

**Operational Performance Dashboard
December 2010
FY 2011 Quarter 2 (Oct - Dec 2010)**
Final

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

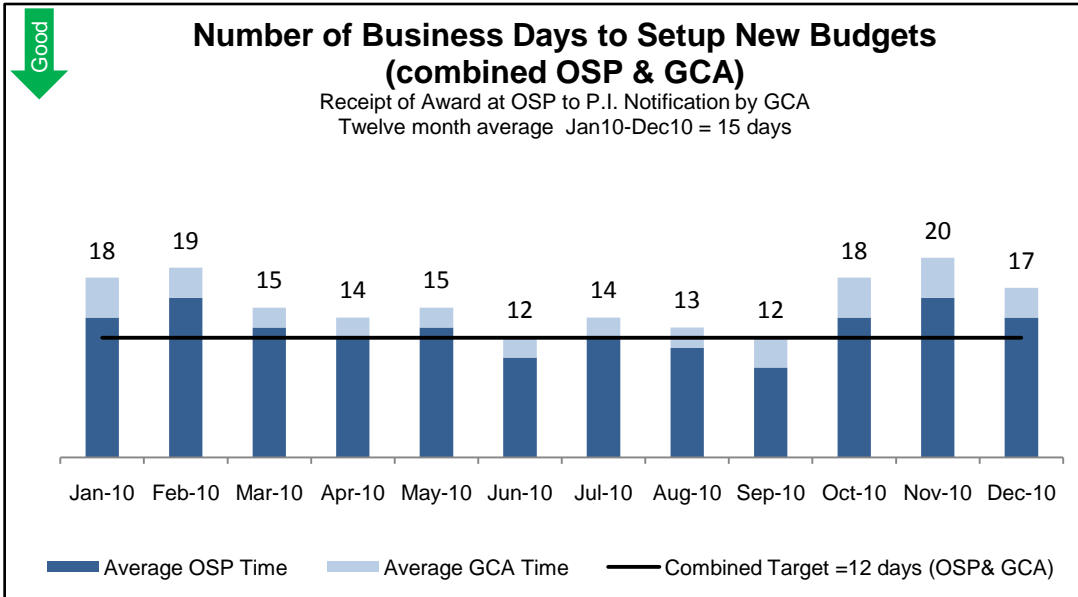
(A unit of Finance & Facilities)

Operational Performance Dashboard - FY 2010 Quarter 5 (Oct - Dec 2010)

Process	Measure	Current Output Measure	Target		Gap (Target-Output)	Process	Measure	Current Output Measure	Target		Gap (Target-Output)
CUSTOMER						FINANCIAL					
						Pay Bills	Percent of online invoices paid within 30 days of receipt in PA	88%	95%	↑	-7%
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	↓	3.1	Pay Bills	Reduction in Small Dollar PAS Transactions which should be going through eCommerce.	3,553	4,000	↓	No Gap
Disburse Financial Aid	Percentage of Aid disbursed during the 1st week of a quarter.	86% 2010	85% Benchmark	↑	No Gap	Manage Grants	Total uncollected cash for unbilled invoices & aged receivables (cumulative) – JDE	\$54 million	\$23 million	↓	\$31.3
	Percent of students satisfied with SFS services.	79% 2010	64% Benchmark	↑	No Gap	Bill & Collect Tuition	Percent of students in default on all long-term loans.	6.1% 2010	0.0%	↓	6.1%
						Indirect Cost Rates	Five year average of percent annual change in F&A Indirect Cost	4.8%	5.0%	↑	-0.2%
						Avoid Postage Cost	Maximize Postage Discounts Through Automation	8.9%	8.5%	↑	No Gap
INTERNAL BUSINESS PROCESS						LEARNING & GROWTH					
Inc. online Trans.	Process online mailing, printing & copying	42%	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	4%	1%	↓	3%		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). - UNDER REVISION	5% FY09	5%	↑	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	245	50	↓	127		Active Employee Development Plans (EDPs)	35%	75%	↑	-40%

Manage Grants (New Budget Setup) - GCA

Customer



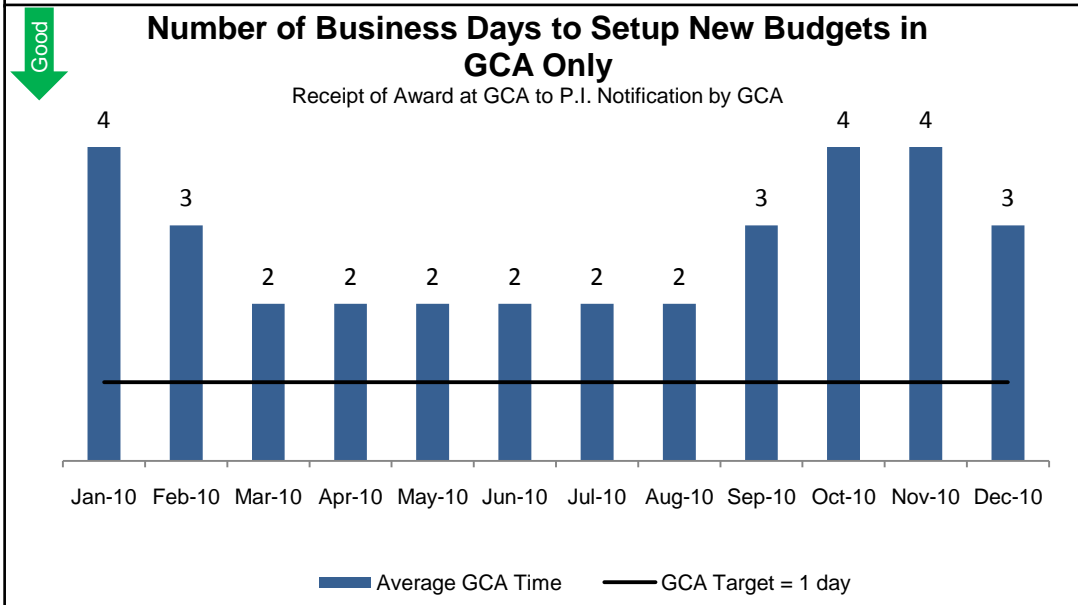
DEFINITION

The measure shows the average number of days to establish a new award in the UW Financial Systems. Twelve month average Jan10-Dec10 = 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 Restructure LEAN project began in September 2010 with a goal of reorganizing the workflow into streams of work. Daily processing slowed as a result. In December, work began to stabilize with process steps better defined.

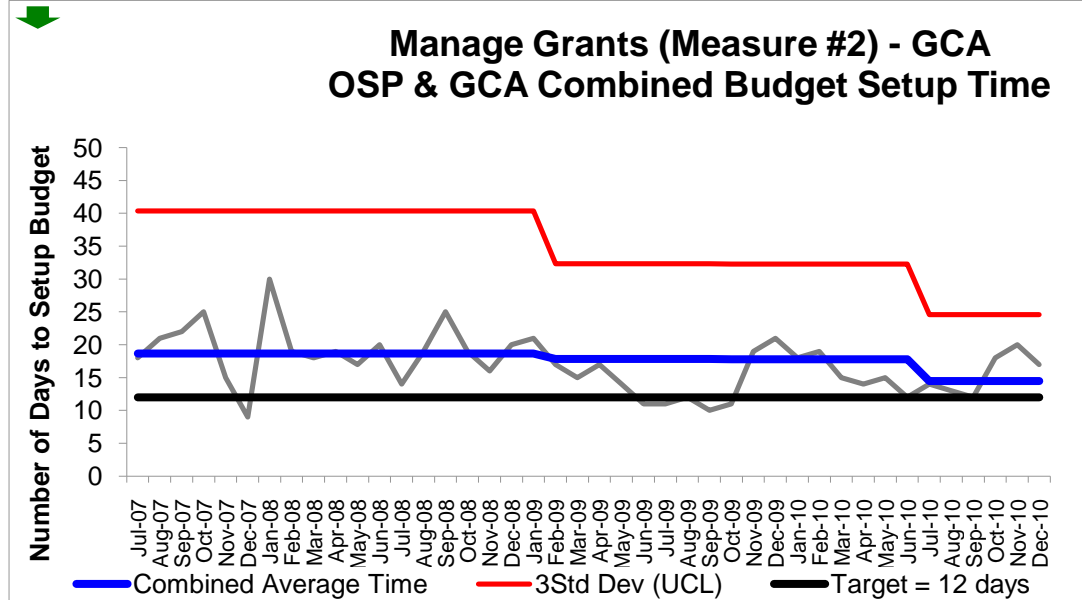


NEXT STEPS

The Launch Pad team to focus on setting up new budgets as part of the LEAN restructure in GCA. The goal is to streamline the whole process and leverage 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

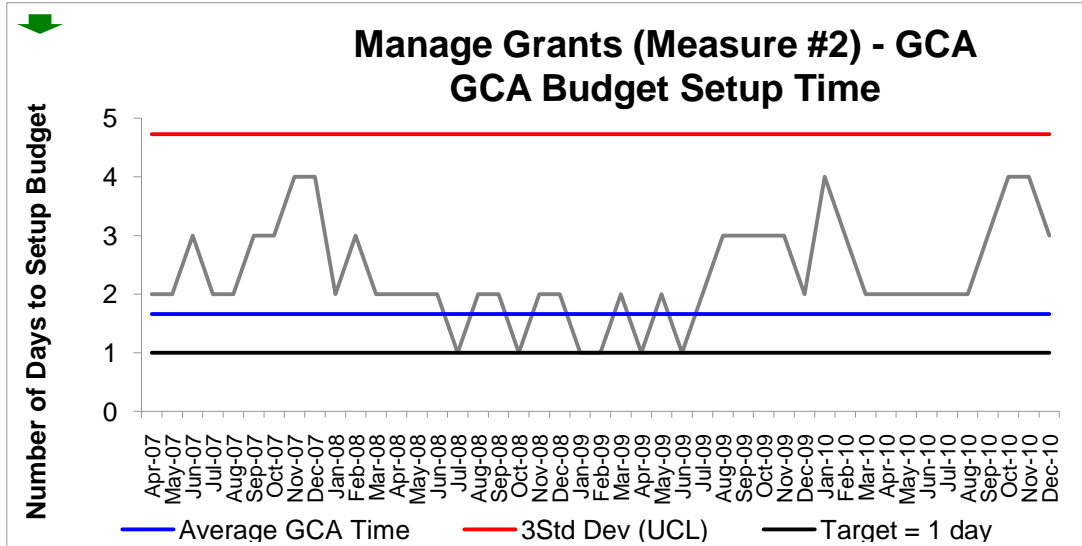
The average number of days to establish a new award in the UW Financial Systems. Twelve month average Jan10-Dec10 = 15 days.

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.

