



THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FULL BOARD MEETING

VIA
TELEPHONE CONFERENCE
MONDAY, 09 FEBRUARY 2004
9:45 A.M.
FIU, UNIVERSITY PARK CAMPUS
PC 521
MIAMI, FL

AGENDA

- | | | |
|------|--|--------------------|
| I. | CALL TO ORDER | CHAIRMAN HENRIQUES |
| II. | CHAIRMAN'S REMARKS | CHAIRMAN HENRIQUES |
| III. | ITEMS FOR COMMITTEE REVIEW | CHAIRMAN HENRIQUES |
| | • CONSENT AGENDA | |
| | 1. FINANCIAL TRANSITION PLAN (<i>APPROVAL</i>) | |
| | 2. PROMPT PAYMENT RULE (<i>APPROVAL</i>) | |
| | 3. AFSCME - <i>PROFESSIONAL</i> - (<i>RECOGNITION</i>) | |
| IV. | OTHER BUSINESS (<i>IF ANY</i>) | CHAIRMAN HENRIQUES |
| V. | ADJOURNMENT | CHAIRMAN HENRIQUES |

CALL INSTRUCTIONS:

- Please call (800) 521-1914 promptly at 9: 45 a.m. on Monday, 09 February 2004. An Operator will answer your call and connect you to the conference meeting.
- If you are disconnected, please redial the conference call number.
- If you have any problems with the above, contact Erica Martinez at (786) 269-7660.

Please Note: You will be asked to identify yourself to the Operator. This information will be used for attendance purposes only.

**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

**BOARD MEETING
Via Conference Call**

9 February 2004

SUBJECT: University Transition Plan

PROPOSED BOARD ACTION

RESOLVED that the Board of Trustees adopt the transition plan approved by the Chief Financial Officer of the State of Florida and attached to this Resolution as Exhibit "A" and

FURTHER RESOLVED that the administration is authorized to take all steps necessary to carry out such plan.

BACKGROUND INFORMATION

Over the past 24 months, Florida International University, in concert with the Office of Tom Gallagher, CFO of the State of Florida, and the University's Office of the Inspector General, has been developing a transition plan to complete devolution. The office of the State CFO has agreed that the plan submitted by FIU will allow the university to successfully transition from the Florida Accounting Information Resource Subsystem (FLAIR) for financial/reporting on July 1, 2004, and payroll processing on January 1, 2006.

Supporting Documentation Included:

- Proposed University Transition Plan
- Transition Plan Checklist
- Inspector General Review of Program
- HRMS Implementation Detailed Milestones

Facilitator/Presenter:

- EVP Gallagher



CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

TOM GALLAGHER

December 22, 2003

Mr. Adolfo Henriques, Chair
Board of Trustees
Florida International University
11200 S.W. Eighth Street, PC 258
Miami, FL 33199

Dear Mr. Henriques:

Over the last two years there has been a concerted effort between staffs of the various universities and my office to develop transition plans for each university. Numerous issues were discussed with appropriate resolution being reached by these workgroups.

We concur with the plan submitted by Florida International University (FIU). The attached plan should allow FIU to successfully transition from the Florida Accounting Information Resource Subsystem (FLAIR) for financial accounting/reporting on July 1, 2004, and payroll processing on January 1, 2006. You are commended for involving your Inspector General in this transition process. We encourage continued involvement to help assure your systems have been tested and internal controls are in place.

To assist in the transition from FLAIR, Mike Manderfield has been designated as your contact for this office. He can be reached at (850) 410-9402 or email at mmanderf@dfs.state.fl.us. FIU has selected Andy Fornaguera as the transition contact for our office.

We look forward to the continued coordination between our staffs to ensure that FIU's transition from FLAIR is successful.

Sincerely,

Tom Gallagher

TG:rar

Attachment

cc: Jim Horne, Commissioner of Education
Modesto A. Maidique, President, Florida International University
Ted Guba, Inspector General, Florida International University
Vivian I. Delgado, Interim University Controller, Florida International University
Andy Fornaguera, Chief Financials Lead, Florida International University
Mike Manderfield, Department of Financial Services

**FLORIDA INTERNATIONAL UNIVERSITY
TRANSITION PLAN
October 20, 2003**

Contact Person: Andy Fornaguera
E-mail: fornague@fiu.edu
Telephone: SC 441-2098

INTRODUCTION

The transition plan presented in this document was prepared by Florida International University in accordance with provisions of FS 1011.4105 and in accordance with guidelines provided by the Chief Financial Officer (CFO) of the State of Florida. This plan will be used as a guide to ensure a smooth transition from FLAIR. Included in this transition plan are actions that the University intends to take to implement the transition from FLAIR, timelines for implementation, a plan for testing the accounting system and the Inspector General attestation that the accounting system will be reviewed during its implementation to ensure that appropriate internal controls will be in place. The attached documents listed below are an integral part of FIU's transition plan:

- Letter from the University's Inspector General
- Inspector General Review Program
- HRMS Milestones

GO-LIVE DATES

Financial System: July 1, 2004
Payroll: January 1, 2006

BACKGROUND

Florida International University purchased three PeopleSoft systems: Student Administration, HRMS and Financials. The selection of this vendor was made after several months of evaluating proposals submitted by software vendors in response to an RFP. A number of vendors made presentations to the Selection Committee and to other interested parties at the University.

The University started the implementation of the Student Administration System at the beginning of calendar year 2001. This system contains most aspects of student administration including the following modules: Admissions, Registration, Financial Aid, Student Financials and Student Collaboratives. The Admissions module went live in August 2003 for students applying for admissions to the Fall 2004. The remaining modules will go-live in stages starting in May 2004 with full roll out by the end of July 2004.

Financial System:

Implementation of the Financial System started in March 2003. After an extensive search, the University contracted with the consulting firm of Cedar to assist us with the implementation of the system. Cedar is a PeopleSoft partner and has had ample experience implementing financial systems at institutions of higher education. Most recently, Cedar successfully implemented the financial system at the University of Central Florida. FIU is using the same implementation team that implemented the system at UCF.

