



SPRING 2008



# Finance Corner

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Interview with **Antony Selvadurai**

# Budget Watch

## Message From The Senior Vice President And Chief Financial Officer

**“Governor wants to make midyear budget cuts,”** flashed one news headline. It went on to say “(New York Governor David Patterson).....would like to take the rare step of reopening the already approved State budget.....so that more spending cuts can be made, in response to a weakening economy and falling revenue projections.”

When New York State government cuts budget, all State agencies will be affected and Downstate Medical Center is no exception. As of this writing, a 3.35% budget cut is a certainty and additional cuts are anticipated. SUNY has been delivered a cut of approximately \$150 million (inclusive of the 3.35%) to be distributed through the system.

Another concern to Downstate is that there could be a 10 percent reduction in Medicare reimbursements in July, 2008. Medical associations and physician organizations have been working with Congress and the Administration to stop this cut and to find a solution to revise the Medicare physician payment formula. If the formula used to determine payment rates is not adjusted, the total cuts could reach 25-35% over the next several years. Recent surveys show that physicians are already limiting or not accepting new Medicare patients to prepare for this contingency. In mid March, 2008, the House Committee on Energy and Commerce introduced a bill to block an estimated \$20 billion Medicaid cuts over the next five years. Any Medicare or Medicaid cuts will greatly impact our Hospital’s revenue.



SUNY has decided that there will be no increase in tuition and fees for degree granting programs. Any further budget cuts will be through the following actions: (1) spending caps (2) reduce travel (3) restrict procurement (4) hiring freezes (5) delay support to academic and research programs (6) delay or eliminate equipment and vehicle purchases (7) rethink system upgrade requirements, and (8) services consolidation to cut cost.

The volatile economy will affect how Downstate provides its services to the community but the Finance Division will do its best to mitigate the impact, especially in our academic and patient care activities. Some strategic plans may have to be revised as necessary, but on-going projects will continue regardless. The \$234.3 million Ambulatory Care Pavilion project is in progress and the Medical Office Building project is moving forward. Downstate is also negotiating the leasing of space at the current Victory Memorial Hospital site to house additional patient care services. Negotiations are on-going with Kingsboro Psychiatric Center and Kingsbrook Jewish Medical Center to expand our services in the community.

“....keep your powder dry, your chin up and assume (correctly) that we’ll get through it all intact,” said President John LaRosa in his May 2nd memorandum to the Downstate Community. You will be kept abreast of any latest budget development. With your cooperation, we will work through this challenging time while laying a great future for our students, patients, employees and community.

Frederick J. Hammond, Jr.

## An Interview with Antony Selvadurai

The SUNY Research Foundation (RF Central) is a private, nonprofit educational corporation established to support the advancement of education, research and discovery at the



State University of New York. The Office of Research Administration at Downstate Medical Center (ORA) is one of the 30 operating units located on SUNY campuses across the State of New York. It provides post-award academic and administration support, sponsored programs administration, technology transfer, as well as the day-to-day management of human resources, payroll, purchasing, accounts payable, and reporting activities.

Mr. Antony Selvadurai (TS) is the Assistant Vice President for Research Administration at Downstate and reports directly to the Operations Manager Mr. Frederick Hammond, our Senior Vice President and Chief Financial Officer. Tony is one of the six senior staff members in the Finance Division. He sat down for a chat with Finance Corner's editor Lawrence Lam (LL) on May 21, 2008:

**LL: Tell me something about your job.**

**TS:** I have been at Downstate for 21 years and before that I was at NYU for 14 years working in the same field. The main purpose of the ORA is to provide services to our Principal Investigators (PIs) but at the same time make sure that everything is done in compliance with sponsor guidelines. The challenge of my job is to be informed and able to

adapt to the diverse and constantly changing rules and regulations governing research activities.

**LL: Can you give us an example of one of the challenges?**

**TS:** Many PIs have their own business and the line drawn between that and their funded researches is sometimes not very clear. It is a matter of conflict of interest. Right now given the lack of an up-to-date coherent institutional policy on Conflict of Interest, we are dealing with situations on a case by case basis. But we do need to set up some clearer policies and procedures on this matter. RF Central Office treats this matter as a local campus issue, so Downstate will have to come up with a solution.