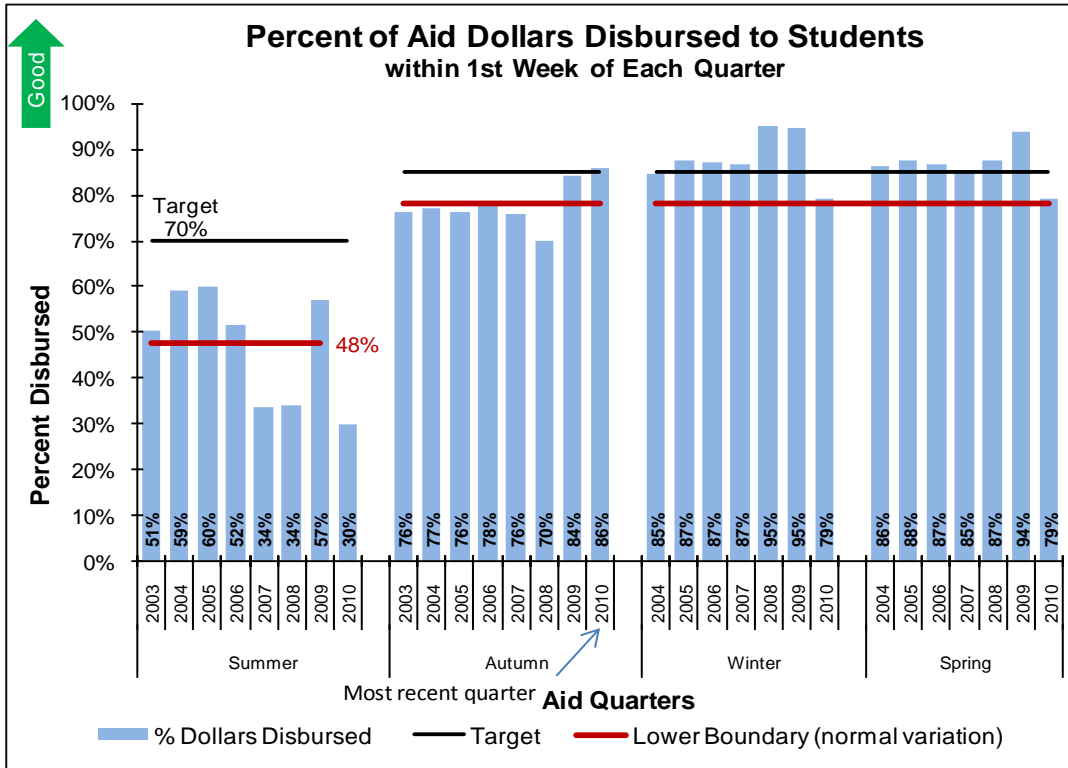
NEXT STEPS

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

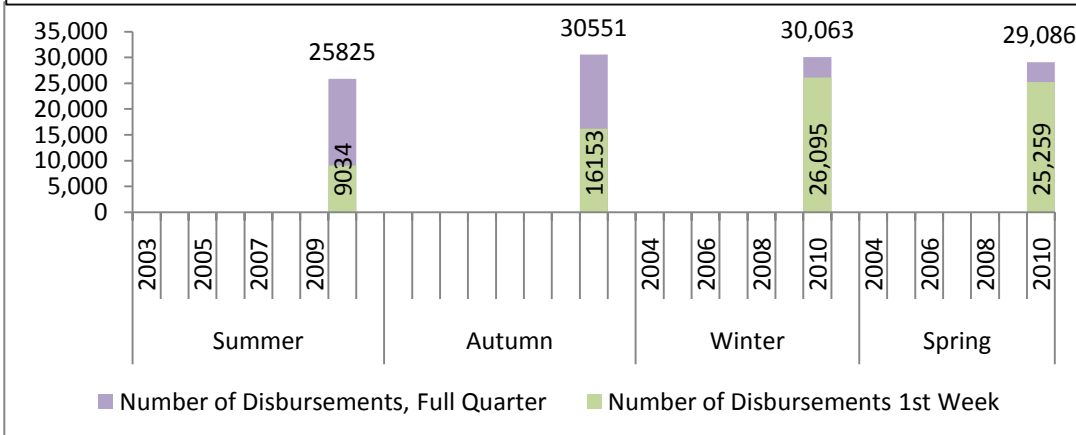
Student Fiscal Services (SFS) disburses aid to students that originates both through UW sources (e.g., departmental scholarships, aid packages that are awarded through the Office of Student Financial Aid (OSFA), as well as external sources (e.g., private scholarships, VA awards, etc.) The sooner the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

Student Fiscal Services exceeded its target during an Autumn Quarter for the first time since this measure was created. Focused effort on improving processes related to the disbursement of ELM (private loans) and GET (Washington 529) as well as continued cooperation with the Office of Student Financial Aid has assisted in meeting the target.

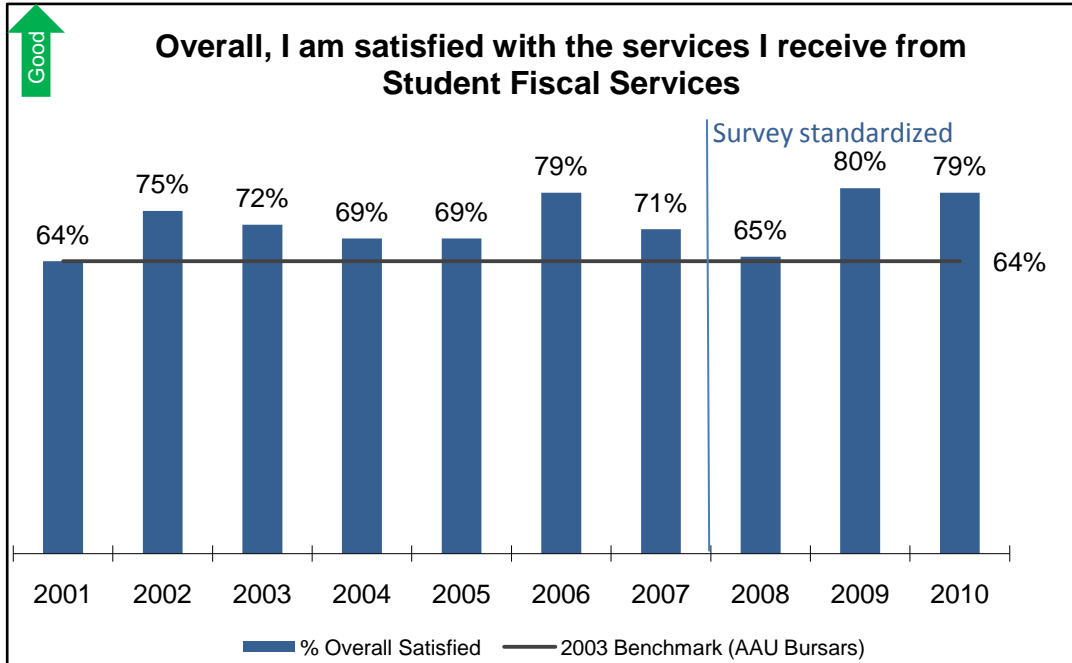
NEXT STEPS

SFS will set new targets on a "per quarter" basis on a later report. Investigation of the data report timing variance and the validation of the new methodology are on-going.



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. This is benchmarked against the most currently available (2003) AAU Bursars "customer satisfaction" rating of 64%. In addition, SFS now tracks an aggregated response rating of students satisfaction with service delivery channels (online/remote vs. in-person/counter) -- benchmarks to be determined.

ANALYSIS

This year, 1,076 students took our survey, with 66% (729) having taken the survey on paper in our cashier lobby, and 34% (378) via Catalyst on the web. In addition, another 31 (3%) individuals took the survey which were excluded as they were either unidentifiable as students, or the ratings were clearly identified as not pertaining to SFS's services. As predicted, the responses to the Catalyst survey delivery lowered the overall satisfaction rate dropped from our preliminary/early reporting of 88% down to 79%

The top three areas that students expressed dissatisfaction with (as determined by an analysis of 168 comments received), were:

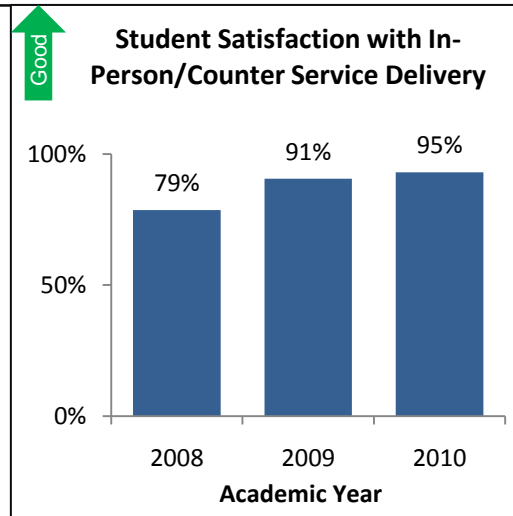
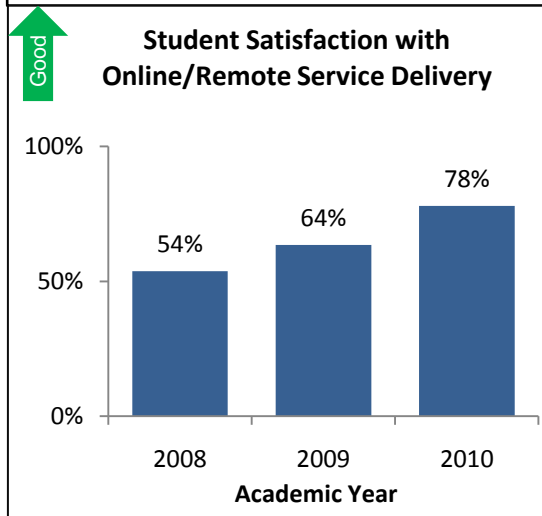
1. Fees (credit card fees) - 16.4%
2. Process Efficiency (Web Check, Get) - 11.4% and
3. Other Departments (Misattribution of services to SFS) - 8.6%

For both 1 and 2, many of the comments expressed and investigated are actually outside of SFS's control (e.g., legislated by State, process owned by others, etc.) - for 3, the issue turns out to be one of communication requiring SFS to be more proactive in informing the student's to the distinction between SFS and other offices.

NEXT STEPS

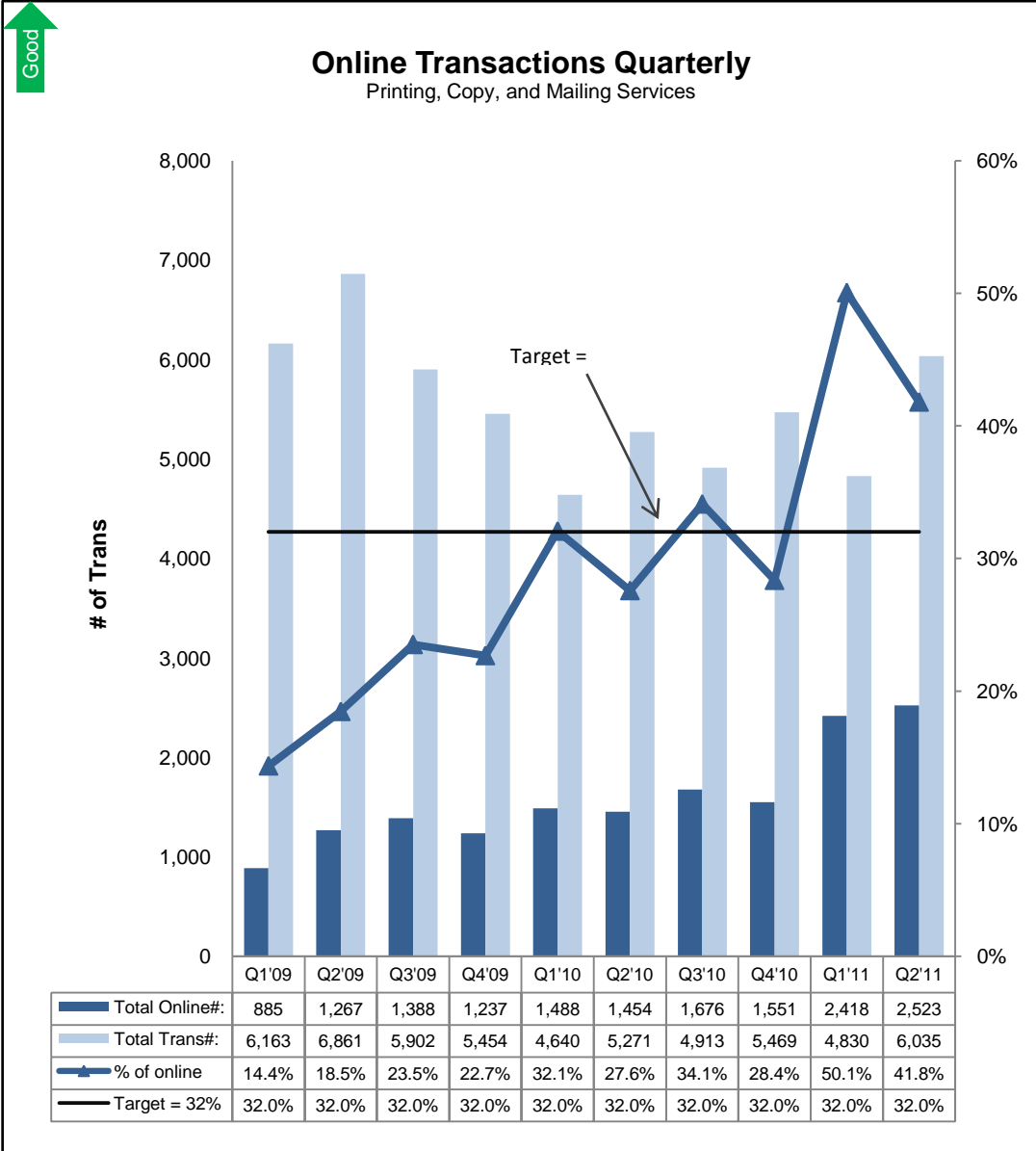
- Customer Service continues seeks to improve customer communications by reviewing current web site content, and increased monitoring of phone, email, live chat and in-person communications with customers.

- Improvements to SFS's survey "marketing" efforts continue to be discussed to raise participation.



Increase Online Transactions - Creative Communications (C2)

Internal Business Process



DEFINITION

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 services and products, job processing efficiency, integration of services, and improved accuracy and product quality. Target is 32% of all transaction submitted online, with a stretch target of 50% by the end of spring quarter 2011.

