

# **Operational Performance Dashboard**

## **March 2012**

### **FY 2012 Quarter 3 (Jan - March 2012)**

**Financial Management Mission:**

**We help people who change the world through collaboration, consultation and financial stewardship.**

**Key processes include:**

- Bill & Collect Tuition
- Collect & Distribute Mail
- Design & Print Communication Pieces
- Develop & Maintain Websites
- Develop & Negotiate Indirect Cost Rates
- Develop FM Staff
- Disburse Financial Aid to Students
- Manage Financial Recording
- Manage Grants
- Manage Records Retention & Compliance
- Information Reporting
- Pay Bills
- Pay People
- Protect & Promote the University Image
- Purchase Goods & Services

# FINANCIAL MANAGEMENT

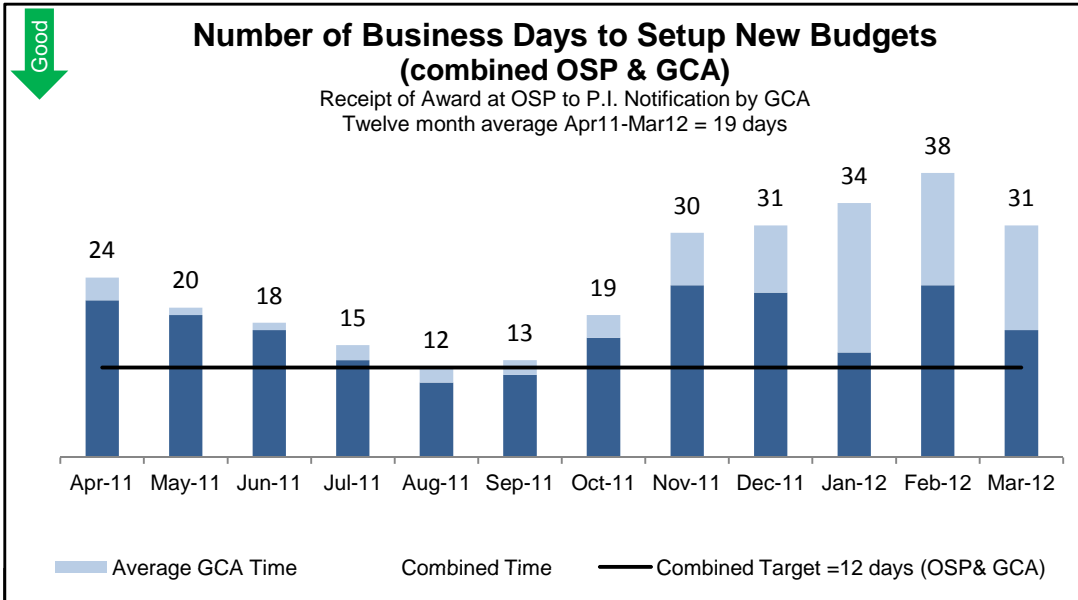
(A unit of Finance & Facilities)

## Operational Performance Dashboard - FY 2012 Quarter 3 (Jan - Mar 2012)

Process	Measure	Current Output Measure	Target		Gap (Target-Output)	Process	Measure	Current Output Measure	Target		Gap (Target-Output)
<b>CUSTOMER</b>						<b>FINANCIAL</b>					
						Pay Bills	Percent of online invoices paid within 30 days of receipt in PA	93%	95%	↑	-2%
Manage Grants	Twelve month average of number of days to setup a new award (from receipt of award in OSP to notification to PI of budget number )	19 days	12 days	↓	7	Pay Bills	Reduction in Small Dollar PAS Transactions which should be going through eCommerce.	3,109	2,500	↓	609
Disburse Financial Aid	Percentage of Aid disbursed during the 1st week of a quarter.	83% 2012	85% Goal	↑	-2%	Manage Grants	Total uncollected cash for unbilled invoices & aged receivables (cumulative) – JDE	\$49 million	\$23 million	↓	\$26
	Percent of students satisfied with SFS services.	81% 2010	90% Goal	↑	-9%	Bill & Collect Tuition	Percent of students in default on all long-term loans.	7.3% 2011	10.0%	↓	No Gap
Provide Services	Student Educational Tax Credit Reporting: e1098T Utilization ("Opt In") Rate (page 11)	23%	85%	↑	-62%	Indirect Cost Rates	Five year average of percent annual change in F&A Indirect Cost	6.0%	5.0%	↑	No Gap
						Avoid Postage Cost	Maximize Postage Discounts Through Automation	11.4%	8.5%	↑	No Gap
<b>INTERNAL BUSINESS PROCESS</b>						<b>LEARNING &amp; GROWTH</b>					
Inc. online Trans.	Process online mailing, printing & copying	51%	45%	↑	No Gap	Develop Staff	Percent of staff highly satisfied with FM (top 2 ratings on scale)	68% 2009	69% Benchmark	↑	-1%
Manage Fin. Rec.	Percent of total count of inter-departmental billings entered in FAS more than 1 month & 1 day from current month	8%	1%	↓	7%		Percent of staff who agree that "the FM Diversity Initiative has made a positive impact in FM". (top 2 ratings on scale)	56% 2009	90%	↑	-34%
Productivity	Productivity – Annual % change from previous year, using a 2008 base year (benchmark).	11% FY10	0%	↑	No Gap		Percent of staff who state that "they are developing their skills as a knowledge worker" (top 2 ratings on scale)	73% 2009	90%	↑	-17%
Pay People	Number of outstanding I-9's	71	50	↓	21		Active Employee Development Plans (EDPs)	24.2%	75%	↑	-51%

# Manage Grants (New Budget Setup) - GCA

Customer



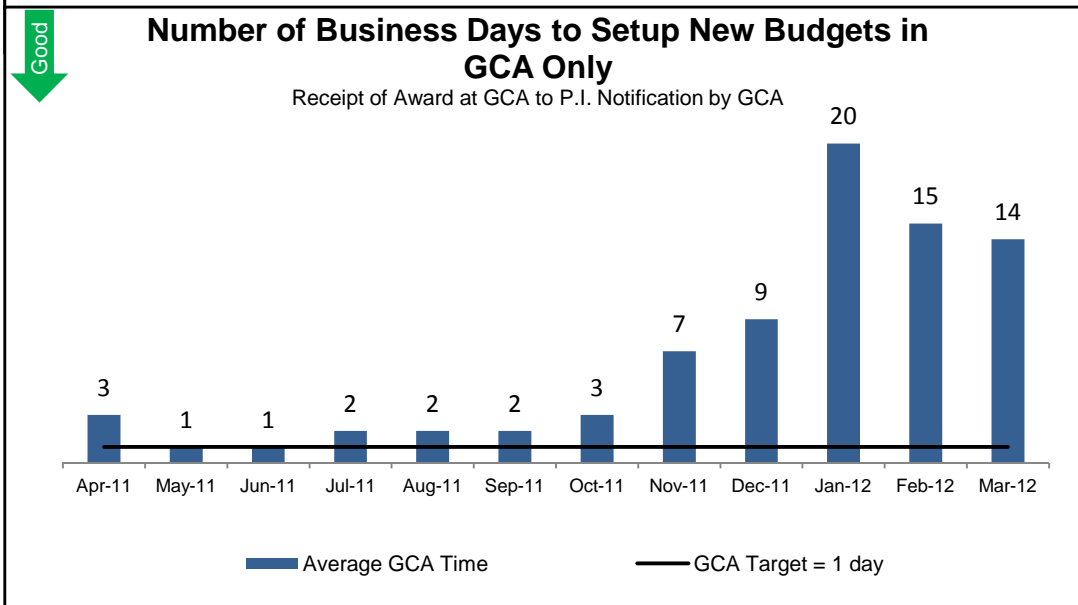
## DEFINITION

The measure shows the average number of days to establish a new award in the UW Financial Systems. The twelve month average for Apr11 to Mar12 equals 19 days.

## ANALYSIS

The top chart tracks the average number of days to setup a new budget. The time is measured from when OSP (Office of Sponsored Programs) enters new award information into SERA (System for Electronic Research Accounting) until GCA (Grant and Contract Accounting) establishes a new budget in the UW Financial System and notifies the Principal Investigator.

The bottom chart tracks the average time to setup a new budget in GCA only. By the end of 2011, GCA experienced a turnover rate of over 50% in the Campus Services teams. As a result, the average number of days to setup a new budget increased significantly.

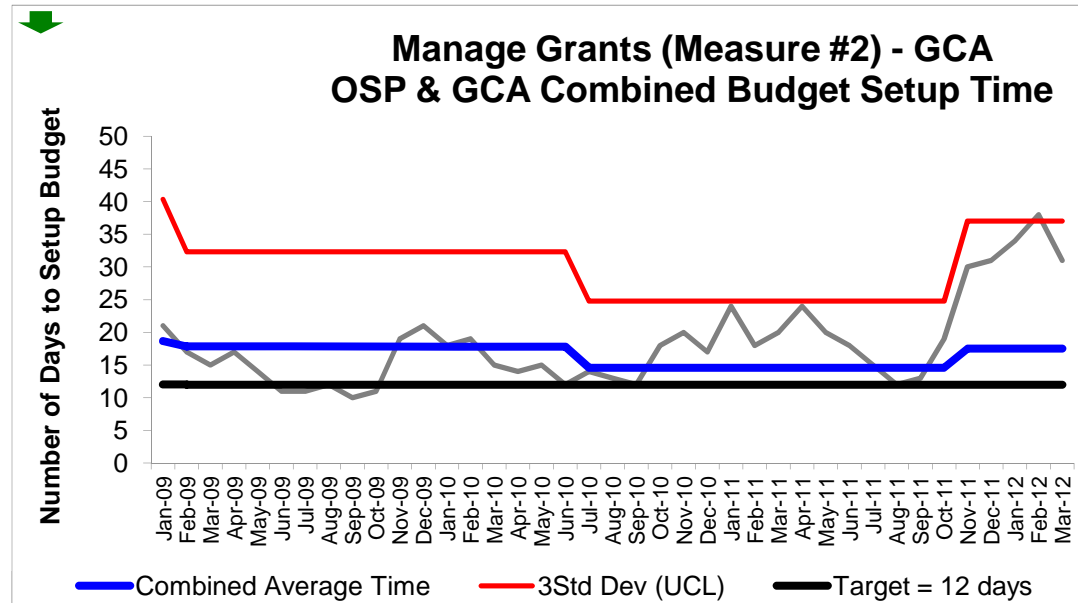


## NEXT STEPS

90% of the vacant GCA positions have now been filled. A large number of the new staff are being trained in budget setup to ensure the goal of a 1 business day turnaround can once again be achieved. GCA will continue to streamline the workflow in addition to working closely with OSP to achieve consistent output for the new budget setup process.

# Manage Grants (New Budget Setup) - GCA

Customer



## DEFINITION

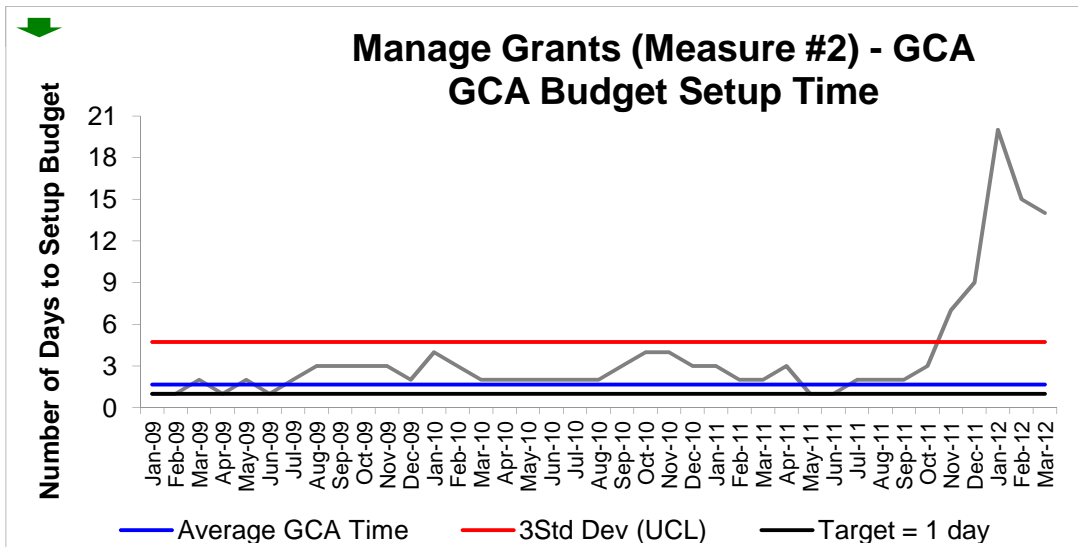
The average number of days to establish a new award in the UW Financial Systems. Twelve month average from Apr11 to Mar12 equals 19 days.

## ANALYSIS

The implementation of SERA (System for Electronic Research Accounting) reflects the coordinating efforts of GCA (Grant and Contract Accounting) and OSP (Office of Sponsored Programs) to automate sharing of information. Eliminating double manual entry and hardcopy paper trails helped decrease award setup time. SERA's implementation supporting the account set-up process that includes passage of data, specific award communication between OSP and GCA, and campus notification of account set-up completion.

## NEXT STEPS

Continuous improvements to the electronic account set-up process to achieve desired efficiency and transparency between OSP and GCA.



