

**Financial Officer's Association Meeting Notes
Wednesday, August 5, 2009
Crowne Plaza LAX**

Members			
X	Clinton Moffitt (Fresno), Chair	X	Chris Bronsdon (San Diego)
	Cynthia Matson (Fresno) CABO Liaison	X	Agnes Wong Nickerson (San Francisco)
X	Doug Wade (Bakersfield)	X	Becka Paulsen (San Jose)
X	Emily Deakin (Channel Islands)	X	Rick Ramirez (San Luis Obispo)
X	Dave Foreman (Chico)	X	Mary Hinchman (San Marcos)
X	Karen Wall (Dominguez Hills)	X	Letitia Coate (Sonoma)
X	Nyassa Love (East Bay)	X	Michelle Legg (Stanislaus)
X	Brian Jenkins (Fullerton)	X	George Ashkar (Chancellor's Office)
X	Carol Terry (Humboldt)		Sean Boylan (Chancellor's Office)
X	Sharon Taylor (Long Beach)	X	Lori Erdman (Chancellor's Office)
X	Lisa Chavez (Los Angeles)		Mike Redmond (Chancellor's Office)
X	Ken Toet (California Maritime Academy)	X	Rodney Rideau (Chancellor's Office)
X	John Fitzgibbon (Monterey Bay)	X	Michelle Schlack (Chancellor's Office)
X	Robert Barker (Northridge)	X	Tom Roberts (Chancellor's Office)
X	Darwin Labordo (Pomona)		Robert Turnage (Chancellor's Office)
X	Justine Heartt (Sacramento)	X	Jean Gill (Chancellor's Office)
X	Bob Wilson (San Bernardino)		

1) Welcome – Clint welcomed the group.

George asked if he can discuss the MBA program fee before the group gets to the agenda. He started by saying that after the BOT approved the fee it took 9 weeks for the executive order to come out and he found that a number of the campuses were waiting for the EO to come out before notifying the students of the fee increase. George said you may have received any urgent email asking for copies of the emails, letters, or web postings that were used to notify students of the 10%, 20%, and MBA fee increases. The CO is trying to determine whether to implement the fee for the fall semester. The group informed George that they were waiting for the EO to determine how to apply the fee since the original information was not clear as to whether it will be applied to the program or specific courses. George acknowledged that the EO should have been written and vetted before taken to the BOT so there would be no confusion on how to implement the fee. The concern is that every campus sets up their courses and fees different in PeopleSoft and there is no way to standardize the process. Some campuses were concerned that they may not be able to apply the fees to the courses without some type of manual process. The FOA group asked why the fees were not applied to the program similar to the existing grad fee, instead of to the required courses. George said a decision will be made later today on whether the fee will be implemented this fall or be put on hold.

2) Treasurer's Report – Emily Deakin – Emily reported at the June 30, 2009 net income equaled \$15,620. At July 31, 2009, the fund balance was

\$75,929 with net income of \$9,000 which is from the campus memberships.

