

# Operational Performance Dashboard

## June 2011

### FY 2011 Quarter 4 (Apr - June 2011)

**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

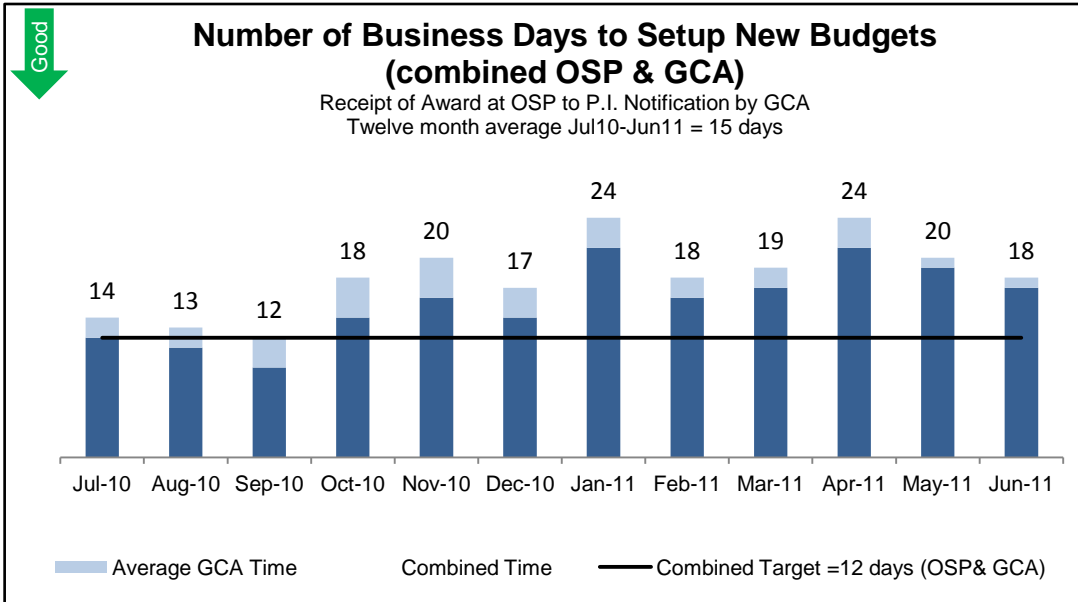
(A unit of Finance & Facilities)

## Operational Performance Dashboard - FY 2011 Quarter 4 (Apr - Jun 2011)

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	94%	95%	↑	-1%
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 )	15 days	12 days	↓	3.4	Pay Bills	Reduction in Small Dollar PAS Transactions which should be going through eCommerce.	3,893	4,000	↓	No Gap
Disburse Financial Aid	Percentage of Aid disbursed during the 1st week of a quarter.	81% 2011	85% Benchmark	↑	-4%	Manage Grants	Total uncollected cash for unbilled invoices & aged receivables (cumulative) – JDE	\$61 million	\$23 million	↓	\$37.9
	Percent of students satisfied with SFS services.	81% 2010	73% Benchmark	↑	No Gap	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	5.7%	5.0%	↑	No Gap
						Avoid Postage Cost	Maximize Postage Discounts Through Automation	10.6%	8.5%	↑	No Gap
<b>INTERNAL BUSINESS PROCESS</b>						<b>LEARNING &amp; GROWTH</b>					
Inc. online Trans.	Process online mailing, printing & copying	40%	32%	↑	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	1%	1%	↓	No Gap		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).	-5% FY10	5%	↑	-10%		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	289	50	↓	127		Active Employee Development Plans (EDPs)	27.4%	75%	↑	-47.6%

# Manage Grants (New Budget Setup) - GCA

Customer



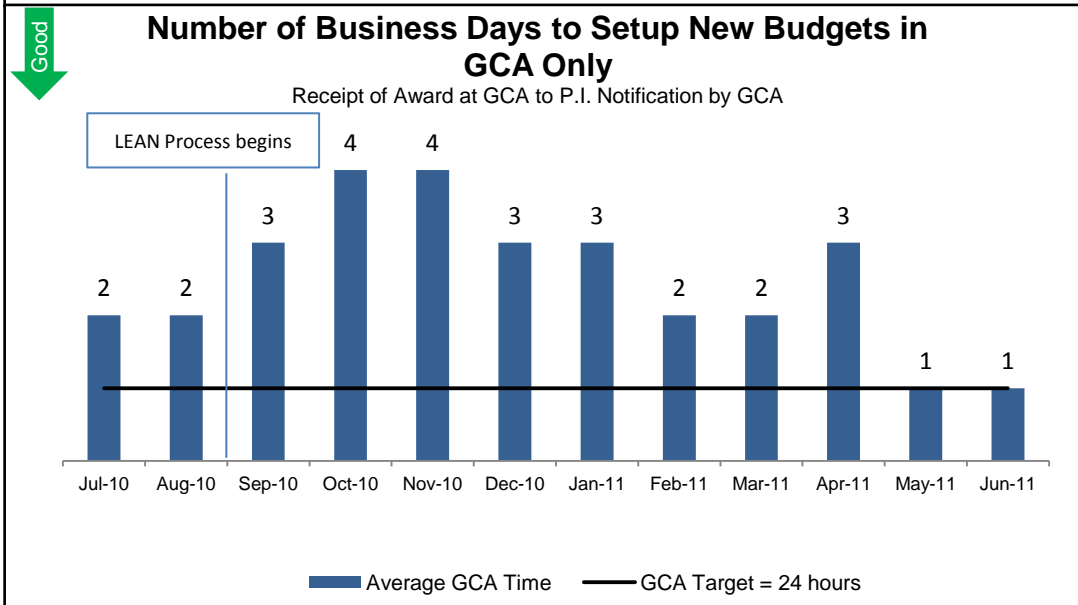
**DEFINITION**

The measure shows the average number of days to establish a new award in the UW Financial Systems. Twelve month average Jul10-Jun11 = 15 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. The GCA LEAN project began in September 2010 with a goal of reorganizing the workflow into streams of work. Daily processing slowed as a result, and in April GCA has reached the target of setting up new budgets within 24 hours.

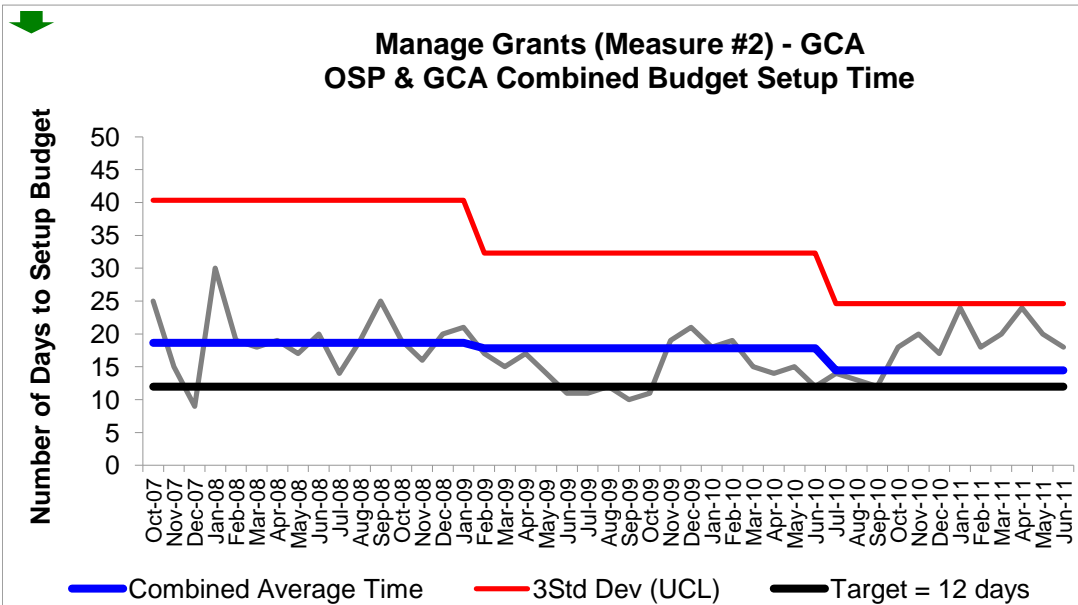


**NEXT STEPS**

The Launch Pad team focuses on streamlining the process and leverages the expertise that comes from specialization. GCA will continue to collaborate closely with its process partners and OSP to maintain a stable output in the new budget setup process.

# Manage Grants (New Budget Setup) - GCA

Customer



## DEFINITION

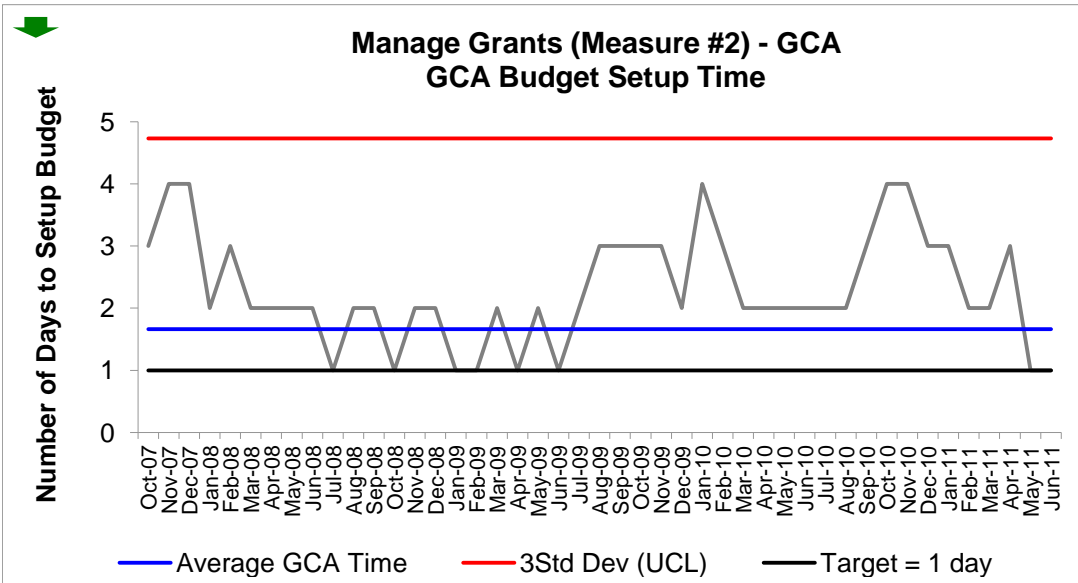
The average number of days to establish a new award in the UW Financial Systems. Twelve month average Jul10-Jun11 = 15 days.

