

**Nevada System of Higher Education**  
**Business Center Overview**  
**(Purchasing, Payroll, Benefits and Classified Human Resources)**  
**February, 2014**

**Overall Structure of Business Center Operations**

The NSHE Business Centers provide the consolidated back office business functions primarily in the areas of purchasing, payroll, benefits and classified human resources. They were first conceived in response to expected funding decreases for Nevada higher education from the 1977 Session of the Legislature. At that time, several options to address cuts were reviewed by then Chancellor Neil Humphrey with the Board of Regents. One of the options discussed at the January 1977 meeting was the consolidation of the business operations of the four Divisions that existed at the time - UNR, UNLV, DRI and the Community College Division (CCD) – each of which maintained their own business operations. It was believed then that the four Divisions would not be able to operate as they had in the past unless monies were diverted from other higher education activities.

As reported at the May, 1977 Board of Regents meeting, The General Appropriations Act of 1977, when approved, specified:

*“The Board of Regents of the University of Nevada System shall establish one or two Business Centers for the business-related functions of the various Divisions in the University of Nevada System. To accomplish the establishment of Business Centers, the Board of Regents are authorized to transfer positions and funds from the appropriations made by Section 24 for the System Administration, Community College Administration, University Press, Statewide Programs-UNR, Intercollegiate Athletics UNR, Intercollegiate Athletics UNLV, Statewide Programs-UNLV, Agricultural Experiment Station, Cooperative Extension Services, System Computing Center, Desert Research Institute, University of Nevada-Reno, School of Medical Sciences-UNR, University of Nevada-Las Vegas, Clark County Community College, Western Nevada Community College and Northern Nevada Community College to a separate budget account or accounts established for a Business Center or Centers.”*

In response, the Board formally eliminated the Community College Division and established a two business center model with one based at UNLV (Business Center South or BCS) and one at UNR (Business Center North or BCN). BCS provided accounting, purchasing and classified personnel services to UNLV and Clark County Community College (now College of Southern Nevada or CSN); BCN provided these services for all other units. Both centers were administered by the Vice Presidents for Business of the respective university.

The business center model has largely continued unchanged in the north with BCN serving UNR (including the Medical School statewide and other UNR statewide programs), TMCC, WNC, GBC, DRI (north and south), System Computing Services and the System Office (north and south). BCN provides purchasing, payroll, benefits and classified personnel services, as well as some property inventory, workers’ compensation and risk management services, to all of these

institutions. BCN operations are generally a distinct business unit at UNR.

The business center concept has evolved somewhat differently in the south. CSN established its own classified employee and purchasing functions in approximately 1996, so the formal responsibilities that BCS maintains in these two areas is for the UNLV units and for Nevada State College or NSC. BCS handles payroll functions and also maintains the primary administration of benefit programs for the southern Nevada institutions, as well as providing the workers' compensation and risk management services. Operationally, BCS functions are generally spread among staff at UNLV who may provide services to one or all of these institutions within their assigned functions.

Most business center functions are largely, but not totally, funded with state support, although it should be noted that the business centers provide the same services to non-state funded programs and employees, as well as state-funded programs and functions. The major exception is the workers' compensation and risk management programs which are not directly state-funded – the primary funding is received as part of the per-employee workers' compensation charge.

The back office functions outside of the Business Center functions noted above reside (including funding and administration) primarily at the institution level. These include areas such as information technology, finance/controller's office/accounts payable, grants and contracts, and other human resource functions such as faculty HR, student employment and faculty recruiting.

## **Payroll**

The NSHE payroll function is administered through two payroll offices: one at BCN and one at BCS.

The BCN payroll office has seven full-time employees (FTE) including one professional employee and six classified employees; of the seven employees, six are funded with General Fund dollars at BCN and one is funded with non-General Fund dollars at UNR. BCN issued 154,560 payroll checks (including direct deposit) in FY13. The current total annual budget for the BCN payroll office for FY14 is \$526,560. Of this total, \$463,017 is funded with state funds and \$63,543 is funded with non-state funds (paid from UNR non-state accounts).