ANALYSIS

While the number of online transactions increased slightly, as a percentage of all transactions, they decreased to 41.8% for a change of -8.3%. The key contributing factor was an upgrade to the Mail Preparation portal which affected a small group of customers.

Current DSF products include: business cards, campus products (formerly UStore products), letterhead and envelopes, unique styles for School of Public Health and UW Seal & traditional business cards. Medical School stationary, letterhead and business cards will be added once UWMC finalizes their new logo.

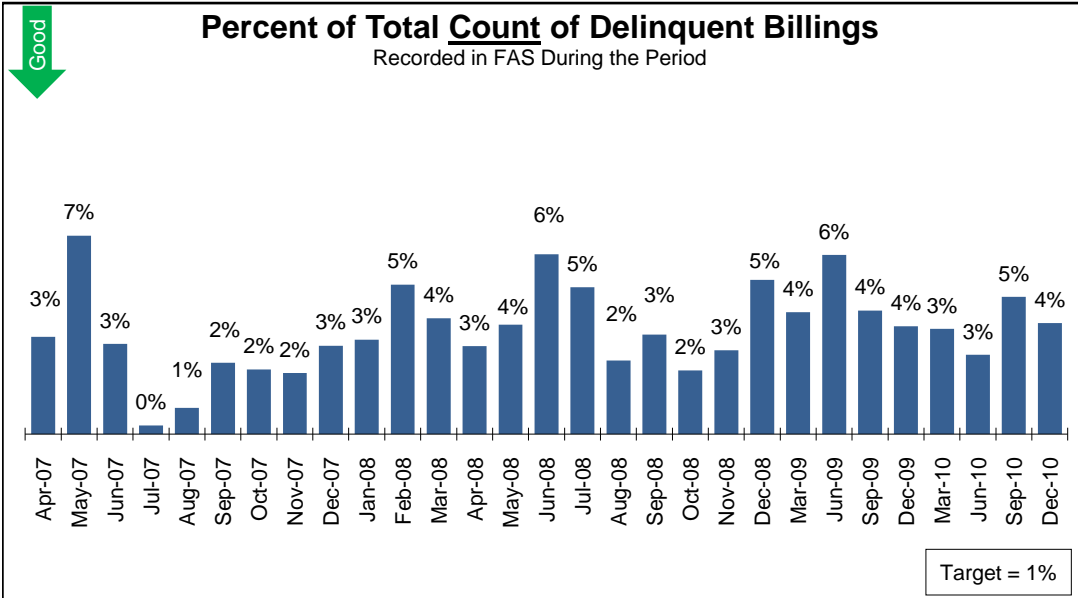
In progress: a measurement associated with online order submission that reflects efficiency gains and staff reduction (FTE).

NEXT STEPS

As part of the Copy Services LEAN initiative, all copy services products are being added to DSF and will soon be available to the UW community. This will substantially increase the number of online orders submitted to C2. Historically, Copy Services orders have been primarily transmitted by hard copy order form or by informal email. Progress of copy services products being added to DSF are at a standstill. The feedback from the customers during the testing phase required that additional features be added to the portal before final implementation. Currently the Copy Services team is in contact with the vendor (EFI) to add these features.

Manage Financial Reporting - Financial Accounting

Internal Business Process



DEFINITION

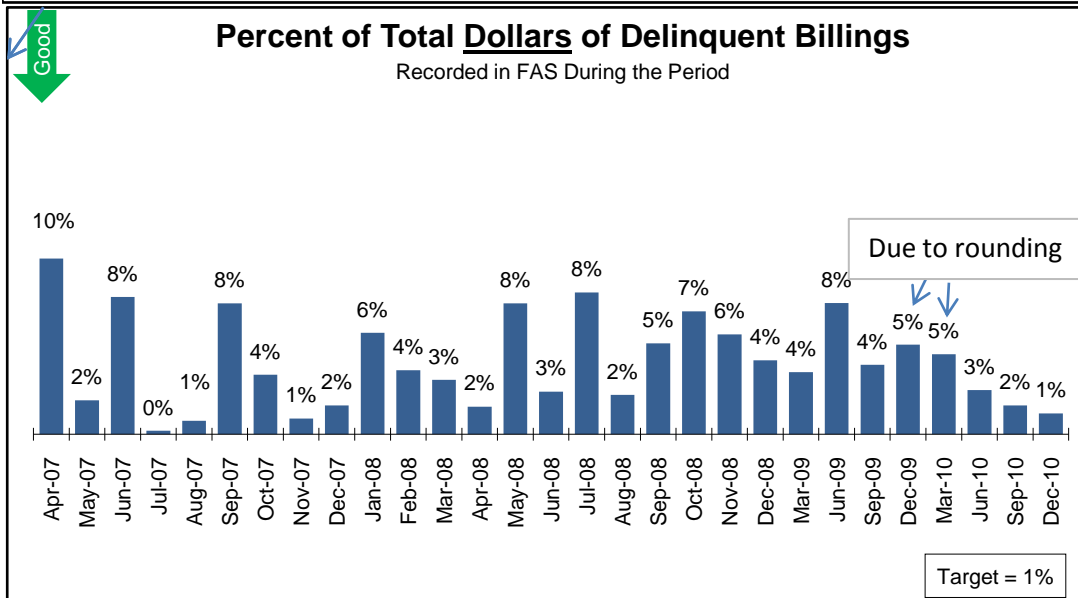
Percent of total count or dollars of Cost Transfer Invoices (CTIs) and Internal Sales Documents (ISDs) that are processed later than the month following the date of service. Late billings lead to untimely budget status as well as the possibility of lost funds (in the case of grants that have closed prior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

ANALYSIS

Most of the late-presented CTI/ISD's are from RV Thompson. For the past 5 quarters, the percent of total dollars have steadily declined from 5.3% to 1.2%. 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

Under revision

DEFINITION

Productivity measures the annual change in the ratio of (unit of work) to (FTE). Unit of work is defined by the department and as the best proxy indicator of output representing the workload of the group (e.g., # of research budgets, # of pieces of equipment tracked, # of transactions). FTE represents the people doing the work and is queried centrally. The query captures actual paid. This ratio simply depicts work units to FTE responsible for that work. This measure does not reflect other critically important issues such as backlog, quality of work (errors & deviations), customer satisfaction, and others.

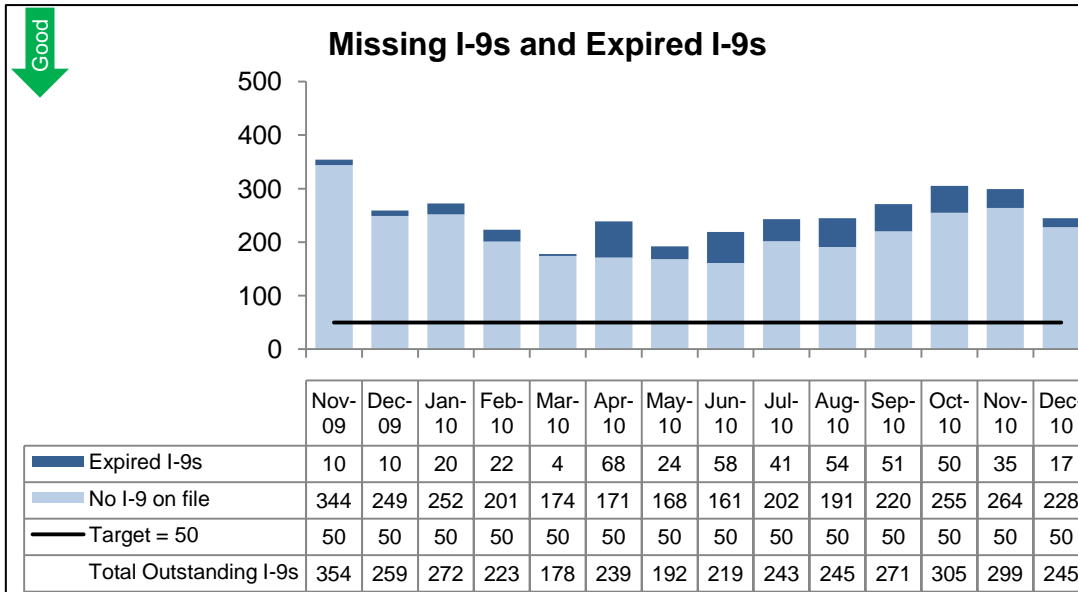
ANALYSIS

NEXT STEPS

- 1.

Pay People - Payroll

Internal Business Process



DEFINITION

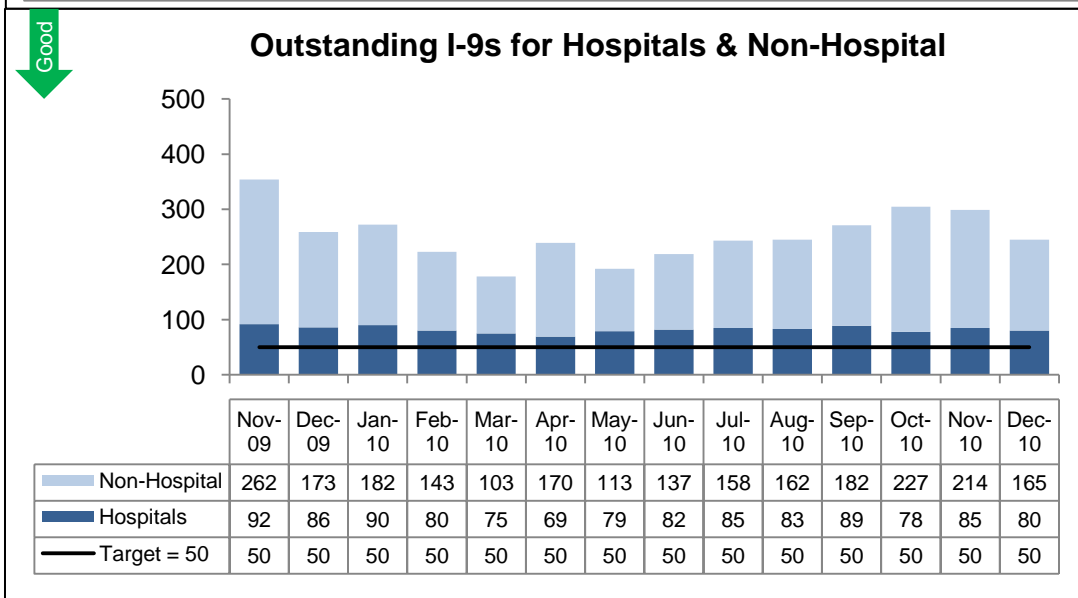
This measure shows the total number of undocumented I-9s and expired I-9s for all university employees. The top graph compares the total number of undocumented I-9s to the number of expired I-9s. The bottom graph compares the number outstanding from the hospitals to all other departments.

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 = 245 * \$40,000 = \$9,800,000. 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 December, of a total of 245 cases, 209 were active and 36 inactive (15%).

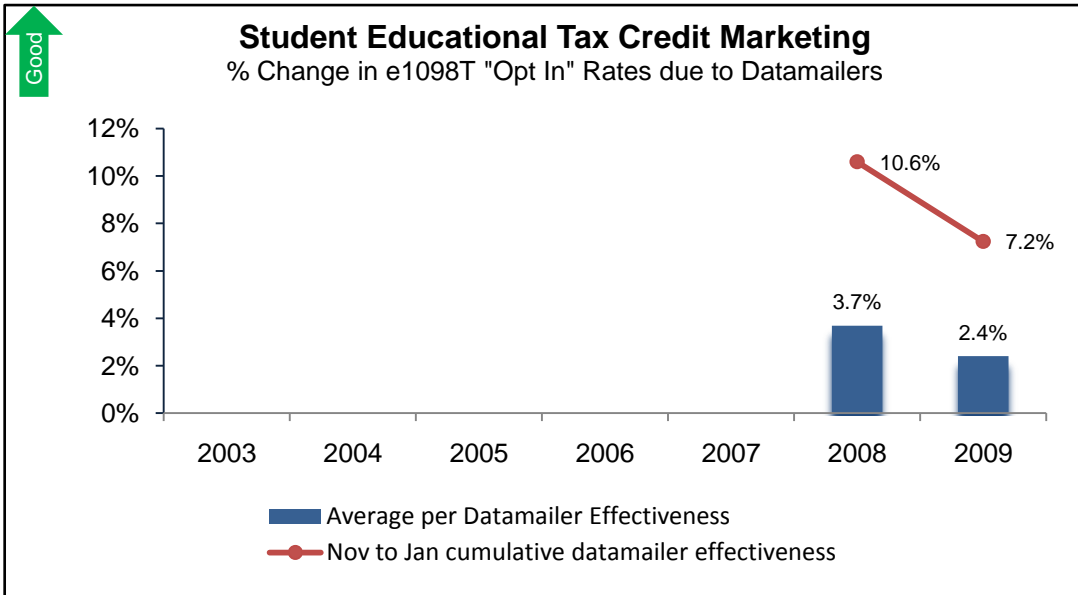
NEXT STEPS

Payroll will send 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. Also reviewing current process in the Payroll Office for process improvement.