# Disburse Financial Aid - SFS

Customer

## DEFINITION

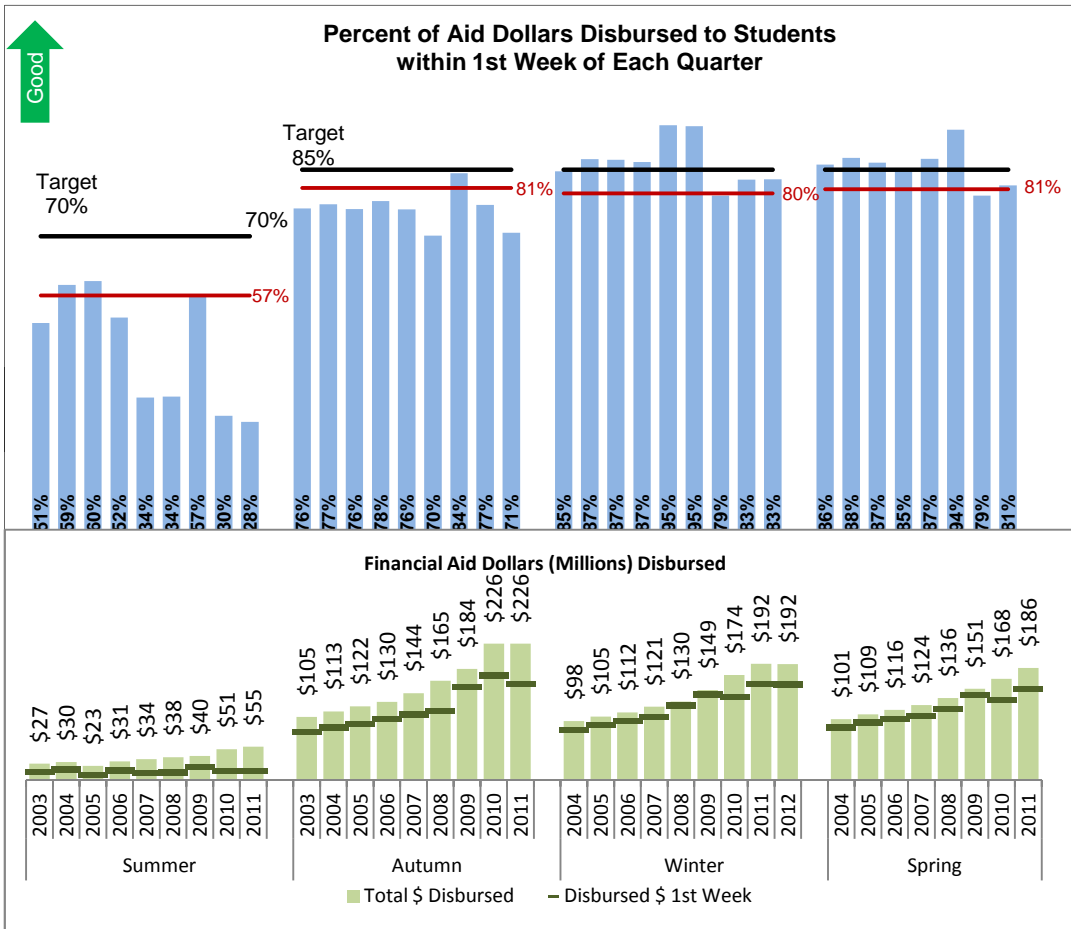
Student Fiscal Services (SFS) disburses aid to students that originates both through UW sources (e.g., departmental scholarships, aid packages that are awarded through the Office of Student Financial Aid (OSFA), as well as external sources (e.g., private scholarships, VA awards, etc.) The sooner the funds are processed and released to students, the sooner they can pay their educational expenses. SFS seeks to disburse as much aid as possible during the first ten days of each quarter. While we disburse aid, SFS does not award nor authorized any aid. This function is primarily handled by OSFA.

## ANALYSIS

Our Winter disbursement rates were down due to compounding issues which delayed award authorizations compared to prior years.

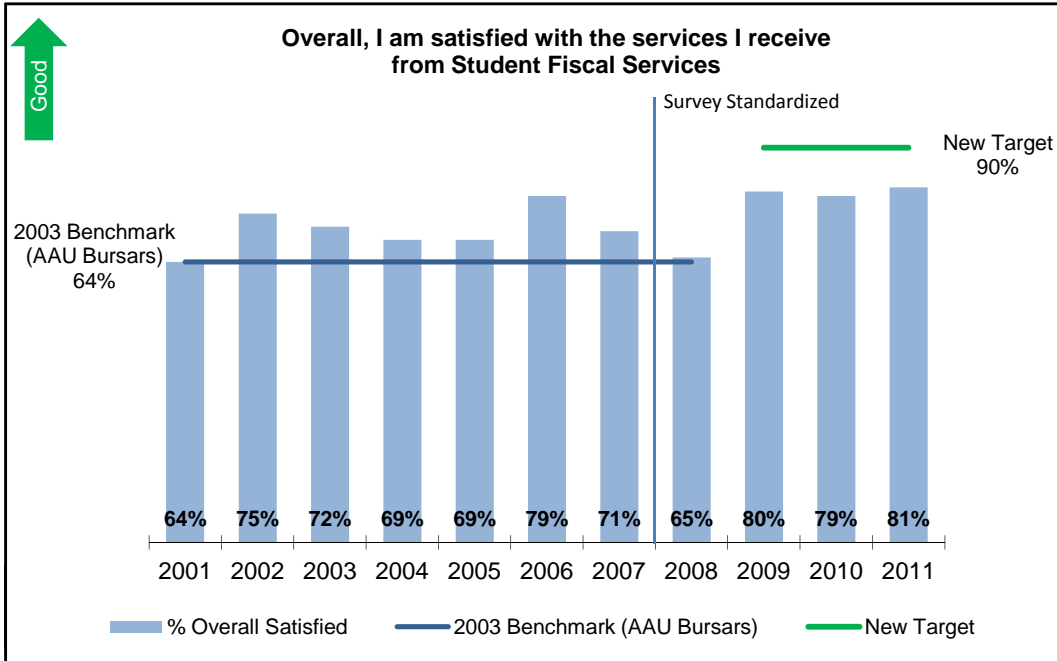
## NEXT STEPS

Student Fiscal Services will continue working with process partners to ensure the timely release of awards to students.



# Student Satisfaction - SFS

## Customer



### DEFINITION

The Financial Management Student Fiscal Services (SFS) department conducts an annual survey during the Spring quarter to gauge student satisfaction with SFS services. Starting with 2009 data, SFS benchmarks against a 10-year average response rate (formerly, SFS benchmarked against a AAU Bursars "customer satisfaction" rating.) In addition, SFS now tracks an aggregated response rating of students satisfaction with service delivery channels (online/remote vs. in-person/counter) -- targeting an ambitious 90% rating.

### ANALYSIS

This year, 592 students took our survey, with 73% (431) having taken the survey on paper in our cashier lobby, and 27% (161) via Catalyst on the web. This is a lower number of students than prior years (2009: 1,232; 2010: 1,107) due primarily to decreased marketing efforts as a result of staffing reductions and cashier turn-over.

The top three areas that students expressed dissatisfaction with (as determined by an analysis of 48 comments received), were:

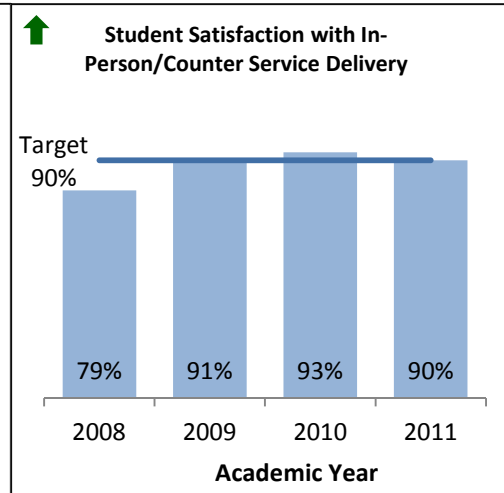
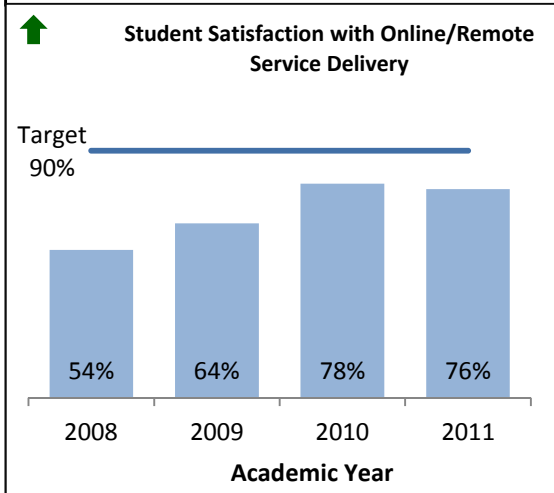
1. Fees (credit card fees) - 19%
2. Communications - 17%
3. Process Efficiency - 7%

In the case of 1 and 3, issues raised are outside the control of SFS. With regard to 2, students expressed issues with overall communications.

More complete results are available on-line via the SFS website at: <http://f2.washington.edu/fm/sfs/sites/default/files/pdf/2011-cust-survey.pdf>.

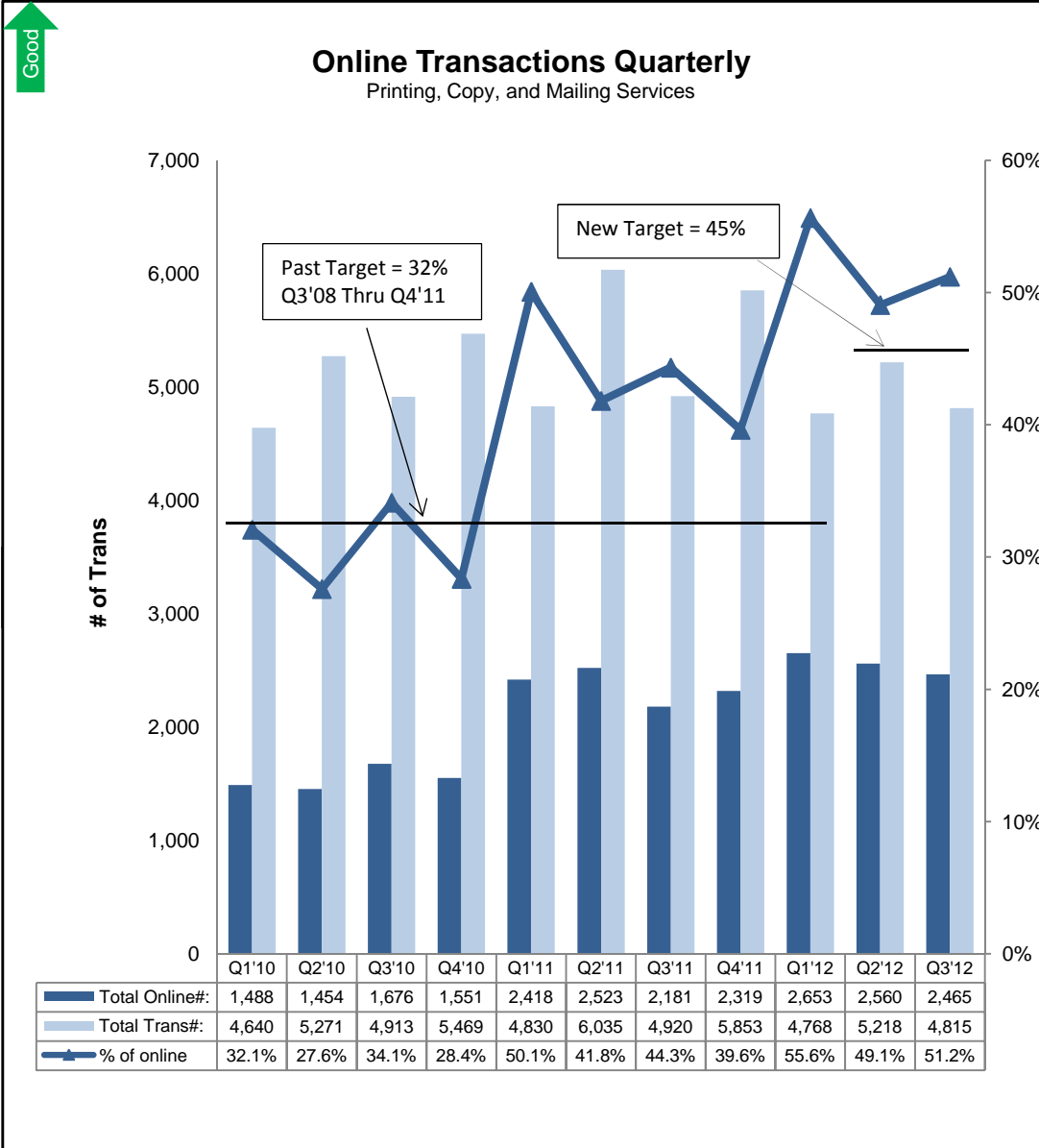
### NEXT STEPS

- SFS convened a communications team to coordinate communications efforts to ensure timely, accurate and relevant delivery of information, coordinated across all communications channels.
- Improvements to SFS's survey "marketing" efforts continue to be discussed to raise participation.



# Increase Online Transactions - Creative Communications (C2)

Internal Business Process



## DEFINITION

Shows the number of orders submitted to C2 via web based online ordering, excluding orders placed via email or digital files sent via web file transfer or ftp. Currently, orders are placed through three different web interfaces: Digital StoreFront (DSF), Print and Copy request, and Mail request.

Advantages of our online system include: ease of client access to our services and products, job processing efficiency, integration of services, and improved accuracy and product quality. The percentage of online transactions remains above our new 45% target for the previous two quarters and within our striking distance of our adjusted stretch target of 75% by the end of Q4'13.

## ANALYSIS

The percentage of online transactions increased by 2.1% to 51.2% from the previous quarter, while the quarter-to-quarter comparisons of Q3'11 vs. Q3'12 showed a 6.9% increase. A combination of an increase in online transactions and a decrease in total transactions contributed to the sharp rise in percentage.