The BCS payroll office has seven FTE, including one professional employee and six classified employees; of the seven budgeted positions, one is funded through the BCS General Fund budget, 4.5 FTE are funded with UNLV General Fund dollars, and 1.5 FTE are funded with non-state dollars. BCS issued 155,327 payroll checks (including direct deposit) in FY13. The current total budget for BCS payroll office for FY14 is \$464,267 with \$306,901 from UNLV General Fund, \$47,092 from BCS General Fund and \$77,323 from UNLV Institutional non-state funds.

The personnel identified as part of the payroll function do not include the resources provided to support these operations at each institution. In addition to the business center staff, institution personnel at all NSHE campuses and university units are involved in the payroll function in terms of preparing and transmitting data that comprises the payroll. The

payroll units review and audit the data for accuracy. Most of this data is created and updated through use of the HRMS software system. The HRMS software is limited in functionality and will be significantly updated during iNtegrate 2. A significant number of payroll functions are still paper based.

## **Human Resources**

Each of the institutions, the Medical School and the System Office have human resource departments which are the primary staff for all campus HR issues, as well as providing campus coordination for benefits administration and classified personnel. In the area of classified employee matters, NSHE has three written delegation agreements with the Nevada Department of Personnel to perform classified employment functions. These delegate authority in classified personnel issues to BCN, BCS and CSN.

The individual campus human resource departments generally perform a variety of functions for their institution, including among other duties, faculty/professional staff recruitment, hiring, training, compensation, grievances, discipline and other aspects of employee relations.

The specific classified employee matters that have been delegated to NSHE by the State include recruitment, testing, training, classification, compensation, and record keeping. Those functions are primarily completed at the Business Centers, with the exception of CSN which has its own delegation agreement.

In the case of professional personnel, most of the applicable employment policies are those established by the Board of Regents in the NSHE Code, Board Handbook and the NSHE Procedure & Guidelines Manual. Other policies may also be found in the each institution's bylaws and business procedures. There is some degree of campus specificity involved in interpreting and implementing the various laws and policies.

For classified employment, the employment rules and regulations are governed by state law and regulation, and are largely administered and interpreted by the Nevada Department of Personnel. There is little room for interpretation of these rules and regulations without consulting the Department of Personnel.

Within the three delegation agreements, BCN provides classified employment and professional and classified benefit functions for UNR (including the Medical School), DRI, GBC, WNC, TMCC, and System Computing Services/System Office. In the south, BCS provides classified employment and professional and classified benefit functions for UNLV (including the Law and Dental School) and primary classified employment & classification functions for NSC. BCS also provides benefit functions (classified and professional) for NSC and CSN, in addition to UNLV. CSN provides the primary classified personnel services for its institution under its delegation agreement.

Additionally, the Business Centers are responsible for centralized benefits administration including oversight of the retirement plans, insurance plans and the employee assistance program,

as well as reporting and reconciling payroll and plan issues with the state retirement and insurance departments.

The BCN Human Resources Office is budgeted at 12.78 FTE for FY14 (4.58 professional and 8.2 classified) for a total of \$986,881, including benefits. Of this total, \$609,918 is funded from BCN state funds and \$376,963 from non-state funds paid from UNR.

The UNLV Human Resources Office devoted approximately 8.90 FTE and \$638,632 in salary and benefits for FY14 toward BCS functions; these services are delivered across many staff members with 4.55 total FTE by professional employees and 4.35 FTE by classified employees. Of this total, \$439,153 is funded from BCS General Fund, \$179,944 is funded from UNLV General Fund, and \$19,535 is funded from UNLV Institutional (other non-state funds).

The CSN Human Resources Office has approximately 16.5 FTE, the makeup of which includes 8.5 professional, and 8 classified employees. The FY14 projected operating budget for CSN's Human Resources Office is \$1,312,072 of which \$1,262,491 represents salary and benefits. These totals represent the entire HR function at CSN and include both business center oriented activities in classified HR as well as traditional campus-based human resource functions. As the job duties and tasks are shared among many individuals, it is not possible to extract a specific break-out of classified HR resources.

The personnel identified as part of the human resource function do not include the administrative oversight and coordination provided to these operations at each University and CSN.

## **Purchasing**

NSHE purchasing is a function of the exercise of contract authority, which has been delegated to the Chancellor by the Board of Regents. The Chancellor has, in turn, delegated a level of contracting authority to the presidents. The Board has adopted certain broad purchasing policies, but the most detailed requirements are found in the NSHE Procedures and Guidelines under the authority of the Chancellor. In addition, institutions and business centers may have adopted more specific purchasing policies and procedures.

