

STATE OF WISCONSIN

PERSONNEL COMMISSION

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JOSEPH McCULLOUGH, \*

Appellant, \*

v. \*

Secretary, DEPARTMENT OF \*

EMPLOYMENT RELATIONS, \*

Respondent. \*

Case No. 94-0394-PC \*

\* \* \* \* \*

INTERIM  
DECISION  
AND  
ORDER

This case involves an appeal pursuant to §230.44 (1)(b), stats., of a July 7, 1994, denial of a request for reclassification from Financial Specialist 3 (FS 3) to Management Information Specialist 2 (MIS 2). The original issue for hearing involved these classifications as well as the FS 4, Educational Services Assistant 1 (ESA 1) and Accountant - Entry classifications. However, at the commencement of the hearing, appellant limited his appeal solely to the FS 4 classification, and accordingly this decision addresses only the FS 3 and FS 4 classification alternatives.

Appellant's position is located in the Cashier's Office, Business and Financial Services, UW-Madison. Appellant is supervised by Paul Berendsen, a Financial Supervisor 3 in the Cashier's Office. There are three position descriptions (PD's) for appellant's position in the record - dated December 1990, April 1993, and August 1994. The April 1993 PD (Respondent's Exhibit 6) is an essentially accurate summary description of appellant's position.<sup>1</sup>

The most critical goals on the April 1993 PD for purposes of this appeal are Goals A and B, and they will be set forth in their entirety:

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<sup>1</sup> The August 1994 PD (Appellant's Exhibit 17) was prepared at least in part in connection with this appeal and was not signed by UWM Personnel as an "official" PD for this position. However, both appellant and his supervisor testified that it is essentially accurate as of the time of the classification transaction in question, and it has been considered as part of the record in this case as an augmentation of the April 1993, PD (Respondent's Exhibit 6).

TIME %

23% GOAL A

Provide programming support for the Cashier's Office by accessing university mainframe systems. Working from conceptional directions to extract the data necessary to create a wide range of analyses and working documents.

- A1. Identify and develop computer programs to automate manual office procedures.
- A2. Ensure that systems interface or upload/download as appropriate with related mainframe systems.
- A3. Analyze, develop and implement computerized accounting and record keeping programs.
- A4. Develop systems in accordance with current audit standards.
- A5. Test programs thoroughly before implementation.
- A6. Work with C.O. manager and Administrative Computing to prioritize identified projects.
- A7. Create documentation for systems and programs developed.
- A8. Extract and compile data from mainframe to provide budget building workload indicators.
- A9. Reconcile fee remission and third party billing payments with state, federal and university rule and policies.
- A10. Supervise and reconcile the Decentralized Revenue Entry System. (DREV) Must be familiar with university, state and federal accounting codes and classes. This is a computerized system that does direct entry of revenue formerly accomplished by the University Accounting Department.

41% GOAL B

Development of student accounts receivable system and revenue accounting system, a complex automated link between the Cashier's Office, Student Financial Services, Accounting Services, Registrars Office and other departments.

- B1. Coordinate and participate in analysis, design and maintenance of a computerized student account data base and revenue accounting system.
- B2. Advise and participate with the Income Accounting Team in development of the project to insure compliance with

accounting principles, university regulations and reporting directives.

- B3. Advise and coordinate with Administrative Computing to detail all facets of the Cashier's Office operation to insure compliance with policy. This requires a thorough knowledge of the entire operation of the Cashier's Office including accounting reporting, financial aid awarding and distribution, refund policies, collection policy and fee development schedules, etc.
- B4. Meet with Cashier's group weekly to analyze and structure the way the new system must work so as to adequately train all personnel that will be involved.
- B5. Determine the report requirements and layouts for bill-tos, remissions and payroll deduction. Create statement layout for new systems as required. This is a very complex process requiring the ability to transform anticipated formats to a computerized reality.
- B6. Advise system team on current reports that will not be needed or are replaced by other reports.
- B7. Prepare system analyses documentation for income accounting system required reports.
- B8. Establish, prepare & upload university fee tables. Construct the complex computerized fee table of nonresident, instructional and segregated fees for use in creating student assessments.