**LL: How many Downstate employees are on the Research payroll?**

**TS:** 332 employees, with a total annual salary over \$15.5 million.

**LL: What is the total in research dollars?**

**TS:** The total volume of organized research at Downstate for FY 07 was \$27.2 million and the total Research Foundation activity for FY 07 was \$47.9 million. The good news is that there is

**The challenge of my job is to be informed and able to adapt to the diverse and constantly changing rules and regulations governing research activities.**

an increase in research dollars in 2008 after a 3-year decline. There are various explanations for the decline. The main reasons are that some well funded PIs left Downstate and took their research grants with them. There has also been a decline in the level of NIH fund-

ing because competition for grant funding has become more intense nationwide. Downstate's ability to retain its faculty members by providing the necessary support and facilities will have direct impact on the future of its research base.

**LL: What is the relationship between Downstate RF and RF Central?**

**TS:** RF Central set most of the policies and procedures to help SUNY campuses manage research activities. Some operational functions are handled by RF Central, e.g. cutting payroll checks. Downstate is one of the larger campuses yet to decentralize. Decentralization involves taking on additional operational functions and responsibilities at campus level. This would permit us, as campus, to improve and enhance the services provided to the PIs, and allow Downstate to retain a higher percentage of the overhead recovery.

**LL: What are the latest Dean's initiatives in research investment?**

**TS:** Dean Ian Taylor has established several initiatives to provide support for researchers, specifically those who have temporarily lost their extramural support. This is called the Bridge Funding Program. Other initiatives by the

Dean include the Pilot Projects Program, Postdoctoral Fellowship Supplement Program, and GRI Equipment Matching Funds. Details of these initiatives can be obtained from the Office of Scientific Affairs website under intramural funding.

**LL: What is the revised policy for allocation of Facilities and Administrative (F&A) cost recovery?**

**TS:** The revised policy recognizes and rewards the efforts of faculty/principal investigators who have successfully applied for and received federal funding. Such faculty/principal investigators will receive a distribution equal to 10% of the F&A costs generated by their awards.

**LL: Tell us something about yourself.**

**TS:** I am a happily married man with two sons. My wife was a Professor in Biological Sciences at CUNY; she retired last year. One of my sons is a lawyer and the other is an executive of a corporation in New York. My "hobby," besides gardening, is to teach as adjunct professor at CUNY. While teaching the subject mat-

ter, I attempt to mentor and prepare my students for the demanding and challenging job market. I find this to be very rewarding and challenging; it is definitely something well worth putting my time into. After all, we are dealing here with students of the "millennium generation" who bring with them a high degree of entitlement and want to achieve success doing things their own way.

**AROUND FINANCE**



**SPRING INTO SUMMER**

By **Cathy Goldson-Ridgeway**

As spring slowly floats into the air, we see flowers blooming in the atmosphere.

The trees regain their leaves so green, and green grass begins to sprout upon the scene.

The whole earth seems freshly planted after the rain, buds of flowers popping up all over as if insane.

The perfumed fragrance radiating from the flowers, as we stroll down memory lane after a spell of showers.

Now spring has certainly sprung as far as we can see. Here comes humidity, heat and an occasional fight with a bee.

Though summer brings much heat and humidity at times, it's the season of Fun-In-The-Sun, and we don't mind.

Ice-cream, snow-cones and lots of Bar-B-Q's, Hanging out late with friends at nights thinking we're so cute.

Watching TV all night 'til the very next day, 'Cause relaxing and being on vacation surely is the way.

Waking up at ten o'clock in the mornings instead of at seven, It's as though I've won the lottery... no rather that I'm in heaven!

So go ahead, enjoy your spring and spring yourself into summer, But don't forget to thank God for these days, especially before you slumber.



## Lawson Enterprise Resource Planning Application - July 2008 Roll Out

The Downstate teams have completed their pilot programs of the Lawson modules and implementation is expected to be in July, 2008. The roll out will be in stages rather than taking a full-scale approach.

### General Ledger

A majority of Downstate accounts will be built and ready for use by July 1st. Primary Downstate entities will be the focus of Phase 1; with the non-State entities coming up in Phase 2.

### OTPS

Utilizing a nightly feed from SUNY Administration, the system will upload the non-PS transactions to the Lawson General Ledger.