NSHE purchasing is largely decentralized. Most individuals/departments have authority to make small dollar purchases with use of a purchasing card. In addition, departments/units largely make their own purchasing decisions under \$50,000, which is the threshold at which a formal bid process is required unless a competitive exception is granted. For amounts over \$25,000, two informal quotations are required. For amounts above \$10,000 and below \$25,000, one informal quotation is required.

There are three purchasing centers within NSHE: BCN, BCS and CSN. The purchasing centers interact with departments/institutions in several primary ways. For all transactions in which a purchasing card is not used, and with the exception of Departmental Purchase Orders under \$2,000, each department/institution generates a purchase requisition which the business center processes and issues a purchase order. The purchasing center does not handle

the payables/billing function; this function typically remains in the institution's controller's office. For purchases over \$50,000 (or construction projects over \$100,000), the purchasing center is responsible for administering the formal bid procurement process, or reviewing any requests for competitive exception. In some areas, the purchasing centers negotiate large scale contracts that require or enable departments or institutions to make purchases under that contract. For example, UNLV has a contract with OfficeMax for office supplies, and the departments may save money if they routinely make office purchases under that contract. In addition, each of the business centers frequently utilize other state and local government contracts, as well as national or regional consortium agreements.

The BCN purchasing department, including property inventory, has 12 FTE including 1 professional position and 11 classified positions; of the 12 positions, 7.66 are funded from BCN state funds and 1.5 positions are funded from BCN non-state funds, and 2.84 are funded from non-state funds. BCN processed 5,294 purchase orders with a dollar volume of \$123,894,713 (average of \$23,403 per purchase order) and awarded 70 bids with a dollar volume of \$14,932,157 (average of \$213,317 per bid awarded) in FY13. The current annual budget for the BCN/UNR Purchasing Department for FY14 is \$891,520. Of this total, \$643,420 is from BCN state General Funds, \$78,821 from BCN non-state funds (paid from UNR), and \$169,279 from non-state funds (\$139,870 paid from UNR and \$29,409 paid from DRI). The UNR PCard office is separate from purchasing but for comparison purposes it has 3.0 FTE and is budgeted entirely from non-state funds in the amount of \$186,429.

The BCS Purchasing Department has 14 FTE including eleven professional positions and three classified positions. Of these 14 positions, 8.53 are funded with UNLV General Fund dollars, two are funded with BCS General Fund dollars and 3.47 are funded with "soft" dollars (UNLV). (Two positions manage the automated systems, including MUNIS - the automated requisitioning system; and two are assigned to the PCard program.) The current FY14 budget for the BCS/UNLV Purchasing Department is \$937,630 in UNLV General Fund, \$188,100 in the BCS General Fund and \$199,230 in non-state funds for a total of \$1,324,960. During FY13, BCS processed 3,802 purchase orders with a dollar value of \$71,101,155 (average of \$18,701 per purchase order), and awarded 25 Bids/RFPs with a dollar volume of \$6,315,292 (average of \$252,612 per bid/RFP). Purchasing is also responsible for administration of the PCard at UNLV. The dollar volume of PCard transactions (58,000 transactions) processed through the Purchasing Department was \$18,416,000 in FY13. BCS/UNLV's Purchasing Department is also responsible for the administration of their fully automated requisitioning application, MUNIS, which is used to issue purchase orders for UNLV and Nevada State College.

The CSN purchasing department has five FTE including two professional positions and three classified positions (all positions are supported with General Fund dollars) in FY14. The CSN purchasing department is conducting recruitment for a contracts administrator which will be a professional position. CSN processed 4,094 purchase orders in FY13 with a dollar value of \$39,668,272 (average of \$9,689 per purchase order) and also awarded 16 bids/RFP's in FY13 with a total dollar volume of \$8,667,784 (average of \$541,763 per bid/RFP). In addition, purchasing is also responsible for administration of the PCard at CSN. The dollar volume of PCard transactions processed through the Purchasing Department was \$199,308 in FY13.