The University purchased a series of financial modules and is implementing these in two phases. Phase I of the implementation includes the four modules that are essential to transition off of FLAIR. These modules are:

General Ledger: The General Ledger Module delivers an extensive financial management solution that goes beyond traditional ledger functions. PS Pure Internet Architecture (PIA) enables users to manage global financial performance on a browser. The general ledger module has a flexible accounting structure. We can define how to capture and access financial information based on FIU's requirements. It goes beyond traditional accounting information to include actual, budget, statistics, and forecast data to support the demands of the University's financial reporting. It can manage commitments and expenditures automatically by checking them against predefined, authorized budgets. High volume journals can be imported from spreadsheets. Templates can be created for recurring transactions. Accounting entries can be integrated from other PeopleSoft applications such as Asset Management, Accounts Payable, Purchasing, Human Resources and Student Financials. PeopleSoft General Ledger also provides excellent reporting capabilities.

Accounts Payable: The Accounts Payable Module contains integrated functionality to allow prompt payments, cash management and offers the tools for analytic review of payment related activities. It allows flexible user-defined setup, streamlined data entry, extensive vendor maintenance and powerful inquiry capabilities that enable the management of cash disbursements and efficient collaboration with vendors. From invoice capture to payment, the accounts payable module provides automation tools such as electronic invoices, evaluated receipt settlement, and electronic payments, thus reducing costs and enabling the workforce to concentrate on improving cash flow and vendor relationships.

Purchasing. The Purchasing Module manages purchasing activities online for the most efficient, cost-effective procurement of raw materials, goods and services. The procurement process can be streamlined by using electronic processes, which will be

included in subsequent phases of this project. The Purchasing module has a flexible system setup structure, which allows control to be centralized or decentralized to the level appropriate for FIU's business. Critical procurement processes can be moved to this online system. Requisitions, purchase orders, change orders, contracts and shipment receipts can become totally electronic, reducing errors, redundancy and time spent, while increasing process consistency.

Asset Management: The Asset Management module is designed to help maintain physical control over the University's assets and perform complex financial and accounting functions. Scanning capability using a hand-held device makes inventory data collection faster and more easily reconciled. It allows the University to plan future asset needs, calculate and maintain lease information and be central data repository for complex asset information. One of the central purposes of the Asset Management Module is to calculate depreciation. It will calculate the annual depreciation based on the asset's life, depreciable cost basis, placed-in-service date, and any depreciation limits specified. The asset profiles functionality provides a quick way to enter asset information, especially depreciation criteria. Rather than enter the book, method, convention, life, and tax credit information each time an asset is added, these values are defaulted by the asset profile. The Asset Management Module provides a full complement of depreciated-related reports and maintains easily retrievable data for ad hoc reporting.

Human Resources/Payroll System:

Implementation of the Human Resources/Payroll System will start during the first part of fiscal year 2004-05. Because of the magnitude of implementing the Student Administration and Financial Systems simultaneously, and the drain on resources, the University decided to postpone by one year the implementation of its HRMS. As a result, FIU will go live with payroll on January 1, 2006.

FINANCIAL SYSTEM MILESTONES

2003									2003	2004					
Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Planning/Prep															
		System Design													
				Config & Set-up											
					Development										
					Conversion										
										System & Stress Test					
											Training				
												Parallel Test			
															Go Live

IMPLEMENTATION METHODOLOGY

Testing:

The objective of system test is to ensure that the PeopleSoft application functions properly and supports FIU's unique business processes. Testing will be focused on the

FIU's business processes and not PeopleSoft's technical specifications. Testing will include:

- A test of all PeopleSoft application functionality unique to FIU that will be used in the production environment upon implementation.
- A test of all process and procedures
- A test of the integration of all components to support business requirements.

FIU has hired an individual whose primary responsibilities will be to test the system and to develop a training program for the University community. This individual has extensive experience with the PeopleSoft Financials modules.

System Test will be organized in the following hierarchy: Pass > Cycle > Business Process > Test Case.

Passes

A pass is a full run of system test including all Cycles. The system test at FIU will consist of a multi-pass execution model utilized during system test with several Passes being executed. The first pass will be conducted by the FIU Implementation Team. The second and third passes will be conducted by FIU user community with support from the FIU Implementation Team and should provide for the necessary regression testing of the first and second passes respectively.

Cycles

A cycle consists of a logical grouping of business processes associated with a time element, i.e., Daily Processing; Month-End Processing and Year-End Processing

Business Processes

A business process consists of a logical grouping of Test Cases to test the main business functions that the FIU's Accounting Department performs on a regular basis and will be supported by the PeopleSoft application.

Test Cases

A test case tests specific application functionality.

Training

The training approach embraces a "just-in-time" strategy. Functional end-user training will be offered in advance of deploying each module. End user training is being developed for Financials. A trainer is dedicated to each module and participates as an active member of each functional team. Trainers will develop formal training presentations, as well as end-user manuals and job aids. Trainers will participate in the testing phase in order to validate the end-user procedures being written.

Training and documentation will be process-based, containing information on both the new processes and step-by-step instructions on using PeopleSoft. Post-implementation, trainers will continue to support the functional area in order to anticipate and support

changes that impact either business processes or PeopleSoft. In that way, training materials and documentation will be updated to reflect any changes.

SUS TRANSITION PLAN CHECKLIST

Refer to Attachment A

**FLORIDA INTERNATIONAL UNIVERSITY
TRANSITION PLAN CHECKLIST
October 20, 2003**

CHECKLIST ITEM NUMBER	
1	A letter from the Inspector General is attached describing procedures being followed by that Office to certify the adequacy of internal controls contained in the financial system being implemented. Attached also is a copy of the audit programs that the Inspector General will follow to evaluate the system of internal controls.
2	FIU has reviewed the documents noted in the SUS Transition Plan Checklist, item 2, and considered in this transition plan all of the issues and deadlines identified therein.
3	Refer to the sections above under the heading Financial System Milestones and Implementation Methodology.
	ACCOUNTING TRANSACTIONS
4	FIU will cease processing Journal Transfers within FLAIR on June 22, 2004 Deposits into the State Treasurer will also cease on June 22, 2004. External JT-2s (transfers between FIU and another state agency) will be completed by May 28, 2004.
	CONSOLIDATED EQUIPMENT FINANCING
5	It is estimated that the University will finance approximately \$869,000 during the current fiscal year (2003-04) for a new server through the Consolidated Equipment Financing Plan of the CFO.
6	FIU will establish a Direct Deposit with the CEFM financing institution. A fax or transmission will be provided to the CFO that is the equivalent of a remittance advice for each payment made directly to the financing institution. The information will include the payment effective date, amount and the CEFM financing contract number
	DIRECT DEPOSIT OF FUNDS
7	The University intends to deposit invested funds into a Special Purpose Investment Account (SPIA) under the CFO's contract. The University will coordinate this effort with the CFO by May 15, 2004.
8	The University will provide the CFO with the appropriate direct deposit authorization forms to