### Supply Chain

The Pharmacy Department has been identified as a viable candidate for go-live on July 1st. Transactions

- Invoices will be automatically matched in Lawson, validated and then entered into the State systems.
- Smart Notifications to be deployed to indicate open orders, requisitions pending approval, open receivers, etc.
- Lawson Dashboard will be utilized to view Pharmacy expenditure analytics and other information relative to the Pharmacy Department.

### Personnel Services

Additional tables are built in the Lawson application to load the bi-weekly files from State Payroll in order to accurately validate (including calculation for hourly employees) the distribution of the employees, record the accruals and update the encumbrances.

These staging tables will also serve to house the non-State, affiliation payroll data allowing us to perform the requisite financial analytics to determine Downstate's revenue.

The revenue files from the Banner System (College) and Eagle System (Hospital) will also be uploaded to the Lawson application.

### Human Resources

The current Human Resources PDS system will be replaced with the Lawson application. All Position and Staffing Transactions will be processed in Lawson by HR but entries will continue to be made into the PDS system as a backup for approximately 8-12 weeks after the implementation of the Lawson application. Lawson will ultimately be the system of record.

## Did You Voice Your Opinion?

In support of President John LaRosa's centerwide initiative to enhance employee satisfaction, the Finance Division collaborated with the Human Resources Department and held a number of workgroup meetings to solicit and listen to employees' perceptions of the opportunities identified in last year's Employee Satisfaction Survey. Finance's workgroups were facilitated by Mr. Leo Johnson, Affiliations Administrator.

Each workgroup identified an opportunity to expound on and develop ten ways to improve or resolve the concern. This gave every employee in attendance a chance to voice his/her opinion and provided Downstate senior leadership with insight on the various issues affecting employees' satisfaction. Workgroups were carefully put together to separate employees from their supervisors, managers or directors. This helped to alleviate employees' concerns regarding anonymity and promote employees' confidence to speak candidly.

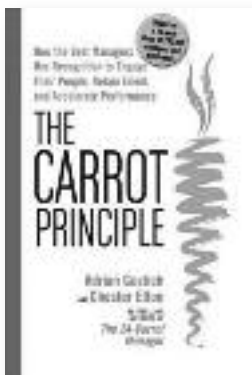
At the time this newsletter went to print, some workgroup meetings were still taking place. We want to thank Leo for voluntarily taking on this very difficult and complicated assignment and congratulate him for doing a great job. A sincere thank you is sent to Ms. Hendrina Goeloe-Alston and Ms. Myra Weiner of Human Resources for initiating this important process and their invaluable advice in managing the workgroups. Last, but not the least, the Finance Division appreciates the support of its staff on this very important step in promoting employee satisfaction.

**The roll out will be in stages rather than taking a full-scale approach.**

will be processed through the full supply chain cycle utilizing Lawson. The method selected will follow the full procurement cycle:

- Handheld devices will be utilized for re-ordering and par maintenance.
- Handheld devices will be utilized for receiving and delivery.
- Automatic replenishment/suggested re-order will be generated upon utilization of the supplies (perpetual inventory).
- Electronic Data Interchange (EDI) directs to our primary pharmacy vendor.
- Reconciliation with state account can be performed against encumbrances and actual expenditures.

**BOOK  
CORNER**



The Carrot Principle – How the Best Managers Use Recognition to Engage Their People, Retain Talent, and Accelerate Performance – by Adrian Gostick and Chester Elton (Free Press)

“ A principle....is not a program. It’s not an activity. It’s a constant. ”

“ Recognition accelerates business results. It amplifies the effect of every action and quickens every process. It also heightens your ability to see employee achievements, sharpens your communication skills, creates cause for celebration, boosts trust between you and your employees, and improves accountability. ”

“ When resources get tight, you might think about cutting back on recognition. Don’t. Recognition is what motivates and energizes employees to make things happen. Stepping up recognition in tough times sends the strong message that you trust in employees’ ability to turn things around. ”

“ .....managers who achieve enhanced business results are significantly more likely to be seen by their employees as strong in.....the Basic Four areas of leadership: Goal Setting, Communication, Trust, Accountability.” “For a manager, the bottom line is this: great management is born when recognition is added to the other characteristics of leadership. This is the Carrot Principle. ”

**Let’s Help Make Florence’s  
WISH COME TRUE**

Florence Dely, our colleague and friend, passed away on June 21 last year at the prime of her life and never got to see her daughter Brianna grow up. One of her wishes for Brianna was to follow her footsteps to receive a good education in order to give back to the community. On the anniversary of Florence’s passing, the Office of Research Administration is

once again collecting contributions towards the scholarship fund established for Brianna. Any amount is welcome; please feel free to stop by the Bursar’s Office to make your donation. The scholarship fund will be presented to Brianna at the anniversary memorial.

