe system. This data, stored in an MS Access database has been of a limited scope with very little detail, and has limited analytic possibilities.

Tom Phillips, Financial Data Analyst in Financial Services, identified the need for Financial Services to get more PAS data for analysis. He found that there were two basic problems with the current dataset. First, it did not include enough information. For example, the original database would not include the data necessary to build a report to show vendors and all of their accounting transactions within the UW. Secondly, the PAS data is purged (deleted) every six to seven months, leaving us with no historical purchasing records.

Tom recognized the value in capturing the historical data for analysis and rounded up a workgroup consisting of Dinah Walters and Nate Findley of the FM Decision Support Center, and Glenn Eades, a programmer, to design a solution.

The new larger dataset was extracted from PAS based on ten data tables from the PAS mainframe. The data extracts were then loaded into MS Access for testing to ensure that the right data was extracted. It was soon discovered that the new volume of data was too large for MS Access.

In search of an alternate database solution, the workgroup contacted C & C. C & C Client services assisted the team in acquiring UW server storage space for the new database. This would enable to the group to build a larger database using a database platform called mySQL. mySQL is a more robust technology that can handle larger volumes of data and more complex database design. The new PAS mySQL database is in the final stages of completion and should be ready for production in the first two weeks of November. The database will begin with January 1, 2005 data and will continue to grow as each new month is added.

There are many advantages of the new database. Public records will be easier to process, there will be less special ERGO requests, and, of course, the data will be used to support our ongoing process improvement efforts. According to Tom Phillips, who will be the main database user, “The new system is not foolproof, but the level of detail and quality of our available information has increased significantly!”

The project is sure to be a great success. The team had a great mix of technical expertise and business process knowledge, which made the identification of the necessary data, the building of a relational database, and ultimately the project itself, achievable. Ultimately, the team would like to see the PAS data become part of the data warehouse that is being constructed by the Data Warehousing Program in C & C, but until then, we have an excellent solution for our analysis needs.

What Does a Corporate Tax Manager of a Governmental Entity Do?

By Richard Ruvelson

This is the question that was originally posed to me by the intrepid staff of *New Directions*. Over my career I have been continually answering the question of how I could make a living doing tax consulting for nonprofit and governmental entities.

The answer is really pretty easy. Non profits and governmental entities, like the UW are subject to a variety of both federal and state rules. These rules relate to our reporting obligations for employees, independent contractors and students as well as impose taxes on the UW. The Tax Office helps to ensure compliance with tax rules and also educates others so that they can comply with the rules more efficiently. For instance:

- There are FICA FAQ's available on the Tax Office web site.
- The Tax Office has worked with a number of people campus wide to implement new rules for reporting foreign bank accounts.
- The Tax Office responds to questions about a variety of tax issues.
- The Tax Office also helps with the taxation of nonresident aliens: many of you will be attending Financial Management's upcoming two day seminar on this topic, private use, and charitable giving.

It may come as a surprise to many that the UW is subject to a federal income tax. We are taxed on activities unrelated to our mission as a non-profit university. This tax is the unrelated business income tax (UBIT). This is exciting because I am able to work closely with departments throughout campus. Our tax return is due November 15th, following completion of our fiscal year.

Washington is one of only five states that impose sales taxes directly upon public higher education. We pay sales and use tax and a leasehold excise tax on the rental of publicly owned real estate. I work with others to help prepare returns and answer questions about what is taxable and what is not.

There are various tax incentives available to the UW, which are listed on the Tax Office website. We even pay taxes directly to the City of Seattle, over and above the city's percentage of sales and uses tax paid through the state. We remit city admissions tax on admissions to our athletic events.

Having answered the question of what a corporate tax manager does, I would like to acknowledge that this is a great place to be a corporate tax manager. The quality of the people in Financial Management and throughout the UW, along with the variety and complexity of some of the issues faced, make this an incredible place to be a corporate tax manager.

Recognition and Toastmasters – The Sequel

By Mai Lin C Chua and Noel Bain

In the summer issue of Directions, we talked about awards, certificates and applause in Recognition and Toastmasters Part I. Here in Part II, our discussion continues, as we examine how other recognition tools also go hand-in-hand with a membership in Toastmasters.

Feedback

When you give a spoken evaluation in a Toastmasters meeting, you provide valuable feedback and then the audience applauds. Everyone learns from and is grateful for your suggestions.