Current DSF products include: business cards, campus products (formerly UStore products), letterhead and envelopes, unique styles for School of Public Health and UW seal style. Products added for the quarter include: UW Medicine business cards, letterhead and envelopes; Center for Commercialization business cards; and College of Education business cards. Upcoming products to add include: UW Medicine notecards and targeted business cards; and Global Health business cards.

## NEXT STEPS

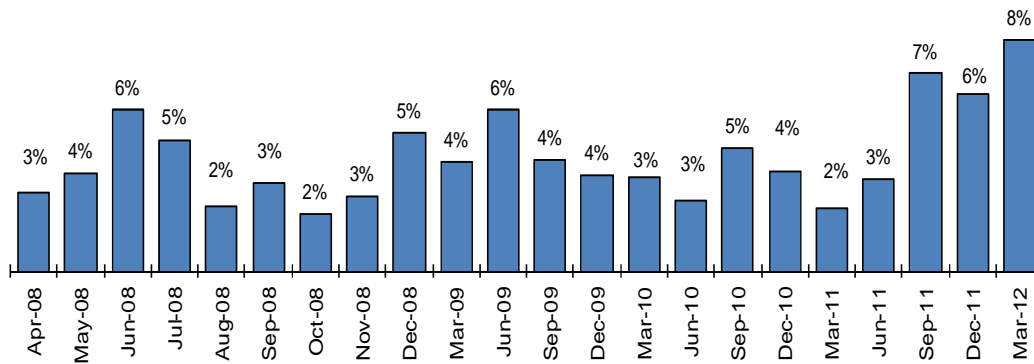
Beginning in September 2011, C2 initiated a LEAN process improvement department-wide and set a goal of increasing revenue by \$1 million by the end of fiscal year. Six kaizens were adopted and in progress: 1) Increase C2 visibility; 2) Strengthen awareness and relationships within the UW; 3) Grow business with outside agencies; 4) Implement a new online ordering/billing system; 5) Enhance customer web experience; 6) Improve work flow and production lines.

# Manage Financial Reporting - Financial Accounting

## Internal Business Process

**Percent of Total Count of Delinquent Billings to # of Total Billings**

Recorded in FAS During the Period



### DEFINITION

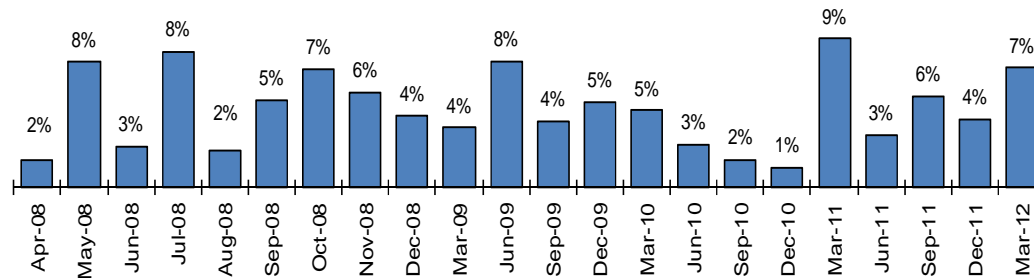
Percent of total count or dollars of Cost Transfer Invoices (CTIs) and Internal Sales Documents (ISDs) that are processed later than the month following the date of service. Late billings lead to untimely budget status as well as the possibility of lost funds (in the case of grants that have closed prior to receiving a bill).

### ANALYSIS

Most of the late-presented CTI/ISD's by amount were from Oceanography (58%). This group must wait for federal approval before allocating charges. By count, most of the late CTI/ISD's were presented by Chemistry (28%). The delay for this group was due to staff turnover. Communication with departments submitting late CTI/ISD's is ongoing.

**Percent of Total Dollars of Delinquent Billings to \$ of Total Billings**

Recorded in FAS During the Period



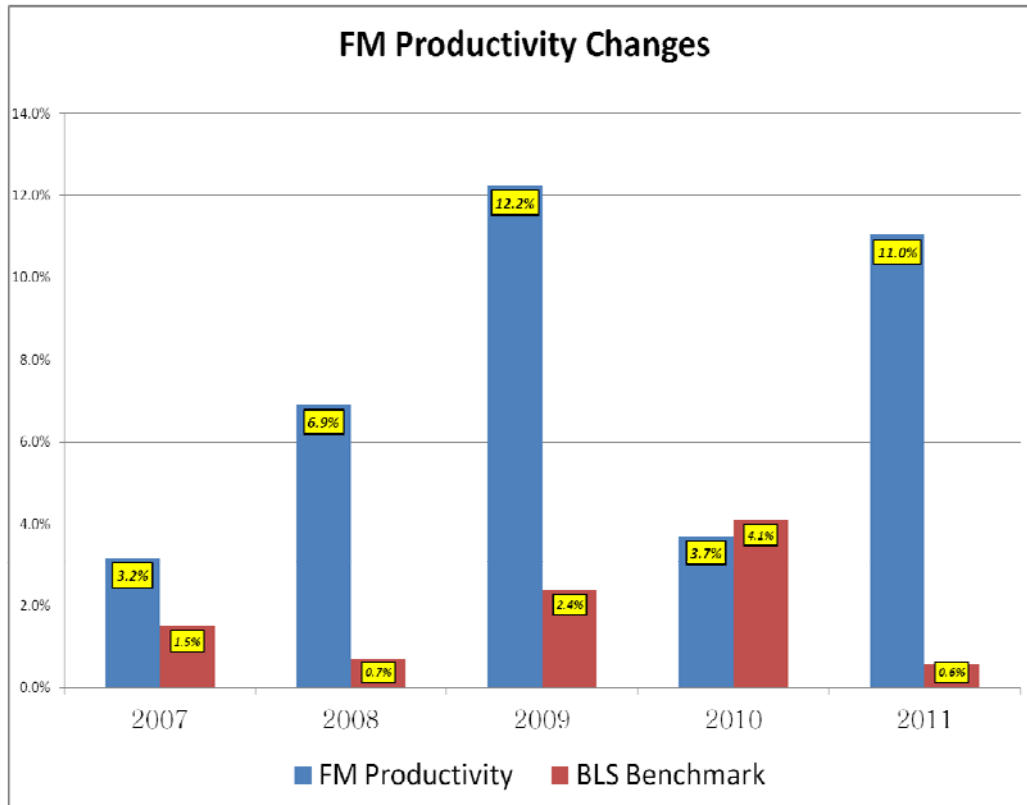
### NEXT STEPS

Continue direct communication with recurring late billing departments.



# Productivity - FM

Internal Business Process



## DEFINITION

Productivity measures the annual change in ratio of "unit of work" to FTE. Unit of work is defined by each department as the best proxy indicator of output for the workload of the group (e.g., # of research budgets, # of pieces of equipment tracked, # of transactions). FTE represents the people doing the work. FTE data was derived from FAS records. Please note this measure does not account for quality, value, complexity, backlog, customer satisfaction, and other factors. U.S. Department of Labor data represent outputs per employee work-hour across all non-farm and non-manufacturing sectors

## ANALYSIS

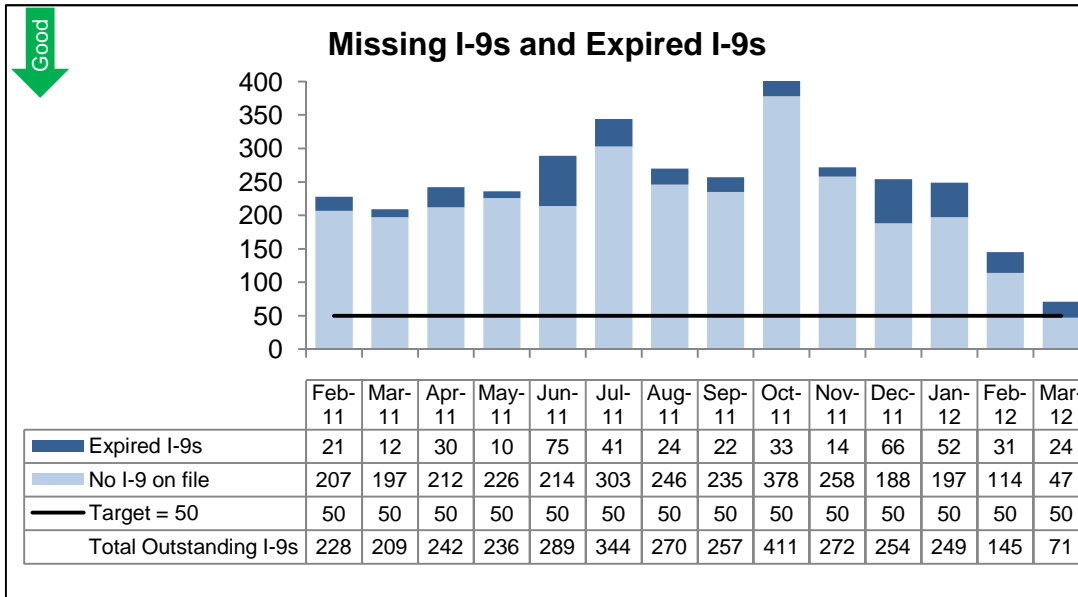
The increase in FY11 productivity reflects the many process improvements we've implemented via LEAN. While most units showed improvement, several units in particular experienced significant productivity gains. Examples of such units include Creative Communications, Student Fiscal Services, and Payroll.

## NEXT STEPS

Efforts to continue to eliminate transaction-related positions through increased automation and to re-establish knowledge worker positions inversely effects productivity based on unit of work transactions. The adoption of LEAN philosophy coupled with increasing staff and customer engagement in daily continuous improvement is causing FM to rethink its measurement needs.

# Pay People - Payroll

## Internal Business Process



### DEFINITION

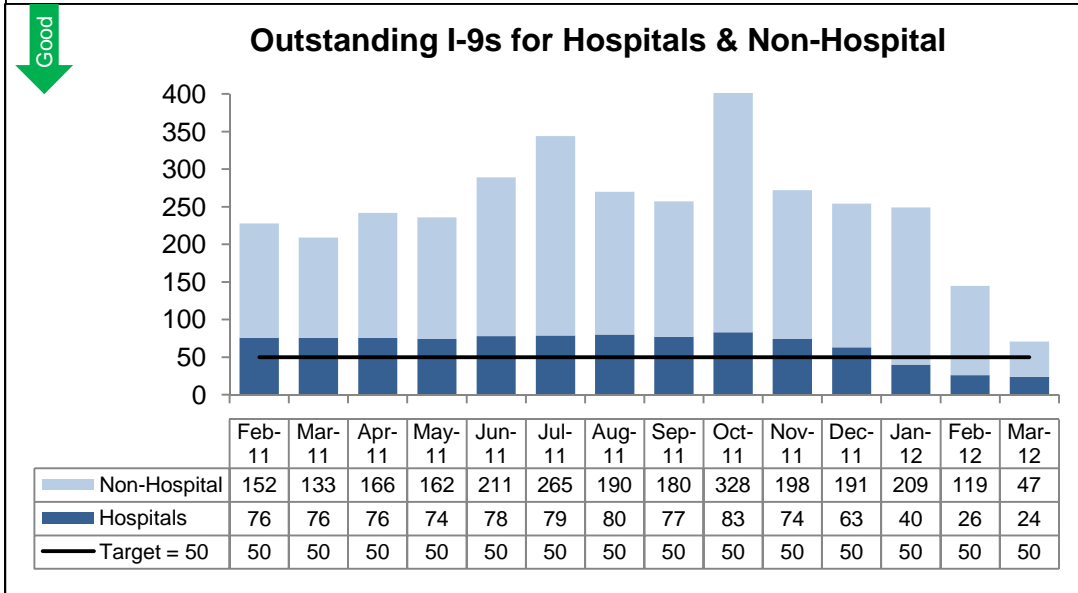
This measure shows the total number of undocumented I-9s and expired I-9s for all university employees. The top graph compares the total number of undocumented I-9s to the number of expired I-9s. The bottom graph compares the number outstanding from the hospitals to all other departments.

### ANALYSIS

The number of expired I-9s has decreased since the beginning of fall quarter. The number of missing I-9s has also decreased. Potential Risk: Up to \$40,000 per I-9 missing or expired = 71 \* \$40,000 = \$2,840,000. Number of UW Employees = 38,000. The number of missing and expired I-9s represents less than 1% of the total number of UW employees. In March, of a total of 71 cases, 66 were active and 5 inactive (7%).

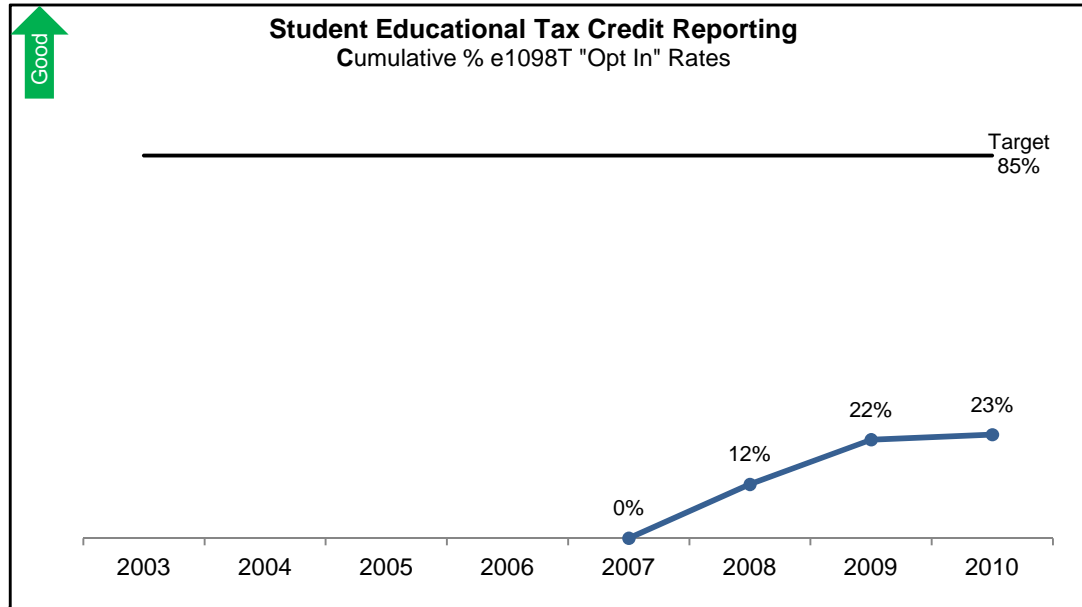
### NEXT STEPS

Payroll will continue to send notifications to departments and in some cases; the employee will be notified by mail and/or e-mail for their current status. Last quarter departments were contacted by staff and the Assistant Director to reduce the numbers. As a result we hit our goal in one area and continue to reduce the numbers regarding expired work authorizations. Employees that continue to remain outstanding will be separated from employment.



