

Meeting Minutes

Meeting Title:	BG@100 Executive Steering Committee (ESC) Meeting
Date:	October 17, 2005
Time:	11:00 AM ET
Location:	McFall Chart Room

Invitees/Attendees (* in attendance, # absent, + substitute, = by conference call)

Names			
*	Chris Dalton	*	Ron Lancaster
*	Linda Dobb	*	Bruce Petryshak
*	Gaylyn Finn	#	Toby Singer
*	Cindy Fuller	*	Ben Santelman
*	Bill Gerwin	*	Larry Smith
*	Bahram Hatefi	*	Bob Kupetz
		*	Ginny Pinkelman, Scribe

Opening Statements

Bruce called the meeting to order at 11:00 am.

Approval of Minutes

The minutes from the September 12th meeting were reviewed and can be published to the website pending changes.

PeopleSoft Project Status Update

Ben advised the first phase of the FMS project has officially been launched. Planning and discussion began Fit/gap on General Ledger and Asset Management sessions. Budget & Planning, Accounts Payable and Grants Management will begin soon.

Bruce asked how the University of Toledo relationship impacts Grants Management and **Ben** stated Toledo will participate in sessions which will include Gary Anders; who BG and UT are sharing. **Gaylyn** stated Toledo likes the PeopleSoft product, but unsure if Toledo will use the PeopleSoft Grants Package. **Bruce** asked if Gary will be in the Fit/gap sessions and **Gaylyn** stated yes. **Bahram** stated there is a gap between pre and post awards. **Ron** asked if the project included both pre and post awards and **Gaylyn** stated yes. **Bahram** stated the gap is between pre-award and reporting. **Ron** asked if individuals from SPAR are involved in addition to Gary and **Gaylyn** stated they are not close enough to product discussions. **Chris** asked Ben to involve SPAR. **Ben** stated the PeopleSoft product does offer a Grants Management solution. **Bruce** recommended speaking with the University of Toledo regarding Grants Management. **Bill** will follow up and make sure SPAR is included.

Ben advised in other activities the group is spending time on interfaces and reports and discussions are occurring with conversion. Meetings have occurred on the chart of accounts structure and close to an initial module of how the chart of accounts will be engineered for PeopleSoft. Work will continue on the project plan and finish Fit/gap. **Bruce** asked if this will

dictate the schedule and how long; **Ben** stated most of November will involve planning and perhaps finish in early December.

Ben stated on the HCM side, Karen Woods and John Konecny are the front line support for HCM issues in the project office.

Ben went over the Hours and Costs Chart. **Bruce** asked if the grand total of reports is \$663,000.00 and **Ben** stated yes. **Bruce** asked if the \$11,000.00 number represents what it will cost for upgrades on an ongoing basis and **Ben** stated it is estimated at this point for interfaces and reports. **Bruce** stated to track the upgrade close with the estimates and asked if the new release is part of the scope of FMS. **Ben** will look at both FMS/HCM. **Ben** stated the 8.9 upgrade needs to be complete in order to move into Student Administration as they near the end of Finance. **Ben** will have a demonstration of 8.9 by the end of the month. **Bruce** asked if Human Resources will assist with the scope of the next phase and **Bill** stated John and Karen are working on this. **Bill** stated work is being completed to scope out the next phase, but there is a large effort on the 8.9 upgrade. **Linda** stated eBenefit can wait until June. **Larry** stated Benefit Administration has to be in prior to eBenefit. **Bruce** stated eBenefit is top priority and then eRecruitment and **Linda** agreed.

Ron asked if the group can be provided with a list of each HCM modules that went live and those that are still pending. **Bruce** stated the goal of the project is to pull the plug on the old HR system and any additional work is outside of the scope of the BG@100 project. Work will continue on HCM but not as part of the BG@100 project. **Ron** asked if the same philosophy applies to FMS; the goal is to turn off AFIN. **Bruce** stated the goal is to replace what we have and turn off the old system. **Bill** stated it is a changing list as new releases come out; PeopleSoft adds new modules but also breaks them up; need to revisit the list as other items may be present in the system. **Ron** asked if we are making expenditures for new modules and **Bruce** stated no. **Bill** stated there was a signed addendum in order to roll new items in before sending HCM 8.9. **Bill** will provide a list of modules.

