

ADMAN EXECUTIVE BOARD MEETING

Minutes
May 7, 2002
2411 Tupper Hall

Present: Linda Bentley, Janet Brown-Simmons, Karen Castelli, Mary Duthie, and Pat Hunter
(Guests: John Gregg, Bob Loessberg-Zahl, Mike Allred, Joseph Calger, Ahmad Hakim-Elahi)

Absent: Sharon Anglin, Lesley Byrns, Betty French, Mariarosa Ferraro-Potratz, Tracy Lade, Trisha Pedroia, Gerri Refsland

Approval of Minutes

The minutes of the March Board meeting have been circulated and are approved.

Announcements

Linda announced that Maria Ferraro-Potratz had to resign as Secretary of the Board, due to workload demands. Linda expressed appreciation for her hard work during the past year.

Nominees have been submitted to Mike Allred to serve on two committees for the New Business Architecture. We submitted Julie Beal, Janet Brown-Simmons, George Hague, Deborah Samii and Peggy Younglove for the Business Process Team. No nominations were forwarded for the Change Management Team. For the MyUCDavis web portal workgroup, we submitted Janet Brown-Simmons, Lesley Byrns and Barbara Smith.

Michele Fulton has agreed to represent ADMAN on the ADC3 (administrative computing) committee. Pat Hunter will stay on as our rep to SAADAC, the Constituent Group Chairs and the Campus Council for Community and Diversity.

Pat announced that we need a few volunteers to help decorate and take tickets for the Soaring to New Heights luncheon on May 16th. If interested, contact Pat.

Kath-Ann Gerhardt from SISS has requested to meet with ADMAN to discuss staffing problems in SISS. Carina Celesia Moore also wants to come address us about staff development course plans for next year. Linda will invite them to a meeting in the fall.

Board Elections for 2002-03

It's time to elect new representatives for Vice Chair, L&S, Medicine, Veterinary Medicine and At-Large. Linda will send an email to the Board members calling for volunteers or nominations, and each college rep will send it to their constituents.

Follow-up on Senior Advisors Meeting

None of the college reps received any comments from their constituents on the material we posted on the web from the Senior Advisors.

ABOG Steering Committee

No report.

Mid-Management Conference Committee

Mary reported that the conference evaluations reflect a successful conference. She presented a budget showing a \$9,857 surplus, but suggested that the registration fee be increased next year to build a surplus that will allow a very special “25th” conference three years from now. The Committee will have a wrap-up meeting next week, and then turn it over to the ADMAN Vice Chair for next year. Mary offered to do the billing again next year, and Linda offered to do the registration.

Administrative Responsibilities Handbook

John Gregg discussed his plans for creating a handbook for UCD that is a reference manual of where to find answers to questions (references to policies, websites, and central units). He showed us copies of the handbooks done at UC San Diego, UC Santa Barbara, and UC Berkeley. He will model ours after Berkeley’s, since it is organized in a very useful way (by subject). The Board agreed that this would be a helpful resource tool, especially for new managers. We would like to have a campus organizational chart included showing where each unit reports (i.e., LAWR to CA&ES Dean). Also, we suggested that it be linked to other things we are already using (like MyUcDAVIS). John will start working on this handbook in July, and he will prepare a draft and have a task force from various campus units (including ADMAN) review it.

Gift Processing

Bob Loessberg-Zahl, Mike Allred, Joseph Calger and Ahmad Hakim-Elahi reported on the recommendations made by the Dialogue Group on Gift Processing as submitted in November, 2000. They discussed the short-term, medium-term and long-term recommendations, the status of each recommendation, and how they were (or will be) implemented. A fairly comprehensive summary was provided, followed by discussion of each area. Copies of the Dialogue Group Report and the response to it (Status of Implementation) are available on the ADMAN website: <http://adman.ucdavis.edu>

Meeting adjourned at 5:05 p.m.

Minutes prepared by: Pat Hunter and Linda Bentley

Dialogue Group Report Gift Processing

Introduction

During fiscal year 1999-2000, a record total of \$72.2 million in private support was raised for UC Davis, benefiting diverse purposes such as financial aid, capital projects, and research. As private support has become a more important funding source over the years, the timeliness of receiving, acknowledging, accepting, and allocating gift funds has drawn increased attention and concern. The average time from gift receipt to allocation of funds stands at more than eighty days, a situation which is unacceptable to donors, faculty, and administrative units responsible for gift processing. In response to these concerns, this dialogue group was created, charged to identify process and policy changes to reduce workload and/or improve process time.