# Provide Services - SFS

Customer



## DEFINITION

The University of Washington, through Student Fiscal Services in conjunction with other UW offices, compiles information on qualified expenses charged, and aid received, for all "students" (tuition and fee-based) who may be eligible for an IRS educational tax credit. By law, UW provides this information to students for preparation of their tax returns, and reports it the IRS.

Starting with tax year 2008, students can "opt in" to receive this form electronically through MyUW (i.e., an e1098T). Student Fiscal Services (SFS) notifies students of this option through a variety of channels during autumn quarter of each year. This measure tracks both the per year effectiveness of our data mailing marketing efforts, and the on-going transition from paper-based 1098T mailing of forms to electronic 1098T customer self-access to reduce printing and mailing costs.

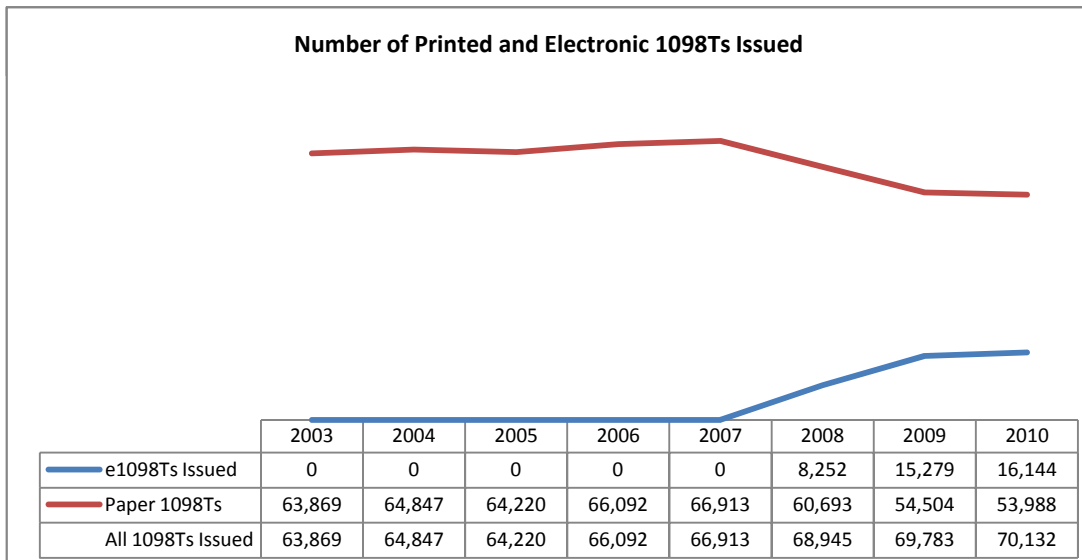
## ANALYSIS

The effectiveness of our data mailer promotional campaign to get students to sign up for e1098Ts was not as effective this year as last -- as a result of timing (months of notifications sent) and frequency (number of notifications sent)

SFS curtailed data mailers over concerns of costs related to any extraneous paper-based mailers going out. As such, for 2010, SFS sent a single data mailers to students, relying instead on more passive means for promoting e1098T sign-up via the web and signage in the Cashier area. This resulted in an overall flattening of e1098T opt-in rates.

## NEXT STEPS

SFS will continue to notify students of e1098T availability, through targeted data mailers, the SFS website and information within our Cashier area -- with the intent to standardize both the timing and frequency of the e1098T service availability notification efforts.



# Pay Bills Online Invoices Paid Within 30 Days of Inv Rec'd Date - Proc. Svs.

Financial



**DEFINITION:**

Identifies the number of days between receipt of vendor invoice in Accounts Payable and the check date. WA State requirement is 30 days.

**ANALYSIS:** Layoff announcements in November (effective in February) contributed to instability in this measure due to staff shortages. With the roll-out of eProcurement Non PO module we anticipated only 4,000 invoices coming in a month by February. Currently, we are still receiving an average of 6,000 PAS invoices in AP per month.

Note that 2,700 invoices out of the 18,431 invoices paid in Q1, 2012 were paid past net30 from the date received. This is compared to 2,519 invoices out of the 22,367 invoices paid in Q1, 2011 were paid past net30 from the date received.

Delays in the departmental approval for invoices over \$10K and discrepancy invoices continue to contribute to the number of invoices not processed within 30 days

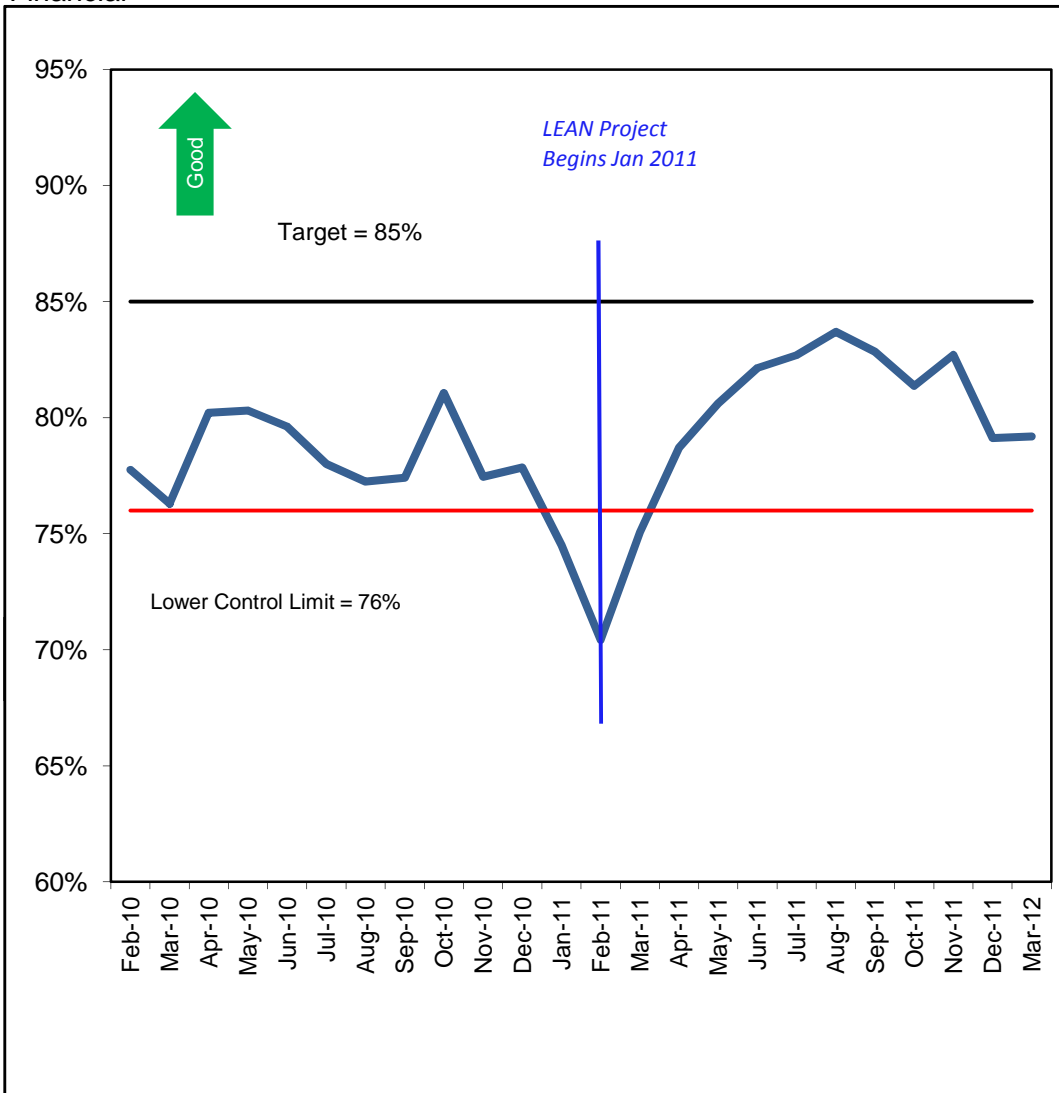
**NEXT STEPS:** AP is currently handling the workload by having designated days where everyone focuses on processing invoices and set aside other work. We have hired temporary help while we continue to move transactions into future eProcurement modules. Future outreach and training sessions will encourage departments to use the new Non PO module, ProCard or eProcurement wherever possible.

As of July 1st, we will begin rejecting reqs which could have gone through the non-PO process, thus, our volumes will likely decline further. The roll-out of the next Ariba module (non-catalog), will likely eliminate the significant portion of the invoices currently going through A/P.

Through the LEAN process, we have eliminating many non-value added tasks, provided campus units with greater visibility into the bill paying process, and have established stretch goals of processing all invoices within 2 days of receipt and resolving all invoice discrepancies within 5 days. We will continue to look for additional improvements in order to maintain existing service levels but with fewer staff.

# Pay Bills Online Invoices Paid Within 45 Days of Invoice Date - Proc. Svs.

Financial



## DEFINITION:

Identifies the number of calendar days between the invoice date and the payment date.

## ANALYSIS:

Layoff announcements in November (effective in February) contributed to a dip in this measure due to staff shortages. With the roll-out of eProcurement Non PO module we anticipated only 4,000 invoices coming in a month by February. Currently, we are still receiving an average of 6,000 PAS invoices in AP per month.

Note that 4,561 invoices out of the 18,431 invoices paid in Q1, 2012 were paid past 45 days from the invoice date. This is compared to 5540 invoices out of the 22,367 invoices paid in Q1, 2011 were paid past 45 days from the invoice date.

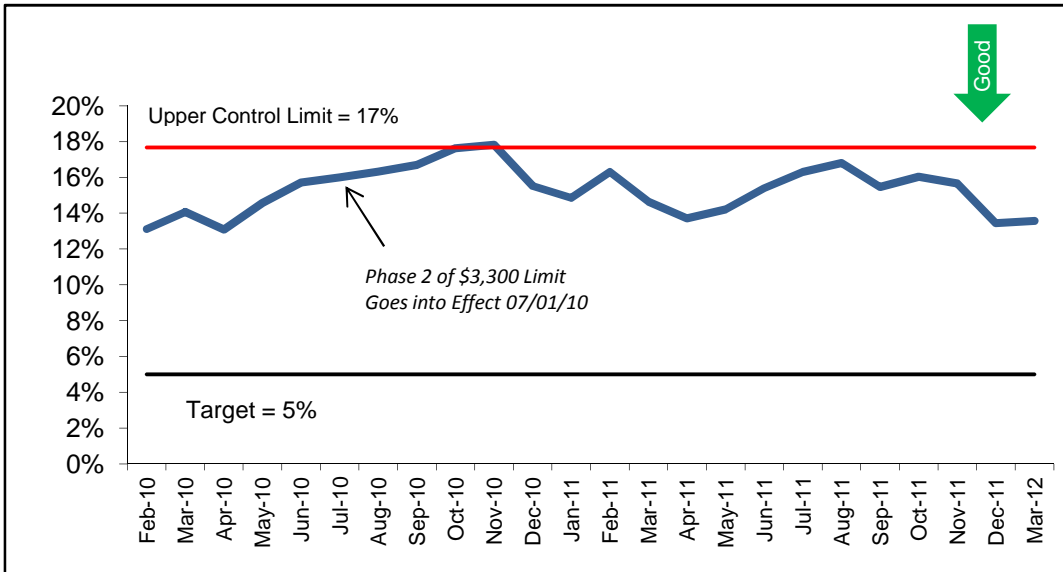
This measure illustrates that invoices continue to be held for extended periods of time before being sent to Accounts Payable. 70% of these invoices were not submitted to Accounts Payable until 40+ days after the invoice date.

## NEXT STEPS:

AP is currently handling the workload by having designated days where everyone focuses on processing invoices and set aside other work. We have hired temporary help while we continue to move transactions into future eProcurement modules. Future outreach and training sessions will encourage departments to use the new Non PO module, ProCard or eProcurement wherever possible. We encourage departments to submit their invoices to AP on a timelier basis when no eProcurement option exists.

# Pay Bills - Invoices with Discrepancies - Proc. Svs.

Financial



## Definition

Quantifies the percentage of vendor invoices in which a discrepancy exists between the original PO and the actual invoice. Such inconsistencies need to be researched and rectified before payment can occur. Discrepancies are a function of department input, purchasing order set-up, payables processing, and supplier billing.

## ANALYSIS:

The absolute number of discrepancies – which represents the numerator of this metric - has remained fairly constant for the past year. Causes of online discrepancies are shown on the supplemental chart below. As can be seen, approximately 50% of these discrepancies – for both large and small dollar purchases - relate to encumbrance issues which ultimately trace back to how the requisition was initially set up and communication between the campus departments, purchasing, and payables staff.