## 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

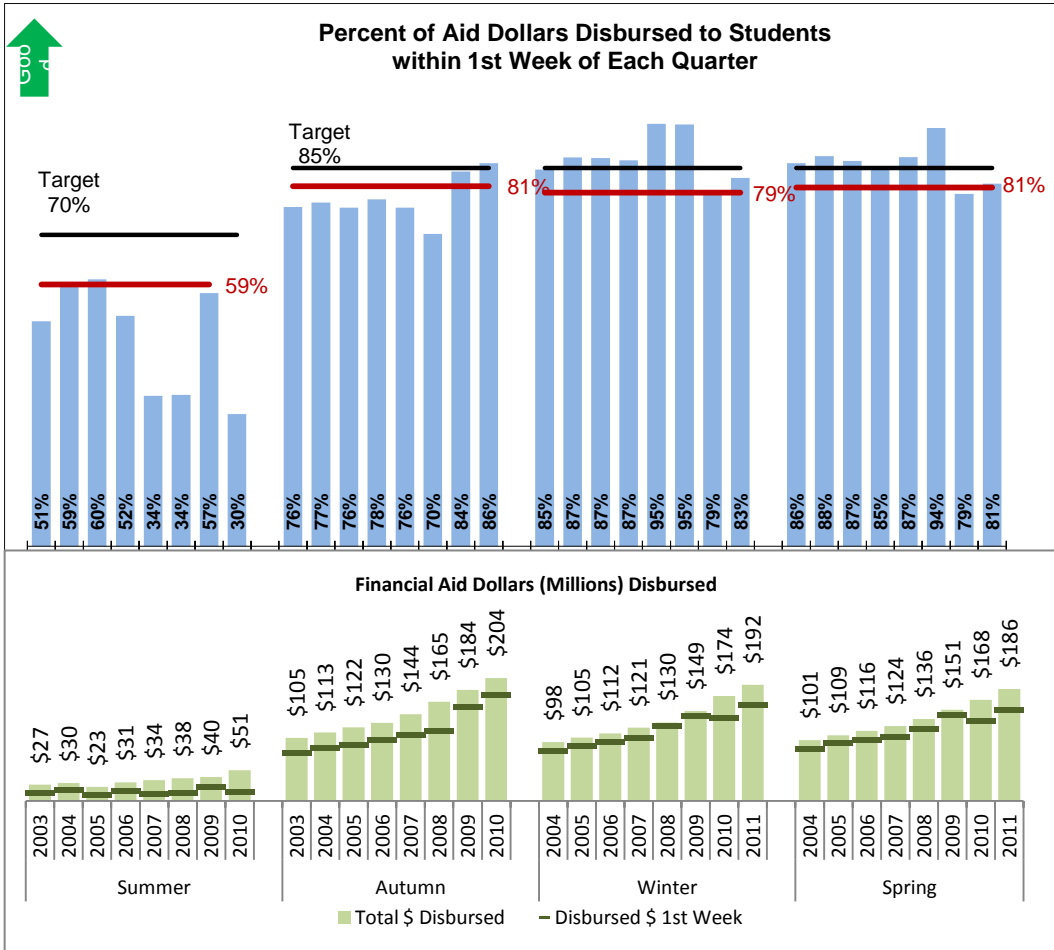
Student Fiscal Services (SFS) disburses aid to students that originates both through UW sources (e.g., departmental scholarships, aid packages that are awarded through the Office of Student Financial Aid (OSFA), as well as external sources (e.g., private scholarships, VA awards, etc.) The sooner the 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

A slight drop in the percentage of aid disbursed is noted for Winter quarter and again in the Spring Quarter. While this drop is well within normal variation, the drop is attributable to less aggressive marketing of direct deposit services by SFS as well as to aid disbursement delays as a result of a backlog within the Office of Student Financial Aid coupled with staffing changes within SFS.

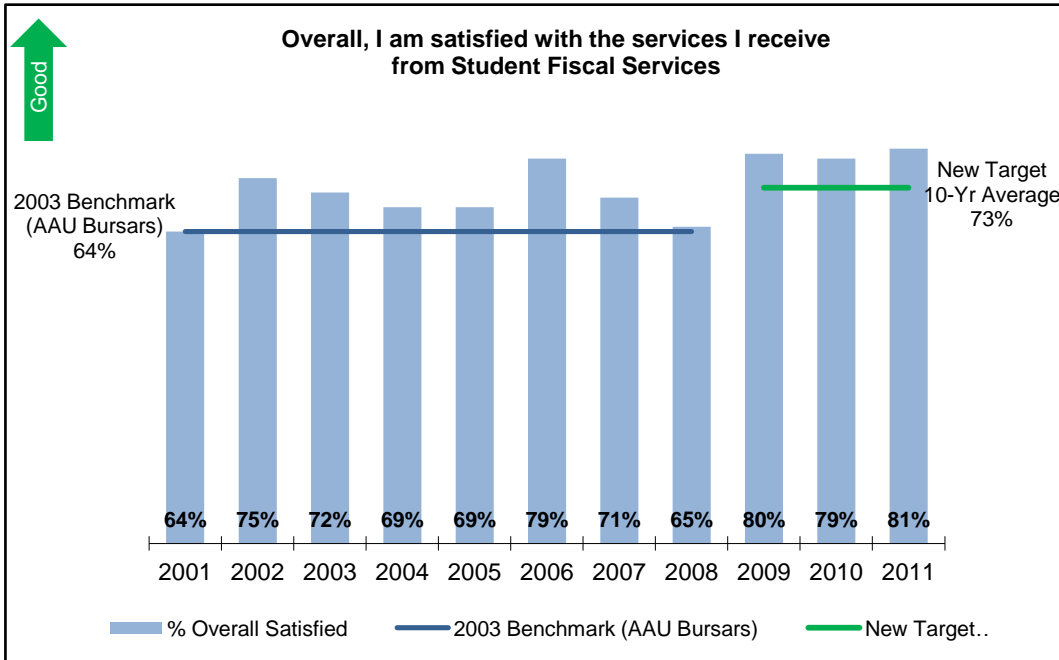
## NEXT STEPS

Student Fiscal Services will continue working with OSFA to ensure a 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:

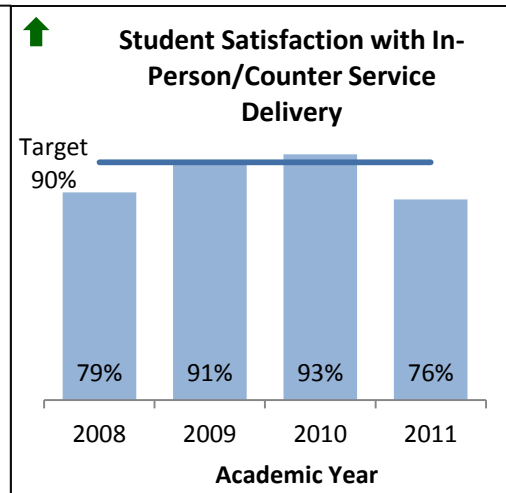
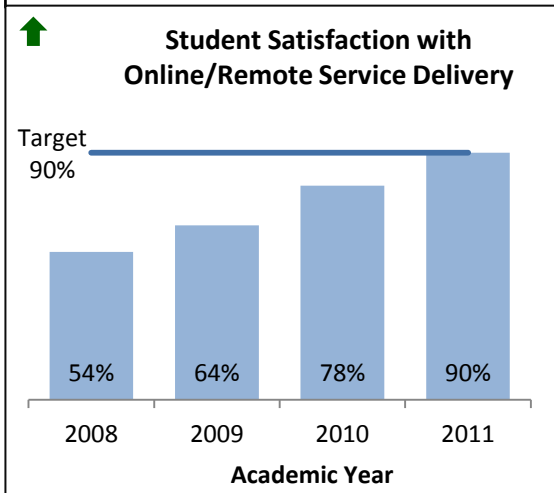
1. Fees (credit card fees) - 19%
2. Communications - 17%
3. Process Efficiency - 7%

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>.

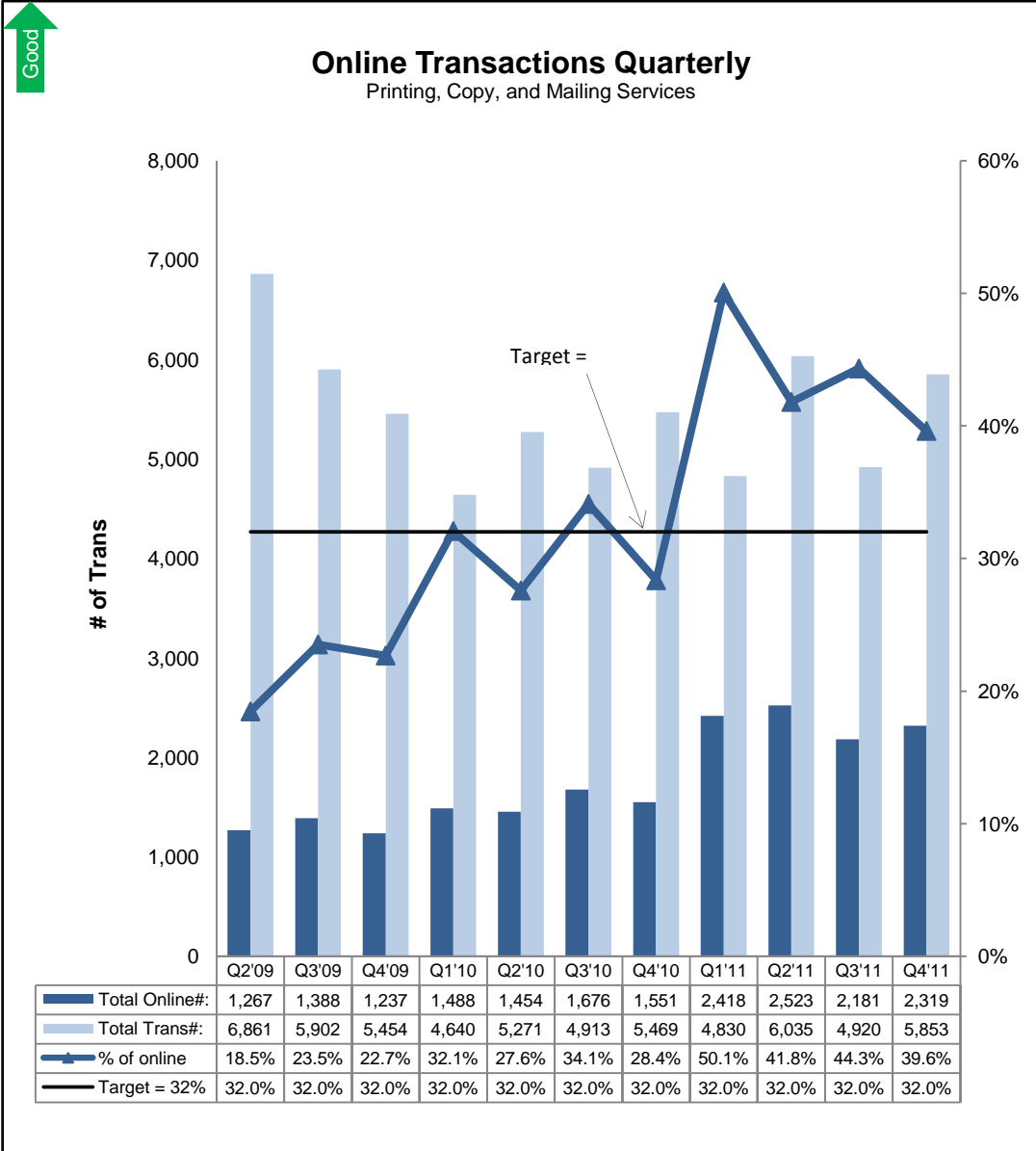
### NEXT STEPS

- 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. Our target is 32% of all transaction submitted online, with a stretch target of 50% by the end of spring quarter 2011.

## ANALYSIS

The percentage of online transactions decreased by 4.7% to 39.6% from the previous quarter, while the quarter-to-quarter comparisons of Q4'10 vs. Q4'11 showed an 11.2% increase. This same period comparison increase indicates continued progress, while the 4.7% decrease from the previous quarter is a result of a significant increase in the total number of transactions from the previous quarter, 4,920 to 5,853 or 19%.

The quarter percentage remains above our 32% target, but was below our stretch target of 50%.

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.

In progress: a measurement associated with online order submission that reflects efficiency gains and staff reduction (FTE).

## NEXT STEPS

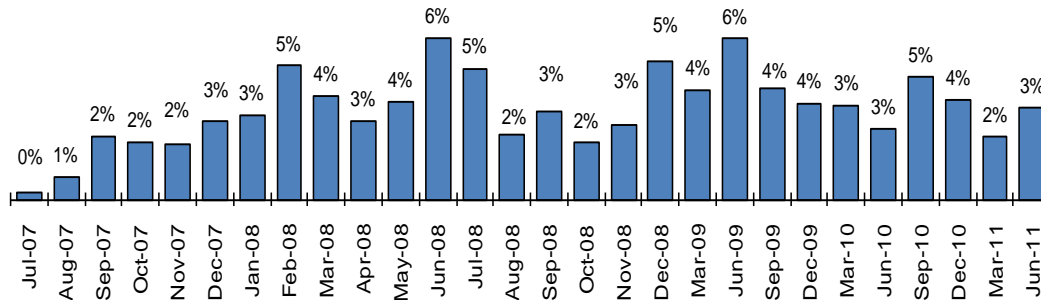
Upcoming products to add include: UW Medicine notecards and targeted business cards; and Global Health business cards.