Giving an evaluation is a lesson in recognition. It is important to remember that there is more to recognition than praise. Sometimes it means thinking enough of people to offer suggestions on how they can improve. Evaluating your fellow members means you care about their development. Nowhere is this done as elegantly as in Toastmasters.

With the spoken and written evaluations you give and get in Toastmasters, you focus on what worked well first. You do this because, after a presentation, speakers have a tendency to think about what they did wrong. A little praise puts them in a positive frame of mind. Next, you provide a couple of ways that the speaker can improve. Finally, you end with a little more praise to ensure that the speaker knows the good parts in his or her presentation.

Opportunity

If you attend most meetings, you will soon have an opportunity to participate. Toastmasters are a very inclusive bunch. From the beginning, you will be asked to answer Table Topics questions. (For more information on Table Topics and other Toastmasters' activities, click on this link < link to Recognition and Toastmasters I Directions article>). Soon, the Vice President for Education will assign you a variety of meeting roles ranging from Timer to Speaker. Before you know it, someone will ask you to compete in a contest or serve as an officer. All these opportunities to participate offer meaningful recognition and tell you that you are a valuable part of the organization. All the certificates you've received and all leadership roles you've assumed in a Toastmasters Club are credentials to your resumes.

If you look up the words *recognize* and *recognition* in any dictionary, you will find definitions such as *identify* and *acknowledge*. It requires practice to recognize and acknowledge others, and I can't think of any place that provides a better opportunity to learn this than a Toastmasters meeting!

FM Toastmasters Club holds its weekly meetings every Tuesday from 12 noon to 1 pm at Schmitz 170. Please come, explore, and join the fun!

New Directions Summary (July – Sept)

The new Recognition Quality Team (RQT) has been quite busy this summer. In addition to the many many BRAVOs and Recognition Treat Certificates that Financial Management has given, we have presented two LINQ Awards, thrown a handful of Expresses, hosted a Person-to-Person Lunch, and with the EIT, co-hosted the Financial Management Summer Event. Here are the details:

Awards Given this Quarter

LINQ – July 7, 2005

Jeff Follman, Director of Financial Accounting and Reporting, received a LINQ Award on July 7, 2005 for the qualities of Trusting of Others, Approachable, and Inspiring. Jeff received heavy praise for dedication to his job and showing a genuine interest in others. "Jeff always tries to involve the right people in decision making. He makes sure he is getting everyone's input before making a decision. Jeff listens in a non-judgmental way. He makes people feel comfortable to talk openly and share information with him. I really appreciate this unique aspect of his character." Congratulations Jeff!

LINQ – July 18, 2005

Ginny Montgomery, Assistant Director in the Payroll office, received a LINQ award on July 18, 2005 for the qualities of " Trustworthy," Trusting of Others," "Approachable," and "Inspiring." Ginny was considered as "the GO TO" person for questions. Ginny is "a great team player, and a reliable carpool partner." She has the talents and skills, and she is "extremely dependable and does not fail to deliver on her commitments." Congratulations Ginny!

Express Awards:

1. Heiko Bailer – Asset allocation/Risk Management tools
2. Risk Management – Annual Renewal
3. Acct Ops. – Exceptional performance during Biennium close and while coping with organizational change
4. MAA – Completion of F&A Negotiations
5. Lead/Inciters – New Leader Orientation & Survey; Knowledge Worker & Strategy Map

Bravos: (45 Total)

Jeff Mellema	Sharon Langlois	Cindy Gregovich	Ping Tan
Connie Payton	Shawna Litterski	Barbara Schielmann	Lisa Edlin
Elise Hebb	Rosemarie Valencia	Belinda Liley	Pramilla Chand
Margarita Mortel	Alvin Chau	Diane Harker	
Kelly Williams	Katherine Wu	Guy Platz	
Terry Harter	Christa Woodhull	Joyce Halwas	
Aris Gempesaw	Erin Courtney	Kevin Wald	
Katherine Wu	Keli Johnson	Susie Rodriguez	
Celia Durham	Kristin Findley	Evelyn Jagoring	
Gilda Franada	LiChang Wong	Nancy Hurja	
Juinette Schrijn	Rae Ann Laubenstein	Joanne Matson	
Anita Bingaman	Donna Andreason	Jennifer Johnston	
Annette Johnson	Erin Mongwa	Aurora Lau	
Paige Hamlin	Barbara Schielmann	Ann Sarna	

Recognition Treats: 222 issued

Upcoming Events:
RQT Person-to-Person Gathering
November 16, 2005 – Lunch – ECC Black Room
Invitations to come soon!