Proposed Performance Standards

The first step for our group was to review the existing process and recommend normative standards for turn-around times. The chart below delineates the major steps of gift processing, listing the responsible unit and proposed standards for average and maximum elapsed times. Steps in shaded rows apply only to gifts designated for research or student support.

Process Step	Responsible Unit	Average Time	Maximum Time
Deposit of gift proceeds	Benefiting unit	1 working day from receipt	3 working days from receipt
Acknowledgement of gift	Benefiting unit	3 working days from receipt	5 working days from receipt
Delivery of completed gift processing form and documentation to Advancement Services	Benefiting unit	7 working days from receipt	15 working days from receipt
Review for conflict of interest, gifts for research by specific investigator, \$250 or more	Office of Research	Review needed	Review needed
Gift vs. grant review, gifts for research	Office of Research	Review needed	Review needed
Student support review, benefiting undergraduate students	Student Financial Services	3 working days	5 working days
Student support review, benefiting graduate students	Graduate Studies	3 working days	5 working days
Review and acceptance of gift, delivery to Extramural Accounting	Advancement Services	4 working days from AS receipt	7 working days from AS receipt
Allocation of funds	Extramural Accounting	3 working days from EMF receipt	5 working days from EMF receipt
Total (excluding research, student support)		18 working days	33 working days
Total (student support)		21 working days	38 working days

Education Improvements

In the course of our discussions, it became immediately apparent that process time can be improved, delays prevented, and understanding fostered through an improved program of education and training. Therefore, the first recommendation of the dialogue group is that training and education opportunities for faculty and staff be expanded to include regularly scheduled classes for the entire campus covering both the solicitation and processing of gifts, and focused sessions for schools and colleges with participation by Advancement Services, Extramural Accounting, and unit development officers. We further recommend that the curriculum for these classes be redesigned to focus on some key elements:

Solicitation

- Policy on solicitation clearance and approval
- Prospect management and tracking system
- Guidance on gift language and the importance of donor documentation

Gift Processing

- Simple checklists for standard gifts and forms available online
- Tips for avoiding the most common sources of delay
- Encourage units to submit more pledges for processing to complete required reviews prior to arrival of first payment and speed the availability of these funds.

Proposed Process Changes

In the process of developing these normative standards, the group identified a number of potential areas for improvement. Our focus in this process was to identify process changes that could be implemented in a short (April 1, 2001), medium (August 1, 2001), or long (after August 1, 2001) time frame. These suggestions are shown below:

Short Term – By April 1, 2001

- When gifts are received, all funds are to be deposited within one business day in the cash received undistributed account. At this time, a statement of cash collections record is created, providing the amount and a description of the item, which is typically the name of the donor or donors. Using the reference field to record the ultimate destination account of the funds will permit faster and more accurate matching of cash received undistributed (CRU) records to completed gift forms. Advancement Services and Extramural Accounting will issue a notice of change in depositing procedures to departments depositing gift funds and then departments can implement this recommendation immediately.
- Some gifts are received with limited or no donor instructions. Under current practice, processing of these gifts is delayed until the department has obtained instructions from the donor. Our proposal is that in these cases, departments should implement a “negative confirmation” process. In this process, donors would be informed that unless other instructions were received by some deadline, the funds would be placed in the dean’s discretionary fund or some other fund determined by the department. Departments preparing gift forms can implement this recommendation immediately upon request by Advancement Services.
- Under current policy, gifts must be accepted and submitted for processing by the benefiting school or college, according to the proper delegation of this authority. The purpose of this step is for the unit to confirm that the unit can and will make use of the funds in accordance with the donor instructions. Our recommendation is that the authority to accept/submit for processing be delegated for some or all gifts to department MSO’s or other staff to eliminate the delays which can occur while attempting to obtain the signature of the dean or other senior administrator. Notification to the dean’s office of new gifts could be accomplished through other means, without delaying the processing of the gift. Schools and colleges can implement this recommendation immediately by preparation and submission of the appropriate delegation of authority to Advancement Services.
- For gifts restricted to support graduate and/or undergraduate students, policy currently requires review by Student Financial Services (undergraduate support) and/or Graduate Studies (graduate support). The purpose of this review is to ensure that compliance with the terms and conditions of the gift are consistent with University policy and laws governing student aid. Our recommendation is that since existing student support funds have already been reviewed, this step should be eliminated for all gifts to existing funds. Advancement Services can implement this change immediately with the concurrence of Student Financial Services and Graduate Studies.
- Delivery of gift forms is currently the first notification normally received by Advancement Services or Extramural Accounting when a new gift arrives. Therefore, these units are unaware of delays in processing or transmittal of the gift. Our recommendation is that an aging report from DaFIS be prepared and made available to Extramural Accounting and Advancement Services. The aging report would provide detail on gifts that have been received and deposited but not yet transferred from CRU. Various versions of this report would be available, from detail at the individual preparer level to summaries by school and college, grouping transactions by time since gift receipt. These reports would be an integral part of enhanced follow-up by Extramural Accounting and Advancement Services with benefiting departments, and can be implemented by February 1, 2001. Our further recommendation is that the aging report be made available online to all DaFIS users by December 31, 2001.