“Florence, may you rest in peace; you are sadly missed.”

**WHAT ARE WE DOING?**

**Budget Update**

The IFR Management and Budget Administration Department has scheduled internal budget meetings with the various vice presidential areas to map out the fiscal year 2008/09 budget. Quantified reductions have already been incorporated into our budget planning but additional cuts are anticipated.

**Web Policy Guidelines and Internet Privacy Policy**

Downstate’s website is established to enhance education, research, patient care, community services and administrative activities. Internet privacy is important to protect our users and business vendors while communicating with us through e-mail or internet access. The Information Services Department has developed some comprehensive Web Policy Guidelines and Internet Privacy Policy to help Downstate community in creating, designing and maintaining Downstate-related websites and to ensure that our privacy is protected. For details

on the above policies, please visit <http://www.downstate.edu/policy>.

**SUNY HealthBridge Phase II Implementation**

Work has begun on the Phase II implementation of the SUNY HealthBridge system which focuses on a completely automated pharmacy system and computerized physician orders and patient test results. Phase II will also include an interdisciplinary clinical documentation online function. The expected implementation date is around late Spring, 2009.

**GE Healthcare Centricity/Muse Implementation**

The project team is working on the Cardiology invasive and noninvasive business solutions (Centricity and Muse), and currently in the initiation phase focusing on the network infrastructure, work site preparation and staff training. The Phase 1 Cardiology Echo Product Line is scheduled to “go-live” during the 3rd quarter of 2008.

## ANNOUNCEMENTS

### Finance Division welcomes the following new members

**Renato Bacani**, Financial Analyst, Hospital Finance (718) 613-8759.

**Albert Diaz**, Financial Analyst, Hospital Finance (718) 613-8730.

**Kendra McDowell**, Senior Financial Analyst, Hospital Finance (718) 613-8772.

**Sean Bullen**, PACS Database Administrator – Cardiology, Information Services/CAG, (718) 613-8703.

**Congratulations to Judeline Verna** – who has resigned from her Bursar's Office position to pursue a career in nursing. She will be attending the College of Nursing at Downstate Medical Center. Good luck, Judy, and we will see you around!

### A special purchasing team has been formed

to handle FM&D procurements. The team is led by Contracts and Procurement's Keith Hercules and Brian McGraw with team members Lori Durden, Dionne Harper, Kenneth Lee, Gregg Moses, Frantz Poyau, and Joseph Vaccaro. They are located at 711 Parkside Avenue, Room BA-27, and can be reached at (718) 613-8782.

#### BIRTHDAYS

Hansa Shah	Apr. 3	Tracy Coar	Apr. 28	Grace Padmore	May 20
Hazel Williams	Apr. 4	Maria Martell	May 1	Jeffrey Kostalos	May 21
Michael Levinton	Apr. 6	Aida Aguila	May 2	Elton Williams	May 27
Laurette Siclait	Apr. 9	Mary Ann Kelly	May 3	Moira Lamb	Jun. 5
Steve Fouchong	Apr. 16	Michelle Rolland	May 3	Sharad Kumar	Jun. 7
Rita Scott	Apr. 16	Joseph Menuau	May 6	Jameliah Jones	Jun. 21
Garett King	Apr. 22	Luis Deleon	May 9	Helen Dunn	Jun. 22
Brian McGraw	Apr. 27	Louis Ebarb	May 13	June Nazaire	June 23
		Frederick Hammond	May 18		

#### WEDDING ANNIVERSARIES

Patricia Williams  
May 25 (4 years)  
Jameliah Jones  
June 23 (18 years)

#### MILESTONE

Uriah Gardner 14 years

(Editor's Note: This list may not be complete. We can only print what is submitted.)

**Make the team** – join the production team of this newsletter. Call Lawrence at x 3176.

Any suggestions, ideas, requests, announcements, etc., please write to us at Box 65 or contact us by email at [finance@downstate.edu](mailto:finance@downstate.edu)

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