Kudos

By Kyra Worrell

To: **Charles Bennet**, Decision Support Center; **Nate Findley,** Decision Support Center; **Dinah Walters**, Decision Support Center; **Brandon Whitehead,** Academic HR

From: **Daniel A. Duffy**, Senior Manager, Client Services & Learning Technologies, C & C, UW

I wanted to take a moment and provide you with some feedback on the DMUG meetings. I wanted to let you know that I appreciate the level of preparation that you and your staff put into the meetings. It is evident in well planned, well run, and productive meetings.

So, just a quick "thanks" to you, Nate, Brandon, Dinah and the other behind the scenes folks who do the work to help make the DMUG meetings are productive as they are.

It makes a difference!!

To: **John Cady,** GCA

From: **Kathleen McEwen,** Fiscal Specialist, Medicine/Division of Gerontology and Geriatric Medicine, UW

I don't know how you all do the job you do over there. You are all miraculous. And, your work is so hard....

To: **Sue Camber,** RAA; **Cristi Chapman,** MAA

From: **Asuman Kiyak,** Professor, Oral & Maxillofacial Surgery (Dentistry), Adjunct Professor, Architecture, Psychology, Director - Institute on Aging

Re: F&A rate agreement

Congratulations Sue! What a coup in this age of shrinking federal budgets! I vote for a major bonus for you and Christi, and...?

To: **Sue Camber,** RAA; **Cristi Chapman,** MAA; **and MAA staff:**

From: **Arthur Nowell**, Dean, College of Ocean and Fishery Sciences

Re: F&A rate agreement

Truly excellent work by Sue and her team.

With the exception of NIH which does not list IC on the budget pages, most PIs will see this increase in a different colored light than many directly concerned with the maintenance of the infrastructure.

It is going to take some good PR to get the word out as most PIs are watching declining overall agency budgets going forward…especially NSF, NASA, NOAA, and even Navy.

But, like always...you can't house great books and keep great people productive without a great library building.

To: **Sue Camber,** RAA; **and RAA staff:**

From: **Bill Ferris**, Executive Director of Administration, Office of the Executive Vice President, UW

Re: F&A rate agreement

I had heard the rumors, but thrilled with this news. What a wonderful validation of the entire RAA team and organization (and especially its leader!).

How can they not fund us now!!!!

To: **Cristi Chapman,** MAA; **Sue Camber,** RAA; **V'Ella Warren,** Financial Management

From: **Ruth Mahan,** Vice Dean for Administration and Finance, School of Medicine, UW

Re: F&A rate agreement

You have done a great job! Thank you for all of the hard work.

To: **GCA staff**

From: **Richard Glover**, J.D., Grant and Contracts Administrator, Office of Sponsored Programs, UW

GCA *rocks*

To: **Miriam Garvey,** SFS

From: **Lynn Catlett**, Administrator, Department of Aeronautics & Astronautics, College of Engineering, UW

Thanks for a great training on Monday! It all begins to come together! I'm not sure if you know your own power: I had tried to do the same thing (authorizing aid) with 2 different students. It worked fine for one, and did some obscure other thing for the other. I tried four times. Then I started writing you an email. While checking something on SDB to show what I'd done, I tried once more: in it went! Even gremlins bow before you!

To: **Frannie Gladney,** SFS

From: **Maude Marzan**, Former UW student

I am a former student at the University of Washington and I had an overpayment. Frannie was very accommodating whenever I have any questions regarding my overpayment. She updated me with my account balance. Frannie was very considerate with my financial hardships and established a payment plan agreement. I called Frannie last week to mail me a summary of my account, I immediately received it the following day. Frannie provided me with excellent customer services because she was efficient and she would call me right away after leaving her a message.

To: **Frannie Gladney,** SFS

From: **David Meland,** UW student

When I was first notified of my overdue balance I had a lot of questions. I wrote you with them after I had been sent from office to office in Schmitz Hall with little success. I expected a reply telling me to return to one of those offices with my questions as I received the notion that you were the person receiving my monthly payments and that was all. However, you wrote back requesting that I come in and you would try your best. Although you were not able to answer all of my questions that day, you answered most with great clarity and told me where I could find answers to the few that remained. I left your office understanding what I did wrong and what I needed to do to make it right. This was above and beyond what I expected and you continue to exceed my expectations to this day. After that day I occasionally wrote you with a question and you always took the time to respond promptly with a clear and concise e-mail.