Medium Term – By August 1, 2001

- Prompt acknowledgement of gifts is an essential component of the process and the first step in proper stewardship of donors. Our recommendation is that Advancement Services provide centralized acknowledgement of gifts of less than \$1,500, and that policy be changed to *require* acknowledgement letters from departments be included as part of the gift processing paperwork only on gifts of \$1,500 or more. Implementation of this recommendation would require a change to P&P 260-25 and additional work to develop a standard acknowledgement letter and required reports from the Advancement Information System (AIS).

- Many units on campus, such as Veterinary Medicine and Health Sciences, currently enter their gifts into a local database prior to transmission to Advancement Services. This double entry of gift and donor information can result in significant delays and compromise positive donor relations by not making donations available in a timely manner. Our recommendation is that planning begin immediately to allow units with large gift volumes to enter gift and donor information directly into AIS. Since AIS gift entry is batch controlled, this entry would still be subject to final review and acceptance by Advancement Services according to the documentation provided, but the time required would be significantly reduced, accelerating the availability of funds. This would also be a major step toward the goal of centralizing campus information on gifts, donors, and potential donors. Advancement Services can implement this change by August 1, 2001.

Long Term – After August 1, 2001

- Our final recommendation for action is that Advancement Services begin planning and development of an online gift acceptance process to track and process gifts from receipt to allocation within a single user interface. This process should include appropriate representation from affected units. In keeping with recommendations of the UC 2010 – A New Business Architecture for the University of California report, this application should embed the rules, policies, and procedures of gift processing in the application itself.
- For fiscal year 1999-2000, gifts of \$5,000 or more made up 89% of the gift total, but represented less than 3% of the transaction volume. Since the average gift under \$5,000 was less than \$200, a reduction in the processing requirements for smaller gifts would not result in significant exposure for the campus. Our recommendation is that for these gifts the documentation requirements be reduced and post-audit of these transactions be implemented. This will require substantial policy changes and further discussion.

Topics for Further Discussion/Review

In addition to the specific recommendations identified here, the dialogue group also identified several areas of interest for further discussion and review, including certain Office of Research processes, the role of the UC Office of the President, post-audit/alternative gift paths, and the establishment/encouragement of gift processing service bureaus in the schools and colleges.

- Two processes in the Office of Research can result in significant delays in gift processing, conflict of interest review and the determination of gift vs. grant. Our recommendation is that a dialogue group be created to address the following topics:
 - o Increasing the minimum level for review to \$5,000 or \$10,000
 - o Filing of conflict of interest documents at the time of solicitation or annual filing of known conflicts
 - o Analyst review of filings for preliminary determination; creation of consent agenda for committee
 - o Increased frequency of conflict of interest committee meetings
 - o Allow for filing of a “negative declaration” for cases where conflict of interest has previously been filed and approved, stating that no change has occurred in the potential conflict
 - o Published standards for determination of grant vs. gift; explanation of standards used for determination
 - o Formal appeal process for grant vs. gift determination, through an independent party, since both the Office of Research and University Relations have a financial interest in the ultimate decision
- The UC Office of the President plays a dual role in gift processing. For some steps in the process, UCOP acts as a “department” receiving gift funds and forwarding documentation to UC Davis for processing. For others, UCOP provides critical information such as endowment fund numbers or available balances. In particular, the dialogue group recommends that attention be given to the following areas:
 - o More frequent, online access to endowment balance and activity information for departments, deans, and development officers. This information is currently available once a year in October or November for balances as of June 30.
 - o Improved turnaround for providing fund numbers for new endowments.
 - o Where UCOP is the first unit to receive the gift, adhere to UC Davis performance standards for departments.
- Further discussion and exploration of models for providing services to units receiving gifts are needed. Increasing complexity of gifts and workload in departments has made it more difficult for staff receiving gifts in departments to have sufficient knowledge and experience to quickly deal with gifts. This is particularly true for units that receive only a few gifts a year, since this is not a sufficient level of activity to build confidence or strong familiarity with the requirements of the process. One model that has been successful is to provide private support oversight and processing services through a central service center that is adequately funded and staffed for school/college gift volumes.