- 3) CSU 101 Postponement Status the conference is postponed to March 6-9, 2011. The block of rooms for the conference has been reduced by five per night. Now that Becka is retired, she has offered to handle the arrangements.
- 4) MBA Professional Fee Methodology/EO Memo – most of the questions were answered in the opening discussion. One question did come up in regard to the SUG set aside for the program: Is it required that we separate the 25% set aside from these fees? Rodney said it would be a good idea to set aside the funds so they can be monitored, but it is not required for reporting purposes.
- 5) GAAP Audit Preparation Deadlines, Furlough Deferral, Overages – George reported he is pursuing various options for dealing with the need to work on GAAP when campuses are on furloughs. The options are: overtime, CTO, alternate furlough days, or change deadlines. He is exploring these options with Chancellor Reed and Ben Quillian. Changing the furlough day may create problems, the deadlines may not be able to be changed, but he may be able to change the scope of the audit. George reported he is working with KPMG to reintroduce documents to the legislature to reduce audits from 10 stand alones to zero. George announced that the GAAP calls will start tomorrow and once KPMG starts he will conduct calls twice a week – one with the campus and one with KPMG. George will be monitoring campuses to see if the furlough days are impacting the campus progress toward completing the work. If he feels the staff are behind, he will discuss the issue with Ben. George was asked by the group to discuss his concerns with the AVP and not with the GAAP coordinator. George agreed and said he will make sure to contact us. He suggested we participate in the calls so we stay current on the status of our campus. Another suggestion the group provided to George was to come up with a systemwide solution so the campuses don't have to deal with the issue on their own.
- 6) Chancellor's Office Update
 - Financial Services – George Ashkar
SCO Audit – Larry Mandel and George terminated the contract with the SCO because the system can no longer afford to pay for their services. There are eight pending reports and George is working to get a status on the reports. There is no commitment to do further audits and no final decision on what will be done in the future. George believes the SCO will not continue to audit the campuses because they can't afford to staff the fieldwork.

KPMG Contract – George is working on the revisions to the contract and he will review the changes with CABO and CFS steering and execute committees before implementing any changes to the audit or deadlines.

Legal Close 2009 – George reported all the campuses had very successful legal closing. He reported he met with Mike Mclean to discuss not scheduling any updates to the system during year-end close. We can't take the risk of having any problems during this time.

CFS and Legal Timeline 2010 – will have discussions next week on the timelines.

- Budget Office Update – Rodney Rideau
Budget Templates and Narratives – The reports have been reviewed and the CO may be calling some campuses to ask that they make adjustments. The initial review of the reports look fine, the only item that may be an issue is the revenue loss due to the enrollment loss. Another issue is that some campuses identified synergy plans and some did not. Ben plans to discuss the plans in summary with the BOT in September.

B 09-02 Final Budget Allocation – no questions

FIRMS Budget Submission Deadlines– there is a budget conference call scheduled for tomorrow. The Firms Budget submission is due August 19. Campuses will probably reduce their expenses for furloughs from their salary and benefits lines similar to 2010/11 for the enrollment reduction savings. The Firms budget submission should be reflective of how campuses plan to address their budget reductions.

- Procurement Update –Tom Roberts
PCard Replacement RFP – Tom reported on the plan to move off the AmEx card. The bids are in and they seem to have resulted in potentially providing the campuses with a similar situation in regards to rebates and services. Six bids came in: 4-Master Cards, 1-Visa, and 1-Visa/Master Card. There is no report on the bids, but he will know later once the bids are reviewed with the other two universities. You may remember we joined Oklahoma and Indiana on going out to bid. They made sure to structure the bids to allow any one of the campuses to opt out if they wanted to go on their own. The RFP is very flexible and the agreement would not hurt if one of us opts out except for the overall spending requirement. Tom reported that they should have the results of the bids in 10 days. Even though we are looking to have the same type of services, we may have changes in areas such as the reconciliation programs. Tom was asked if the campuses can get a feature that separates the out of state vendor payments in order to

calculate use tax. Of the \$400K signing incentive from AmEx, we can keep \$100K which will go to the campuses.

Disabled Veteran Business Enterprise (DVBE) Changes – Tom reported on the changes from AB21 in regard to DVBE. In the past, vendors can use 3% spend on DVBE, show a good faith effort in trying to contract DVBE, or file a utilization plan with the state. With the changes in AB21, vendors have two options: A utilization plan or 3% spend. In order for a vendor to be responsive in bidding, the vendor must have 3% DVBE. There are only about 900 DVBEs in the state and in two years there will probably be a report to determine whether to continue or not go with the program. Another item in the bill, the 10% hold on IT system development was reduced to 5% which is similar to construction retention.

Tom reported that the group can use the Elluminate system for meetings scheduled as video conference. The group may want to use the conference calls and reserve the Elluminate for presentations.