With respect to these first two goals, appellant works extremely independently, and is responsible not just for providing input into the development and maintenance of automated systems that is being accomplished primarily by computer experts; rather, he is actually involved in creating and modifying programs, either on his own or in participation with others. It is also noted with respect to activity A10 (DREV activity) that this work had been done by a professional accountant in the Accounting Department before appellant assumed this activity.

Goals C-H are as follows (specific activities omitted):

- 3% C Coordination of banking services.
- 10% D Supervise and coordinate the function of daily collection and balancing. Ensure proper reporting and distribution of tuition, fees and all other collections in accordance with state and University policy. Responsible for Cashier's Office and Vault Room security.

- 5% E. Vault and safe security.
- 4% F. Responsible for the accuracy of revenue reports created in this office.
- 4% G. Contingent account.
- 10% H. Computer liason to UWM Data Center.

The FS 3 and FS 4 class definitions found in the FS class specification are as follows:

### **FINANCIAL SPECIALIST 3**

This is the objective level for positions which process or preaudit invoices, travel and contingent vouchers, participate in the development and maintenance of automated or manual records for all financial data for a specialized program(s) area(s), prepare and process grant and contract expenditure reports and records, and also perform accounting, bookkeeping and auditing duties of a limited complexity or difficulty which do not require knowledge of professional accounting or auditing theory. Positions at this level may train and provide advice, interpretation and information on rules, regulations, policies and guidelines of varying complexity to lower level Financial Specialists. Positions that have been granted preaudit delegated authority for the above transactions would also be included at this level. Delegated authority mandates that the individual is ultimately responsible and accountable for proper controls and the accuracy of each transaction. These audited transactions are authorized to be entered directly into the system without additional review by others. As opposed to Financial Specialist 2 positions, work may not only focus on transaction processing, but also on reporting, preparing reports/schedules and maintaining system integrity that may be done by statistically sampling fiscal transactions.

Positions at this level differ from those at the Financial Specialist 1 or 2 level in that these positions require knowledge of the financial regulations for a broader variety of funding sources and cost distribution patterns; apply and interpret rules and regulations for programs that change or for customized contracts; determine and correct errors in system processing; develop and maintain more complex financial data recordkeeping systems for a specialized program(s) area(s) and its financial rules and regulations which provide guidelines in addition to those established by the State of Wisconsin Department of Administration, State Bureau of Finance; reference a larger number of more detailed, non-routine, specialized and complex preaudit programs; be responsible for a broader degree of decentralized fiscal transactions within the agency to its divisions, institutions, or campuses; and have frequent contacts with various levels of users both internal and external to the central organization regarding information on the financial system. Positions at this level may also be responsible for investigating and analyzing vendor inquiries regarding payment status and discrepancies; and audit claims

for adjustments to previous payments and determine the appropriate action and negotiate a final settlement.

Financial Specialist 3 positions have demonstrated knowledge and application of State accounting structures, agency structures and systems, Chapter 16 and 20 where applicable, Travel Schedule Amounts, DOA External Accounting Manual, and bargaining agreements where applicable to a specific position. Work is performed under general supervision and involves having program responsibility for all or part of a function.

#### **FINANCIAL SPECIALIST 4**

This is the advanced level for positions performing accounting, preauditing, bookkeeping and auditing duties of a high level of complexity which do not require knowledge of professional accounting or auditing theory. This is evidenced by applying accounting/auditing methods and techniques to new or volatile programs, interpreting applicable rules and regulations for operational enhancements and changes, or by having a large number of applicable rules and regulations to apply. Positions at this level may participate in the development and maintenance of, or audit of automated financial recordkeeping systems, fixed asset, accounts payable, accounts receivable, and /or preaudit functions. Such positions could be located within an agency or a decentralized organizational unit within an agency, such as a division, campus or institution. Such an agency or organizational unit would have a variety of funding sources and cost allocation patterns and the position would have been delegated authority for such fiscal transactions. Positions at this level may function as leadworkers and may prepare, process, analyze, or maintain the financial records for multiple grants and contracts expenditure reports for a broad variety of programs. Positions advise, train and provide procedural assistance to various levels of users about financial systems.