# Manage Financial Reporting - Financial Accounting

## Internal Business Process

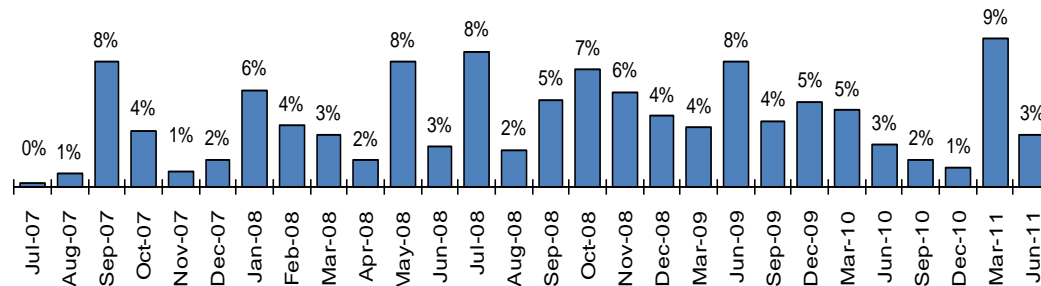
**Percent of Total Count of Delinquent Billings to # of Total Billings**

Recorded in FAS During the Period



**Percent of Total Dollars 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 continue to be presented from Oceanography. This group has to wait for Fed approval before allocating charges. Communication with departments submitting late CTI/ISD's is ongoing.

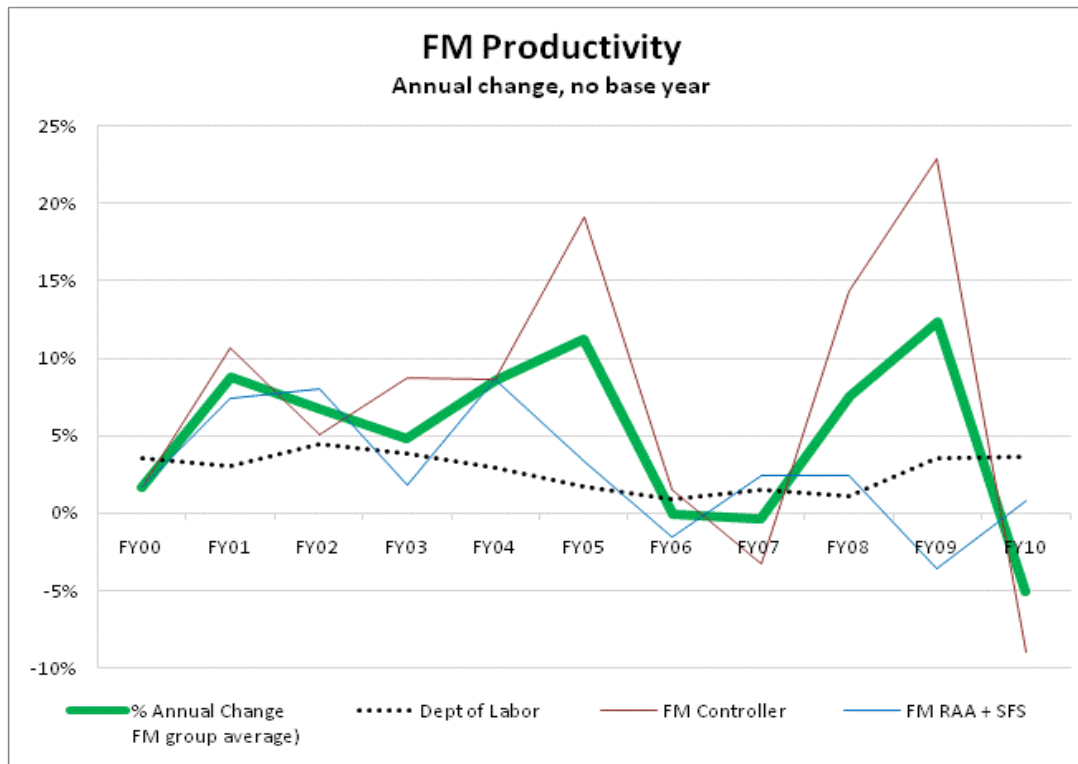
## NEXT STEPS

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 2008-2010 data came from Planning & Budgeting database. FTE 2007 and prior, were based on historical records. 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 drop in FY10 productivity does not accurately reflect the many process improvements implemented. While most units were stable, two groups (Grant & Contract Accounting and Financial Accounting [FA]) increased their FTE count, which averaged down the overall result. FA has a low FTE base (6.4 in FY09), and is more sensitive to FTE change (12.5 in FY10) when Banking & Accounting Operations (B&AO). was merged into FA. if B&AO were excluded and returned to Procurement Services, FM's overall productivity would be -1.6% for FY10.

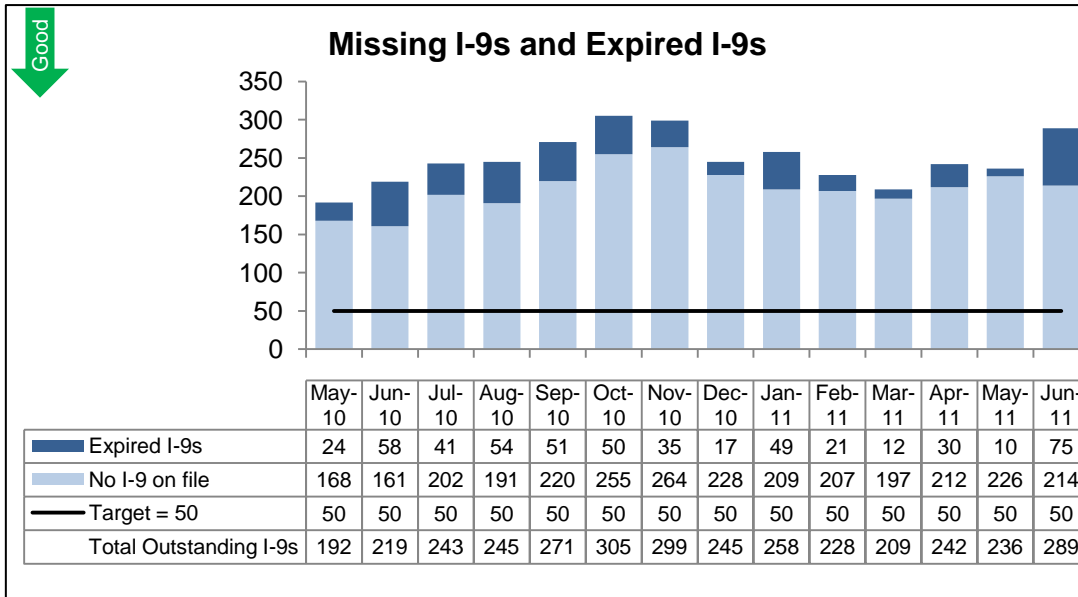
Large fluctuations in the F2 productivity compared to DOL are likely due to the granularity of UW's small sample size vs. the dampening effect of the much-larger averages - millions of labor hours - in the DOL data. The DOL trend-line is much smoother.

## 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.

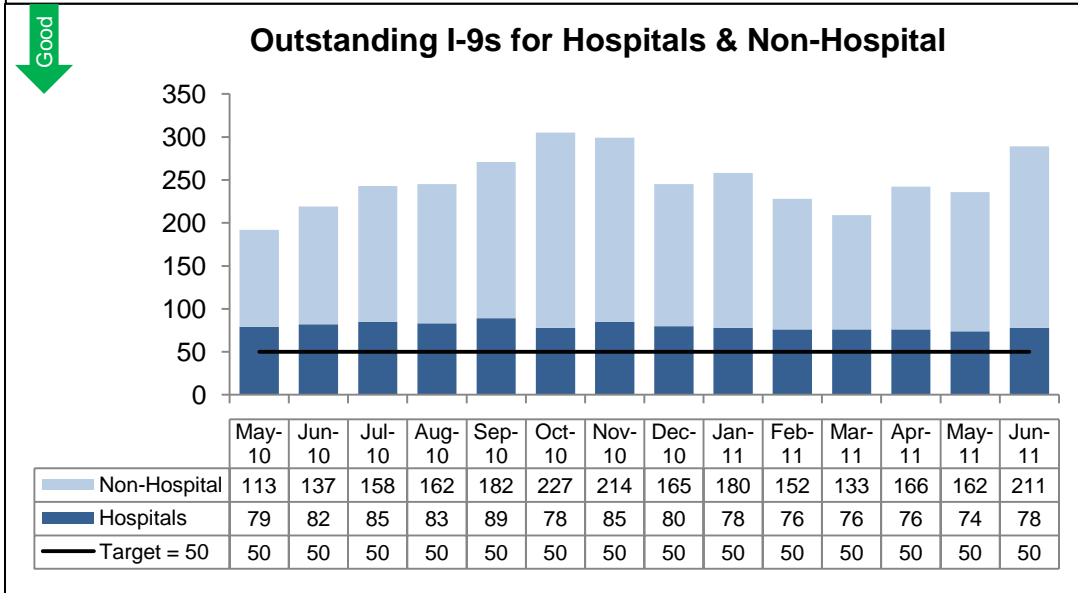
### ANALYSIS

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 = 289 \* \$40,000 = \$11,560,000. 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 June, of a total of 289 cases, 244 were active and 45 inactive (16%).

### NEXT STEPS

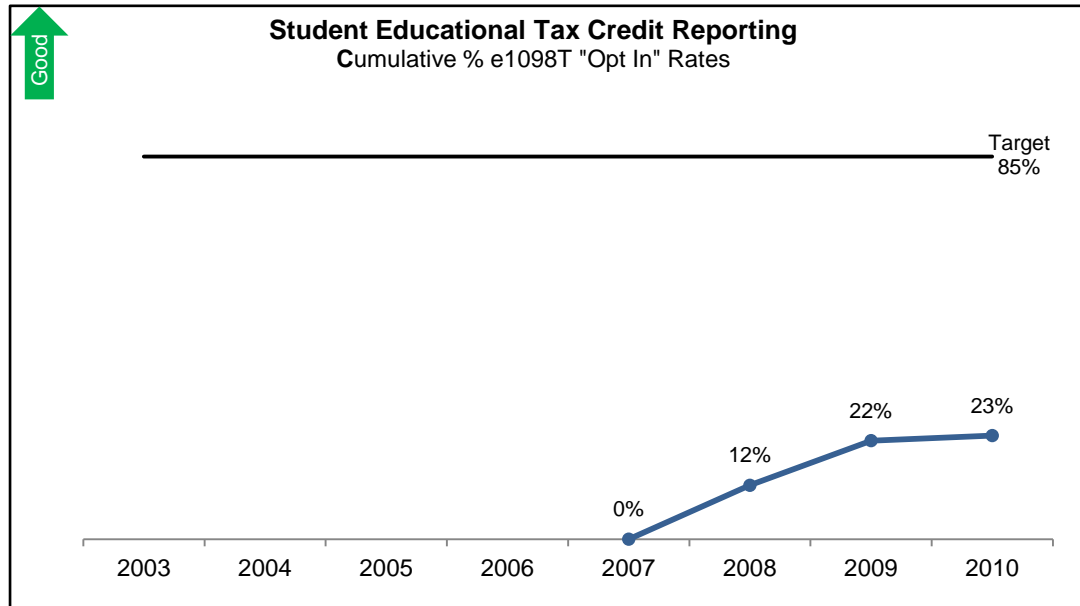
Payroll sends notifications to departments and in some cases; the employee will be notified by mail and/or e-mail for their current status. The Assistant Director is calling and emailing departments with high numbers of undocumented I-9s to determine the issues involved and work with them to get their numbers down. Detailed spreadsheets are being sent to the Medical Center Human Resources office to help them reduce the number of employees on their list. Departments with expired I-9s are contacted every month for resolution.