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

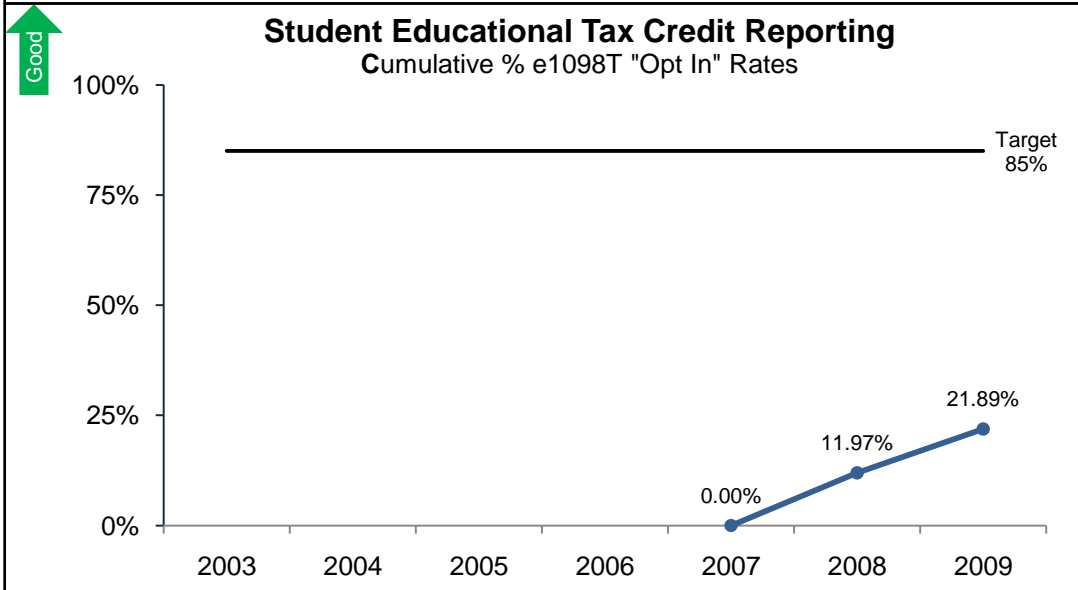
The effectiveness of our data mailer promotional campaign to get students to sign up for e1098Ts was not as effective this year as last -- as a result of timing (months of notifications sent) and frequency (number of notifications sent)

Timing: In 2008, we sent five separate data mailers from November through January. In 2009, we did only three data mailers which resulted in 7,027 additional students "opting in" to receive e1098Ts (a decrease of 1,225 eligible students).

Frequency: In 2009, each data mailer resulted in an average increase of 2.4% in e1098T opt in rates. As of January 2009 (the end month of our final notification), our overall "effectiveness" dropped to 7.2% from the prior year's 10.6%.

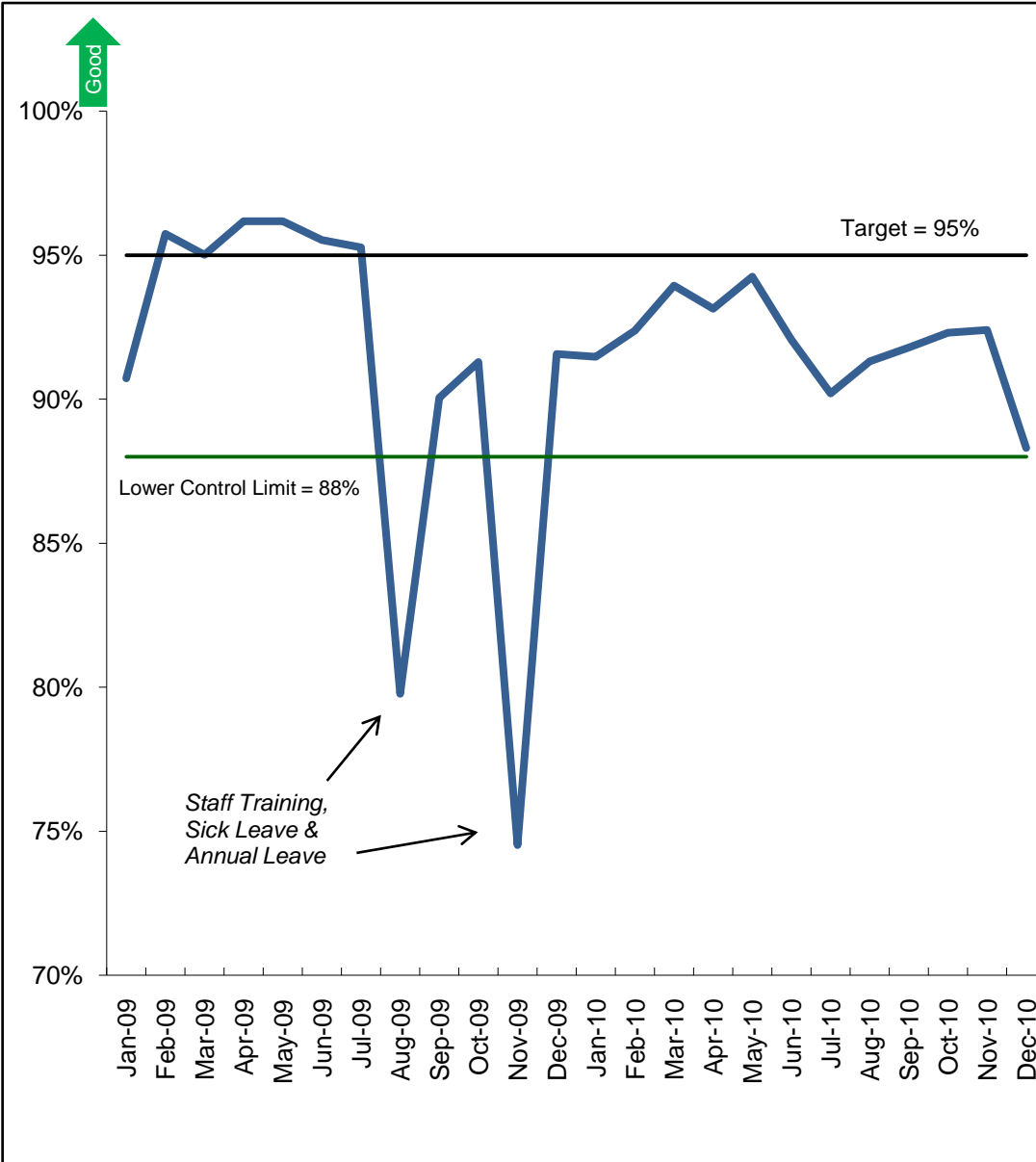
NEXT STEPS

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. Washington State requires 30 days.

ANALYSIS:

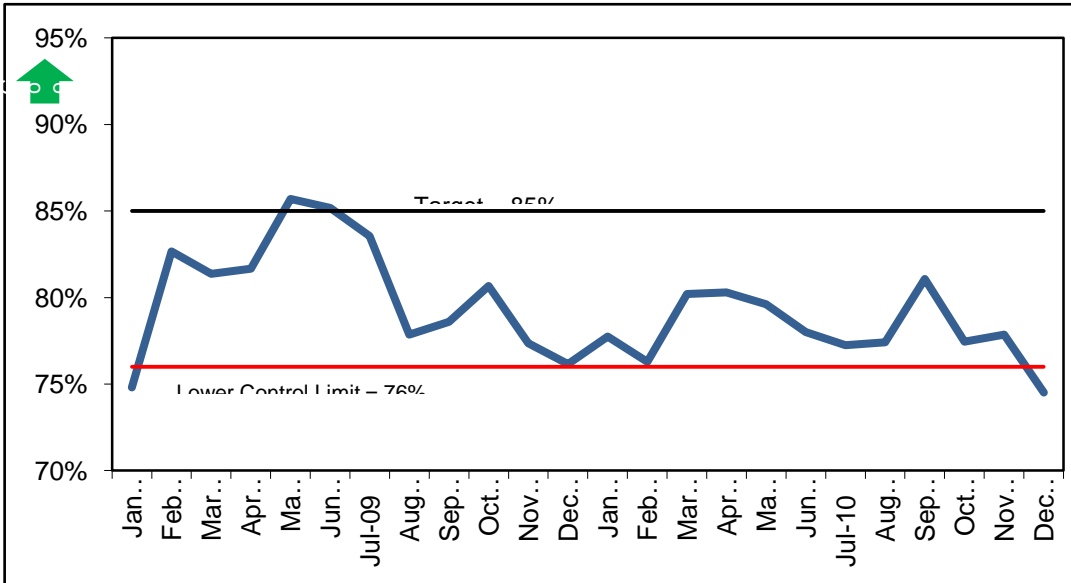
In December 2010, 955 invoices (11% of the total) were not paid within 30 days of receipt. Investigation revealed that 23% of these "late" invoices were over \$10,000. Further research revealed that the number of "late" invoices over \$10,000 increased over the past three years. In calendar year 2008, only 8% of all late invoices paid during the year were over \$10,000. By 2009, the percentage increased to 14%. By 2010, the rate was 21%. This trend is significant as invoices over \$10,000 generally take longer to process as they require explicit departmental approval before payment can be made. The reason for this trend is clear – for the past several years we made concerted efforts to migrate transactions from PAS to eCommerce. The most recent example of this occurred on 10/18/10 when we increased the direct buy limit from \$3,300 to \$3,500 to make more transactions "ProCard eligible". Note, that as a result of this migration, the relative proportion of larger dollar, more complex invoices increased relative to the smaller dollar, more simple invoices. This change in "invoice-mix" is creating a negative effect on our cycle time metrics. To illustrate this change, consider the following. For the year 2008, only 6% of all total invoices received in AP were over \$10,000. In 2009, this figure increased to 8%. In 2010, this figure increased to 12%. As always for large dollar invoices, we continue to follow-up with departments to expedite the departmental approval process.

NEXT STEPS:

Procurement Services' employees recently engaged in a 3 day LEAN workshop to streamline the bill paying process by reducing and/or eliminating any non-value added tasks currently performed. Several suggestions arose which were already implemented. Specific examples include reducing the number of baskets throughout our building where people can drop off an invoice and instead have one central basket near the front desk, and reducing the number of holding bins by utilizing our scanning system instead. Other suggestions require more time and discussion - especially those revolving around basic IT infrastructure issues. The LEAN project also established a future goal of processing all invoices within 3 days and resolving all invoice discrepancies within 5 days. We currently have several ongoing efforts such as the print management LEAN team (one of the kaizens designed to address problem invoices related to copier transactions) and various departmental outreach engagements. We hope these efforts will prove successful and move us closer to our goal. Finally, through work of the A/P LEAN project, we are considering increasing the Non-RIP threshold (i.e., amount at which A/P must wait for explicit approval from departments before paying) beyond \$10,000.

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.

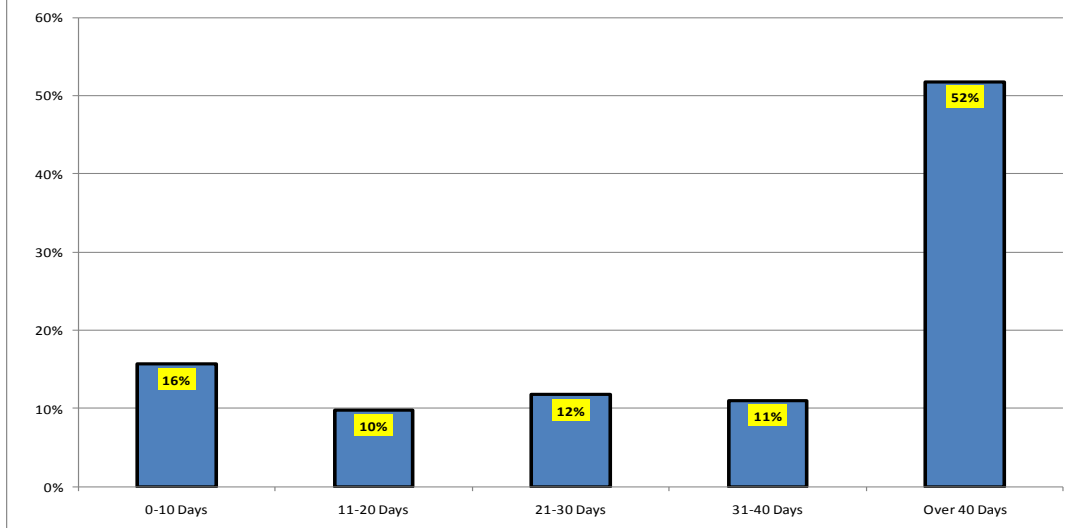
ANALYSIS:

Many invoices continue to be held in departments for extended periods of time before being sent to Accounts Payable. This is having a downward effect on our 45 day measure. To illustrate, the supplemental graph below examines the population of the 2,083 invoices not paid within 45 days of the invoice date for the month of December 2010. Over 50% of these invoices (1,083) were not submitted to Accounts Payable until 40+ days after the invoice date. Also, many of these same PAS invoices could have gone through either ProCard or eProcurement.