Positions at this level differ from those at the lower Financial Specialist levels in that these positions require knowledge of the financial rules and regulations for a broader variety and complexity of funding sources and cost distribution patterns; participate in the development and maintenance of financial data recordkeeping systems for multiple program areas, using personal computers or other automated systems; review critical data, analyze and present data to management and make recommendations for improving the operation; require knowledge of multiple specialized program areas and their financial rules and regulations which provide guidelines in addition to those established by the State of Wisconsin Department of Administration, state Bureau of Finance; reference a larger volume and number of non-routine preaudit programs; and are responsible for the greater degree of decentralization of fiscal transactions within the agency to its divisions, institutions, or campuses. Work is performed under general supervision and positions at this level have responsibility for the conduct and results of assigned programs/functions. Contacts are often outside the organization chain of command and reporting is often at the section level or equivalent. Impact of the errors may be beyond the programs or divisions for which the position is responsible, i.e.,

department, campus, or institution wide or outside the department, campus or institution when functioning as a processing center.

The class specification's statement of "complexity factors" is as follows:

The following position characteristics are considered indicators of increased complexity within the Financial Specialist classification series. The degree to which these characteristics are present are an indication of a position's greater complexity.

- Complexity of laws and regulations applied.
- Preparation and reconciliation of complex accounting schedules and records.
- Complexity of financial schedules and reports being prepared.
- Presentation of results to higher level positions.
- Working with organizations and people outside of the agency and outside of state government.
- Schedule payments in accordance with vendor terms and the Prompt Payment Law.
- Enforce court ordered wage assignments and garnishment withholding on state employe paychecks.
- Monitor and administer charge-backs of internal service fund type operational costs as distributions to organizational cost centers.
- Exercise a working knowledge of banking practices and regulations, monitor balances and administer nonstate Treasury checking accounts such as revolving disbursement accounts, change funds, special accounts, etc.
- Develop and maintain Frequent (daily) contact with various levels of users regarding information on the financial system, identifying problems and corrections, and advising and training on its utilization. Contact are both internal and with public.

This case presents difficulty in terms of analysis and decision. This is due in part to what was referred to repeatedly throughout the hearing as the rather unusual nature of appellant's position, which, notwithstanding its role in the cashier's office and its classification in the FS series, resembles in many ways an MIS position. A "hybrid" type position like this can be particularly difficult to classify. This is reflected to some extent in the original issue for hearing, which involved four different classification series.

Since the initial reclassification request was for reclassification into a completely different series -- i.e., from FS 3 to MIS 2 -- the classification analysis at that time naturally focused on breaking down the position into fiscal-related and computer-related activities. However, when considering whether the position is more correctly classified at the FS 3 or FS 4 level, over-reliance on this distinction is unwarranted. Respondent contended at hearing that appellant's position could not be in the FS 4 classification in part because appellant's PD reflects that more than 60% of his position relates to non-

financial areas. This emphasis on this distinction is inconsistent with both the FS class specification and the factual record in this case.

The FS class specification (Respondent's Exhibit 1) statement of inclusions (§ I.B.) includes positions which "participate in the development and maintenance of automated accounts payable, accounts receivable and other financial systems." One of the "complexity factors" (§ I.B.) is "[W]orking in complex automated and/or manual financial systems and applications." The FS 3 definition statement includes: "participate in the development and maintenance of automated or manual records for all financial data for a specialized program(s) area(s)." The FS 4 definition includes: "participate in the development and maintenance of or audit of automated financial recordkeeping systems." Also, similar activities are found in representative positions in the FS class specification as well as representative PD's relied on by respondent.

Furthermore, the record reflects that appellant's performance of his duties in connection with the development and maintenance of automated financial system involves expertise in both the areas of management information systems and accounting and auditing. This is illustrated by some examples from his April 1993 PD (Respondent's Exhibit 6):

A4. Develop systems in accordance with current audit standards.

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B2. Advise and participate with the Income Accounting Team in development of the project to insure compliance with accounting principles, university regulations and reporting directives.