Based on the trend of the graph, the target may be too low. In the past year, the lowest # achieved was 178. The Leader's team will review the measure and develop a plan for reducing the number and set a new target.



# 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.

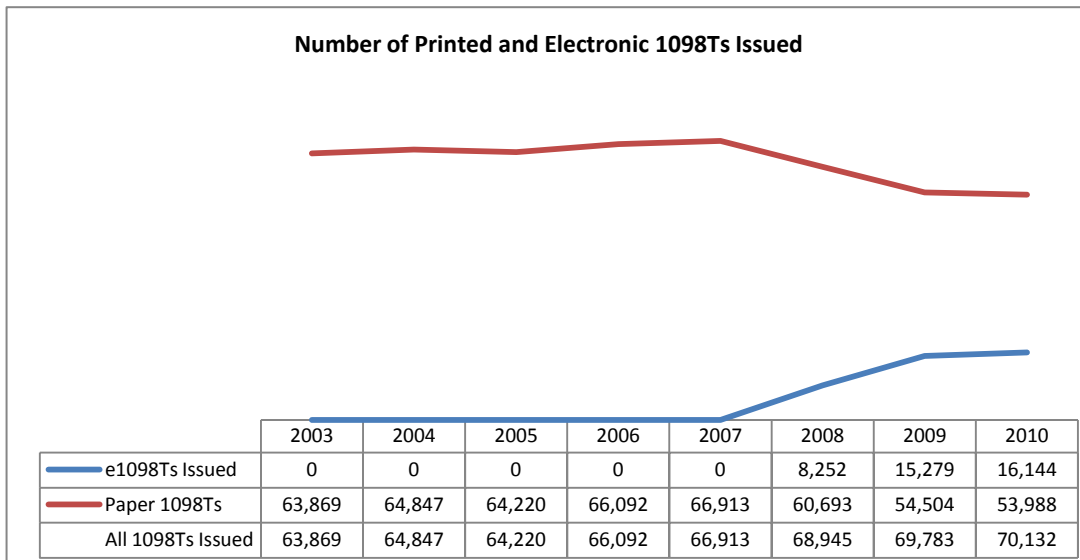
## ANALYSIS

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.

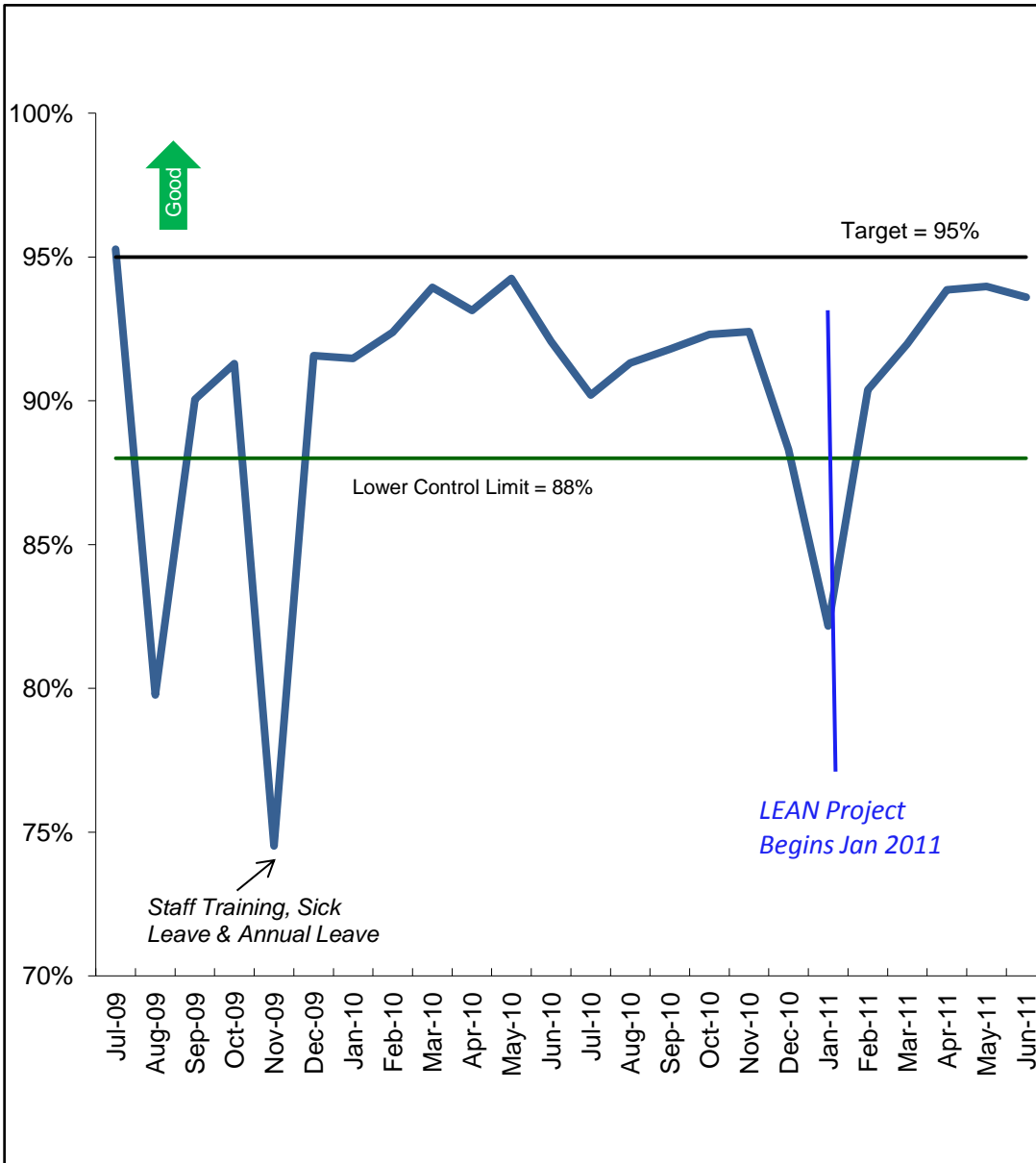
## NEXT STEPS

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:**

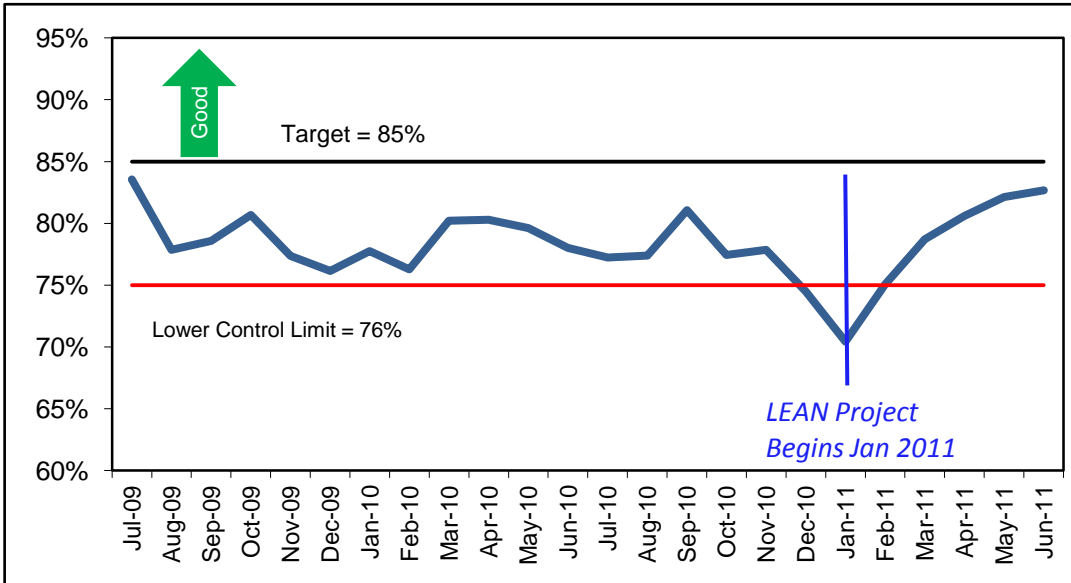
In June 2011 approximately 94% of all invoices were paid within 30 days of receipt in AP. This is a considerable improvement over prior months and is a result of process improvements implemented from LEAN. It should be noted that approximately 14% of all invoices are over \$10,000 which is significant as invoices over \$10K require explicit departmental approval before payment can be made. While obtaining this departmental approval oftentimes does slow down the process, we will continue to pro-actively follow up with departments in an effort to expedite payment for these large dollar invoices.

**NEXT STEPS:**

Procurement Services' employees engaged in a 3 day LEAN workshop in early January 2011. The workshop helped streamline the bill paying process by eliminating non-value added tasks. The LEAN project also established a stretch goal of processing all invoices within 2 days of receipt and resolving all invoice discrepancies within 5 days. The LEAN goal of processing invoices quicker not only lends itself to paying more invoices within our 30 day goal but also to provide more visibility to campus on the status of their invoice. They will be able to see it scheduled to pay on their PO in PAS.

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

Financial



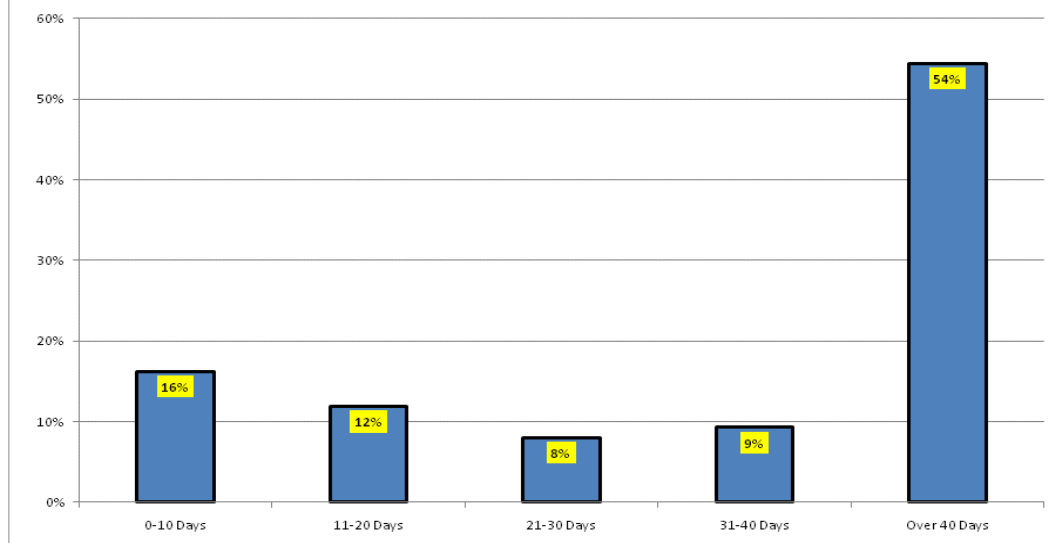
## DEFINITION:

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

## ANALYSIS:

In June 2011, 83% of invoices were paid within 45 days of invoice date. This represents a significant improvement over prior months and is a result of our LEAN efforts. Please note, however, that many invoices continue to be held in departments for extended periods of time before being sent to Accounts Payable. To illustrate, consider the supplemental graph below which examines the population invoices not paid within 45 days of the invoice date for the quarter ending June 2011. As can be seen, 54% of these invoices were not submitted to Accounts Payable until 40+ days after the invoice date. We also observe that many of these same PAS invoices could have gone through either ProCard or eProcurement.

