

# Operational Performance Dashboard

## September 2009

### FY 2010 Quarter 1 (July - September 2009)

(Final Version - January 6, 2010)

**Financial management Mission:**

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

**Key processes include:**

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

# FINANCIAL MANAGEMENT

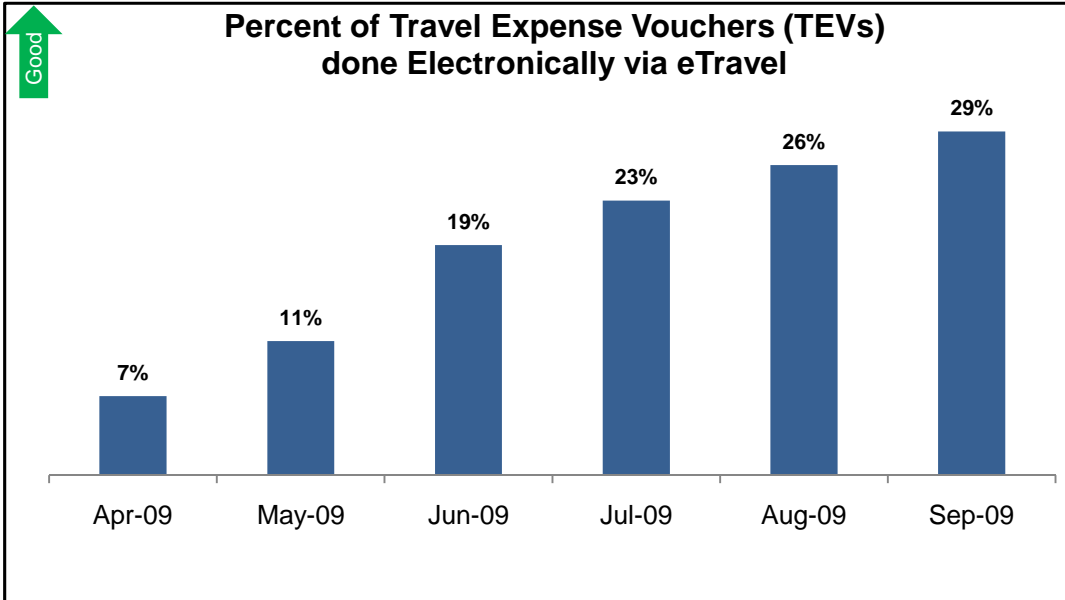
(A unit of Finance & Facilities)

## Operational Performance Dashboard - FY 2010 Quarter 1 (July - September 2009)

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 travel expenses reimbursed within 5 days of receipt of TEV	96%	95%	↑	No Gap	Pay Bills	Percent of online invoices paid within 30 days of receipt in PA	90%	95%	↑	-5%
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	↓	3.3	Pay Bills	Reduction in Small Dollar PAS Transactions which should be going through eCommerce.	6,393	6,000	↓	393
Disburse Financial Aid	Percent of Student Fiscal Services transactions done via direct deposit.	87%	85%	↑	No Gap	Manage Grants	Total uncollected cash for unbilled invoices & aged receivables (cumulative) – JDE	\$49 million	\$23 million	↓	\$25.9
	Percent of students satisfied with SFS services.	80% 2009	64% Benchmark	↑	No Gap	Bill & Collect Tuition	Percent of students in default on all long-term loans.	6.7% 2007	7.8%	↓	No Gap
Design and Print Comm. Pieces	Percent of clients who are satisfied with Creative + Communications	95%	85%	↑	No Gap	Indirect Cost Rates	Five year average of percent annual change in F&A Indirect Cost	3.2%	5.0%	↑	-1.8%
<b>INTERNAL BUSINESS PROCESS</b>						<b>LEARNING &amp; GROWTH</b>					
Inc. online Trans.	Process online mailing, printing & copying	32%	26%	↑	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%
Inc. prod.	Productivity – % 3-year rolling average.	1% FY06-08	5%	↑	-4%		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	177	50	↓	127		Active Employee Development Plans (EDPs)	33%	75%	↑	-42%