B3. Advise and coordinate with Administrative Computing to detail all facets of the Cashier's Office operation to insure compliance with policy. This requires a thorough knowledge of the entire operation of the Cashier's Office including accounting reporting, financial aid awarding and distribution, refund policies, collection policy and fee development schedules, etc.

Approximately 64% of appellant's position (Goals A and B, Respondent's Exhibit 6) primarily involves developing and maintaining automated systems. If appellant's work in this area satisfies the criteria for the FS 4 classification, his position can be classified at that level. The Commission agrees with respondent that Goals C - H (daily collection and balancing, vault and safe

security, etc.) are typical cashier's office duties that would correspond to representative positions below the FS 4 level.<sup>2</sup>

The record reflects that appellant's position does satisfy the FS 4 level criteria. His job includes not only what might be characterized as typical cashier programs, but other financial program areas as well. His Goal B involves the "[d]evelopment of [a] student accounts receivable system." His activity A10 ("Supervise and reconcile the Decentralized Revenue Entry System (DREV)") is a function that previously had been performed by a professional accountant in the Accounting Department and requires familiarity "with university, state and federal accounting codes and classes." Appellant operates with a great degree of independence frequently receiving general, conceptual directions and then being independently responsible for the development and implementation of management information system programs used at UWM. He routinely interrelates with campus officials at a much higher level -- for example, the Income Accounting Team includes the "Asst. Director of Financial Aid, Asst. Director of the Registrar, Manager of Accounts Receivable, Manager of the Cashier's Office, UWM Controller, Systems Supervisor and the Supervisor of Administrative Accounting."

Respondent made the point that it is not uncommon for a broad range of employees, including Financial Specialist at various class levels, to be involved in the process of automating financial systems. However, the record reflects that appellant does more than just provide input as a member of a consultative committee. Rather, he is playing a big role in the actual development of the systems at UWM.

There are a large number of both representative positions in the FS class specification, and comparison FS PD's that were entered as exhibits. Due to the rather unusual nature of appellant's position, many of the comparisons are not particularly compelling one way or another. One position to which the Commission attaches comparatively more weight is the FS 4 representative position at UW Superior, described at pages 10-11 of the FS class specification. In addition to cashier duties, this position is responsible for coordinating the campus's student accounts receivable program and coordinating the "Perkins/National Direct Student Loan (NDSL) operation." Respondent

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<sup>2</sup> Respondent provided testimony that appellant's position was similar to other FS cashier's office positions at the FS 2 level, but that appellant's position was at the FS 3 level because of the relative scope and complexity of the UWM operation.

contends that although UW Superior is a relatively small campus, this position is at the FS 4 level because of its larger number of financial functions, as well as the inherent difficulty and complexity of accounts receivable work, which typically involves working with a large number of accounts and transactions, and maintaining account information as well as taking action to collect money owed. It seems clear from the FS representative positions that this position's accounts receivable work alone would not qualify it for the FS 4 level. The accounts receivable specialist at UW-Oshkosh is at the FS 3 level notwithstanding that its duties as described in the class specification relate completely to accounts receivable work, including collections of delinquent accounts. Also, there are a number of representative positions at the FS 4 level that do not have accounts receivable functions. Therefore, while the full range of accounts receivable work of the UW Superior position is a distinguishing feature in comparison to appellant's position, it is not determinative. As noted above, in addition to the more or less routine cashier office functions associated with appellant's position, it also is responsible for supervision and reconciliation of the DREV system, and is involved in the accounts receivable program due to its extensive role in Goal B ("Development of student accounts receivable and revenue accounting system.") Compared to the UW Superior position, appellant's position is involved at a higher level in the field of developing and maintaining automated systems, which is a recognized function at the FS 4 level and a means of distinguishing the FS 4 level from the FS 3 level: "Positions at this [FS 4] level differ from those at the lower...levels in that these positions...participate in the development and maintenance of financial data recordkeeping systems for multiple program areas." (FS 4 definition, ¶ II, Respondent's Exhibit 1). This is also a recognized complexity factor in this series: "Working in complex automated and/or manual financial systems and applications." (FS complexity factors, ¶ I.E., Respondent's Exhibit 1). In consideration of all these factors, the Commission believes appellant has satisfied his burden of proof to establish that these positions are comparable from a classification standpoint.