Department Holding Time for Those Invoices Paid during QE 06/30/11 Which were NOT Paid Within 45 Days

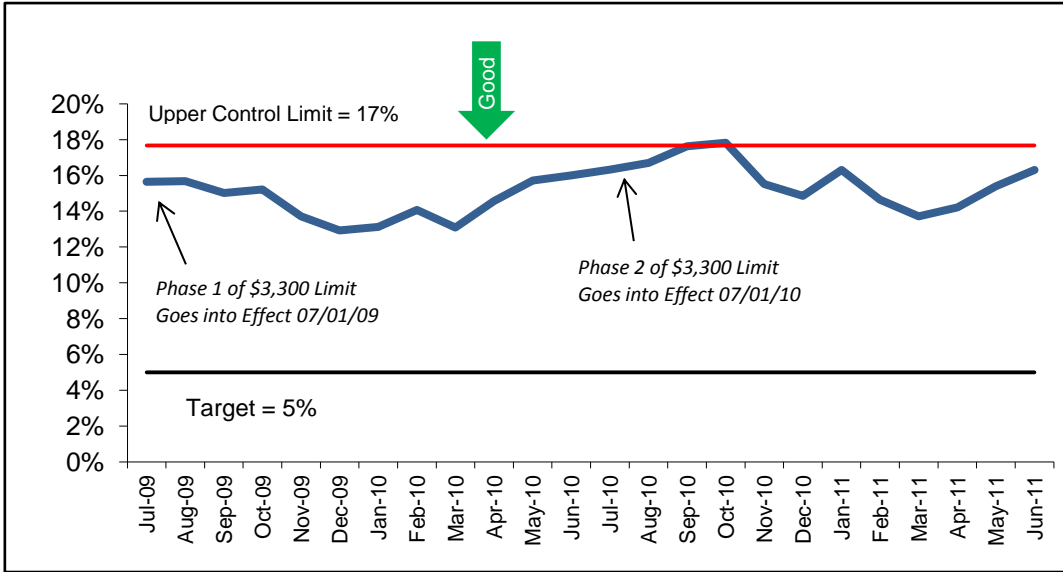


## NEXT STEPS:

One of the most important aspects of this metric is for Accounts Payable to receive invoices in a timely manner. If this does not occur it is difficult for AP to achieve their ultimate goal of paying 100% of all invoices within 45 days of the invoice date. The Communication Director of Procurement Services, is currently conducting outreach engagements to select campus departments. While the purpose of this outreach will be to encourage departments to use either ProCard or eProcurement wherever possible, it's also to encourage departments to submit their invoices to AP on a more timely basis when no eCommerce 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 these 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. The spike in June is attributed to an increase in orders and new suppliers due to biennium. Orders with new suppliers will create a discrepancy if the invoice arrives before the supplier registration form does.

### NEXT STEPS:

Copier related discrepancies have decreased over the last quarter due to efforts by the STAR Kaizen (ATA Review desks in AP and Purchasing) and the Copier Discrepancy Teams. The teams are working on guidelines for setting up copier orders to avoid needless discrepancies. The teams have also started supplier outreach and met with Xerox to brainstorm ways to make the ordering and invoicing process more efficient on both sides. Ideas include consolidated invoices, monthly reports from Xerox to assist in keeping track of the locations of copiers, and a UW specific web portal hosted by Xerox. Immediate next steps for the STAR Kaizen include looking into fuel surcharges and creating an ATA review super desk. Fuel surcharges account for the majority of the unidentified items discrepancies and cost the University an unknown and possibly unnecessary amount of money. An ATA review super desk will have combined AP/Purchasing access in PAS allowing the review desk to resolve more discrepancies thereby reducing the number of discrepancies going to the buying staff. Currently the STAR review desks in AP and Purchasing are resolving 58% of all discrepancies; this number is expected to go up with implementation of a super desk.



### Monthly Discrepancies by Code

7/1/11 8:40 AM  
Page 1 of 0

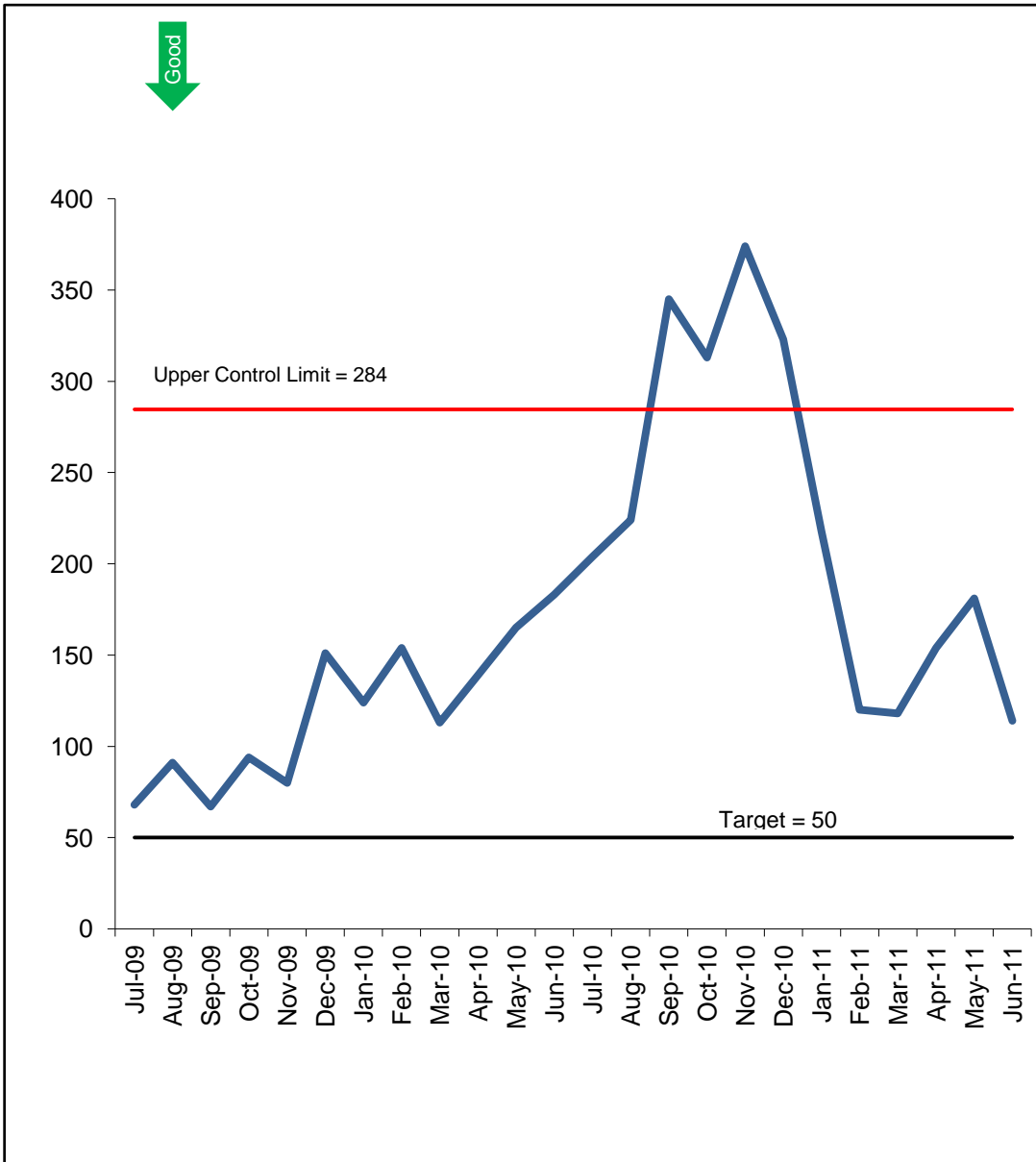
#### Reasons for Online Discrepancies for All Requisitions (Small Dollar Threshold = \$3,500.00)

Jun-2011		All Reqs	Small Dollar
Code	Definition	876	230
270	ITEM PRICE EXCEEDS ORDER-ITEM N.T.E	270	40
110	INVOICE TOTAL EXCEEDS ORDER N.T.E.	177	63
160	UNIDENTIFIED ITEMS ON INVOICE	121	15
115	INVOICE FLAGGED BY AP AS BEING FOR A CLOSED ORDER	102	57
120	INVOICE IS BEYOND THE DATE RANGE ON ORDER	51	9
260	QUANTITY MISMATCH	51	25
220	ITEM IS UNDER QUOTED PRICE	45	8
210	ITEM IS OVER QUOTED PRICE	23	4
400	NON-SPECIFIC ADJUSTMENT DISCREPANCY	11	2
105	INVOICE TOTAL EXCEEDS CONFIRMING REQ LIMIT	9	5
150	FREIGHT CHARGED - NOT AUTHORIZED BY ORDER	7	1
230	DISCOUNTED BELOW QUOTE	5	0
140	INVOICE FREIGHT EXCEEDS ORDER FREIGHT	2	1
240	DISCOUNTED BELOW DISCOUNTED ORDER	2	0

From Jun-2011 to Jun-2011, for the MRS, MRO, T, MR4, PH2, C, CP, RAD, SC2, CH, ANI, SC1, CC, DL, ADM, SB1, SUB, CC2, DP, HFS, GNS, DIS, SKB, JSW, TAC, DI3, RES, MRS, AP, CAP, KLE, LLS, MR2, SC3, SC4, K01, P01, DQ, MD, K0, MC, SCS, MS, TBR1, NC, SCL, CNF, COM, PR, PB, DP2, P, R001, RW, SVM, LAB, SG, MR1, P01V Buyer(s).  
Item # 68 ver. 1.00  
Month determined from discrepancy date.  
FINPR updated 6/29/2011; DASNR updated 7/1/2011

# 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:

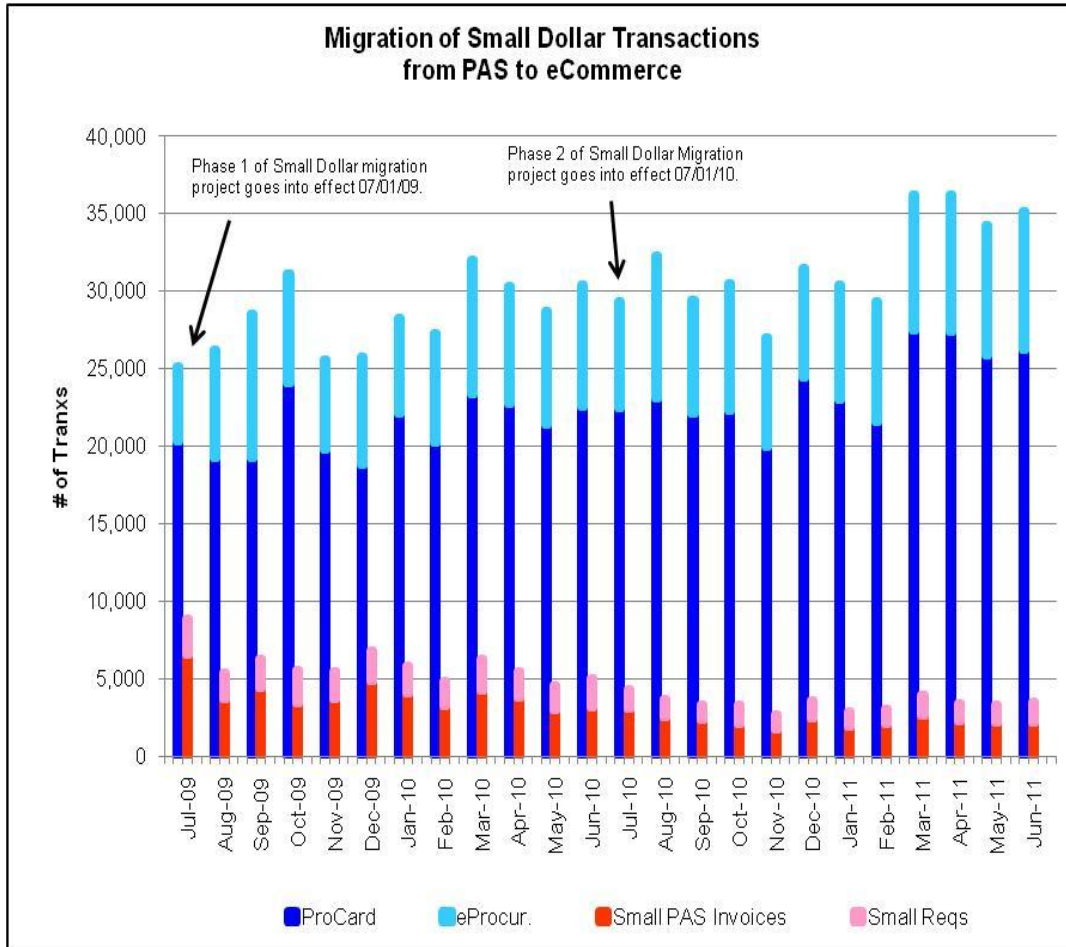
To resolve these outstanding discrepancies, the original Purchase Order or the actual invoice must be modified (or the invoice itself must be approved) before payment can occur. This process can take time as it requires a coordinated effort between Purchasing and the UW department which placed the order, 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 from AP LEAN has become a permanent team and continues to focus on how to improve the ATA process/workflow within AP and Purchasing. A STAR wall has been created to display the number of outstanding discrepancies and encourage the buying staff to work on resolving discrepancies more quickly. The STAR kaizen has joined the Copier Lean project kaizen that is looking into copier related discrepancies; the two teams will continue to working on streamlining the ordering process and conducting supplier outreach. Additionally the STAR has expanded their focus from online discrepancies only and is now looking into ways to reduce the number of manual discrepancies. 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. Additionally, on July 1, 2010, we intensified our efforts by declining to process small dollar PAS requisitions under the direct buy limit unless no other eCommerce option existed. On 10/18/10, we increased the direct buy limit from \$3,300 to \$3,500 thus making more PAS transactions ProCard eligible. 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 June 2011, that same figure now stands at 75%.