Action/Information Items

Bill briefly explained Action Item HCM-A023, Annual Tax Calculation for Contract Employees and asked **Larry Smith** to present in more detail.

Larry stated the payment processing within PeopleSoft is on 12 month terms. PeopleSoft allows a 9 month academic year contract employee to be set on contract pay and disburse the pay over a 9 month period. **Larry** stated there is a taxation issue because PeopleSoft processes the tax differently. The focus was more on full-time faculty when they looked at this initially and did not consider lesser paid contract employees and terms. **Larry** stated the tax calculator is taking the amount of the contract, the number of pay periods and this is the amount the employee will earn for the entire year. For example, the system will identify a faculty member working part-time (5 months) in the spring as the annual income. If the same faculty member works again in the fall (4 months), the system is only basing the annual tax on this 4 month pay period. **Larry** stated there is a more significant difference between annualized tax methods than this process. In addition, a graduate assistant in the AYA program who is paid 4 months over the academic year will also have the incorrect amount of tax withheld. In this example a GA's total contract is \$4500 and received 4 payments of \$1125.00. There is no federal tax calculated for this person since the system acknowledged \$1125.00 as the annual income. However, the annualized amount is \$4500.00 (and according to IRS tax tables) this person should have paid tax of \$136.00.

Larry is concerned the university is under withholding on contract pay. **Bruce** asked how many employees are in this category and **Larry** stated there are an estimated 1,400 graduate assistants, 300-400 part-time faculty and all faculty using contract pay (full-time over 9 months), however it does not include full-time faculty who elect the annual pay method. The full-time academic year is just under 300 employees. **Larry** did not have a number for Continuing Education instructors. **Linda** stated some employees prefer not having the tax taken out because the pay is so little, many may not file. The 9 month full-time salary could be large, and should be corrected. **Ron** disagrees and stated for 9 month full-time faculty their withholding is correct. **Ron** stated that 9 month faculty who choose not to be paid during the summer should not be annualized; this group is not affected. **Ron** stated AHRS over withholds for 9 month faculty. **Ron** is not convinced there is a violation of the law and disagrees that part-time faculty teaching in the spring should be annualized; since it is unsure if they are returning for fall.

Larry does not believe PeopleSoft contract pay processes were set up for educational institutions.

Bruce asked if the contract pay facility is utilized, what other options are outside of the pay facility. **Larry** stated they can be set up on a monthly pay cycle; add additional line as pay component; but it would set it up on annualized basis. **Bill** stated this still creates a problem for those that work one contract. **Ron** believes the alternative is to do nothing. **Larry** is concerned about liability for not withholding taxes. **Ron** stated the problem is someone teaching in the spring and not in the fall.

Bruce recommended for the second part of the withholding; consider a whole contract. **Ron** expressed concern about grouping everyone for the benefit of less than 300 employees. **Gaylyn** is concerned that a 9 month full-time faculty member will adjust their withholding appropriately and unlikely the individuals that would have under withholding would not adjust their pay.

Chris asked who is in the under withholding group and **Larry** stated graduate assistants and part-time faculty. **Ron** stated a full-time GA for the year makes roughly \$8,000.00, which is under guidelines for paying federal tax. **Gaylyn** stated the university was audited several years ago and foreign graduate students did not have adequate tax withheld. **Ron** asked what was the outcome and **Gaylyn** stated the under withholding along with interest had to be paid and unsure if a fine was paid. **Bruce** asked if the graduate students can be on monthly pay and annualize. **Larry** expressed concern about potential liability for the university. **Chris** stated if the employee returns in the fall, make the adjustments at that time, focus should be on the group that is the problem. **Larry** stated this would be a very labor intensive process. **Chris** stated it could be labor intensive but there should be a way to automate it. **Chris** believes annualizing everyone for 12 months would be problematic.