I was in Schmitz Hall at least every 2 months last year and every time you saw me, you recognized me by name. This is a great deal in a school as large as the UW and it also reminded me how much care you took in helping me tackle my overdue balance. Overall, you made what I found to be an extremely frustrating, confusing and stressful situation very clear and easy. This is what I needed most at that time. From past experience with the Financial Aid Office I know you are a great asset to the University of Washington and its students.

Thanks you so much. This would have been much more difficult without you and you were a great pleasure to work with.

To: **Cindy Gregovich,** Payroll

From: **Kathleen Dwyer**, Director of Benefits, Benefits Office, UW

I've said it to you each individually, but I want to reiterate that it's just great working with Cindy as Payroll Director. Whether it's an unfortunate crisis like last week or just on a day to day basis, she's wonderful to work, a very good leader of people, and a very positive force for change.

It's great to have a peer in the building who has a similar vision for where we need to go and also someone to share the challenges we face! We are lucky to have her.

To: **Cindy Gregovich,** Payroll; **Janelle Browne**, Health Sciences and Medical Centers, HR; **Vicky Stormo,** University Police

From: **Weldon Ihrig**, Executive Vice President, FM

I would like to add my appreciation to Cindy, Janelle and Vicky for your leadership in creating UW's proactive response to the SS mismatch issue. The appreciation by the Federal agencies involved will serve UW well in the future as well as these efforts being the right thing to do by the University.

To: **Ruth Johnston,** SFS; **Ann Anderson**, Controller**; Diane Cooley,** SFS; **Norm Englund,** SFS; **Nancy Hurja,** SFS; **Evelyn Jagoring,** Financial Accounting: **Catherine Sleipnes,** Payables Administration; **David Wright,** Financial Services:

From: **Ken Sinarski**, Associate Comptroller, University of Virginia

Ruth, we met at a conference in Colorado last fall and I want to let you know that I think your cash management class is an excellent tool. Steve Kimata speaks highly of you and we often look to your website for information and updates on the balanced scorecard. Currently we are trying to enhance on training materials. I'm over several of areas you refer to in the training class such as cash handling, electronic payments and credit cards. Would you mind if we used some of it in designing our materials.

To: **Ruth Johnston,** SFS, **and SFS staff:**

From: **Mark Ondrake,** Operations Management Specialist/ Budget Analyst, Otolaryngology - Head and Neck Surgery, UW

Congratulations, your team in SFS has finished yet another round of UW Tuition Payments.

As always, the managers were helpful with my strategic "systems" questions, and the staff was very responsive on entering the payments. Your Web-based-forms work quite well, and the SFS data inputs were quick, accurate and efficient.
*** In brief, continue the excellent work!

Once again, I appreciate the fine efforts of SFS, with their superior results in customer service and systems enhancements. You and your team have advanced the cause of "UW productivity!"

In summary, this is a case-study of Quality Improvement in action.

To: **Sharon Langlois,** Payroll

From: **Hien Tran,** Accounting Supervisor, Applied Physics Laboratory, UW

I received all of it, even the letter. :-)
Thanks for going the extra miles.

To: **The Payroll Office**

From: **Gary Farris**, Administrator, Graduate School, UW

The excellent work that the Payroll staff have put into this problem and the difficulty of their situation in dealing with pulling information out of the system or making the system work to deal with intricacies in the appointments cannot be overstated. They are a tremendous staff to work with and deserve high praise for the extra effort here but also for the great work they do every day. I know you know this already but I wanted you to know that there are others who greatly appreciate their commitment to making things work under extraordinarily difficult circumstances.

To: **Amy Pierce**, Payables Administration

From: **Peggy Smith**, Assistant to the Acting Director, Wa National Primate Research Center, U.W.

I wanted to let you know how much we appreciate the effort Amy Pierce (Payables Administration) put forth on our behalf yesterday afternoon. The Primate Center had a time-sensitive payment that needed additional information. Amy contacted me and worked diligently and patiently with me and our Director, Dave Anderson, to translate the problem and work towards a resolution. I had never met Amy before, nor had I had any direct interactions with the Payables Department. Amy provided an incredibly positive first - and lasting - impression of your Department.
Thank you for the excellent service you provide.