## NEXT STEPS:

The STAR Kaizen continues to focus on wrong vendor discrepancies and Supplier Registration Form discrepancies. Guidance on how to see if a buyer has a Wrong Vendor Manual Discrepancy; how to update the discrepancy in Margo when the order is fixed; and how to notify Accounts Payable's Discrepancy Desk when the discrepancy is resolved (on the buy-side) is constantly being refined and shared amongst the various affected stakeholders.

Immediate next steps include continuing to finalize written guidance for Accounts Payable and Purchasing staff on how to resolve all types of manual and online discrepancies. The guidance will include best practices for setting up purchase orders in order to avoid needless discrepancies. It is possible that some if the guidance can be shared with campus as well. We will also start providing training at the desk level for those who request additional assistance in mastering discrepancy resolution.



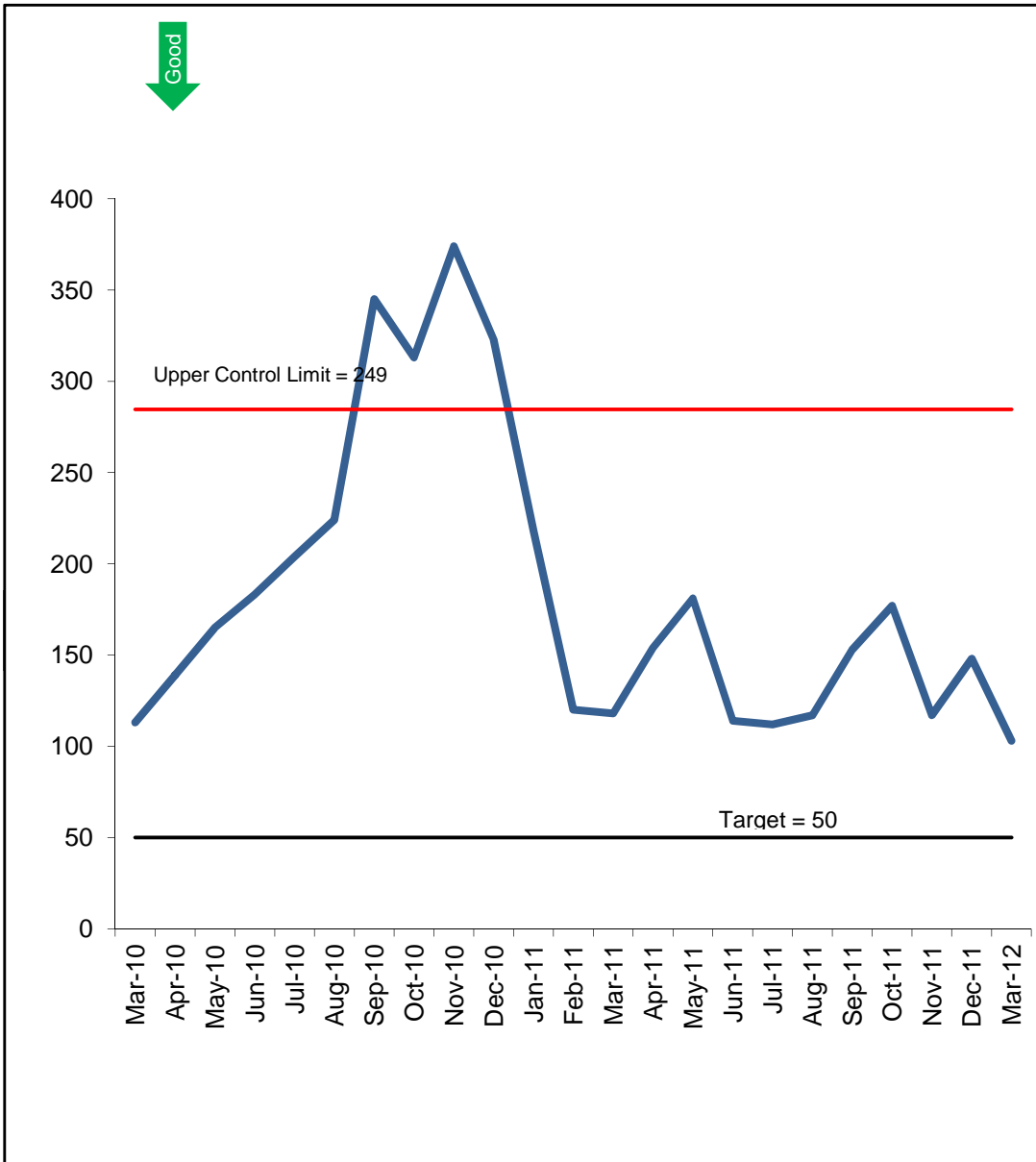
## Monthly Discrepancies by Code

### Reasons for Online Discrepancies for All Requisitions (Small Dollar Threshold = \$5,000.00)

Code	Definition	All Reqs	Small Dollar
<b>Mar-2012</b>			
		779	268
270	ITEM PRICE EXCEEDS LINE ITEM TOTAL	251	47
110	INVOICE TOTAL EXCEEDS ORDER TOTAL	134	76
160	UNIDENTIFIED ITEMS ON INVOICE	69	10
115	INVOICE IS FOR A CLOSED ORDER	67	31
120	INVOICE IS BEYOND THE DATE RANGE ON ORDER	67	19
220	ITEM IS UNDER QUOTED PRICE	57	23
260	QUANTITY MISMATCH	54	32
210	ITEM IS OVER QUOTED PRICE	45	15
150	FREIGHT CHARGED - NOT AUTHORIZED	14	6
400	NON-SPECIFIC ADJUSTMENT DISCREPANCY	10	0
105	INVOICE TOTAL EXCEEDS LIMIT FOR CONFIRMING ORDER	7	7
162	UNIDENTIFIED SURCHARGE ON INVOICE	3	2
140	INVOICE FREIGHT EXCEEDS ORDER FREIGHT	1	0

# Pay Bills - Invoices with Discrepancies Over 30 Days Old - Proc. Svs.

Financial



## DEFINITION:

Quantifies the number vendor invoices in discrepancy status for more than 30 days.

## ANALYSIS:

To resolve these outstanding discrepancies, the original Purchase Order or the actual invoice must be modified (or the invoice itself must be approved) before payment can occur. This process can take time as it requires a coordinated effort between Purchasing and the UW department which placed the order, the supplier, and Accounts Payable. The number of these aging discrepancies spiked in the previous reporting period due mainly to personnel changes, but normalized for this period.

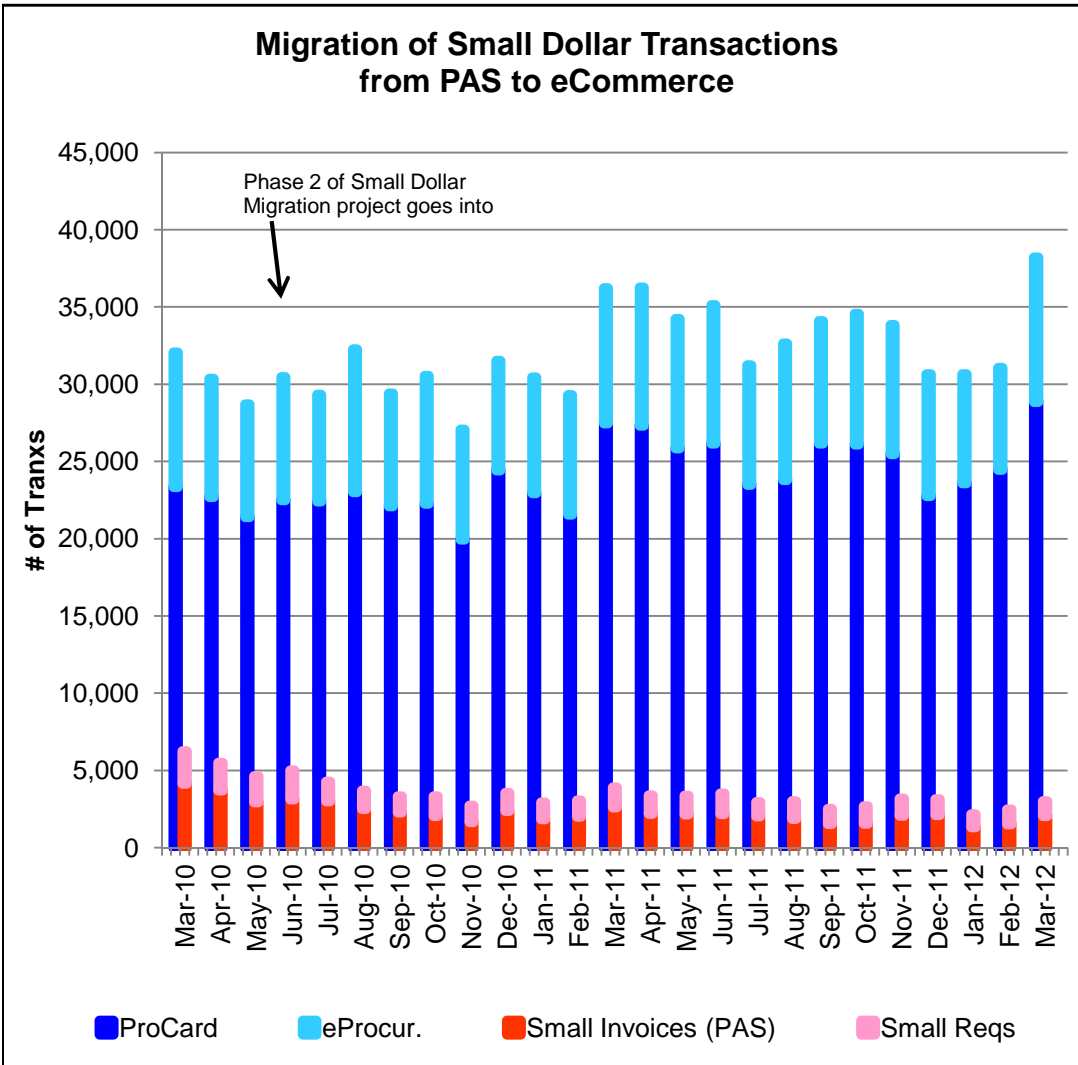
## NEXT STEPS:

The STAR kaizen is pleased that this quarter the number of discrepancies over 30 days old held steady at well below average. Over the next quarter the team will brainstorm ideas to move the number closer to the goal of 50.

The STAR kaizen's ongoing mission is to be actively engaged in resolving all discrepancies and developing guidance for departments, purchasing, payables, and suppliers to significantly reduce the likelihood of unnecessary discrepancies occurring in the first place.

# Migration of Small Dollar Purchases from PAS to eCommerce - Proc. Svs.

Financial



## DEFINITION

This chart tracks the migration of small dollar purchases from PAS to eCommerce. The blue bar shows the number of eCommerce transactions (ProCard + EProcurement) while the red bar shows the number of PAS transactions (Purchase Orders + Vendor Invoices). To the extent possible, the goal is to shift purchases out of PAS as eCommerce transactions are processed more cost effectively (\$40 less per transaction), increase the amount of UW spend under contract, and gets vendors paid more quickly.

## ANALYSIS

We continue to successfully migrate transactions from PAS to eCommerce. Such successes have been the clear and consistent communication across the UW campus units of the benefits of making purchases electronically. Our efforts have yielded extremely positive results. To illustrate, back in July 2008 only 60% of our overall transactional volume was done through eCommerce. As of December 2011, that same figure now stands at 77%.

## NEXT STEPS

Today, approximately 91% of all small dollar transactions are going through eCommerce. Despite these favorable percentages, we are continuing our efforts to push these numbers even higher. We continue to grow our eProcurement catalog options. Our long term goal is to reduce ProCard spend and have that spend go through our contracts established in eProcurement. In addition to catalog growth, we are expanding the functionality of eProcurement so that one-off transactions can also be initiated and processed in an efficient manner. We expect that the roll-out of the "Pay vs. Buy" Ariba module will occur shortly and will significantly reduce the small dollar spend still going through PAS.