Additionally, the inventory control/asset management functions and staff fall within the purview of CSN's purchasing department. These services are performed by four FTE including one professional position and three classified positions. The total number of assets managed by CSN inventory control in FY13 was 11,697 and of those 3,297 were depreciable assets, with a dollar value of \$32,389,652. During this same period, 1,799 items were added to the College's inventory. The FY14 budget for the CSN Purchasing Department is \$686,347.

In addition to the purchasing centers, each institution typically has one or more business office staff that assist with and review purchase requisitions prior to submission to the purchasing center for issuance of a purchasing order, although it is not a primary job duty.

### **Workers' Compensation/Risk Management**

BCN and BCS provide insurance and claims administration as well as risk management on behalf of each affiliated campus with the state and managed-care organizations (development of policies and procedures, early-return-to-work program, analysis of safety risks, training and OSHA reporting). Risk Management also provides administration of the property insurance program, the vehicle insurance program, general liability and other specialty insurance lines. Campus-based Environmental Health and Safety (EHS) functions are funded separately. UNLV administers EHS for both UNLV and under contract for NSC and System Administration - South. UNR EHS provides services under contract for System Administration – North.

**Nevada System of Higher Education  
Business Center Services Provided**

**Business Center North** provides payroll, purchasing, classified personnel management, benefits administration, property inventory, workers' compensation and risk management for the following institutions:

- Desert Research Institute
- Great Basin College
- Truckee Meadows Community College
- University of Nevada - Reno
- Western Nevada College
- System Computing Services
- System Administration

**Business Center South** provides payroll, purchasing, classified personnel management, benefits administration, workers' compensation and risk management for the following institutions:

- College of Southern Nevada (payroll and benefits only)
- Nevada State College
- University of Nevada – Las Vegas

**College of Southern Nevada** administers the following Business Center functions for their institution: purchasing, classified personnel management, and property inventory.

**Nevada System of Higher Education  
Business Center FY14 Funding**

	<u>BCN</u>			<u>BCS</u>			<u>CSN<sup>1</sup></u>		
	<b>General Fund</b>	<b>Non-State Fund</b>	<b>FTE</b>	<b>General Fund</b>	<b>Non-State Fund</b>	<b>FTE</b>	<b>General Fund</b>	<b>Non-State Fund</b>	<b>FTE</b>
Benefits & Classified HR	\$ 609,918	\$ 376,963	13	\$ 619,097	\$ 19,535	9	\$ 1,312,072	-	16.5
Payroll	463,017	63,543	7	353,993	77,323	7	-	-	-
Purchasing	643,420	248,100	12	1,125,730	199,230	14	686,347	-	9

<sup>1</sup> These totals represent the entire HR function at CSN and include both business center oriented activities in classified HR as well as traditional campus-based human resource functions. As the job duties and tasks are shared among many individuals, it is not possible to extract a specific break-out of classified HR (Business Center) resources.

While the resources listed in Appendix 1 describe what services are provided by the Centers, it is important to note that each institution under the Business Center also has expenses associated with the functions being provided. Each institution was asked to identify resources and expenses they provide to complement or facilitate the services provided by the Business Centers - specifically Purchasing, Payroll, Benefits and Classified HR functions. In almost all cases, there are no specific line items or staff directly allocated or funded for these purposes. Rather it is generally a fractional part of the FTE & job duties of multiple staff.

In response, Institutions provided a range of estimates. Cumulatively, estimates equate to several FTE, however, as these are generally not stand alone positions, it is difficult to calculate a consistent dollar value for campus resources designated to Business Center operations. For instance in the purchasing area, the estimates generally range from .25 to a .50 FTE dedicated to support the BCN or BCS purchasing processes; however as the majority of purchases, on a volume basis, fall below the business center thresholds (ex: purchasing card transactions) the institution is fully responsible for the entire transaction. Often these non-business center processes are interrelated and completed within the same office or even by the same person, which results in the fractional FTE estimates.

Likewise, this list does not address back office functions completely outside of the four primary business center functions noted above. These include areas such as information technology, finance/controller's office/ accounts payable, grants & contracts, and other human resource functions such as faculty HR, student employment and faculty recruiting. Those functions, and the resources associated with them, are administered at the institution level and are budgeted in the specific campus budget accounts and not the Business Center budgets.