To: **Team Six – Adam Orchard, Mary Girgis, Marisa Honig,** GCA; **Sue Camber,** RAA

From: **Mark Ondrake,** Operations Management Specialist/ Budget Analyst, Otolaryngology - Head and Neck Surgery, UW

Sue: Thank you, as always, for your attention to strategic issues and tactical details.
Please note: Team Six has been very helpful in setting up some Advance Budgets for Oto over the last few months. As you know, and as you have stated, new budget set-up is a top GCA priority, and we value this service. The prompt creation of a new budget helps us immensely for accurate payroll entry, the posting of expenses to the proper budgets, etc. Team Six deserves some praise for superior customer service during their cross-training period!

To: **The Travel Office**

From: **Sandra Rochon**, Assistant to the Assistant Provost, Equal Opportunity Office, UW

My appreciation goes out to your staff at the Travel Office for the great customer service I always receive. Other departments around campus give out a 24 hour turn-around, which often turns into 48 plus hours. Your folks are helpful, friendly and prompt.

To: **Mike Anthony,** MAA; **Sue Camber,** RAA, **Weldon Ihrig,** EVP

From: **Weldon Ihrig,** Executive Vice President, **Phyllis Wise,** UW Provost

Re: F&A rate agreement

(Phyllis Wise writes Weldon Ihrig, in regard to his response to a faculty member's concerns about the new F & A rate agreement): This is such an excellent response. Faculty do not understand this concept and you have done a beautiful job to try to explain it!
(Weldon Ihrig forwards the email on to Sue Camber): Sue, thought you would like to see the new Provost's comments about the email response to Cliff Mass. Thanks for you great work on the response, and I will make certain that Phyllis knows the real brains behind UW's indirect costs efforts. Weldon

(Sue Camber responses): Thanks Weldon. But, I must pass the credit too! Most of the credit goes to Mike Anthony, our new Executive Director for MAA. He came on board on July 1 and with his F&A experience and just a little coaching from me on the UW approach and sensitivities, he was able to draft this for me with ease.

To: **Lisa Whitehead,** SFS

From: **Carol Brown**, Manager, Student Services & Admissions, School of Dentistry, UW

I wanted to take just a second to tell you that I think Lisa Whitehead is incredible. She knows virtually everything and has the best customer service skills. Frankly, I don't know what I'd do without her -- she has saved me dozens of times.

Just wanted to share this -- I think Lisa is truly a special UW employee.

To: **Lisa Whitehead**, SFS

From: **Kay Lewis,** Director, Financial Aid Office, UW

Now that most of the Hurricane Katrina students have received some funding from us, I wanted to thank you for printing all those same day or next day checks. You were always quick, efficient and good natured about my requests during this very busy time. I know these students were so relieved and amazed at how easy we made the process to get them assistance--and you were a big part of that effort. Thanks again, Kay

To: **Lisa Whitehead,** SFS

From: **Weldon Ihrig,** Executive Vice President, FM

Lisa, thanks for going the extra mile to assist the Katrina students--you are making people's lives better.

To: **Kyra Worrell,** SFS; **Heidi Anderson,** SFS

From: **Maureen Shadair**

Kyra and Heidi,
Thank you so much for taking the time to share your financial planning expertise with our class this quarter. I know the students got a lot of good information and practical help from the Money 101 session you presented. And the Cranium game was fun and helped to reinforce the message. Thanks again for your time and energy. You make a difference for sure.

Training Schedule 2005/2006

Process Improvement
March 9/10 2006
8:00-4:00
#142 Gerberding Hall

To be scheduled October 2006

Quality Awareness
Nov. 30 from 12:00-4:00 &
Dec. 1 from 12:00-4:00
ECC Black Room
To be scheduled May 2006
To be scheduled November 2006

Facilitator Training
December 8, 15, 16
8:30-12:30
HUB #108

EDP Workshop
January 30 & February 6, 2006
1:00-3:30 p.m.
#142 Gerberding Hall

June 1 & June 15, 2006
1:00-3:30 p.m.
#142 Gerberding Hall

Job Search Workshop
February 2, 2006
1:00-4:00 p.m.
#142 Gerberding Hall

July 31, 2006--1:00-4:00 p.m.

MBTI Feedback Session
December 6
9:30-11:00
#275 Gerberding Hall

April 26, 2006
1:00-2:30 p.m.
#26 Gerberding Hall

CPA Ethics Training
November 21
12:30-4:30
ECC Black Room

#142 Gerberding Hall