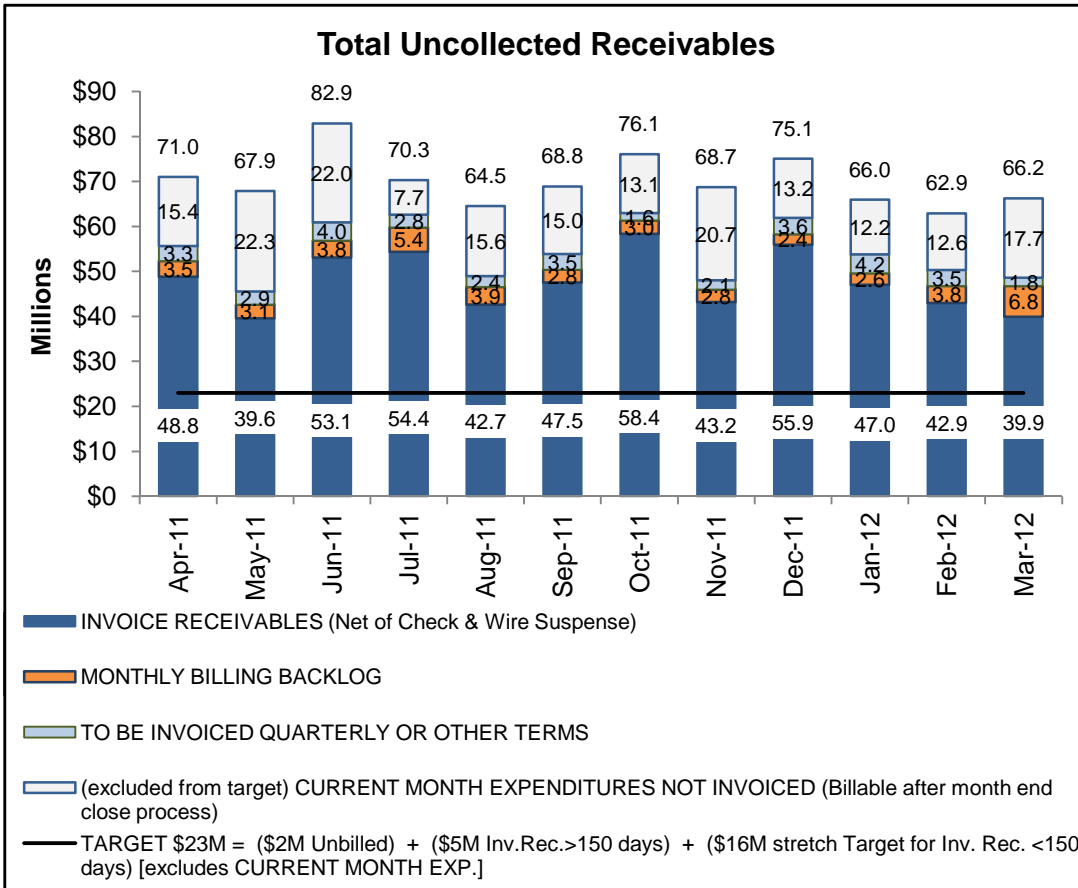
## GOAL:

The eCommerce transactions (in blue) should be increasing. ↑ Good  
 The small dollar PAS transactions (in red) should be decreasing. ↓ Good



# Manage Grants Total Uncollected - GCA

Financial



## DEFINITION

The up-front cost the University has expended that has not been reimbursed by the sponsors.

## ANALYSIS

- Current Month Expenditures (the top white portion) that represent an up-front cost to the University, although not billable until the month-end close process.
- Billing backlogs are cumulative prior month expenditures not invoiced, comprised of two parts:
  - The quarterly invoice backlog (the light blue portion) includes quarter, semi-annual, and annual billing frequencies that are not billable until the billing terms are due.
  - The monthly invoice backlog (the orange portion) contains about 79% of the total backlog (~\$8.6M) that should have been billed.
- Invoice Receivables (the dark blue portion) reflects receivables 30 days or greater.

The Invoicing LEAN Team focused on issues that created the bottleneck in billing and implemented changes to achieve billing efficiency.

## NEXT STEPS

GCA's currently applying the LEAN concept to reduce the billing backlog to the target of \$2 million.

2011 UW Annual Report shows \$163MM for Accounts Receivables Grants & Contracts

[http://f2.washington.edu/fm/uw-annual-reports/sites/default/files/file/UWAR11\\_online.pdf](http://f2.washington.edu/fm/uw-annual-reports/sites/default/files/file/UWAR11_online.pdf)

Difference between Annual Report and dashboard graph is attributed to:

\*Other forms of payment not represented in the graph (e.g. Letter of Credit, Schedule Pay, Fixed Price)

\*Delay in posting expenditures (e.g. month 12/25/25A/25B)

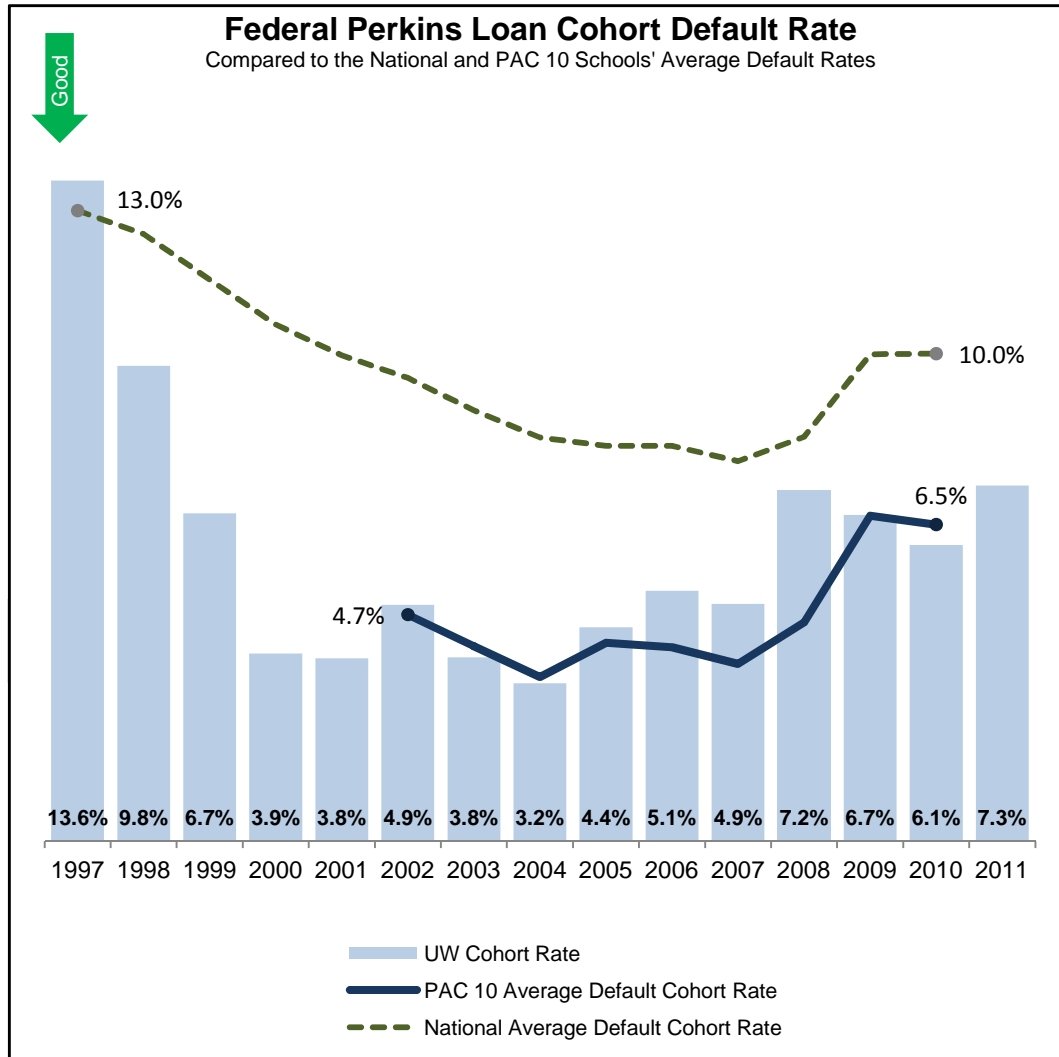
\*Year end adjustments for deficits, suspense, doubtful accounts, and deferred revenue

\*Last payroll in June posted in July, but as June expenditures.

(Cash for that payroll is received in July and posted as July cash)

# Collect Loans Students in Default on Loans - SFS

Financial



## DEFINITION

This measure quantifies the percentage of students with a reporting cohort who are in default on their Perkins Federal loans and compares UW's default rates against the National and PAC 10 Schools' Average Default Rates. Student Fiscal Services (SFS) currently reports our default rate annually to the US Department of Education on the Perkins Fiscal Operations Report (FISAP).

Our current target is the prior year's National Average Default Cohort Rate, with a stretch goal of achieving the PAC 10 Average Default Cohort Rate. So long as UW maintains a rate less than 15%, there are no issues with respect to Federal requirements.

National Average Default Cohort Rate – defined by the U.S. Dept of Education as a national measure of borrowers who entered repayment during the prior fiscal year who are in default (270 days past due) by the end of the current fiscal year;

PAC 10 Average Default Cohort Rate – a subset of the default cohort rates limited to PAC 10 institutions.

## ANALYSIS

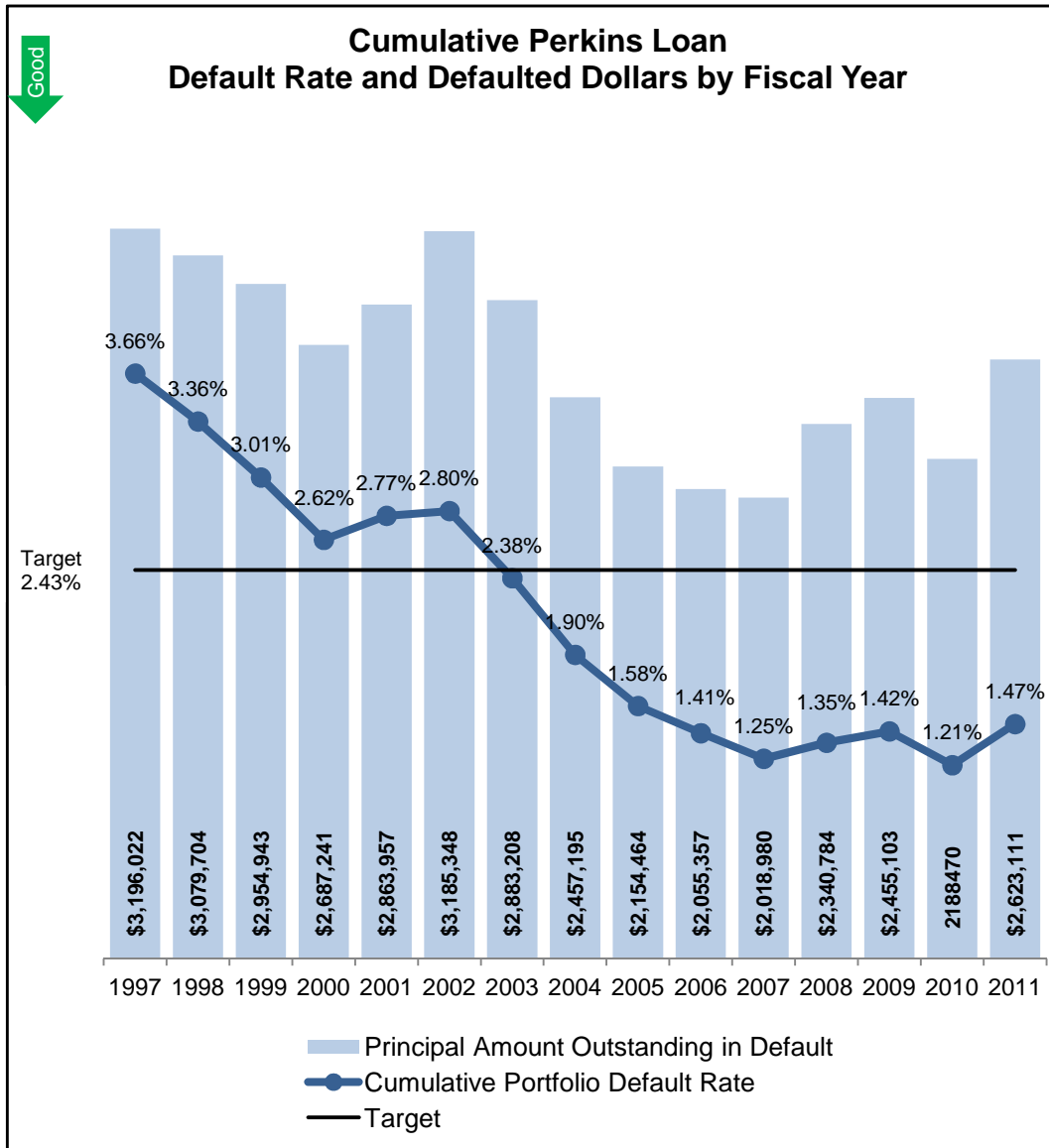
Current economic trends would indicate that we can expect an overall increase in defaults -- as students entering the workforce face increased competition for career-track jobs within their fields of study and an overall tighter employment market. Next reporting of this (and updates to the Cohort Rate) will be on the Spring 2012 dashboard report.

## NEXT STEPS

SFS will continue with outreach, advising and other intervention activities as appropriate, while monitoring the performance of our 3rd party collection agencies.

# Collect Loans Students in Default on Loans - SFS

Financial



## DEFINITION

The "Cumulative Perkins Loan Default Rate and Defaulted Dollars by Fiscal Year" measures the overall "historical" default rate since inception of the program in 1959 in relation to the dollar amount in default at the end of the fiscal year. This default rate is derived by comparing the principal outstanding in default to the total dollars that have ever entered repayment. These values are derived from the Campus Partners status summary report for program 04650. The target for cumulative default rate is based on a 10 year average (1997 - 2007). Student Fiscal Services (SFS) goal is to minimize the overall default rate.