NEXT STEPS:

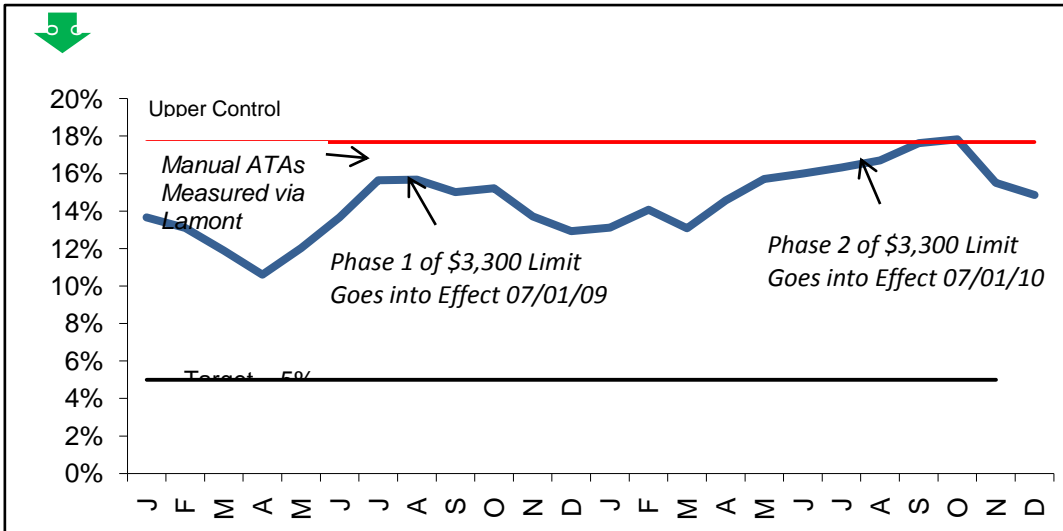
The most important aspect of this metric is for Accounts Payable to receive invoices in a timely manner. If this does not occur it is difficult for AP to achieve their ultimate goal of paying 100% of all invoices within 45 days of the invoice date. We are conducting outreach engagements to select campus departments to encourage departments to use either ProCard or eProcurement wherever possible. Outreach also encourages departments to submit their invoices to AP on a more timely basis when no eCommerce option exists.

Department Holding Time for Those Invoices Paid during QE 12/31/10 Which were NOT Paid Within 45 Days



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 - remains fairly constant for the past year. However, the total number of online invoices processed – which represents the denominator – has fallen considerably as a result of our efforts to migrate smaller dollar, less complex invoices from PAS to eCommerce. Accordingly, this migration of small dollar purchases from PAS to eCommerce has (inadvertently) caused our discrepancy percentages to increase. Examination of the root cause of these discrepancies is 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:

As purchases done through eCommerce do not experience invoice discrepancies, our first step has always been – and will continue to be - to migrate transactions from PAS into eCommerce. A Print Management Lean project is underway to improve the copier purchase and invoicing process. Copier related purchases currently account for nearly 20% of discrepancies. Additionally, outreach efforts to select campus departments are encouraging them to use eCommerce wherever possible. However when no eCommerce option exists, these outreach events are also intended to encourage departments to set up their requisitions properly so that underlying invoices are less prone to receive a discrepancy error. We hope that by reminding departments of the inherent advantages of eCommerce (contract pricing, no discrepancies, etc.) compared with the inherent disadvantages of PAS (slower payment, invoice discrepancies, etc) that more and more transactions will migrate to eCommerce.



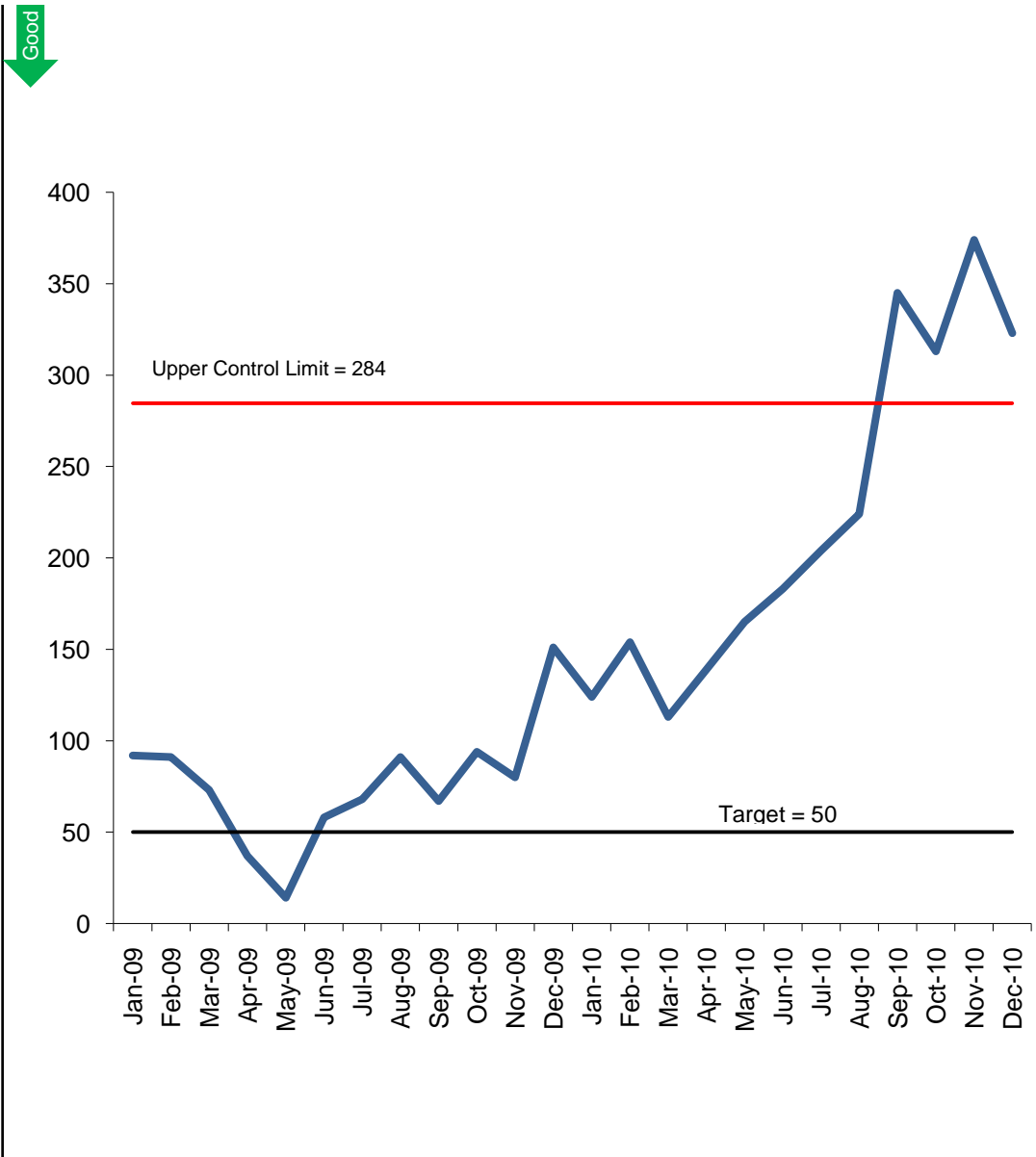
Monthly Discrepancies by Code

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

Code	Definition	All Reqs	
		912	280
270	ITEM PRICE EXCEEDS ORDER-ITEM N.T.E	237	50
110	INVOICE TOTAL EXCEEDS ORDER N.T.E.	198	88
120	INVOICE IS BEYOND THE DATE RANGE ON ORDER	110	25
115	INVOICE FLAGGED BY AP AS BEING FOR A CLOSED ORDER	100	52
280	QUANTITY MISMATCH	67	23
180	UNIDENTIFIED ITEMS ON INVOICE	65	14
220	ITEM IS UNDER QUOTED PRICE	54	7
210	ITEM IS OVER QUOTED PRICE	30	6
400	NON-SPECIFIC ADJUSTMENT DISCREPANCY	21	2
105	INVOICE TOTAL EXCEEDS CONFIRMING REQ LIMIT	12	12
150	FREIGHT CHARGED - NOT AUTHORIZED BY ORDER	11	0
140	INVOICE FREIGHT EXCEEDS ORDER FREIGHT	4	1
230	DISCOUNTED BELOW QUOTE	2	0
500	RESTOCKING CHARGE APPROVAL REQUIRED	1	0

Over 30 Days Old - Proc. Svs.



DEFINITION:

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

ANALYSIS:

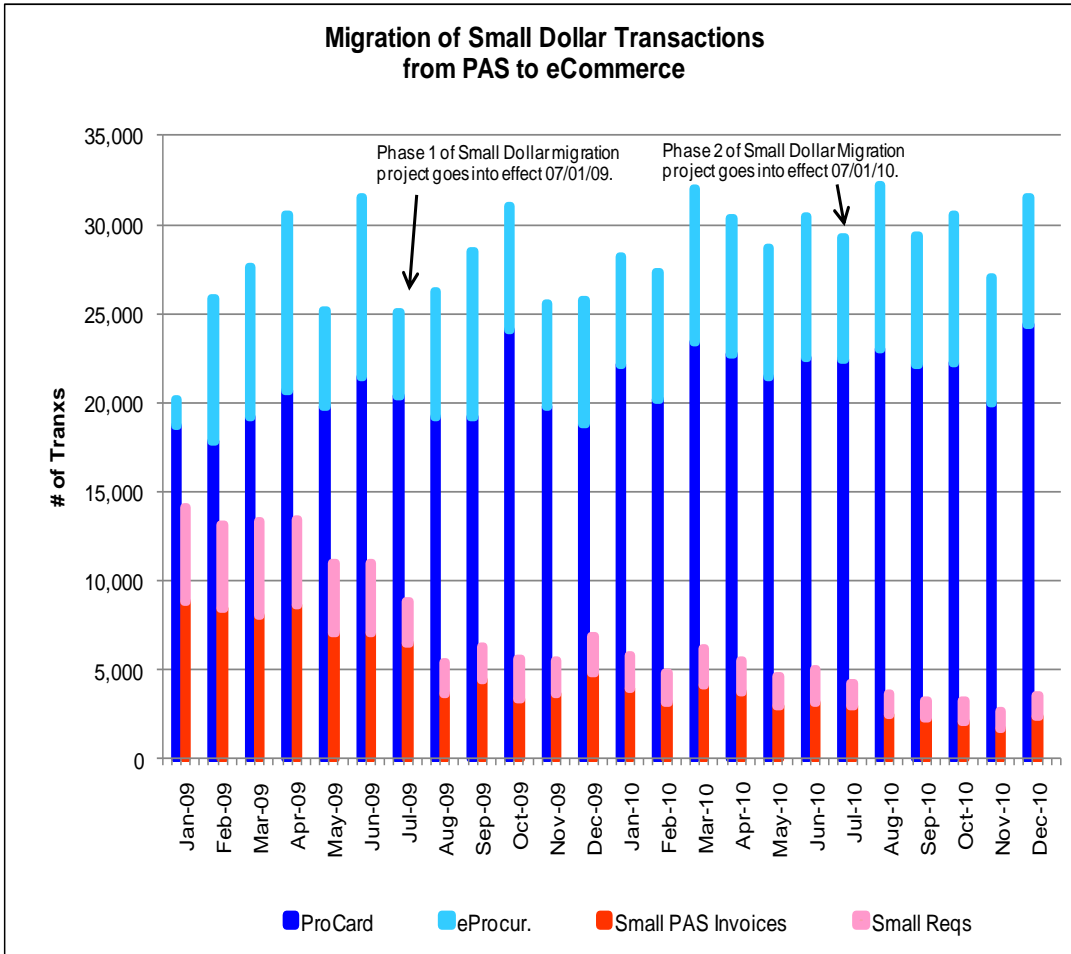
To resolve these outstanding discrepancies, the original Purchase Order or the actual invoice must be modified (or the invoice itself must be approved) before payment can occur. This process can take time as it requires a coordinated effort between the Purchasing Services the UW department which placed the order, the supplier, and Accounts Payable. The number of these aging discrepancies has spiked over the past few months due mainly to personnel changes. We expect a correction over the next quarter as staff adjust to the new commodity assignments.