## NEXT STEPS

Today, approximately 90% 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 in Fall/Winter of this upcoming year will almost completely reduce the small dollar spend still going through PAS (roughly 1,000 reqs/month). This would represent over a 50% decrease in overall process volume within Procurement Services.

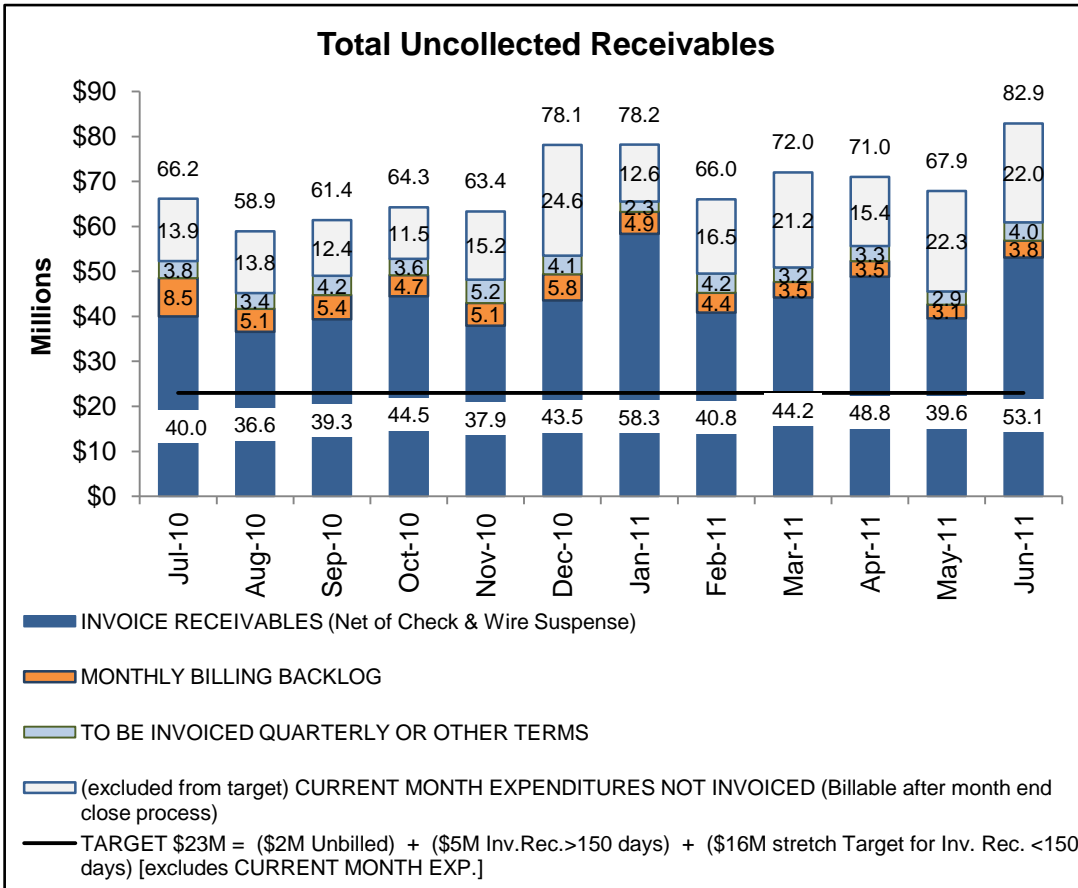
## GOAL:

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 52% of the total backlog (~\$7.8M) that should have been billed.
- Invoice Receivables (the dark blue portion) reflects receivables 30 days or greater.

The monthly billing backlog was reduced significantly to under \$10 million for the last several months. This was a direct result of collaborative work between GCA, its process partners and sponsors. 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.

2010 UW Annual Report shows \$151MM for Accounts Receivables Grants & Contracts

[http://f2.washington.edu/fm/uw-annual-reports/sites/default/files/file/2010 Annual Report.pdf](http://f2.washington.edu/fm/uw-annual-reports/sites/default/files/file/2010%20Annual%20Report.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)

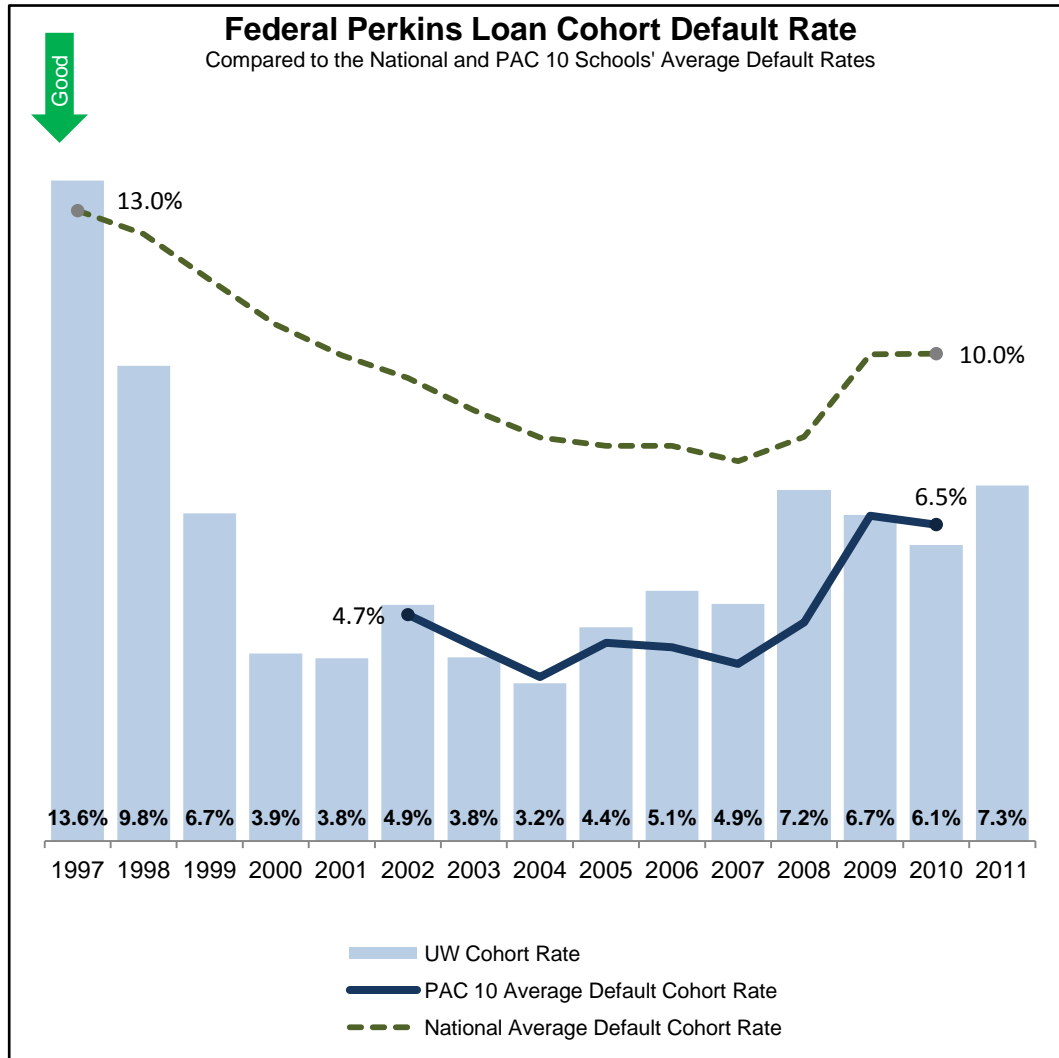
\*Year end adjustments for deficits, suspense, doubtful accounts, and deferred revenue

\*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

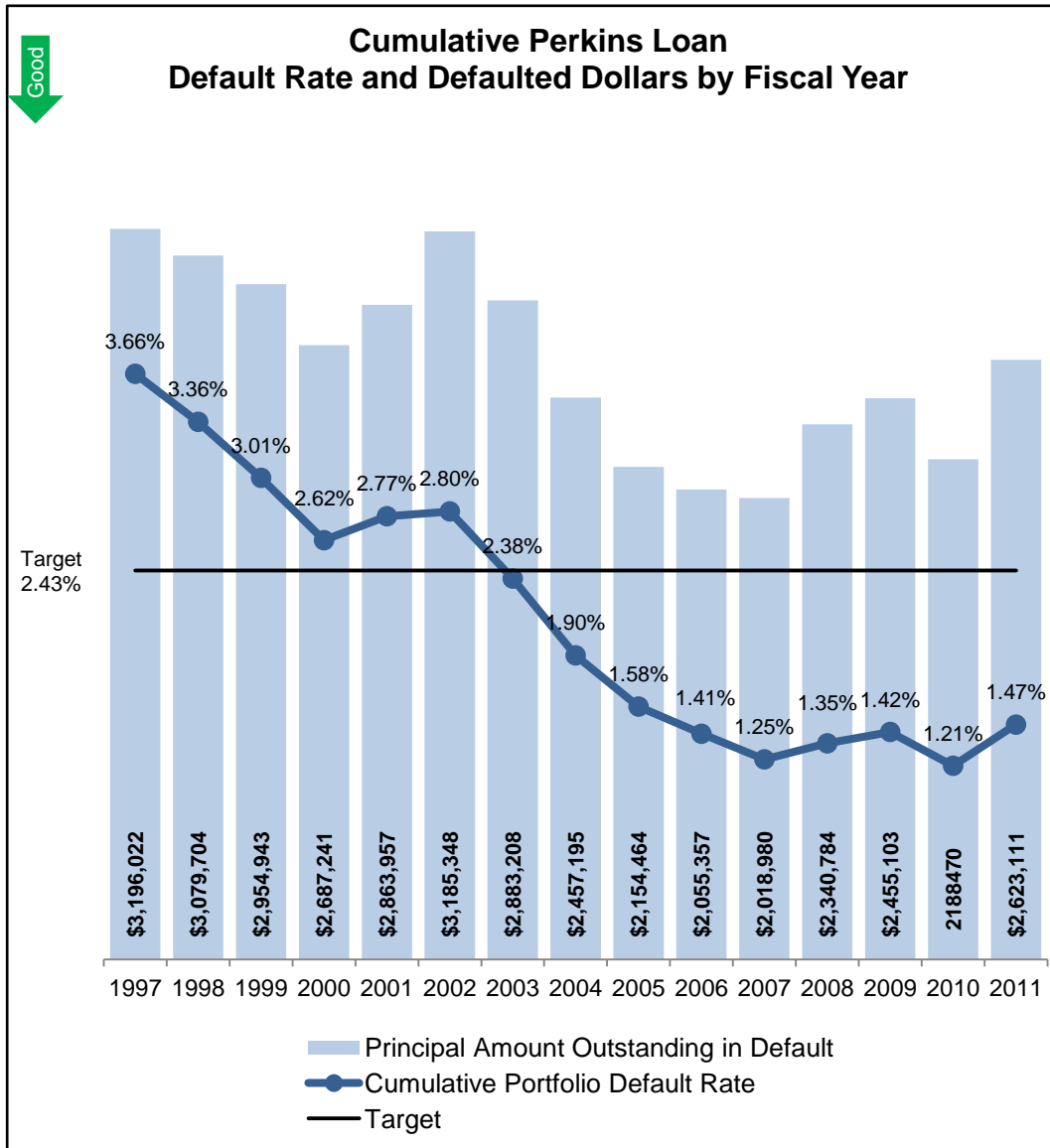
Current economic trends would indicate that we can expect an overall increase in defaults -- as students entering the workforce face increased competition for career-track jobs within their fields of study and an overall tighter employment market. Next reporting of this (and updates to the Cohort Rate)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