Bill stated part of the problem is contract pay, for those with multiple contracts (Spring/Fall) the system looks at both semesters independently; it doesn't accumulate the totals. **Ron** stated the spring contracts are processed correctly because there is not a contract for fall. **Bill** stated if an employee had two \$9000.00 contracts the system would not tax them for a total of \$18,000.00 for the year. **Chris** recommended the time to make the correction would be in the fall. **Larry** is not sure how it can be automated to look at everyone. **Linda** agreed with **Larry** that it would require too much manual intervention. If it is not changed, instead of employees, it appears as they are consultants to the university. **Linda** agrees with **Larry** to annualize the program, if it takes too much money out then the employee will have a return.

Chris asked how other institutions are handling this situation. **Bruce** asked if contract pay has an addendum. **Larry** stated contracts are based on calendar year not contract year and **Bill** believes this would be a difficult process.

Chris asked about faculty who teach in the summer and **Larry** stated they are placed on a monthly pay frequency. Contract pay can't be used for the summer as it would be equal payments; each month has to be set up individually so they are annualized. **Bill** asked where the contracts originate and **Larry** stated Continuing Education processes the contracts during the summer. **Gaylyn** asked about those on monthly pay cycle and **Chris** stated they would not have the same impact.

Gaylyn stated if the IRS audits they will not look at how they are paid, they look at what's been paid, which is the correct amount of withholdings based on gross.

Bruce advised PeopleSoft has been implemented at Ohio State for awhile; how are they handling this. **Larry** has not contacted Ohio State; Akron and Cleveland are not using contract pay.

Larry stated if they are not using contract pay they are using an annualized method such as; annual, monthly or biweekly which are annualized tax methods in PeopleSoft. **Bruce** asked why Bowling Green is standing out. **Bill** stated contract pay gave us benefits. **Larry** stated if monthly, another line must be added to see the total contract. **Bill** stated originally this was a way to help with reporting needs and keep track of true annual salary. **Bill** stated it also helped place employees in contract pay prior to go live so they were not paid during the summer.

Larry is concerned with potential liability issues. If the committee feels this is acceptable, then notify this group to review their tax withholding and how this will affect them. **Chris** asked what the withholding table looks like. **Larry** needs to know filing status, gross wages deductions, medical, etc. **Chris** asked if a GA makes under a certain amount of pay is there a level that no taxes are withheld; what point do you go to the minimum to the next higher cut? **Gaylyn** asked if the 20 step ranges are being used and **Larry** stated yes.

Chris stated if the pay is under \$8,000 a year and at 10% withholding; then someone at \$4,000-\$8,000 is likely to be in same withholding. If graduate students are the bulk of the withholding, then the university is not under withholding. **Ron** is concerned this is a customization and the focus should be on the problem; not impose a solution. If writing a program, make it more focused and eliminate 9 month faculty and look at those that are the problem. **Larry** stated if that is the case, then yes it will narrow the field down. **Bill** asked if the committee would like them to narrow down the field and resubmit the action item and the committee agreed. **Bill** will reevaluate and bring the action item back in November.

Bruce asked to take the contract a step further to make sure there are no more surprises later.

Bahram believes using payroll as a control is not a wise idea; normally this is a human resource issue. **Bruce** asked **Bill** to reevaluate contract pay and the extent of the problem so the group can understand more clearly scope of the problem. **Bruce** advised to contact other universities to see why they are not using this; Akron, Cleveland and Ohio State. **Ben** believes they made decisions under previous releases.

Larry spoke to Cleveland and they did not have time to revisit the contract pay as part of the upgrade.

For the sake of time **Bruce** moved the communications review and lessons learned to the next meeting.

The next meeting is November 14th.

Bruce adjourned the meeting at 12:00 p.m.

BG@100 Executive Steering Committee

Next Meeting Date:	November 14, 11:00-12:00 AM ET
Next Meeting Location:	McFall Chart Room
Minutes Prepared by:	Ginny Pinkelman