NEXT STEPS:

Procurement Services staff are currently engaged in Purchasing and Payables LEAN projects that will address the core issues of discrepancies. The STAR kaizen from AP LEAN is focusing on how to improve the ATA process/workflow within AP and Purchasing and looking at ways ATA's can be avoided throughout the process. Additionally, there is a Copier Lean project with a kaizen looking into copier related discrepancies which are the main cause of the spike in the over 30 day metric. The kaizen team is actively engaged in resolving current discrepancies and developing guidance for departments, purchasing, payables, and suppliers to follow to significantly reduce the likelihood of copier related 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. Additionally, 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 December 2010, that same figure now stands at 75%.

NEXT STEPS

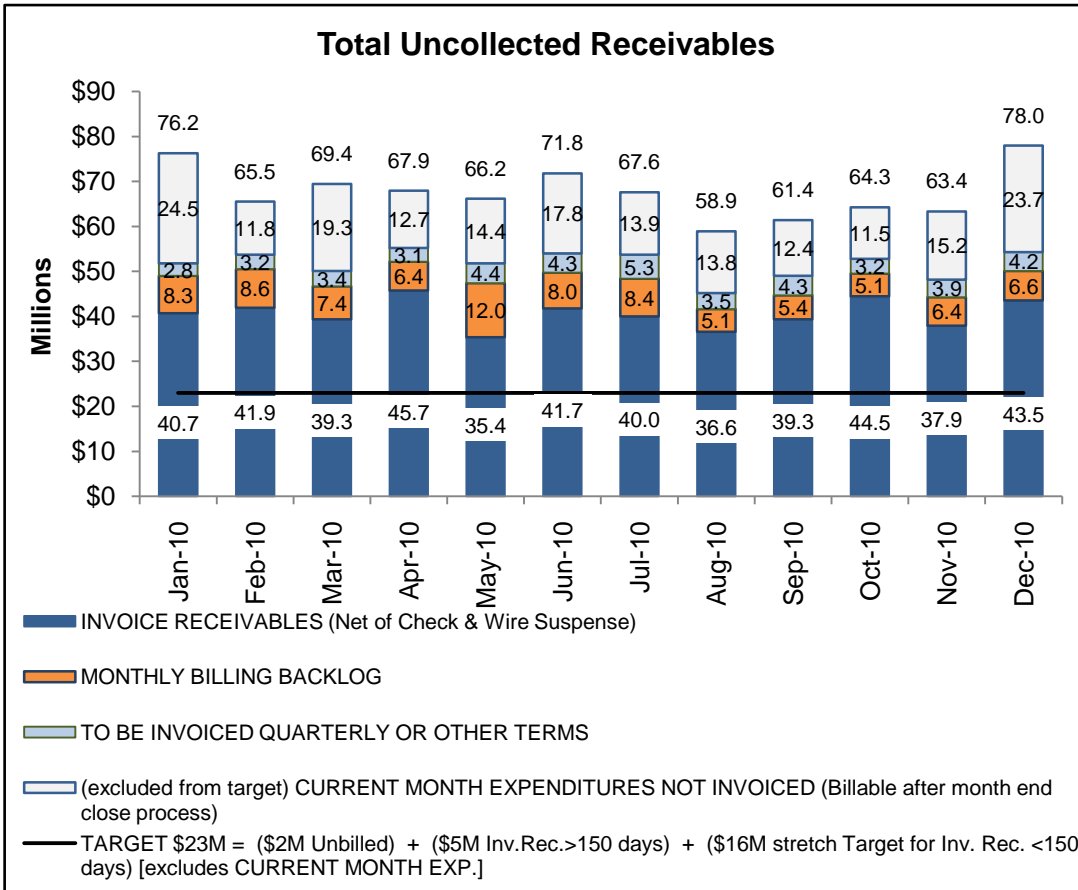
Today, approximately 90% of all small dollar transactions are going through eCommerce. Despite these favorable percentages, we are continuing our efforts to push these numbers even higher in two specific ways. First, we are engaged in outreach efforts with campus departments which seem resistant and/or reluctant to fully utilize eCommerce purchasing methods. Second, ProCard employees are analyzing small dollar PAS transactions which justified on the grounds that the "Vendor did not take ProCard". Preliminary analysis of these transactions suggest that approximately 90% of these vendors do, in fact, accept ProCard which is presenting us with additional opportunities of possible growth. Additionally, we are in the preliminary stages of exploring the possibility / feasibility of migrating certain types of manual checks payments from PAS to eProcurement.

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 quarterly, semi-annually, and annually billing frequency that are not billable until the billing terms are due.
 - The monthly invoice backlog (the orange portion) contains about 61% of the total backlog (~\$10.8M) that should have been billed, but could not be, due to various reasons.
- Invoice Receivables (the dark blue portion) reflects receivables 30 days or greater.

The average monthly billing backlog of over \$15 million was reduced 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 resolutions such as: real time JDE data feeds, pending contract list reduction, JDE Address Book database.

NEXT STEPS

GCA's currently applying the LEAN concept to reduce, and eventually eliminate, the invoicing backlog. Areas for improvement in the invoicing process will be identified and GCA will continue to work with process partners (OSP), and sponsors (LSDF, WA State agencies...) to increase billing efficiency.

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

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)

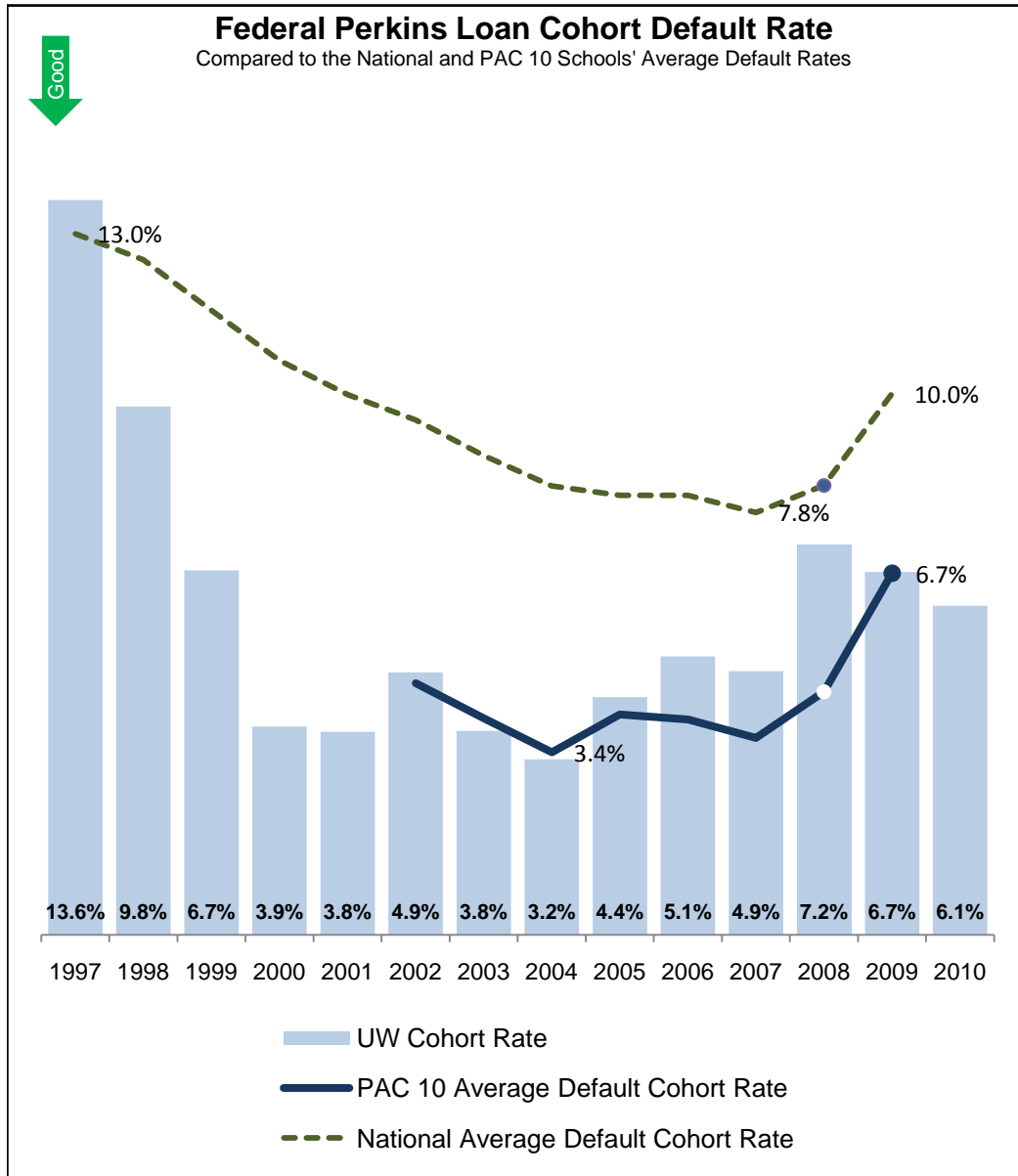
*Year end adjustments for deficits, suspense, doubtful accounts, and deferred revenue

*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

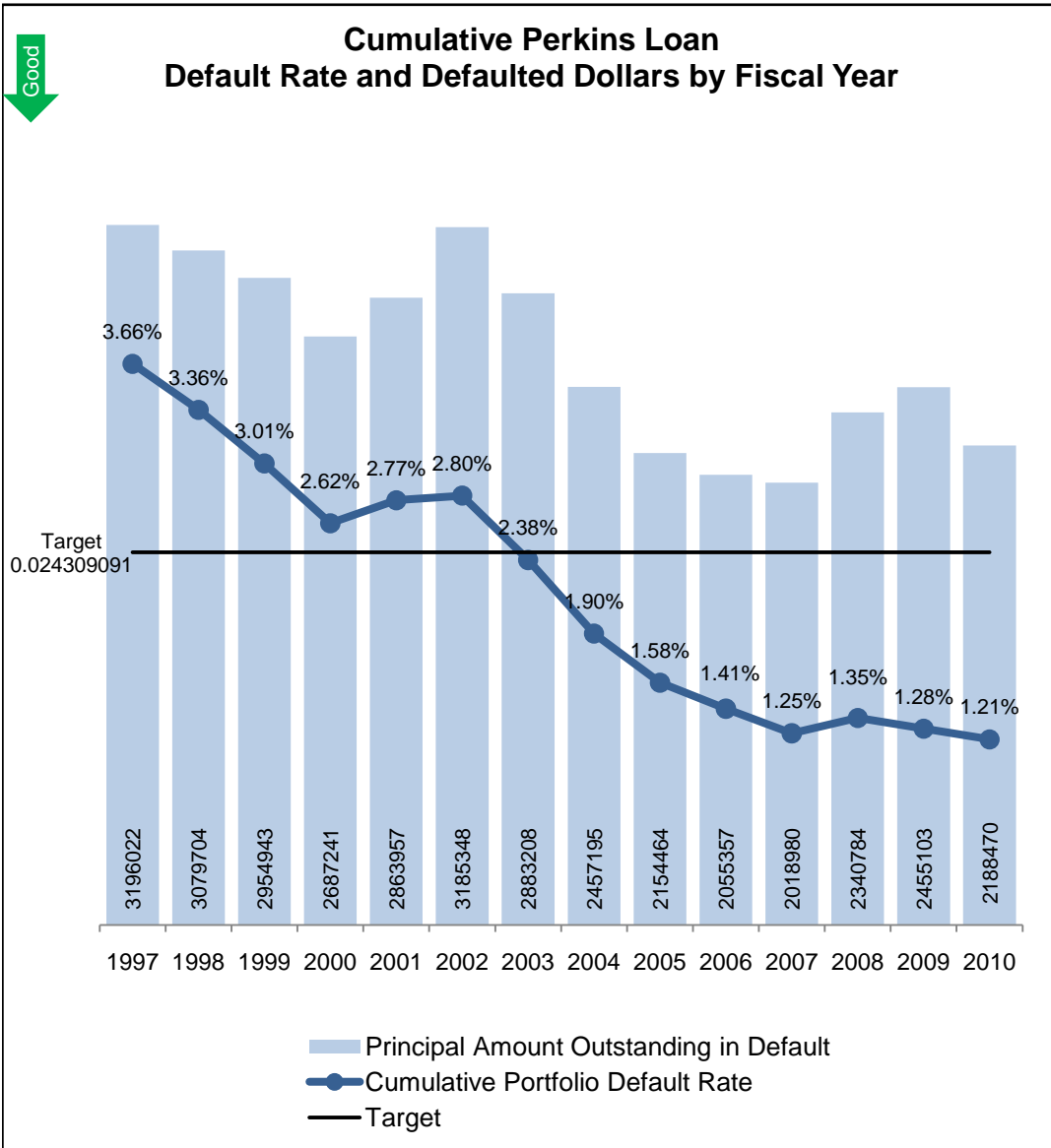
Current economic trends would indicate that we can expect an overall increase in defaults -- as students entering the workforce face increased competition for career-track jobs within their fields of study and an overall tighter employment market. Next reporting of this (and updates to the Cohort Rate) will be on the Spring 2011 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