	establish deposits for the periodic distribution of appropriated funds from the BOE. We will work with Mr. Manderfield to determine the appropriate time to submit these forms. The University is currently working with our financial institution to set up the bank account(s) to administer these funds.
9	By June 1, 2004, Mr. Manderfield will be provided with the name of the individual that will receive and secure the electronic data to be provided by the CFO, Direct Deposit Section.
10	By June 30, 2004, the University will provide Mr. Manderfield the name of the person that will be responsible for handling returned expense payments.
	GENERAL CASH MANAGEMENT ISSUES
11	Funds invested in the Treasury's Investment Pool will be transferred to SPIA accounts. Cash in the State Treasury will be transferred to the University's local bank account. The liquidation of investments and cash will occur in accordance with the dates and procedures set forth in the SUS Clearing EOY Cash From University Accounts document, expected in May 2004.
12	A new SPIA account will be established with the Treasury to transfer funds in accordance with item 11 above, no later than May 31, 2004.
13	The University will cease making deposits into the State Treasury on June 22, 2004.
14	The University does not receive any direct deposit into the State Treasury from sources outside of state government. However, should any direct deposit be made into the State Treasury after June 30, 2004, regardless of the source, we will request that the deposit be credited to the University's devolution clearing account. These funds should then be disbursed to the University, with appropriate documentation as to its source.
	LIQUIDATION OF INVESTMENTS
15 & 16	All investments in the State Treasury as of June 23 will be transferred to the newly established SPIA accounts. The voucher will be entered on June 23 rd for settlement on June 28, 2004.
	VOUCHER PROCESSING
17	We will transition off of FLAIR for voucher processing in accordance with the schedule that will be provided in the Distribution of State Funds document.
18	The vendor file will flag the record of vendors who have an IRS or DOR levy placed against payments made to them. Upon issuance of a payment to the vendor, the Accounts Payable module will automatically issue the check payable to the IRS or the DOR, as applicable. We will develop procedures internally to assign the responsibility for processing levies upon receipt by the University and for maintaining a record of such levies.

PURCHASING CARD

26	FIU has selected Option 3 to devolve from the State of Florida Purchasing Card Program.
27	On March 1, 2004 the University will start a “local government/participating entity” program using the State of Florida PCard Program contract.
28	The University will need State funds to process payments through the local account. We have projected \$3.9 million for the period March 1, 2004 through June 30, 2004. A biweekly schedule of funds will be provided to support this needed. Refer to Attachment B for an analysis of the projected estimate.
29	The University will use option “a” as presented in the Accounts Payable Devolution Team document to record PCard transaction back into FLAIR.
30	The University will close all cardholder accounts and the University corporate account in the Purchasing Card Module (PCM) by March 31, 2004. Negotiations have commenced to set up the PCard Program with Bank of America. The application has been approved by the University Legal Office and has just been submitted to Bank of America. The University will start issuing new cards to existing and new cardholders on March 1, 2004.
31	All debits and credits will be processed for payment through the PCM by June 10, 2004, whether disapproved or disputed. Immediately after the close of the State Purchasing Card Module on March 31, 2004, the Purchasing Card Approver in the Controller’s Office will start monitoring all outstanding charges in the PCM on a daily basis to ensure resolution of the charge prior to June 10.
32	The University PCard Administrator will override all charges not approved by departments by June 10, 2004. If disputes need to be filed, we will still approve the charge and file a dispute directly with Bank of America.
33	The University will have paid all charges prior to June 21, 2004.
34	The PCard Administrator will begin closing all PCM records on June 11, 2004 and completed by June 30, 2004 in the required sequence.
35	The University will stop all PCard reports in the Report Distribution System (RDS) by July 30, 2004.
36	Access control to the PCM will be deleted no later than June 30, 2004. A list identifying users with access to the CD function will be obtained from the University Security Administrator no later than May 31, 2004. Access will be deleted to all except the Purchasing Card Administrator and the Approver in the Controller’s Office in order to settle any disputed charges. Access to these individuals will be deleted by June 30 th .

	INTERIM PAYROLL PROCESSING
37	We will work very closely with Mr. Manderfield to set up the payroll clearing account prior to June 30, 2004. We will also take advantage of the payroll training that is being conducted by the BOSP.
38	The University will maintain sufficient balances in the payroll clearing account to cover the bi-weekly payrolls. One individual in the Controller's Office will be assigned the responsibility of monitoring this account and requesting transfers from the SPIA as needed prior to each payroll.
	PAYROLL PROCESSING
39	FIU will continue to operate under the State's 125 Cafeteria Plan allowing employees to continue participation in the State's current pre-tax benefit programs without any interruption of services, employer provided benefits and employer matching will continue. FIU is working together with the UWF Consortium to ensure we finalize the specifications/layout requirements for input and output files that need to be tested with Convergys, DSGI and BOSP to continue the administration of state sponsored insurances. We will continue to work with DSGI (and Convergys) to address training needs and delivery dates to be able to interface data and meet all specifications/layout requirements for input and output files needed to continue the administration of state sponsored insurances after January 1, 2006. With respect to Workers' Compensation (Risk Management), Deferred Compensation (and Florida Records Administrator) and Florida Retirement System plans, FIU will coordinate with each one of these areas to identify the training needs and delivery dates for interface data, also will assure that each one of these areas can allocate adequate resources within the appropriate timeframes for our staff to learn processes and run tests for administration of these benefits to continue without interruption after January 1, 2006.
40	FIU signed the "Adoption of State Florida Salary Reduction Cafeteria Plan" on March 3, 2003 and was received by the Department of Management Services on March 6, 2003..
41	Alternate processes for existing interfaces will be provided by June 2005.
42	The University has requested training from BOSP relating to tax reporting and other payroll related issues. We will continue to train through calendar year 2005.
43	FIU intends to use the same pay cycles used through BOSP.
44	By June 30, 2005 the University will provide a plan for staffing, implementing, reporting and remitting taxes, as well as employee and/or employer contributions to the appropriate federal, state and local entities and third party administrators, where applicable.
45	By June 30, 2005 the University will provide a plan for staffing, implementing, processing and remitting all collections types i.e., bankruptcy cases, court order support (child support,