# Pay Bills - Travel

Customer



## DEFINITION

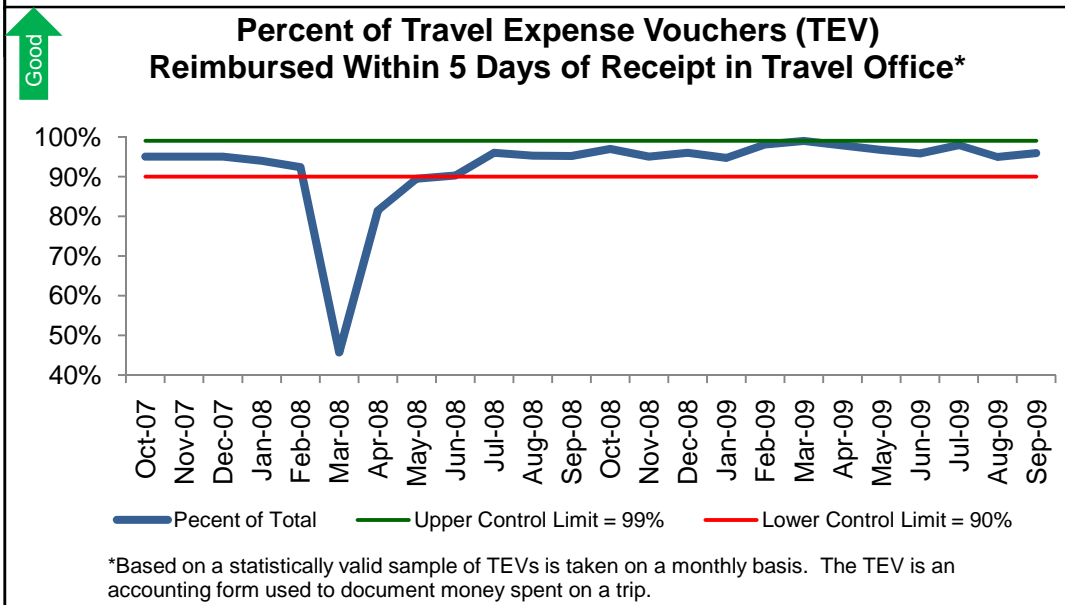
The first graph quantifies the percent of total travel vouchers which are being done electronically through the new Ariba ETravel system. The second graph pertains only to paper vouchers - it shows the average number of working days between when a TEV (Travel Expense Voucher) is received in the Travel Department versus the check date.

## ANALYSIS

Except for the drop in March and April 2008, when higher than usual volumes and resources were temporarily reassigned to testing and documenting the new eTravel system, this measure has been consistent over the past few years. There are approximately 116 departments trained and using eTravel. The Travel Office is training weekly to get more departments on-line. Paper TEV's have decreased. It is difficult to determine if the decrease is because of eTravel or a combination of eTravel and the travel freeze.