## ANALYSIS

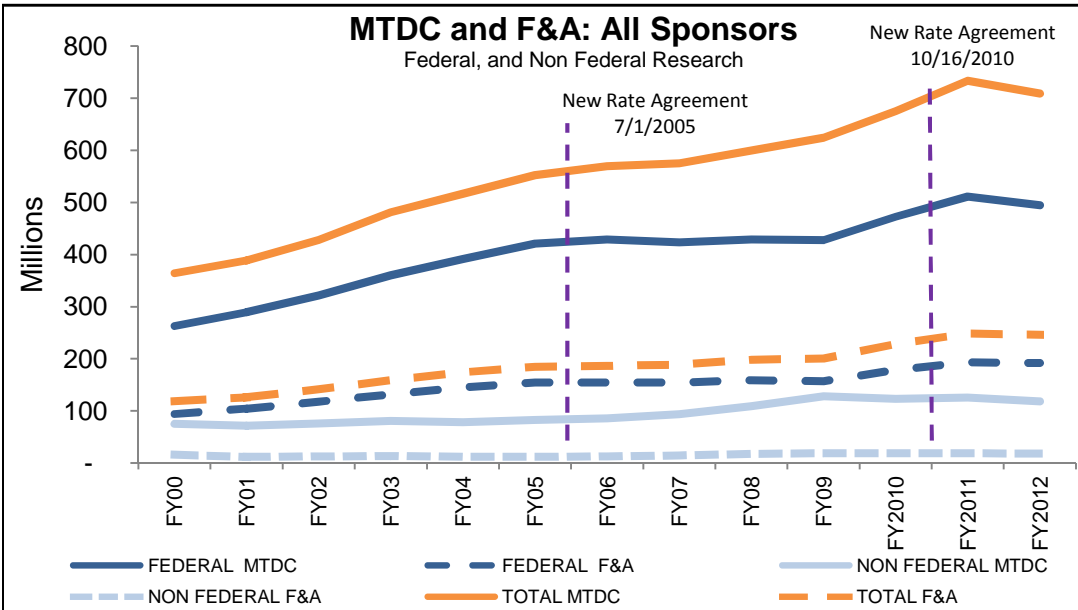
SFS used to report the Cumulative Default Rate on the Perkins Fiscal Operations Report (FISOP) up until the US Department of Education switched to the reporting of the Perkins Cohort Default Rate (which takes into account only the borrowers that have gone into repayment during one reporting period.) Historically, this measure displays UW's total Perkins Loan portfolio default trend and defaulted principal outstanding -- which, until end of FY 2007, was in a steady decline.

## NEXT STEPS

SFS continues to monitor this trend in relation to ongoing external economic conditions and continue to track 3rd party collection agencies' performance.

# Develop and Negotiate Indirect Cost Rates - RAA

Financial



## DEFINITION

The Facilities and Administrative Cost Rate, or "F&A Rate", is the mechanism to reimburse the University for expenses incurred in providing infrastructure support (facilities and administrative costs) to sponsored research and other sponsored projects. The F&A rate is essentially an overhead rate.

## ANALYSIS

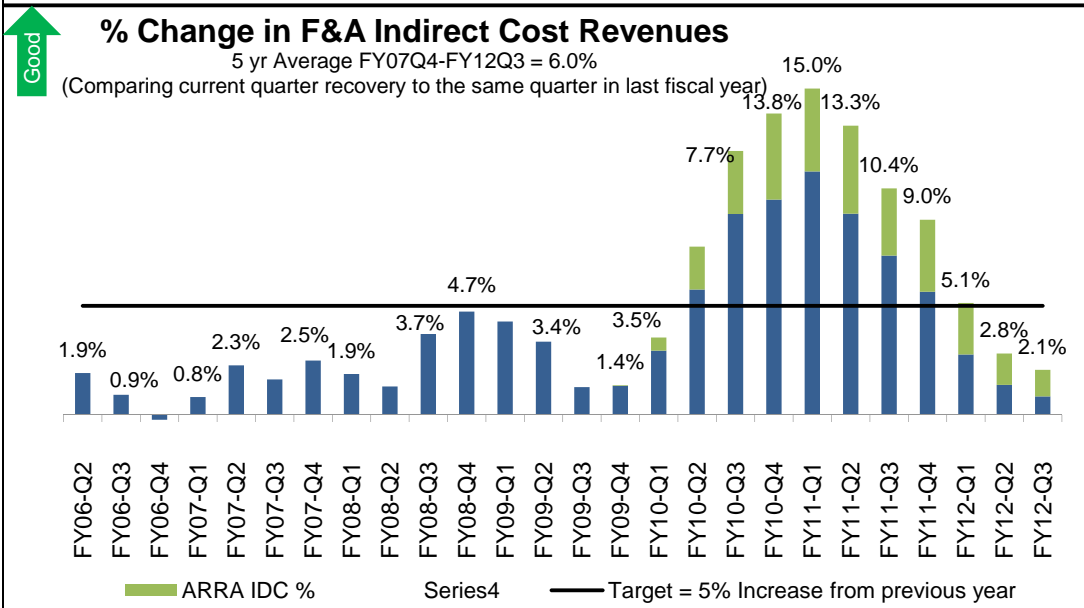
With the American Recovery and Reinvestment Act (ARRA) funding, the total F&A recovery increases significantly starting from the first quarter of FY2010.

Along with the growth in research grants and contracts, the amount of F&A recovery also reflect in its trend. The 5 year average of F&A Recovery rate was 6% for the quarter ending March 2012, exceeding the target of 5%. This despite a reduction in the on-campus research rate from 56% to 54% effective July 1, 2009.

## NEXT STEPS

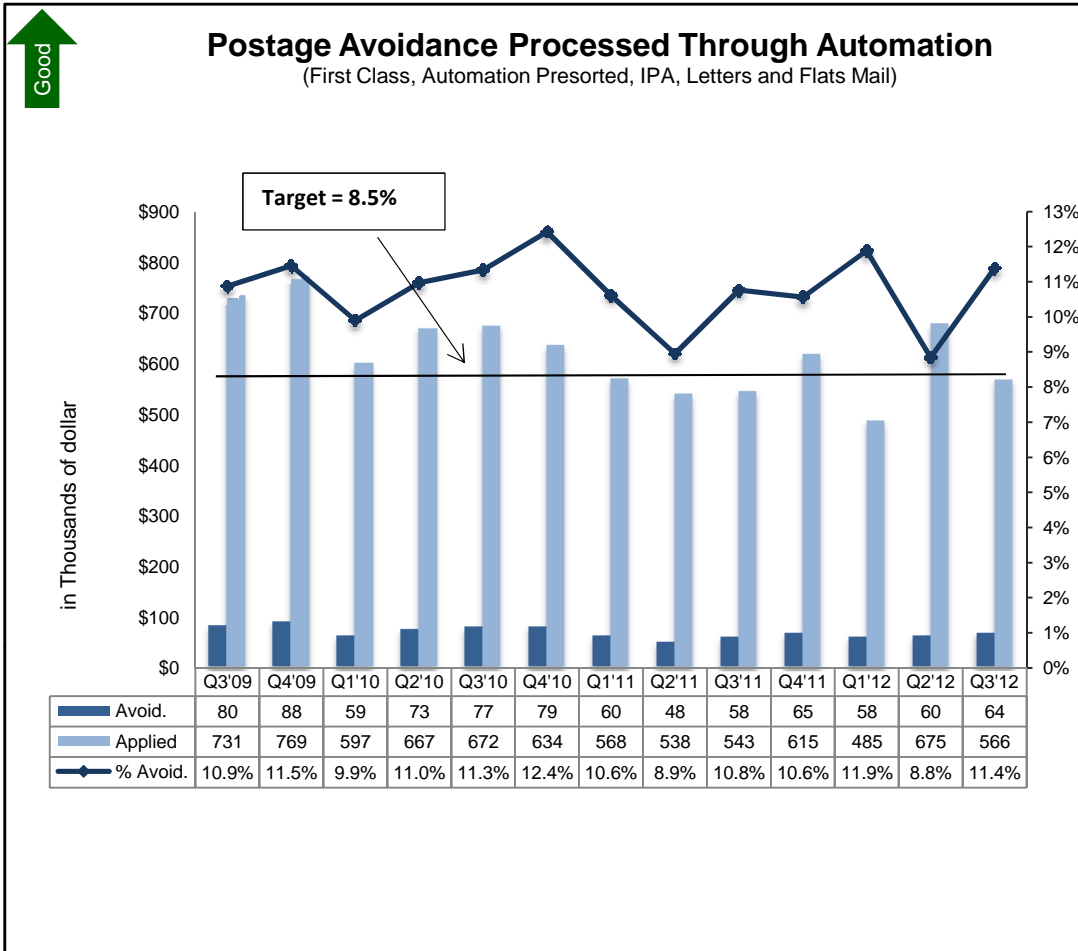
None presently.

Note: MTDC (Modified Total Direct Costs) represents the 'base' which we use to calculate and apply the F&A rate. Each base (instruction, research, service and other direct institutional activities) includes all direct costs except: capital equipment, sub grant and contract in excess of \$25,000, rental of facilities, patient care, tuition, capital expenditures (e.g., buildings), scholarship and stipends.



# Postage Avoidance

Financial



## DEFINITION

Mailing Services generates daily savings through compliance with the United States Postal Service (USPS) "Workshare" discount mail programs.

The chart displays the savings (avoidance) in thousands of dollars on a quarterly basis.

## ANALYSIS

The 3rd quarter savings amounted to \$64,466, which is an increase of \$4,838 from the previous quarter and an increase of \$6,071 from the same period last year. The decline in mail volume and resulting reduction in postage avoidance is due to a combination of different factors: increased use of electronic communications, changing communication methods, budgetary limitations, and a decrease in postage discount rates by USPS.

The percentage of postage avoidance increased 2.6% from the previous quarter to 11.4%. The quarter-to-quarter comparison, Q3'11 – 10.8% vs. Q3'12 – 11.4%, showed a 0.6% increase.

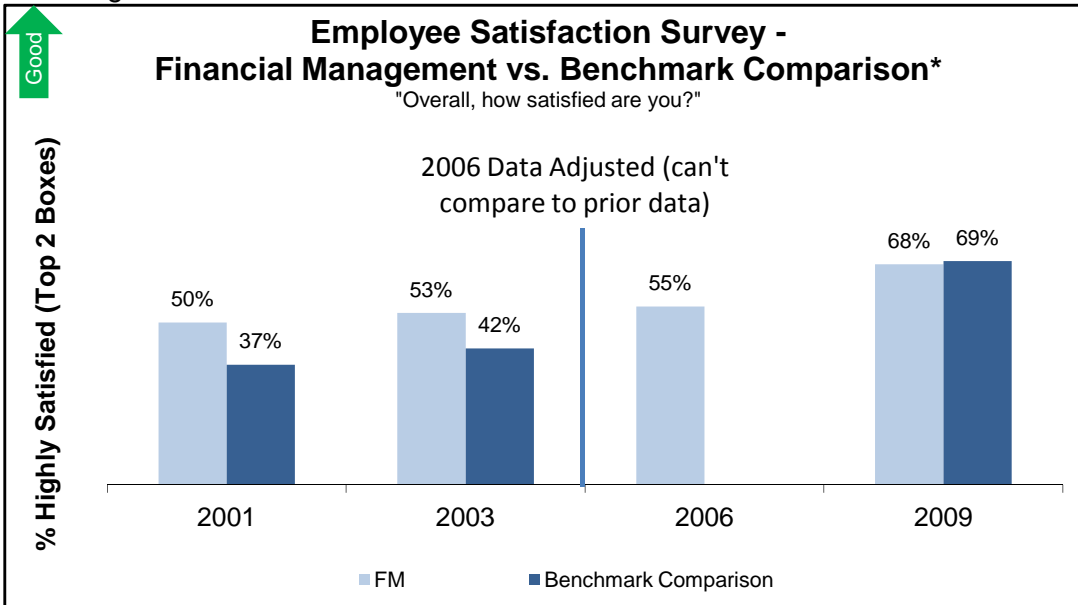
The overall mail volume of out-going mail decreased by 10% from the previous fiscal year (8,688,247 vs. 7,822,081 pieces), while the USPS nationwide volume decreased 13% during the 2009-10 fiscal year (Oct – Sept).

## NEXT STEPS

Enhance employee training to help identify mail that could be automated, and further improve mail design through increased communication with clients and graphic designers. The Mailing Services team continues to extend LEAN process improvement throughout all mail operations.

# Develop staff - Percent of Staff Highly Satisfied with FM

Learning & Growth

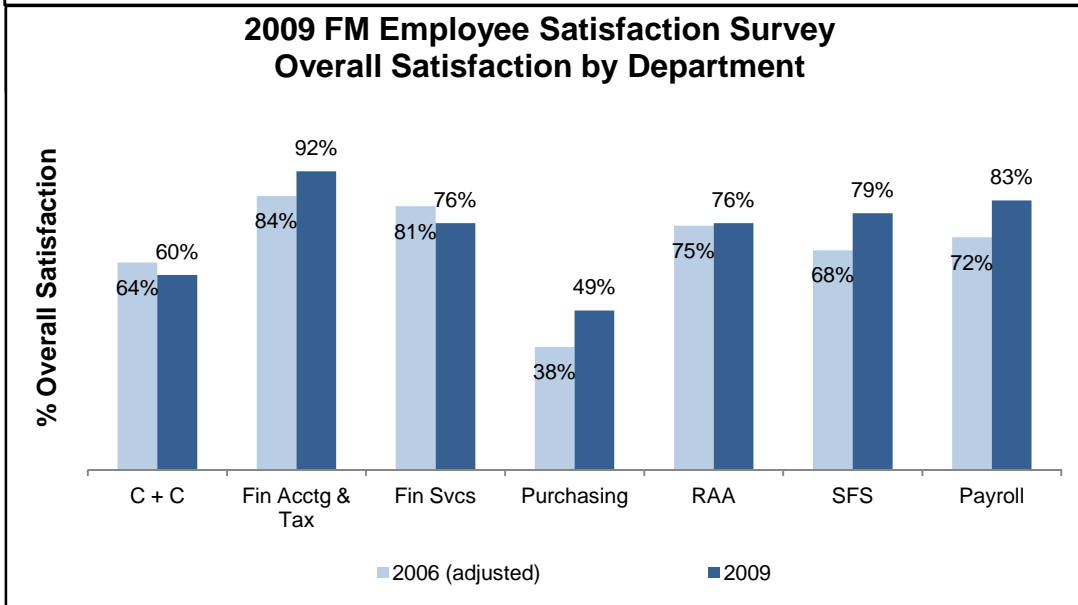


## DEFINITION

Every three years, Financial Management retains an outside firm to conduct an extensive survey of its employees to measure overall job satisfaction. In 2009, the survey used a 5-point scale instead of 7-point scale in prior surveys. The percentage is for the top two boxes.