	dependent support, spousal support), employee deduction agreements, federal student loans, federal wage garnishment orders, tax levies and wage garnishment orders/
46	Transfers will not take place until we devolve from the BOSP. By November 15, 2005 we will obtain a file from BOSP with pertinent information relating to collection recipients. During the month of December 2005, the University will send letters to these collection recipients notifying them that, effective January 1, 2006, FIU will be the “employer”, and advising them of the federal employer identification number.
47	No later than November 30, 2005, FIU will obtain new Employee’s Withholding Allowance Certificate (W-4 forms) from those employees for whom the exemption has expired and for those for whom the University does not have a W-4 on file. Procedures will be written by November 30, 2005 to monitor and control the expiration date for exempt status W-4 records, Earned Income Credit (EIC) W-5 records and excluded employment status W-4 records (including, but not limited to non-resident aliens). Procedures will also be written by November 30, 2005 describing the maintenance and retention schedule of these forms.
48	The loading and/or inputting of production data will take place during the Conversion Phase, which is scheduled to take place between July and December of 2005. Employee’s personal data such as salary, withholding, deductions, demographic information, etc will be loaded from the University’s current payroll system by December 1 2005. Changes that might take place during the month of December will be manually entered into the system. No later than October 31, 2005, the University will request data from BOSP for testing.
49	FIU uses a payroll system that was designed by the University of West Florida for a Consortium of various universities in the SUS formed a number of years ago. This system has been used by FIU for the past twenty plus years. Should the University not be able to go-live with its payroll system on January 1, 2006, arrangements will be made to continue the use of the current University of West Florida payroll system. FIU’s contingency plan would include making arrangements with the BOSP to continue processing its payroll beyond July 1, 2006 if needed. Should this not be possible, the University will contract with a third party to process its payroll.
50	By June 30, 2005 the University will provide a plan for staffing and implementing limit monitoring for social security wage maximum, deferred compensation 457, and tax sheltered annuities 403(b). As we implement the new payroll system these items will be included in the implementation plan. The University will coordinate with the Division of Retirement and the State Board of Administration’s third party administrator with respect to the Optional Retirement Program and FRS Investment Plan monitoring activity.
51	The testing of interfaces and data feeds with vendors and agencies receiving reports and data from the State Payroll System will take place during the Unit & System stress testing that will take place between August 2005 and December 2005. This will include interfaces with Convergys, DOR, Deferred Comp, Garnishments, Court Orders, etc.
52	By June 30, 2005 the University will develop a process to report to the Bureau of State Payrolls for a period of three years adjustments to wages paid through the State Payroll System. The

	development of these procedures will be coordinated through Mr. Manderfield.
	PAYROLL
53	FIU will replace all payroll related functions currently performed by FLAIR on January 1, 2006. The University will begin implementing the PeopleSoft HRMS system, including the Payroll module, at the beginning of fiscal year 2004-05. We will identify and address these functions and include them in the implementation plan. We will work closely with the BOSP to ensure that all functions are properly accounted for.
	DATE OF BOARD OF TRUSTEES' APPROVAL
54	The University Board of Trustee approved the initial transition plan at its meeting of March 12, 2003. The final plan will be taken to the BOT for approval at the February 2004 meeting and after the plan has been reviewed and approved by the Department of Financial Services.
	DEPARTMENT OF EDUCATION REQUIREMENTS
55	A payroll clearing account has been established by DFS. An individual in the Controller's Office will be assigned the responsibility of monitoring this account to make sure sufficient cash and releases are available to cover each payroll.
56	Capital Improvement and Building Fees will be transferred to the DOE in accordance with guidelines provided in the document titled "State University System Accounting Transition Policies, dated June 9, 2003.
57	The account structure for the new accounting system includes the State standard codes developed by the ICOFA Consortium. Through these codes and PeopleSoft reporting capabilities, the University will produce the necessary reports to meet the reporting requirements of the State and other regulatory agencies.
58	The implementation plan identifies processes for monitoring accounts receivables, billings and receipts. The financial system will interface with the student administration system, including student accounts receivable information. It should be noted that FIU is currently implementing the PeopleSoft Student Administration System. This system will go live in the Fall 2004. The system design also include processes for billing agencies and other third parties.
59	No later than April 30, 2004 the University will specify the Vendor ID and remittance address to be used by the Department of Education in making future transmittals. These transmittal will be made via direct deposit to the University's local bank account. By the same date, we will notify DOE the EFT banking information.
60	The Purchasing Module will include sufficient detail to capture the data necessary to satisfy the requirements of the One Florida Initiative. Most of the required information will be captured through categories and the vendor file.

19	March 31, 2004 will be the last day that the University will process travel advances through FLAIR.
20	The University will establish a vendor prompt payment policy. This policy will be developed and promulgated into rule no later than March 31, 2004.
21	The University's ERP system is capable of setting multiple Direct Deposit Authorizations to handle travel reimbursement payments made to employees after we transition off of FLAIR and up until we devolve from the BOSP for payroll processing. As we implement the Accounts Payable module of the ERP system this feature will be set up and tested before the go live date of July 1, 2004.
	EDI
22	Yes, FIU currently processes one major vendor (FPL) through EDI. We plan to continue to process this vendor's payments via EDI after devolution. The University understands that we will have to work with the vendor to develop this process from the very beginning. We also understand that DFS cannot support an EDI program after the University has devolved from the State.
23	We will notify the vendor participating in the EDI process to stop transmitting electronically by the end of February 2004.
24	All invoices will be cleared from the approval queues by May 31, 2004. Paper invoices will be requested from FPL beginning with billings sent after March 1, 2004.
25	All trade account records will be placed in a "D" status by May 31, 2004.