Award in Appreciation – Clint presented to Becka Paulsen an award in appreciation for the 25 years of service she has provided to FOA.

7) Lunch

8) Liaison Reports

- Accounts Payable – George Ashkar reminded the group that the new travel policy is effective September 1, 2009. The CO will publish a domestic travel meal rates on the website. The group asked if the CO can publish a FAQ for campuses to use in implementing the new policy.
- Student Accounts Receivable – Lisa Chavez reported the group has been discussing how to implement the MBA fee increase, and whether campuses are putting holds on student accounts when they have outstanding balances with auxiliaries such as the bookstore.
- Purchasing (PSSOA) – Scott Burns – Tom reported on how the group is accommodating training for new programs and policies. He said they are using online training that will be delivered in modules. The training sessions will be interactive so the group can share their unique problems.
- Budget – John Fitzgibbon reported the Firms budget submission teleconference is scheduled for tomorrow. Robert Turnage is scheduled to discuss the budget. He also announced that the Budget Executive Committee (Cathy Rank, Steve Mastro, Sharon Eichten, and Stacy Hayano) is soliciting nominations to replace Stacy and Steve on the committee. Please send your nominations to John Fitzgibbon.

- 9) Cal Grants Disbursement – Clint Moffitt asked how campuses are handling the funds. The consensus was to use Ben’s memo for guidance on how to allocate the funds. George asked campuses to send him a list of IOUs we have outstanding.
- 10) Common Financial System Update – Becka Paulsen and Letitia Coate reported that CFS reporting sessions will be late October/November. The sample mods will be: Pro Card, Chargeback, Delegation of Authority, Grants Post Award, Common Purchase Order, Invoice and Check Form, and Various Reports

The team tried to match the campus mods to a CFS mod and when the team was not sure they contacted the campus to get more information. The team provided common interfaces for third party interfaces and recommends they become part of baseline. For those campuses that have special interfaces, they can contact CMS Central to get the system in baseline but the campus will have to provide the resources. Becka thanked the campuses for all the work they provided to the team and acknowledged that it was a lot of work.

The mods will come out in 2010 and can be put in the test system for campuses to use and become familiar in advance of implementing. Along with the mods, campuses will receive user guides. This will allow you to continue to use your current system while becoming familiar with the new mod prior to implementation in 2011.

Becka reminded campuses that they must use the chart of accounts as defined. There was a question on whether new object codes were added and the answer was no the team did not add additional accounts. The team highly encourages campuses to use the COA as defined when the new data warehouse in 2010.

George reported that a policy outlining grant reporting will be coming out and it will include how to use the charfields properly to account for the grants. The Firms database does not have a date when it will go away but once it goes away, campuses will need to bring auxiliary data in to go in the data warehouse.

- 11) CO Guidance for Fiscal Records Retention – Justine Heartt reported that during the information security audit the auditor referenced EO 1031 dated February 27, 2008. Justine’s concern was that the information in the EO is very old and that we need to replace it with updated guidelines.

- 12) ICSUAM Policy – Student Assistant Payroll Direct Deposit – Justine asked why campuses do not allow student employees to participate in payroll direct deposit. The requirement may be a SCO requirement because students are not paid on a regular basis and they tend to change accounts. Adding and removing to direct deposit takes a while to process and remove. I checked with my campus (DH) and we do have students on direct deposit.
- 13) Mailing Payroll Checks – Furlough Days – question on whether campuses will be mailing checks on furlough days. Most said there is no plan to mail checks and will continue to hand out checks.
- 14) Future FOA Meeting Dates:
 - Wednesday, August 05, 2009 – Crowne Plaza
 - Wednesday, October 07, 2009 - Video Conference
 - Thursday November 19, 2009 – Crowne Plaza
 - Wednesday, February 10, 2010 – Video Conference
 - Wednesday, April 14, 2010 – Crowne Plaza
 - Wednesday, June 2, 2010 – Video Conference
 - Wednesday, August 4, 2010 – Crowne Plaza