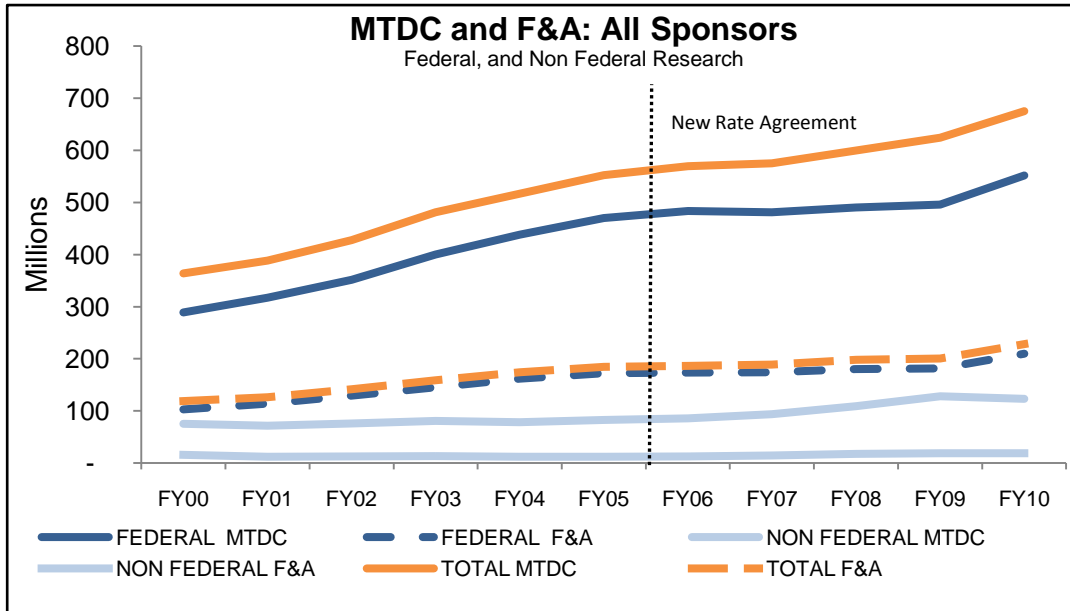
SFS used to report the Cumulative Default Rate on the Perkins Fiscal Operations Report (FISAP) up until the US Department of Education switched to the reporting of the Perkins Cohort Default Rate (which takes into account only the borrowers that have gone into repayment during one reporting period.) Historically, this measure displays UW's total Perkins Loan portfolio default trend and defaulted principal outstanding -- which, until end of FY 2008, 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 a mechanism to reimburse the University for expenses incurred in providing facilities and administrative support to sponsored research and other sponsored projects. The F&A rate is essentially an overhead rate.

ANALYSIS

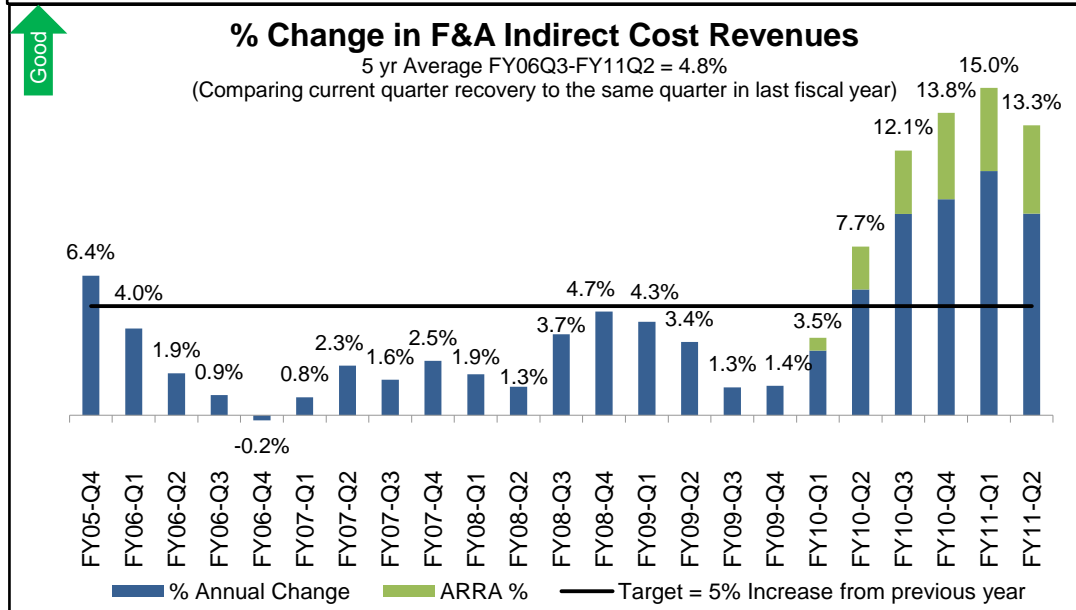
Decline in the growth rate of F&A recovery is reflective of a continuing change in the research expenditure portfolio. That is, the distribution for sponsored research funding is changing as follows. Federal research funding has flattened in the last few years while non-Federal research awards have increased at a steady pace. Since the indirect cost rates for most Federal agencies are typically greater than the rates for non-federal sponsors, the overall growth in F&A recoveries has not kept pace with the overall growth in total research activity.

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

NEXT STEPS

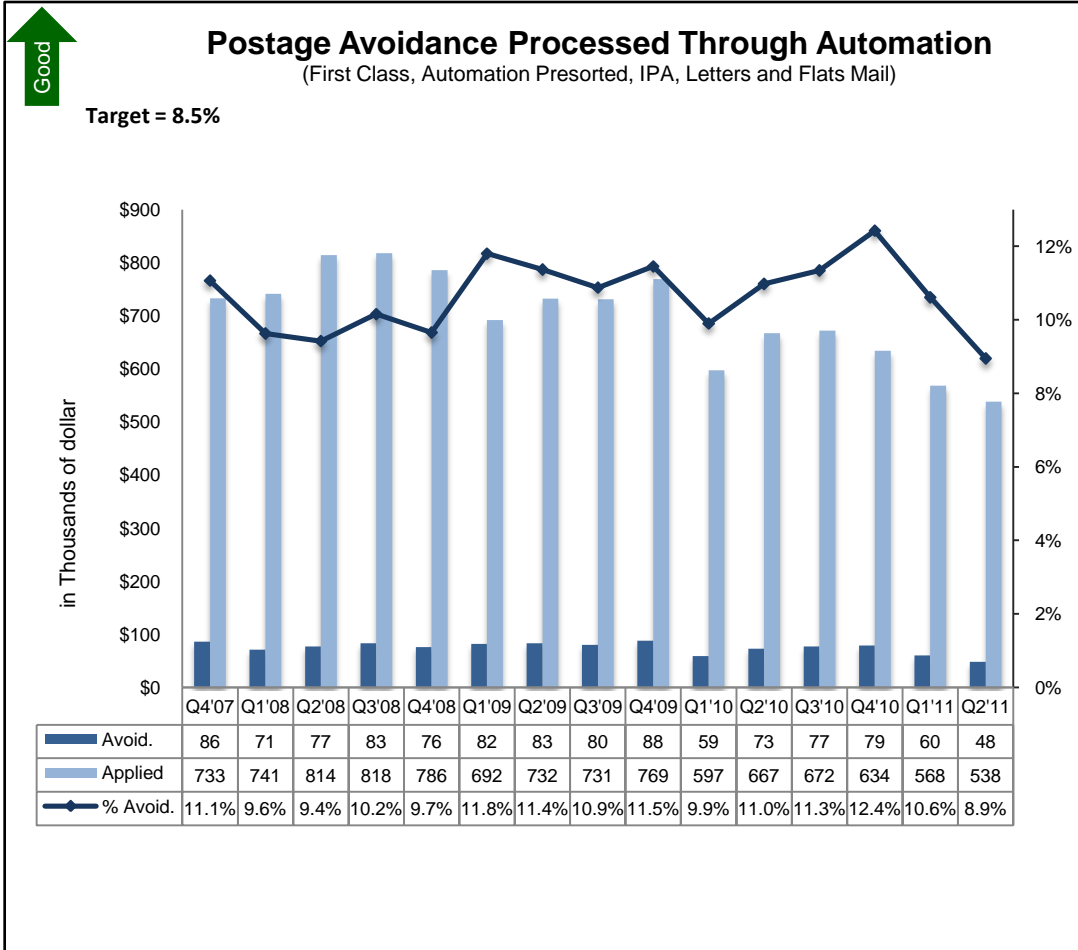
None presently.

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) on a quarterly basis.

ANALYSIS

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.

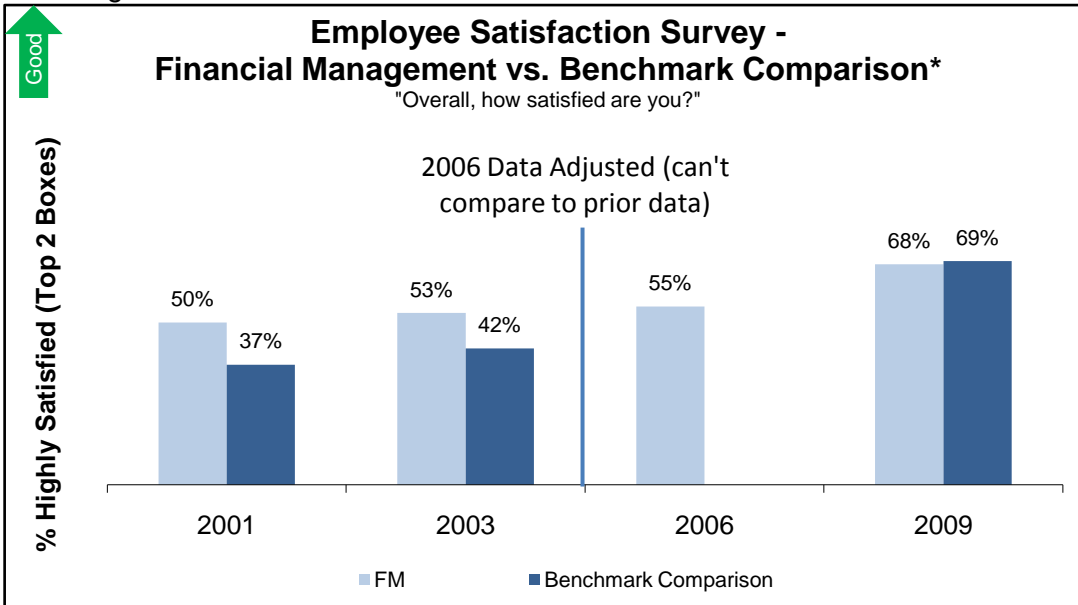
For Q2'11 the percentage of postage avoidance decreased to 8.9% but remained above the target of 8.5%. The quarter-to-quarter comparison, Q2'10 - 11% vs. Q2'11 - 8.9%, showed a 2.1% decrease. Even with the decrease the Workshare discount programs continued to benefit the campus community.

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. Also, during July, seven members of Mailing Services team took part in LEAN training. The team is currently working to extend LEAN practices to all divisions of Mailing Services.