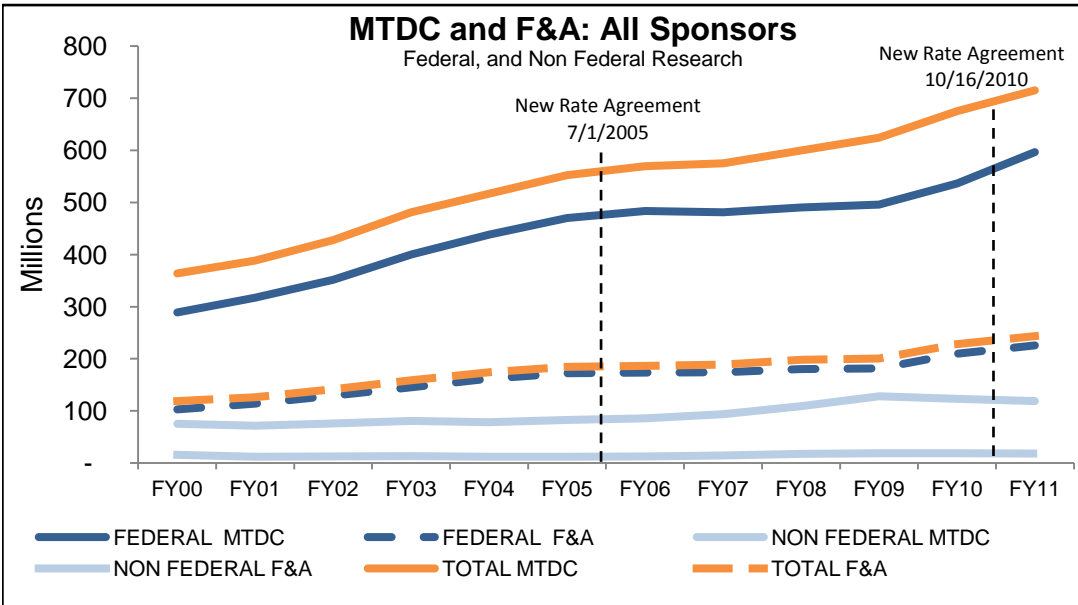
SFS used to report the Cumulative Default Rate on the Perkins Fiscal Operations Report (FISOP) up until the US Department of Education switched to the reporting of the Perkins Cohort Default Rate (which takes into account only the borrowers that have gone into repayment during one reporting period.) 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



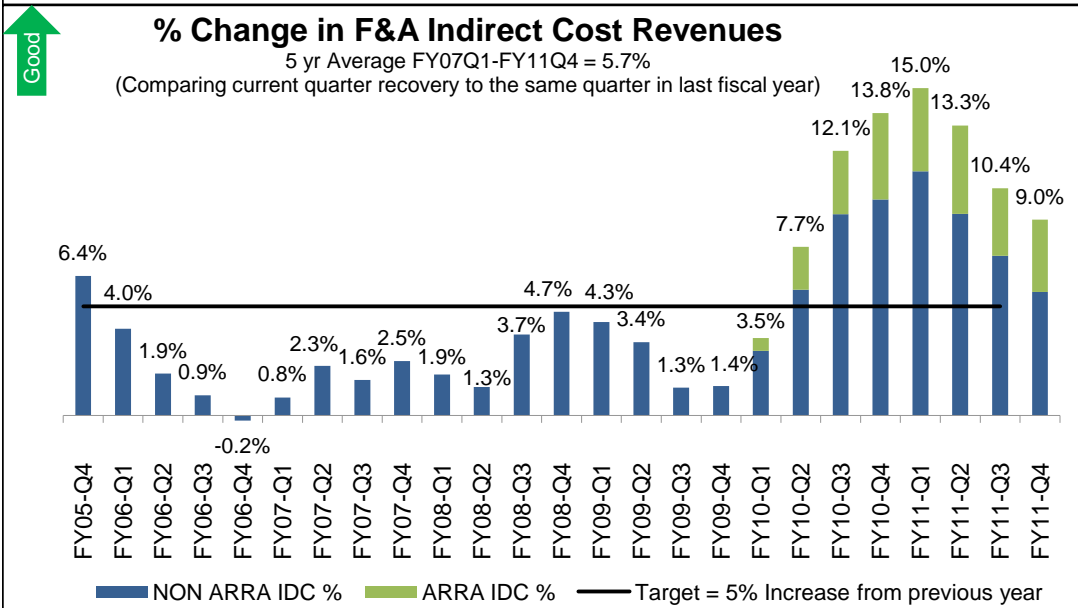
## DEFINITION

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. For the quarter ending June 2011, over \$65M of indirect cost has been recovered compared to \$61M in June 2010. The 5 year average of F&A Recovery rate was 5.7%, up from 5.2% for the quarter ending March 2011, exceeding the target of 5%. This despite a reduction in the on-campus research rate from 56% to 54% effective July 1, 2009.



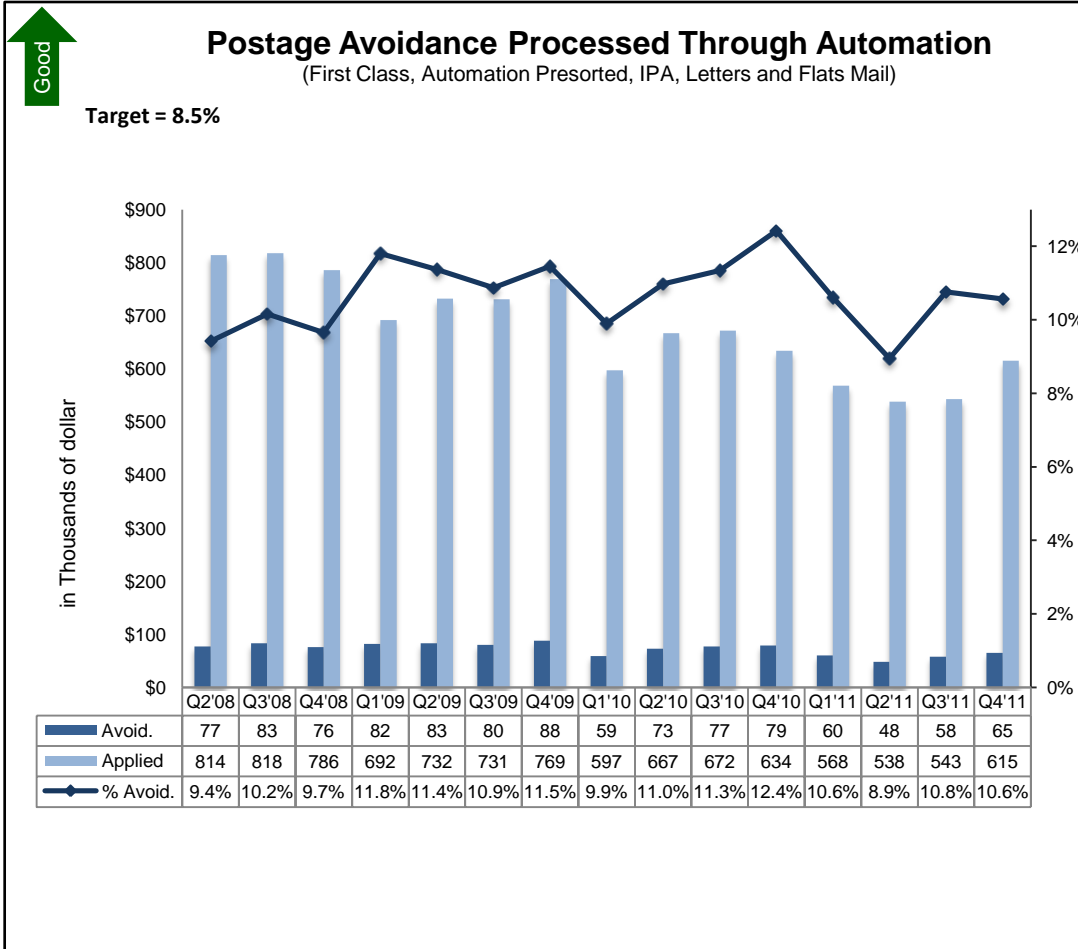
## NEXT STEPS

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 4th quarter savings amounted to \$65,015, which is an increase of \$7,000 from the previous quarter and a decrease of \$14,000 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 decreased 0.2% from the previous quarter to 10.6%. The quarter-to-quarter comparison, Q4'10 – 12.4% vs. Q4'11 – 10.6%, showed a 1.8% decrease.

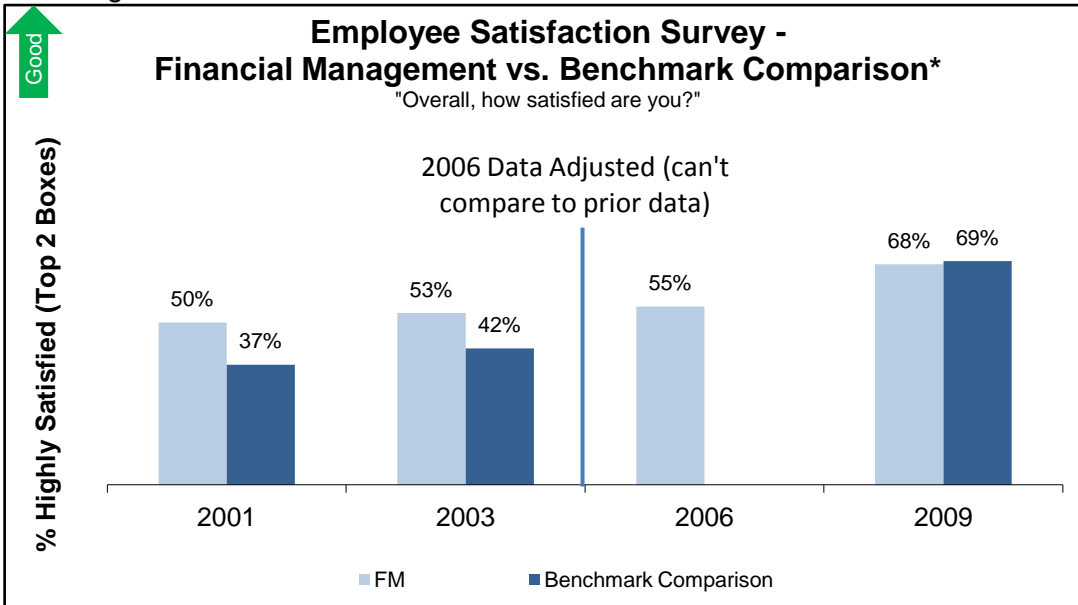
The overall mail volume of out-going mail decreased by 10% from the previous fiscal year (8,688,247 vs. 7,822,081 pieces), while the USPS nationwide volume decreased 13% during the 2009-10 fiscal year (Oct – Sept).