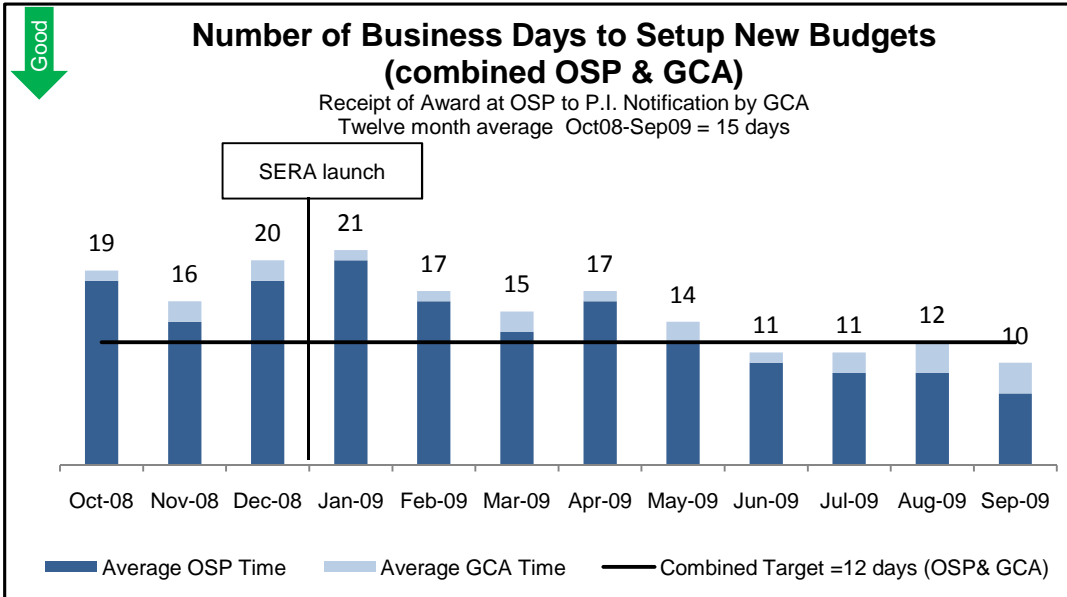
## NEXT STEPS

Continue to train departments on eTravel; complete our planned rollout by December 2009. We will also continue to measure the migration of TEV forms from paper to eTravel.



# Manage Grants (New Budget Setup) - GCA

Customer



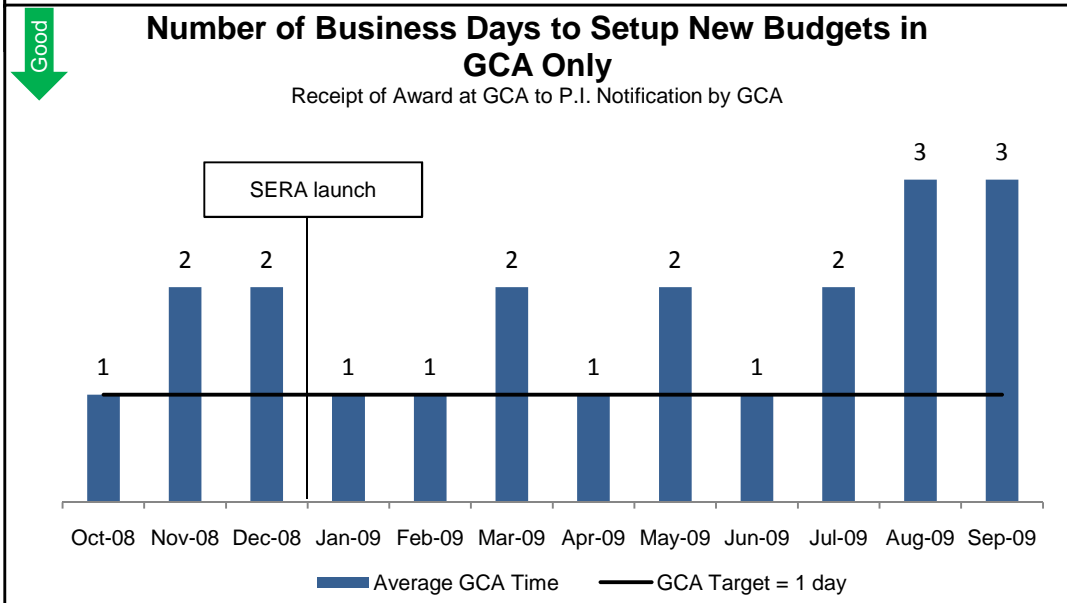
## DEFINITION

The measure shows the average number of days to establish a new award in the UW Financial Systems. Twelve month average Oct08-Sep09 = 15 days.

## ANALYSIS

The implementation of SERA (System for Electronic Research Accounting) in January 2009, reflects the coordination of efforts of GCA (Grant and Contract Accounting) and OSP (Office of Support Programs) to automate sharing of information. Elimination of doubled manual entry and hardcopy paper trails helped to decrease award setup time from 21 days in January 2009 to 10 days in September 2009. SERA's implementation supports the account set-up process that includes passage of data, specific award communication between OSP and GCA, and campus notification on account set-up completion.

The average time to set up new budgets in GCA increased due to the influx number of new awards the university receives under the American Recovery and Reinvestment Act (ARRA). The number of new budgets increased from 140 in April to 320 in September 2009.