Develop staff - Percent of Staff Highly Satisfied with FM

Learning & Growth

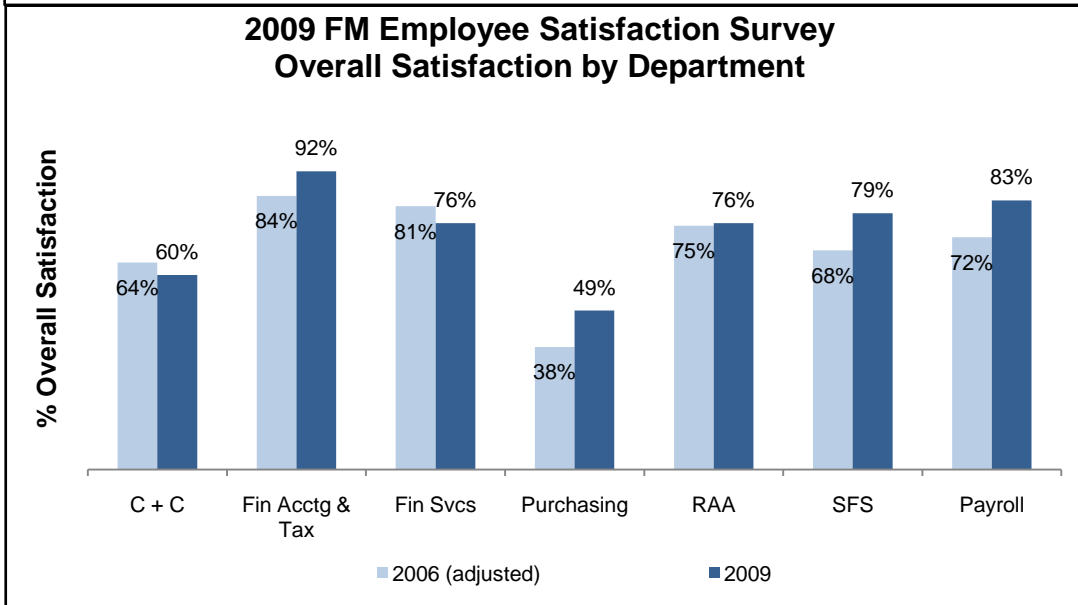


DEFINITION

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.

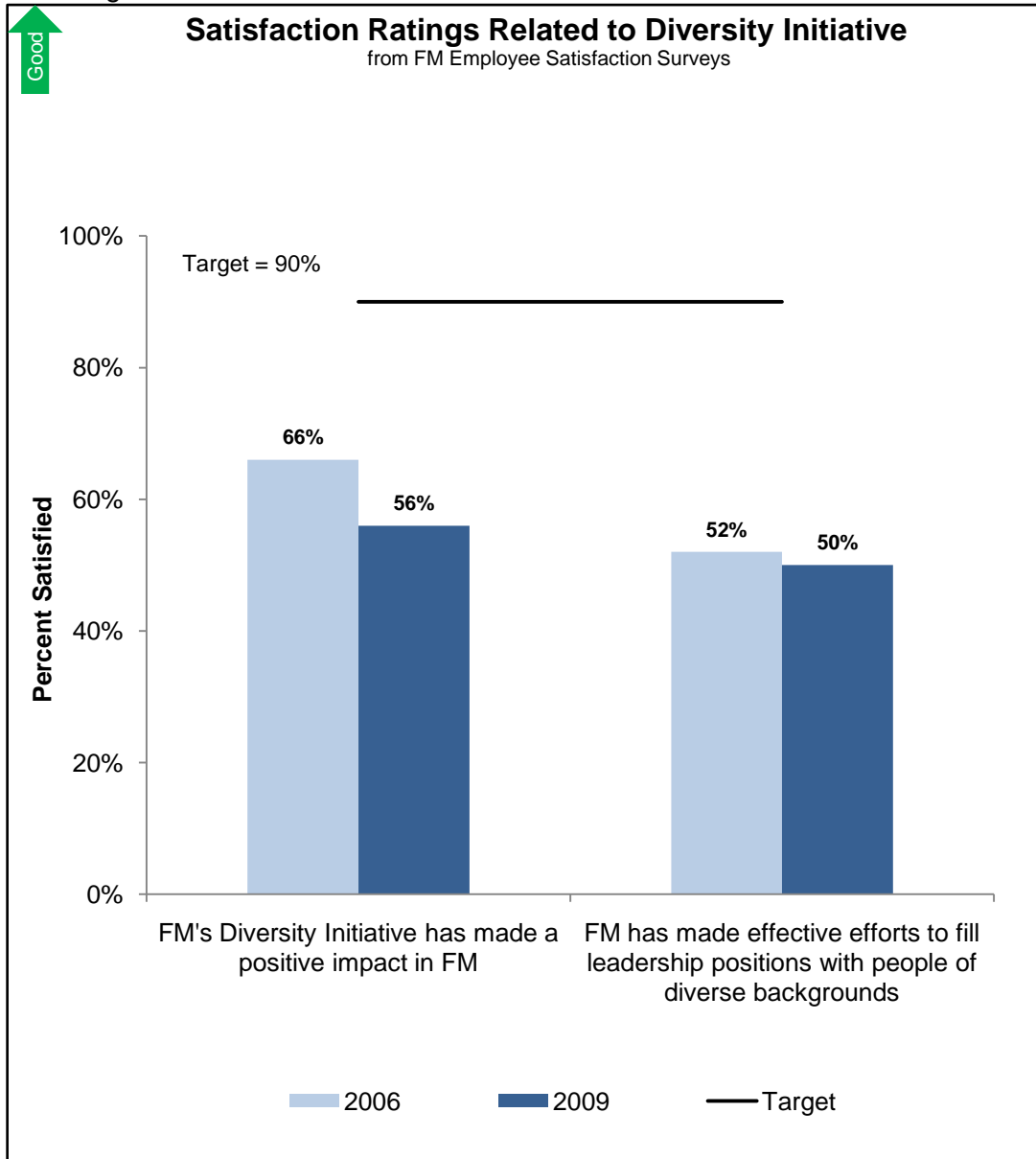


NEXT STEPS

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

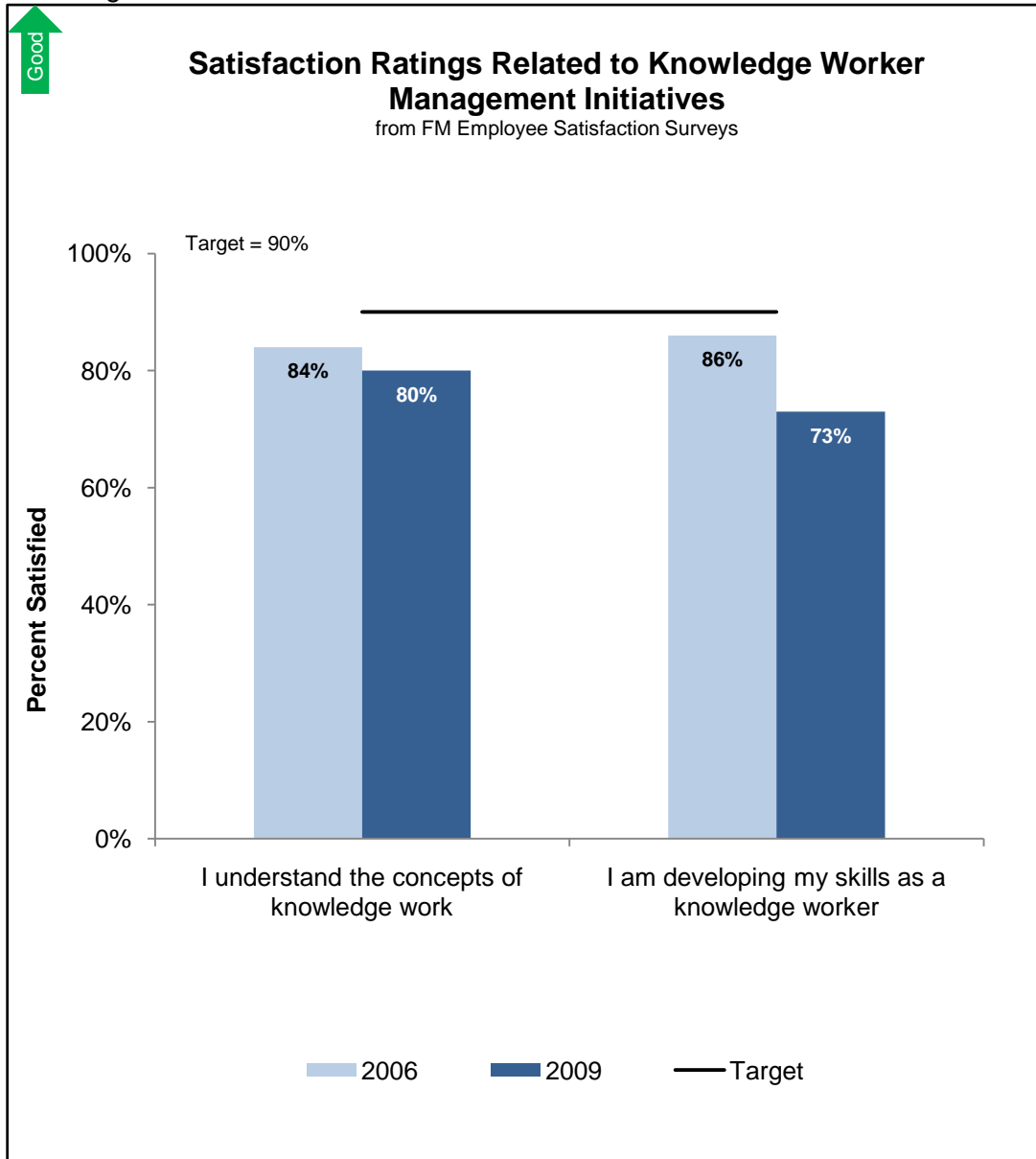
The Diversity question was added in 2006. Reorganization in 2007 resulted in more than 50% addition of employees new to FM. The 2009 results provide a new baseline for improvement activities.

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

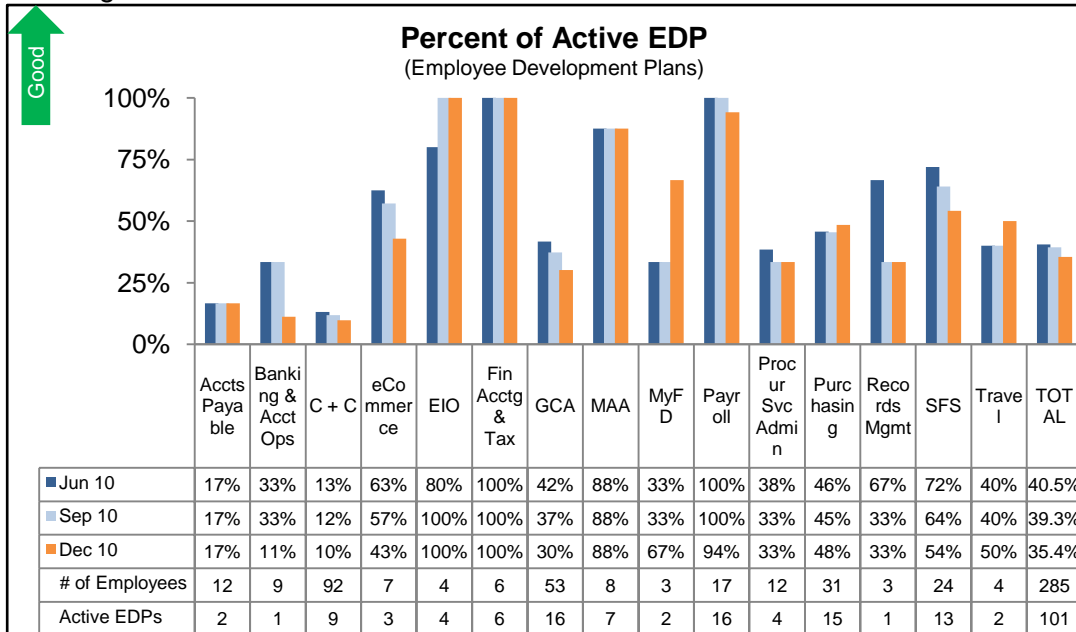
In 2007, reorganization resulted in FM gaining two new areas: Purchasing and Creative Communications and losing Treasury, Risk Management, and Quality Improvement. More than 50% of the staff in FM today work in these two areas. In 2009, these scores provide a new baseline.

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 101 employees with active plans (35.4% a drop from 39.3% in the previous quarter). Equipment Inventory Office and Financial Accounting & Tax reached 100% active EDPs.

The drop in Dec 2010 occurred in Banking & Accounting Operations, eCommerce, GCA, Payroll, and SFS.

NEXT STEPS

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