## 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

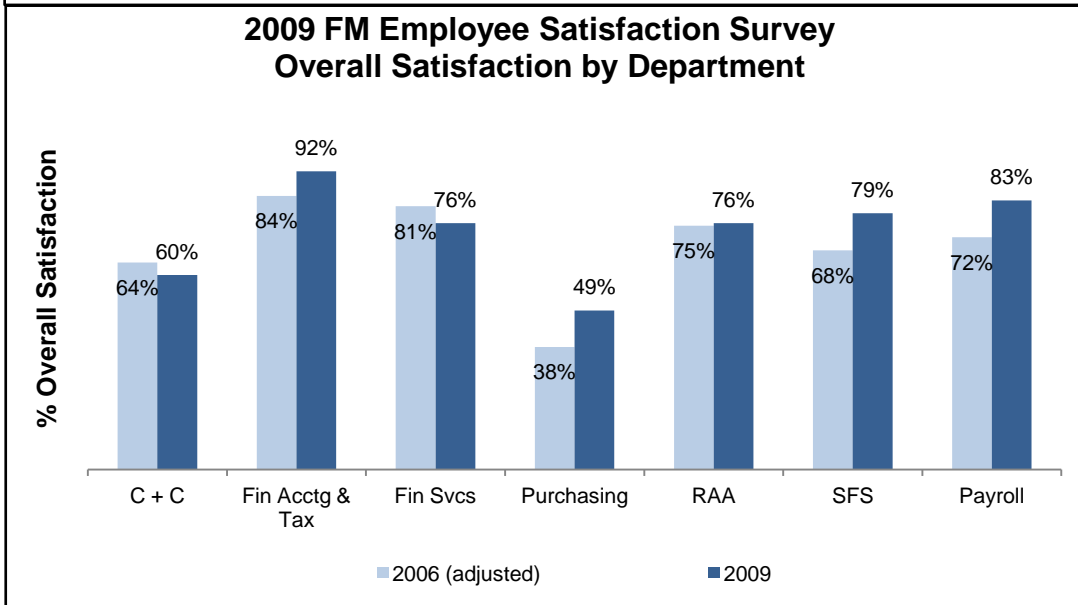


## DEFINITION

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.

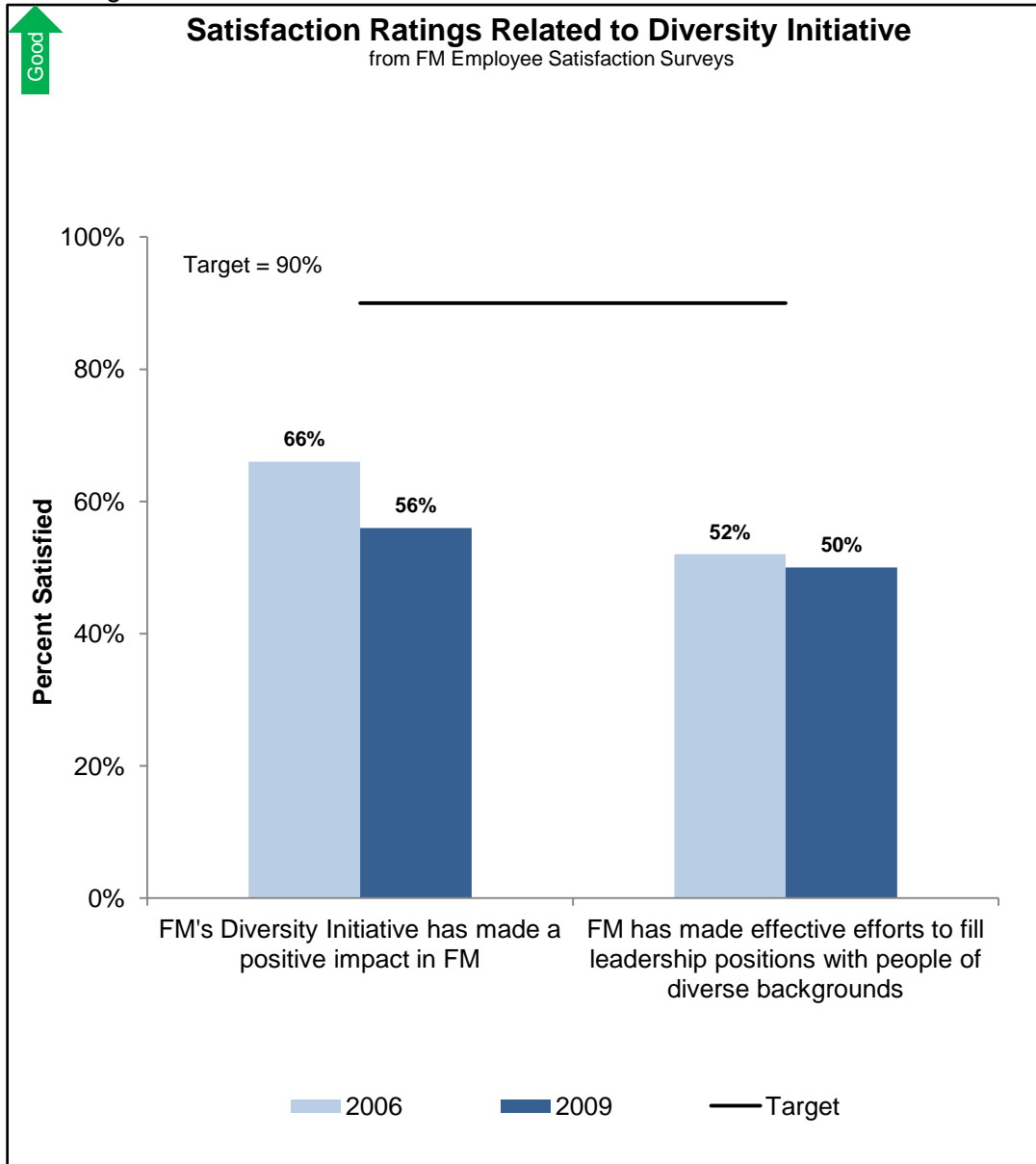


## NEXT STEPS

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

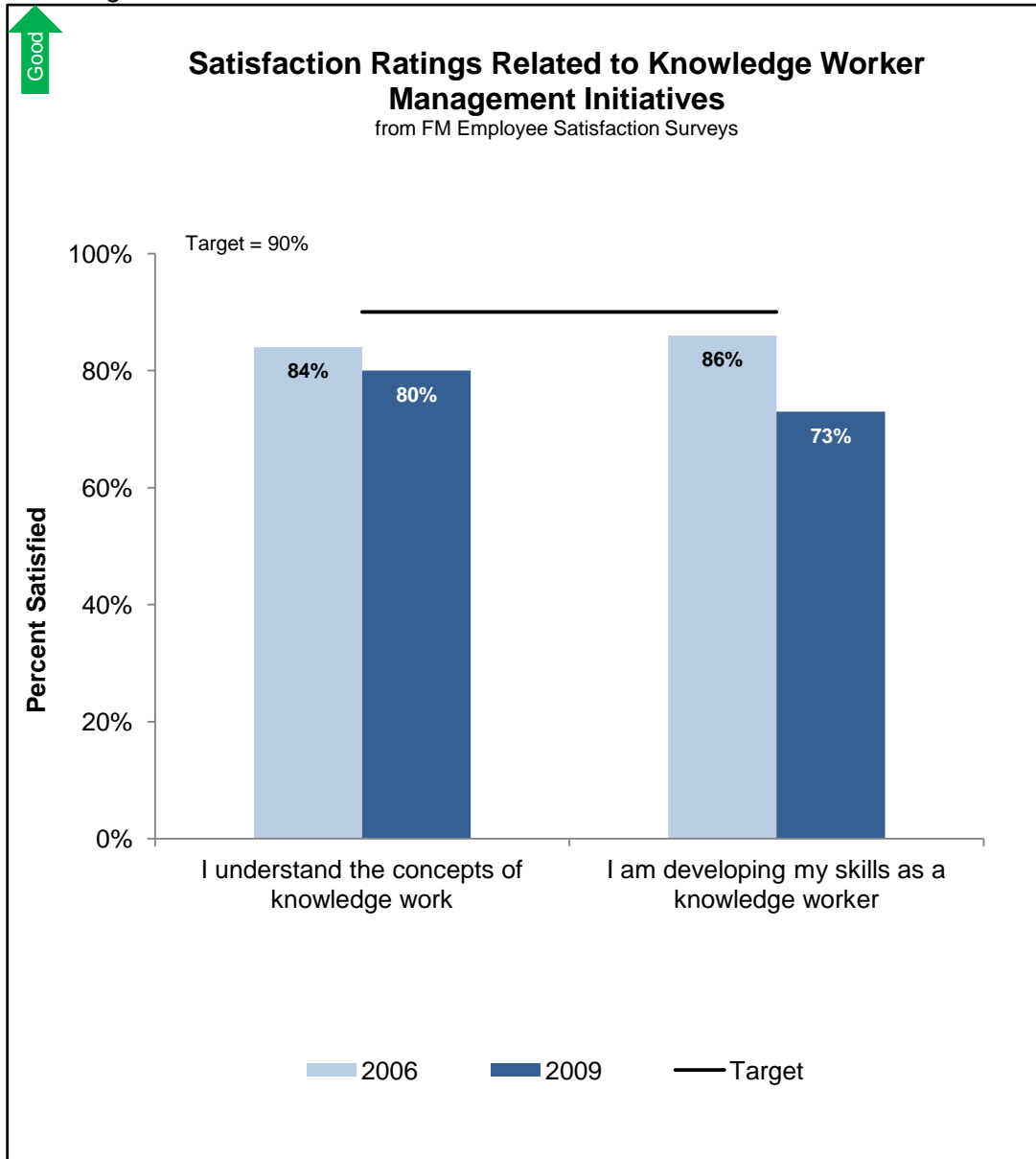
The Diversity question was added in 2006. Reorganization in 2007 resulted in more than 50% addition of employees new to FM. The 2009 results provide a new baseline for improvement activities.

### 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.

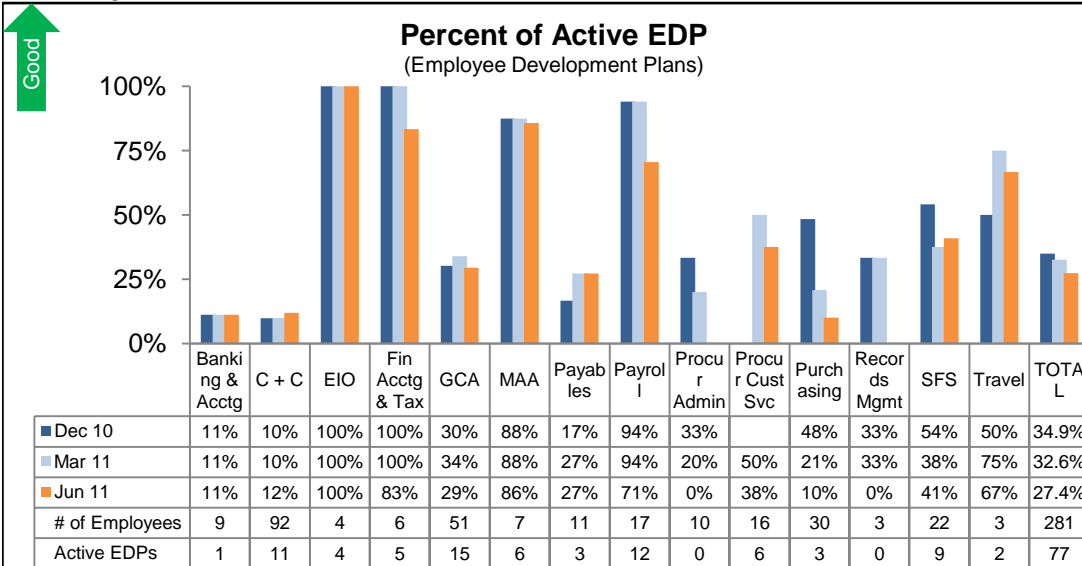
### NEXT STEPS

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 77 employees with active plans (27.4% a drop from 32.6% in the previous quarter). Only Equipment Inventory Office reached 100% active EDPs.

The drop in June 2011 occurred in Financial Accounting & Tax, Payroll, Procurement Admin, and Records Management.

### NEXT STEPS

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