Another position that more readily lends itself to comparison is the FS 4 accounts receivable position at UWM occupied by Ray MacDonald. The PD for this position (Appellant's Exhibit 20) has the following position summary:

This position is responsible for four separate Accounts Receivable systems involving various cost centers. The position maintains accounting control of the automated student Accounts Receivable system. This is a mainframe computer system for delinquent

Fee/Tuition accounts, the Short Term Loan program, International Studies health insurance, and Special Course Fees. The position transfers Fee/Tuition accounts from the Registrar's system. Executes mainframe computer programs to produce a variety of reports for several departments. The position manages the Standard Invoice system. Advises, trains, and provides procedural assistance to users in over 50 departments campus-wide. Users range from Assistant Deans to Program Assistants. Maintaining the system requires contacts with collection agencies, off-campus individuals, businesses, and outside governmental units. The position maintains the automated accounts receivable system for the Child Care Center. This position monitors the automated system Federal and State loan programs (Perkins/Nursing/Minority Teachers/Minority Doctoral). In addition, this position actively participates in the development of the campus automated Income Accounting System. Serving as User Liaison, this position meets with department managers, other users, and the Information System team to work on a variety of projects. This position monitors the Student Records Holds system. This position analyzes and presents data to management and makes recommendations. Work is performed under the general supervision of the Accounts Receivable Manager.

Appellant's immediate supervisor, Paul Berendsen, testified that he was very familiar with this position and that in many respects it is almost identical to appellant's position. Both positions are actively involved in the development and maintenance of automated systems. Respondent distinguishes this position on the basis of the difficulty of its accounts receivable work (which includes collections activities) and its work with and for central accounting particularly these activities in A3 and A4: "Reconcile subsidiary accounts receivable ledger to daily receipt reports. Forward report to Accounting. Investigate items on monthly reconciliations. Work with accounting to resolve." Respondent considers the latter activity to reflect a higher level of responsibility for that accounting area. Respondent also cites Goal E ("Prepare annual and semi-annual Accounts Receivable reports for UW-System Administration and senior campus management") as indicative of a higher level of accounting responsibility. On the other hand, there are some factors relevant to the comparison that tend to offset these points. Appellant's activity A10 ("Supervise and reconcile the Decentralized Revenue Entry System (DREV))" was acquired from the UWM central accounting department where it had been performed by a professional accountant. Appellant also has responsibilities in multiple program areas which require knowledge of a range of rules, policies and procedures. Even if the MacDonald position is considered at a somewhat higher level from a classification standpoint, the distinction is not of the nature and degree to lead to the conclusion that

appellant's position should not be at the FS 4 level. A majority of appellant's position (Goals A and B, approximately 64%), is at the FS 4 level, and satisfies the criteria for distinguishing the FS 3 level from the FS 4 level. Thus, the Commission would conclude that the MacDonald position is on this record at best a stronger FS4.

This case also involves the collateral issue of whether appellant's position experienced a "logical and gradual change" as §ER 3.01(3), Wis. Adm. Code requires for a reclassification.

Appellant's December 1990 PD (Respondent's Exhibit 5) reflects 10% for Goal A ("Develop and create computer programs for Cashier's Office.") and 20% for Goal B (Assist in the development of the University Income Accounting System"). In appellant's April 1993 PD (Respondent's Exhibit 6), these goals (with some substantive changes) are 23% and 41% respectively. Thus the relevant duties and responsibilities have changed from approximately 30% to approximately 64% over a period of about two years - i.e., approximately 34% of the position has changed in some way.

In determining whether a change is gradual under §ER 3.01(3), respondent relies on Chapter 332 of the Classification and Compensation Manual. This publication provides at §332.040.C.2. as follows:

2. Were the changes gradual?
  - a. If the duties which constitute the reason for the class level change were previously at least 26% of the position, the expansion of such duties to 51% of the total position is considered to be a gradual change.
  - b. Generally, changes are not gradual if they:
    - 1) Constitute a significant portion of the position (more than 25%) and occur abruptly (over a period of less than six months);
    - 2) result from a reorganization, changes in the equipment used to perform the work, or a reassignment of duties from a vacant or abolished position;
    - 3) result from the removal of a supervisory level.