	DATA REQUIREMENTS
61	<p>The chart of accounts designed for PeopleSoft includes the detail necessary to generate the files required by Operating Budgets, Salary Category Detail File and Expenditure Analysis. In the month of November 2003, we will begin designing and testing these reports. The University Budget Office is very involved in the implementation of PeopleSoft financials. The BO staff was instrumental in the design of the chart of account and will continue to be involved in the implementation project through its go-live date, including the design and testing of reports.</p>

October 10, 2003

Tom Gallagher
Chief Financial Officer
Department of Financial services
The Capitol
Tallahassee, Florida 32399-0301

In response to your letter dated September 30, 2003, the following summarizes the transition plan for Florida International University, Office of Inspector General (OIG):

Throughout the implementation period of the University's financial system, which includes the General Ledger, Purchasing, Accounts Payable and Asset Management Modules of PeopleSoft version 8.4, the OIG will provide services, and dedicate the equivalent of two full time auditors, to ensure that the system components being implemented contain adequate internal controls, the implementation methodology provides adequate separation of duties, and the components will be able to provide the BOE with appropriate data required by the Legislature.

By June 24, 2004, we will submit a certification letter indicating that the system components, as implemented, contain adequate internal controls and processing controls, and are functioning as required. Also, during the week prior to the transition to the University payroll system (1/06), we will prepare a similar certification regarding the systems and controls.

The post-implementation monitoring activities scheduled by the OIG will include tests of transactions, security, internal controls and other procedures deemed necessary to ensure the systems are working as intended.

If you have any questions, please feel free to call me at (305) 348-2465.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Ted Guba".

Ted Guba
Inspector General

Review of: PeopleSoft Financials Implementation

Approved by IG on 9/29/03

	WP Reference	By
<p><u>Scope and Objectives:</u></p> <p>To conduct a review of the implementation of the University's financial system, which includes the General Ledger, Purchasing, Accounts Payable and Asset Management Modules of PeopleSoft version 8.4, scheduled for implementation July 1, 2004.</p> <p>The objectives are to determine that the financial system being implemented contains adequate internal controls, provides adequate separation of duties, and includes key data elements to meet reporting requirements. Our review will be performed in accordance with the Standards for the Professional Practice of Internal Auditing.</p>		
<p><u>Review Procedures - Key Business Processes:</u></p> <ol style="list-style-type: none"> Review the design documentation and discuss with the Functional Lead, to determine the key business processes for your module. Review prior audit reports and findings related to your module, and identify high-risk areas, as well as the most important controls expected, and discuss with the IG. For each key business process with the high risk areas, analyze internal controls: <ol style="list-style-type: none"> Following the basic business flow, identify the major controls. Navigate the PS application for each key business process to understand the process. Determine that appropriate input/output controls have been addressed. Identify processes that require interfacing with your module to determine if they have been properly addressed. Determine that key queries and reports have been identified and developed. Determine whether PS Audit feature has been turned on, if necessary. Determine whether any desired controls are missing in the PeopleSoft design. Determine if there are any compensating controls such as exception reports and audit trail reports, etc. Review the developed Roles and Permission Lists for your module. <ol style="list-style-type: none"> Determine whether Correction Mode has been limited to appropriate pages and persons. (Note: When the Correction Mode is used there will be no audit trail.) Determine whether Add/Update access appears appropriate for the job function. Determine who has super user access and whether appropriate. Analyze separation of duties. Especially, review separation of duties for persons involved in security administration in conjunction with their other job functions. Determine whether any sensitive or confidential data is limited to appropriate persons. Work with IT Auditor to evaluate users who have access to multiple modules. Determine whether combined access is appropriate and duties are adequately separated. Work with IT Auditor to review Query access rights. Discuss any control weaknesses with the Functional Lead and Implementation Team, and provide these weaknesses to Audit Manager for the PS Quarterly Report. 		

Review of: PeopleSoft Financials Implementation

Approved by IG on 9/29/03

	WP Reference	By
<p><u>Review Procedures – Development and Testing:</u></p> <ol style="list-style-type: none">1. Review the Cedar Development Standards for appropriate controls and process.2. Review the strategy documents for Testing, Conversion and Interface and note controls.3. Conversion for your module:<ol style="list-style-type: none">a. Review the conversion process and relevant documentation, such as crosswalk tables.b. Determine whether the conversion process includes cleaning data before conversion.c. Determine whether the conversion process includes edit checks and level for balancing is appropriate (i.e., just enough detail in terms of number of records, dollar totals, and mapping of specific duties).d. Determine whether testing results are properly documented.e. Reconciling items (unconverted data) are clearly identified and resolved.f. Determine whether non-converted data is assessable as needed.g. Determine whether there are owner sign offs/approvals, after successful conversion.4. Interfaces for your module:<ol style="list-style-type: none">a. Determine the interfaces planned.b. Review testing of interfaces.c. Determine that interfaces include procedures for ensuring data is complete.d. Determine whether interfaces are documented and included in workflows.5. Obtain the schedule of pre-implementation testing for your module. For each test:<ol style="list-style-type: none">a. Obtain the specific test plans and review testing method, documentation, technical and user involvement. Review the test data for adequacy and sufficiency of example transactions.b. Participate in the testing and review testing results, including resolution of errors.c. Obtain copies of testing sign-off.6. Determine whether there is an adequate process for change control, including development, maintenance and patches, and upgrades. Determine whether changes are appropriately document, authorized, tested and reviewed.7. Determine if all data elements identified by management as required by the Federal or State government are available in proper format to meet reporting requirements.8. Communicate any findings to the Functional Lead and Implementation Team, and provide these findings to Audit Manager for the PS Quarterly Report.		

FIU – Office of Inspector General
Review Program

PROG 1.3

Review of: PeopleSoft Financials Implementation

Approved by IG on 9/29/03

	WP Reference	By
<p><u>Review Procedures – Training:</u></p> <ol style="list-style-type: none">1. Obtain the training schedule for your module, and review for reasonableness, timing, appropriate training for different levels of users, and appropriate sequence of training.2. For your module, obtain and review the training plan and materials, and discuss with the Functional Lead or other appropriate personnel, and determine if the training includes the following areas:<ol style="list-style-type: none">a. Business processesb. Run processesc. Interfacesd. Balancing and Reconcilinge. Error resolutionf. Queries and reports (including timing and distribution of reports)g. Security procedures3. Check with the Functional Lead or other appropriate personnel, and assess whether there is sufficient personnel for training, help desk, and technical support.4. Ensure that there is a reliable mechanism for tracking persons receiving training.5. Communicate any findings to the Functional Lead and Implementation Team, and provide these findings to Audit Manager for the PS Quarterly Report.		