## ANALYSIS

Job satisfaction of Financial Management employees in 2006 was adjusted to from a 7 point to a 5 point scale. In 2007, reorganization resulted in FM gaining two new areas: Purchasing and Creative Communications and losing Treasury, Risk Management, and Quality Improvement. More than 50% of the staff in FM today work in these two areas. In 2009, satisfaction is below the benchmark. FM is participating on a Finance & Facilities Team to improve communication division-wide.

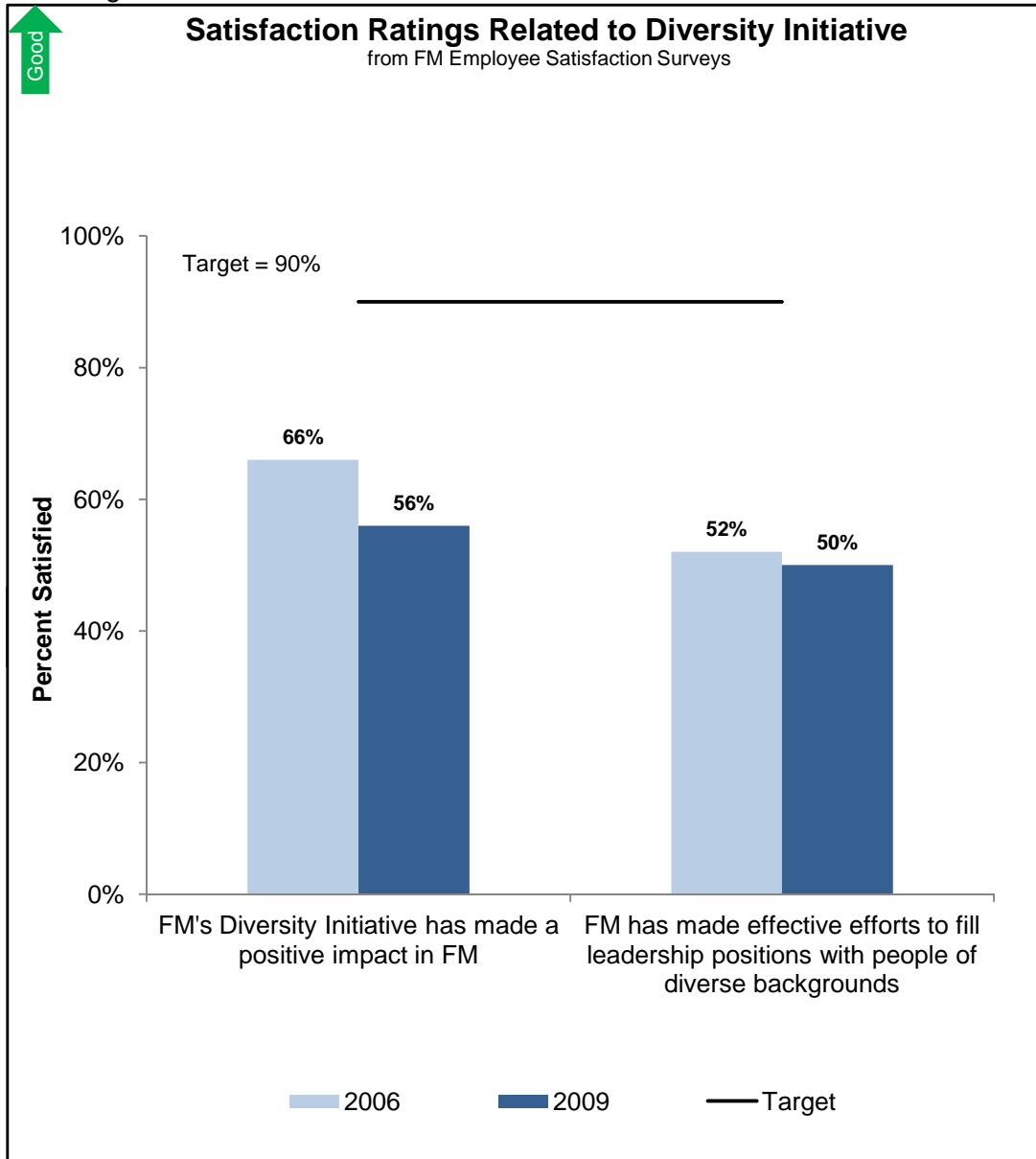


## NEXT STEPS

Each department in the bottom graph are discussing the results to create action plans for improvement. The next survey is scheduled for Spring 2012.

# Develop Staff - Diversity - FM

Learning & Growth



## DEFINITION

Financial Management retains an outside firm to conduct an extensive survey of its employees every three years. The percent is the combined score for “agree somewhat” and “agree strongly” on a 5-point scale.

## ANALYSIS

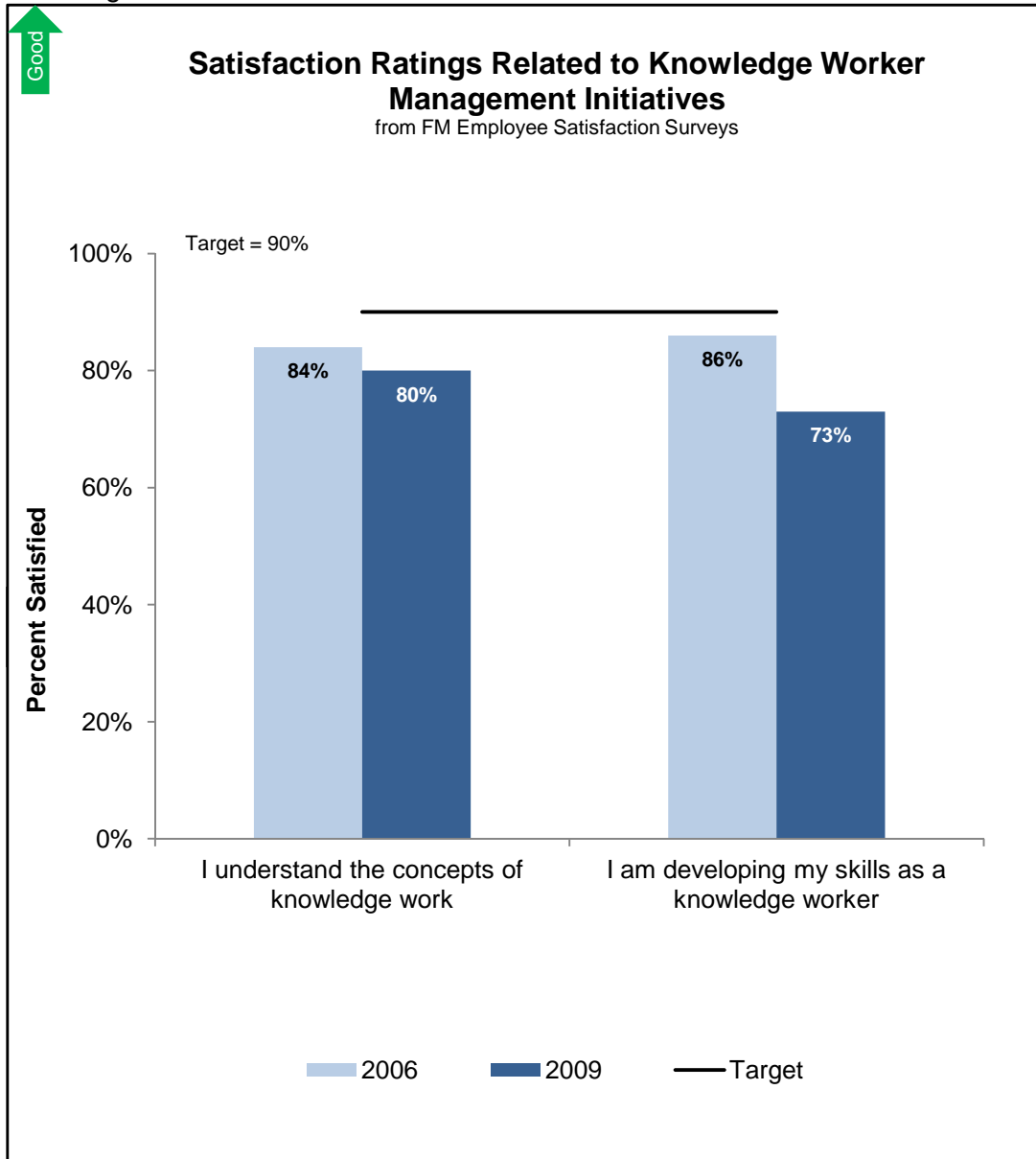
The Diversity question was added in 2006. Reorganization in 2007 resulted in more than 50% addition of employees new to FM. The 2009 results provide a new baseline for improvement activities.

## NEXT STEPS

Financial Management actively sponsors The Diversity Team which implements a variety of activities to increase awareness. One activity is the mentor program which solicits and matches managers with employees seeking mentor-mentee experiences.

# Develop Staff - Knowledge Workers - FM

Learning & Growth



## DEFINITION

The Knowledge Worker Initiative created a set of needed knowledge worker skills for each department. Employees are encouraged to include these in their Employee Development Plan.

## ANALYSIS

In 2007, reorganization resulted in FM gaining two new areas: Purchasing and Creative Communications and losing Treasury, Risk Management, and Quality Improvement. More than 50% of the staff in FM today work in these two areas. In 2009, these scores provide a new baseline.

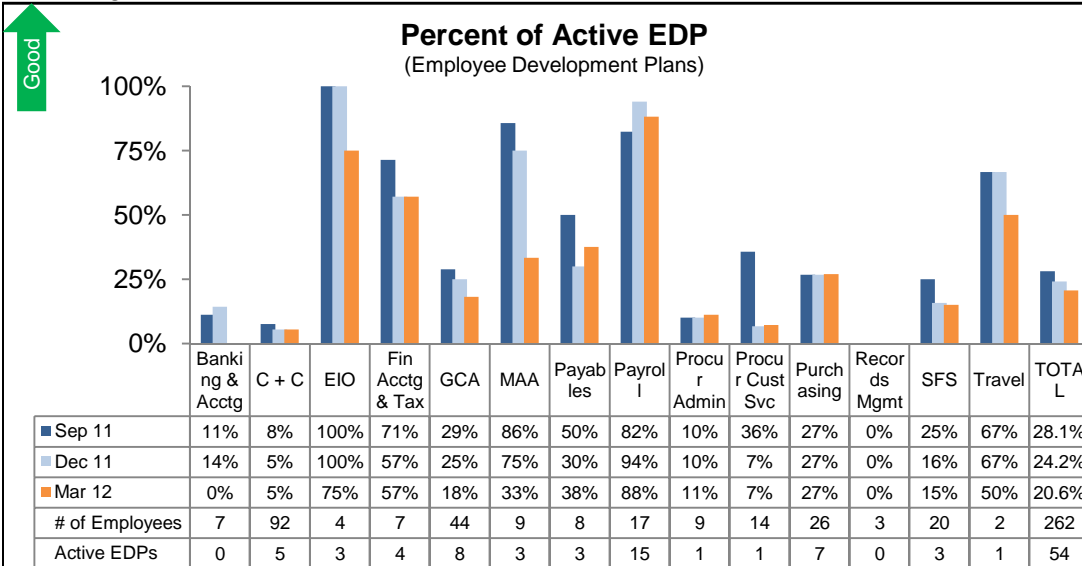
## NEXT STEPS

Continue to encourage development of knowledge worker skills in employee development plans.



# Develop Staff - Active Employee Development Plans - FM

## Learning & Growth



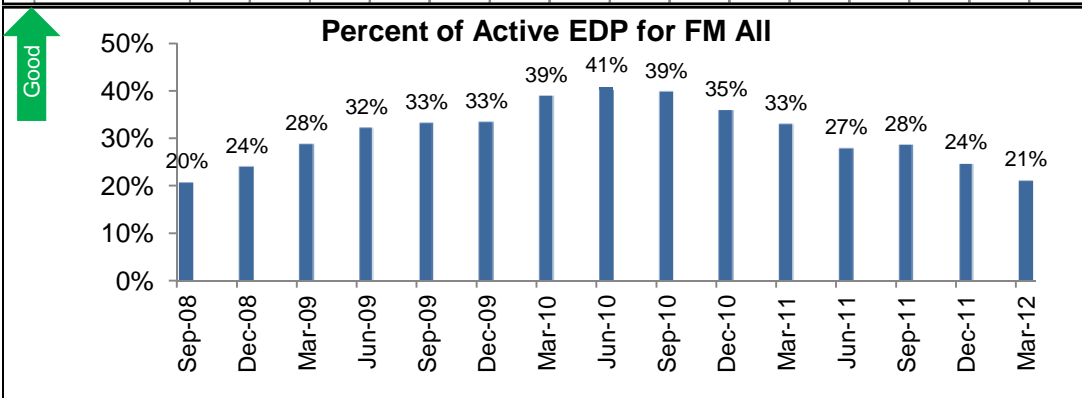
### DEFINITION

Measures the percentage of active Employee Development Plans (EDPs) approved and on-file. Plans must be renewed and approved every two years to remain active. All permanent (full- or part time) employees or those on Fixed Duration Appointment are eligible to participate.

### ANALYSIS

Overall, there are 54 employees with active plans (21% a decrease from 24% in the previous quarter). None of the departments reached 100% active EDPs.

The drop in March 2012 occurred in Creative Communications, Financial Accounting & Tax, Grant & Contract Accounting, Management Accounting & Analysis, Payables, Procurement Customer Services, Records Management, and Student Fiscal Services, Payroll, and Equipment Inventory Office.



One hypothesis is that training priority is focused on Lean, so employees are not updating their EDPs.

### NEXT STEPS

Managers continue to encourage all staff to complete or reactivate their expired EDPs. Targeted EDP workshops are available.