These guidelines as to the meaning of the term "gradual" are not a binding interpretation because, unlike §ER 3.01(3), they have not been issued as administrative rules. However, the application of these guidelines is consistent with a finding that the relevant changes were gradual.

The first criterion ("a. If the duties which constitute the reason for the class level changes were previously at least 26% of the position, the expansion of such duties to 51% of the total position is considered to be a gradual change.") obviously is an example. In this example, there is a change of 25% of the total position, and the relative percentage of change from 26% to 51% is 96%. In the instant case, with a change from 30% to 64%, there is a change of approximately 34% of the total position, and the relative percentage change from 30% to 64% is 113%. This degree of difference in the percentage of change is not sufficient to lead to a conclusion that the change was not gradual.

The criteria under subsections b.2) and 3) are not applicable to this case. As to the criterion under subsection b.1), the changes here were significant in this context because they constitute more than 25% of the total position. However, they did not occur over a six month period.

In connection with this point, the Commission does not agree with respondent's contention that Appellant's Exhibit 10 establishes that there could not have been a gradual change in this position. This document, a February 8, 1993, memo to appellant from his supervisor, Mr. Berendsen, advises appellant that "I have agreed to free up 50% of your time to work on the IAS project." In the context of the entire record, including Mr. Berendsen's testimony, this memo did not mean that 50% of appellant's job was being changed overnight. Both appellant and his supervisor testified to the gradual nature of the change, as the IAS work expanded from 20% (Goal B) on the December 1990 PD (Respondent's Exhibit 5) to 41% (Goal B) on the April 1993 PD (Respondent's Exhibit 6), arrangements were made for appellant to spend up to 50% of his time on this project, depending on the needs both of that project and other aspects of appellant's work. Time percentages on a PD are estimates of the work performed over a period of time; the actual time spent on particular tasks can vary from day to day, and over longer time periods in response to changing demands and priorities. For management to have allowed appellant to be released from his other duties for up to 50% of his time while he concentrated on the demands of the IAS project during this period is not inconsistent with a gradual increase from a 20% time allocation to a 41% allocation on his PD for this activity.

The Commission also disagrees with respondent's opinion that the expansion of appellant's work in the area of automated systems constituted a temporary activity that perhaps should have been handled on a project basis.

Appellant and his supervisor testified that he had been involved in this work since 1989 and that it was an ongoing activity that was not of a temporary nature. Also, there were a number of other PD's in the record that reflected work on this activity.

Respondent also contends that the changes in appellant's position were not "logical," as that term is used in §ER 3.01(3), Wis. Adm. Code. This contention is based on the premise that Mr. MacDonald was responsible for accounts receivable and it would have been more logical for him to have been doing the work that was assigned to appellant. However, the record reflects that both employers were members of the IAS team. To the extent that appellant had a more significant concentration in this area, this was a management decision, and represented an expansion of what had already been identified as 20% (Goal B) of his 1990 PD (Respondent's Exhibit 5). The changes in appellant's position were not "illogical."

In conclusion, while this case presents some difficulty and the outcome is not clear-cut, the record establishes that this position, with its orientation on the development and maintenance of automated financial accounting systems, does fall within a recognized area in the Financial Specialist series and meets the criteria for the FS 4 classification.

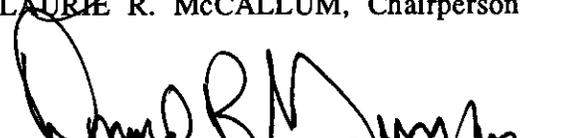
ORDER

Respondent's action which was the subject of this appeal is rejected, and this matter is remanded for action in accordance with this decision.

Dated: June 9, 1995 STATE PERSONNEL COMMISSION

  
LAURIE R. McCALLUM, Chairperson

AJT:bjn

  
DONALD R. MURPHY, Commissioner

  
JUDY M. ROGERS, Commissioner