FIU – Office of Inspector General
Review Program

PROG 1.4

Review of: PeopleSoft Financials Implementation

Approved by IG on 9/29/03

	WP Reference	By
<p><u>Review Procedures – Transition Plan Checklist:</u></p> <ol style="list-style-type: none">1. Review the SUS Transition Plan Checklist.2. Obtain and review the University's detail transition plan submitted to the State Chief Financial Officer to substantiate the Checklist items, and determine whether the action was completed timely in the following areas that are related to your module:<ol style="list-style-type: none">a. General transition requirementb. Accounting and financial reportingc. Treasury issuesd. Accounts payablee. Date of Board of Trustees' approvalf. DOE requirements3. For banking and deposits, determine that the bank/account is correct and all moneys accounted for.4. Communicate any findings to the Functional Lead/University Controller, and provide these findings to Audit Manager for the PS Quarterly Report. <p>(Note: The Transition Plan Checklist for Payroll will be separately addressed when the University Payroll System is implemented.)</p>		

Review of: PeopleSoft Financials Implementation

Approved by IG on 9/29/03

	WP Reference	By
<p><u>Review Procedures – Control Access and Security:</u></p> <ol style="list-style-type: none"> 1. Review the PantherSoft Security Roll-out Strategy and Procedure for adequacy. 2. Obtain and document an overview of security administration, showing which persons are responsible for the various aspects of security, including PeopleSoft application, database and operating system. 3. Work with other auditors to evaluate users who have access to multiple modules. Determine whether combined access is appropriate and duties are adequately separated. 4. Determine whether all panels (ALLPNLS) access is limited to appropriate persons. 5. Review the password security system, including password attempts and periodic change of passwords. 6. Determine whether default ID's and passwords were changed. 7. Determine the process for establishing roles/permission lists and for adding users. Review whether there are adequate written procedures for adding users, establishing roles/permission lists, maintaining/reviewing security, and removing access for former employees. 8. Review all users assigned to the following access types and determine reasonableness of assignment: <ol style="list-style-type: none"> a. Security administration b. Set Up, configuration, business rules c. Tree Manager d. Application engine e. Object security f. Operator security, process groups and process scheduler g. Utilities, including setting up Query security h. Mass change i. Any other access type, if necessary 9. Work with other auditors to review Query access rights. Verify whether users are authorized to create run queries based on their job functions. Determine whether there are policies/procedures for creating user written queries. 10. Verify that a limited number of appropriate persons have direct access to the database. Review programmer access to production database. Determine whether database access ID's and passwords are regularly changed and that defaults have been changed. If scripts/programs refer to the database account ID, determine whether this is stored in an encrypted file. 11. Assess whether access to the operating system is appropriately limited 12. Discuss any control and security issues with appropriate personnel, and provide these issues to Audit Manager for the PS Quarterly Report. 		

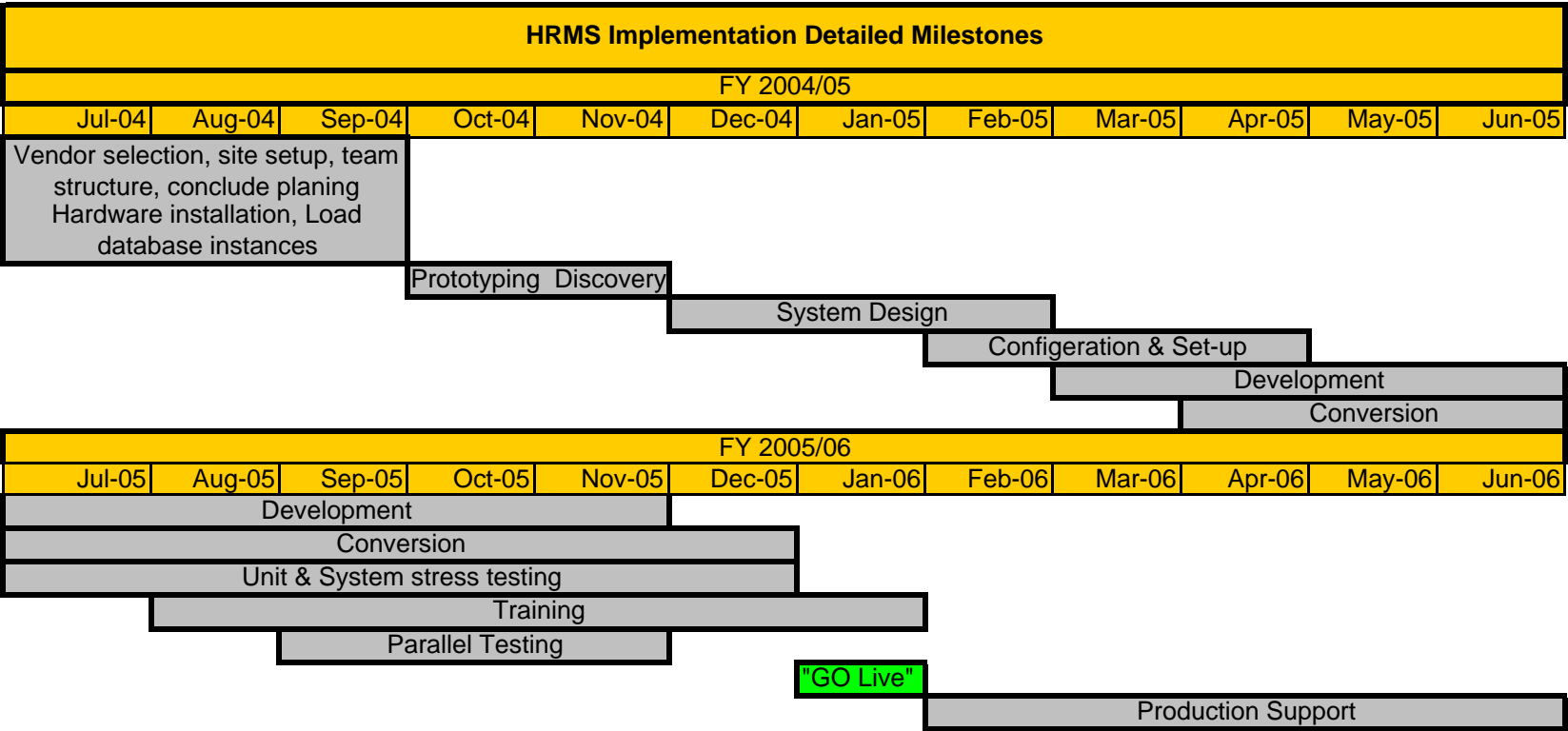
FIU – Office of Inspector General
Review Program