- As private support continues to increase, demands on central units to provide an infrastructure to support the needs of the campus for proper stewardship of gifts as well as provide on-going training to the campus community will increase correspondingly. Central administrative units will need to address these resource issues in their strategic planning processes in order to continue to successfully meet the needs of the campus community. Departments will also need to incorporate into their strategic plans appropriate resources to meet the requirements of preparing gift documentation accurately and completely in a timely manner in order for process improvement to occur.

GIFT PROCESSING RECOMMENDATIONS—STATUS OF IMPLEMENTATION

Page 1

Recommendation	Status	Implementation Issues
A. Short Term—April 1, 2001		
1. Improve education and training for faculty and staff	SDPS classes established. At least two classes offered quarterly.	Instructors have added more hands-on exercises, in follow-up to evaluations.
2. Deposit funds in 1 business day to CRU account/use reference field to indicate destination	Prompt deposit is happening, use of reference field is encouraged.	Use of reference field could be made a requirement, with programming.
3. Donor instructions—negative confirmation	Policy is being rewritten—should be ready by end of calendar year. Vet Med is already doing this via its acknowledgement letters.	
4. Allow redelegation of acceptance/submittal for processing to departments	Current policy allows this. CAES has implemented in a limited way.	So far, not many takers on redelegation.
5. Gifts for student support—waive SFS/OGS review of gifts to existing funds	Completed—SFS and OGS review upon account set-up	
6. Online aging report	Completed November 2001.	

GIFT PROCESSING RECOMMENDATIONS—STATUS OF IMPLEMENTATION

Page 2

Recommendation	Status	Implementation Issues
B. Medium Term—August 1, 2001		
1. Provide centralized acknowledgement of gifts/departmental letter required on \$1,500 or greater.	UR does this for annual fund only—probably half of the under \$1,500 volume. Piloted in CFA campaign for gifts under \$10,000.	Departments resist because of desire for local contact, local control, timeliness. Success requires removing the requirement that units must wait to acknowledge gifts until AIS processing is complete.
2. Allow units to enter gift and donor information directly into the AIS	Working with Law and health sciences.	Requires units to give up their departmental systems. This will occur slowly as folks gain more trust of the AIS.
C. Long Term—after August 1, 2001		
1. Implement a comprehensive online gift acceptance process	Ongoing discussion—tied to New Business Architecture initiative	Financial support, priority among many NBA targets
2. Reduce documentation requirements for gifts under \$5,000 and maintain post-audit accountability	Phased approach is underway. Will implement for gifts under \$1,000 to existing fund in 2002-03.	Will move to higher amounts, add new funds over time. For new funds—direct deposit to benefiting account—post-audit exception could create a deficiency.

GIFT PROCESSING RECOMMENDATIONS—STATUS OF IMPLEMENTATION

Recommendation	Status	Implementation Issues
D. Topics for Further Review		
1. Office of Research processes <ul style="list-style-type: none"> • Conflict of interest • Gift vs. grant 	OVCR has reduced its processing time for complete packages from 2 weeks to 2-3 days.	The gift vs. grant issue involves multiple stakeholders with conflicting interests—but the dialog has begun.
2. UCOP <ul style="list-style-type: none"> • More frequent online access to endowment balances/financial activity • Improve turnaround time for providing new fund numbers • Where OP receives gift, ensure that it adheres to UCD standards for timeliness 	Online access to balances and financial activity will be available July 1, 2002, in DaFIS DS. A&FS is working with OP to get faster assignment of fund number (assign campus a block and let campus assign to individual funds?)	
3. Service center model—replace dept processing by school/college processing to realize economies of scale		If this is better, how much do we want to encourage A.4? Maybe we need both—processing occurs at level where there is best coincidence of volume and self-interest in spending the money.