PROG 1.6

Review of: PeopleSoft Financials Implementation

Approved by IG on 9/29/03

	WP Reference	By
<p><u>Review Procedures – Performance and Business Continuity Plan:</u></p> <ol style="list-style-type: none">1. Determine what servers have been purchased for the financial and student administration system and any assessment by University Technology Services (UTS). Obtain the test results of performance testing.2. Discuss on-going performance monitoring of both servers and network with appropriate technical staff. Determine how UTS monitors performance.3. Determine what additional security, such as firewalls and monitoring of traffic, have been installed.4. Review remote access and whether sufficiently restricted.5. Obtain the Business Continuity Plan in the event of problems with PeopleSoft implementation, interruption of work, or disaster.6. Evaluate whether the Plan addresses the major risks and provide adequate solutions. Determine what elements of the Plan the University already has in place.7. Determine whether the system for backing up data is adequate.8. Review physical environment and controls over equipment.9. Communicate any findings to appropriate personnel, and provide these findings to Audit Manager for the PS Quarterly Report.		



**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

**BOARD MEETING
*Via Conference Call***

9 February 2004

SUBJECT: Prompt Payment Rule

PROPOSED BOARD ACTION

Approve a University Prompt Payment Rule ("Rule"), Rule 6C8-7.032, of the Florida Administrative Code.

Upon approval of the Rule by the Board, delegate authority to the University President to approve any subsequent amendments that are based on comments to the Rule received by the University in writing or at a public hearing on the Rule to be held after the Board's action and to file the rule for adoption.

BACKGROUND INFORMATION

A. Statutory Authority

Section 1010.04, Florida Statutes (2003), Purchasing, provides in part:

(2) Each district school board, community college board of trustees, and each university board of trustees shall adopt rules to be followed in making purchases.

B. Explanation for Proposed Committee Action

As part of the devolution from the state financials system (known as FLAIR) to its own financials system, the University is required to adopt a rule regarding the prompt payment of goods and services received by the University. The rule provides the timelines for payments to vendors by the University and an interest penalty for failure to meet said timelines.

If approved by the Board, the University is required by law to take the following actions:

1. Publish a notice regarding the Rule in a newspaper of general circulation;
2. Conduct a public hearing (if a hearing is requested) on the Rule approximately twenty-one (21) days after publication of the notice. The

- purpose of the hearing is to receive comments by students, staff, faculty, and other persons affected by the Rule; and
3. Consider any requests for changes received either in writing or at the hearing, and determine whether to amend the rule or proceed with the rule as published.

It is further recommended in order to complete the rule adoption process without delay, that the Board delegate to the President authority to consider requests for changes and to file the rule for adoption with or without further amendments based on his determination.

Supporting Documentation Included:

- (1) Legal Notice Regarding Proposed Rule Development;
- (2) Proposed Rule 6C8-7032.

Facilitators/Presenters:

EVP Gallagher

**THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES
DIVISION OF COLLEGES AND UNIVERSITIES
DEPARTMENT OF EDUCATION**

NOTICE OF PROPOSED RULE DEVELOPMENT

RULE NO.: RULE TITLE:
6C8-7.032 Prompt Payment

PURPOSE AND EFFECT:
Establish policies providing for the prompt payment of vendors by the University.

SUBJECT AREAS TO BE ADDRESSED:
Purchasing; payments to vendors.

SPECIFIC AUTHORITY: 1010.04(2) FS.

LAW IMPLEMENTED: 1010.04(2) FS.

IF REQUESTED IN WRITING AND NOT DEEMED UNNECESSARY BY THE AGENCY HEAD, A RULE DEVELOPMENT WORKSHOP WILL BE HELD ON THE TIME, DATE AND PLACE SHOWN BELOW.

TIME AND DATE: 10:00 A.M. on February 19, 2004.

PLACE: Florida International University, University Park, PC 521, Miami, Florida 33199.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT IS:
Vivian Delgado, Interim University Controller, Florida International University, (305) 348-3079.

THE PRELIMINARY TEXT OF THE PROPOSED RULE IS AVAILABLE AT NO COST FROM THE CONTACT PERSON LISTED ABOVE.

**THE FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES
DIVISION OF COLLEGES AND UNIVERSITIES
DEPARTMENT OF EDUCATION**

RULE NO.: 6C8-7.032

RULE TITLE: Prompt Payment

(1) It is the policy of the University that documentation authorizing payment of an invoice shall be approved for payment not later than thirty (30) days after receipt of a proper invoice and receipt, inspection, and approval of the goods or services, except that in the case of a bona fide dispute, the payment voucher shall contain a statement of the dispute and authorize payment only in the amount not in dispute.

- (a) Inspection and approval of goods or services shall take no longer than five (5) business days after receipt of goods or completion of services, unless the bid specifications, purchase order or contract specifies otherwise.
- (b) For purposes of determining the date an invoice was received, the University will be deemed to have received an invoice on the date on which a proper invoice is first received at the location designated by the University.
- (c) The University may make partial payments to a contractor upon partial delivery of goods or services or upon partial completion of construction when a request for such partial payment is made by the contractor and approved by the Controller.
- (d) In cases of disputes regarding invoice amounts, the vendor will be contacted and references will be made on the invoice as to the date(s) and person(s) contacted. For calculation of the invoice receipt date, the final resolution date on the disputed amount(s) will be used. In cases where the vendor invoice is incorrect and the vendor is required to furnish a revised invoice, the revised invoice receipt date will be used.
- (e) If the terms of the invoice provide a discount for payment in less than thirty (30) days, the University shall preferentially process it and use all diligence to obtain the savings by complying with the invoice terms.

(2) Travel and other reimbursements to University employees are subject to the provisions of this Rule, and must be paid within the same timeframes as payments to vendors under this section, except for Class C travel expenses, which, to the extent reimbursable, shall be paid in accordance with the schedule established by the State's Chief Financial Officer pursuant to Section 112.061(5)(b), Florida Statutes.

(3) The University is authorized to advance payments for goods and services, including, but not limited to, maintenance agreements and subscriptions when it is in the best interest of the University to make payments in advance and it has been determined there is adequate protection to ensure that such goods or services will be provided.

(4) If a check in payment of an invoice is not issued within forty (40) days after receipt of a proper invoice and receipt, inspection, and approval of the goods and services, the University will pay to the vendor, in addition to the amount of the invoice, an interest penalty at the rate established pursuant to Section 55.03(1), Florida Statutes. Such interest will be calculated on the unpaid balance from the expiration of such 40-day period until such time as the payment is issued to the vendor. The interest penalty will be processed within 15 days after issuing the payment. The provisions of this paragraph apply only to undisputed amounts for which payment had been authorized.

(5) All purchasing agreements between the University and a vendor shall include a statement of the vendor's rights and the University's responsibilities under this Rule. The vendor's rights shall include being provided with the telephone number of the vendor ombudsman within the Office of Business and Finance at the University.

(6) Invoices received from vendors which have failed to supply the University with a complete and accurate Internal Revenue Service Form W-9 or other form that provides all necessary data to determine 1099 status will be deemed insufficient for payment until such information is received. Invoices will not be deemed received until vendor has supplied all data necessary to determine 1099 status.

(7) This Rule does not apply to payments made to state agencies or other governmental entities within the State of Florida.

Specific Authority: 1010.04(2), FS.

Law Implemented: 1010.04(2), FS.

History: New _____

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**THE FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES**

**BOARD MEETING
Via Conference Call**

9 February 2004

SUBJECT: AFSCME Professional Unit Recognition

PROPOSED BOARD ACTION

Voluntary recognition of AFSCME as the collective bargaining representative of certain professional employees within the proposed AFSCME bargaining unit.

BACKGROUND INFORMATION

A. Statutory Authority

Section 447.203, Florida Statutes (2003), Public Employee Relations Act, Definitions, states in relevant part:

(2) "Public employer" or "employer" means the state or any county, municipality, or special district or any subdivision or agency thereof which the commission determines has sufficient legal distinctiveness properly to carry out the functions of a public employer. . . and the university board of trustees shall be deemed to be the public employer with respect to all public employees of the respective state university.

B. Explanation for Proposed Board Action

The Florida Public Employees Council 79, American Federation of State, County, and Municipal Employees, AFL-CIO ("AFSCME") is requesting recognition as the exclusive collective bargaining representative of certain professional employees that were part of the bargaining unit which AFSCME represented in union matters with the former Board of Regents.

The University administration is recommending that the Board voluntarily recognize AFSCME as the collective bargaining representative for the proposed professional unit. The proposed professional unit currently consists of 87 full-time or part-time employees who occupy the class titles in the attached document. Some employees who otherwise would fall within the proposed unit are excluded from the unit by law or by agreement between the administration and AFSCME.

Agenda Section III, Consent Agenda, Item 3

Supporting Documentation Included:

- Professional Bargaining Unit Total Count (July 2003)

Facilitators/Presenters:

SVP Telles-Irvin

JULY 2003

[illegible]

JULY 2003.

CLASS	TITLE	COUNT	SUPV.
1322	TRAINING SPECIALIST	1	
1328	SR. TRAINING SPECIALIST	1	
2031	TELECOMMUNICATIONS SPECIALIST	1	
2035	SR. TELECOMMUNICATIONS SPECIALIST	2	
2035	SR. TELECOMMUNICATIONS SPECIALIST		
2056	COMPUTER SUPPORT ANALYST	2	
2056	COMPUTER SUPPORT ANALYST		
2401	GRANTS ASSISTANT	2	
2401	GRANTS ASSISTANT		
2757	MUSEUM ARTISAN	3	
2757	MUSEUM ARTISAN		
2757	MUSEUM ARTISAN		
2760	MUSEUM OPERATIONS SPECIALIST	1	
2796	ARCHIVIST	3	
2796	ARCHIVIST		
2796	ARCHIVIST		
2814	FINE ARTS PRODUCTION SPECIALIST	2	
2814	FINE ARTS PRODUCTION SPECIALIST		
3726	AUDIO VISUAL SPECIALIST	1	
3736	SENIOR INFORMATION SPECIALIST	1	
3783	SENIOR BROADCAST SPECIALIST	1	
3805	MARKETING SPECIALIST	2	
3805	MARKETING SPECIALIST		
4274	ADMISSIONS/REG. OFFICER	11	
4274	ADMISSIONS/REG. OFFICER		
4274	ADMISSIONS/REG. OFFICER		
4274	ADMISSIONS/REG. OFFICER		
4274	ADMISSIONS/REG. OFFICER		
4274	ADMISSIONS/REG. OFFICER		
4274	ADMISSIONS/REG. OFFICER		
4274	ADMISSIONS/REG. OFFICER		
4274	ADMISSIONS/REG. OFFICER		
4274	ADMISSIONS/REG. OFFICER		
4275	SR. ADMISSIONS/REG. OFFICER	9	1

PROFESSIONAL BARGAINING UNIT TOTAL COUNT
JULY 2003

5083	SR. TEACHING LAB. SPECIALIST		
5083	SR. TEACHING LAB. SPECIALIST		
5083	SR. TEACHING LAB. SPECIALIST		
5753	INTERPRETER FOR INDIV. W/HEARING IMP	1	
6033	SR. HEALTH EDUCATOR	1	
6582	TELECOM. SVCS. SPECIALIST	4	
6582	TELECOM. SVCS. SPECIALIST		
6582	TELECOM. SVCS. SPECIALIST		
6582	TELECOM. SVCS. SPECIALIST		
6584	SR. TELECOM. SVCS. SPECIALIST	5	1
6584	SR. TELECOM. SVCS. SPECIALIST		1
6584	SR. TELECOM. SVCS. SPECIALIST		
6584	SR. TELECOM. SVCS. SPECIALIST		
6584	SR. TELECOM. SVCS. SPECIALIST		
8710	ENV. HEALTH & SAFETY SPECIALIST	1	
		87	-3
	There are three positions assigned supervisory duties as designated above.		
	TOTAL COUNT = 84		