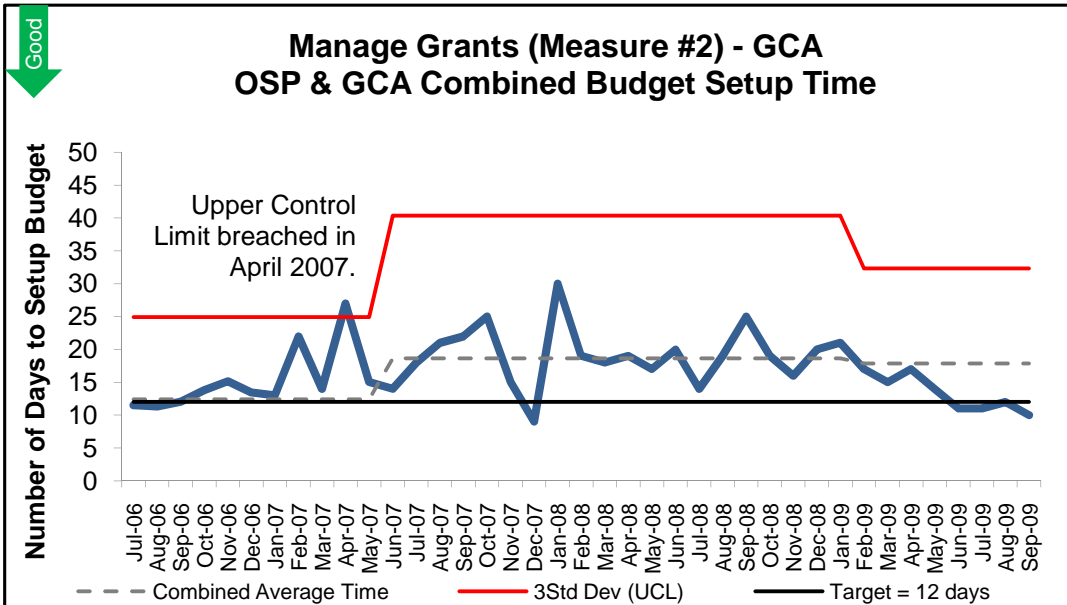


## NEXT STEPS

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

# Manage Grants (New Budget Setup) - GCA

Customer



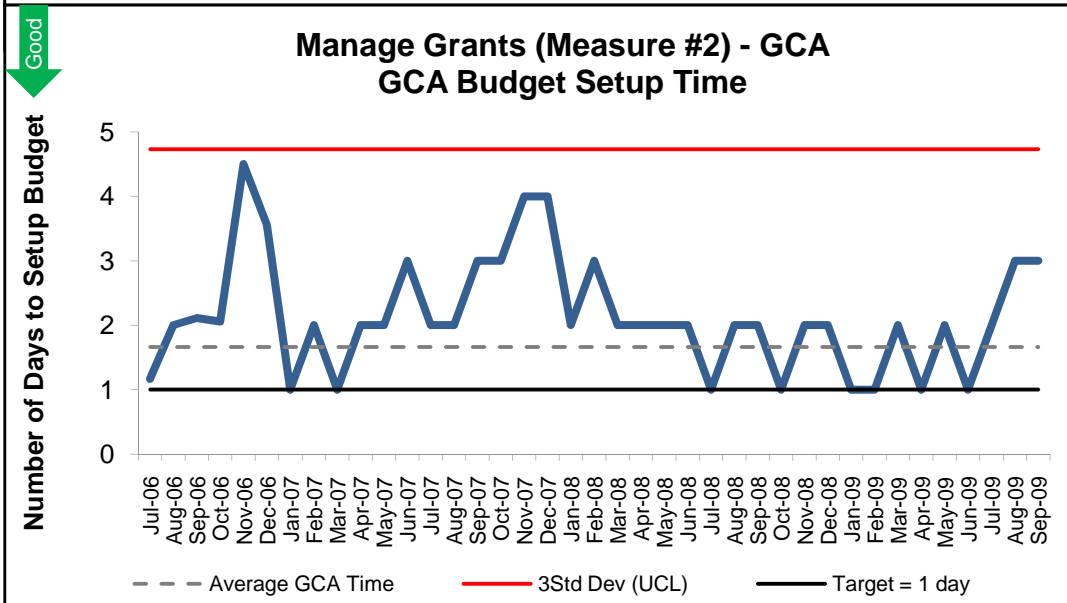
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## ANALYSIS

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April 2007: Upper control limit was breached with a measure of 27 (UCL=25). New control limits established to reflect the trend. By January 2009, data for New Budget Set Up is fully available with SERA. Another adjustment to the control limits established to capture the new average that reflect in the decreasing trend of time needed to set up a new budget.

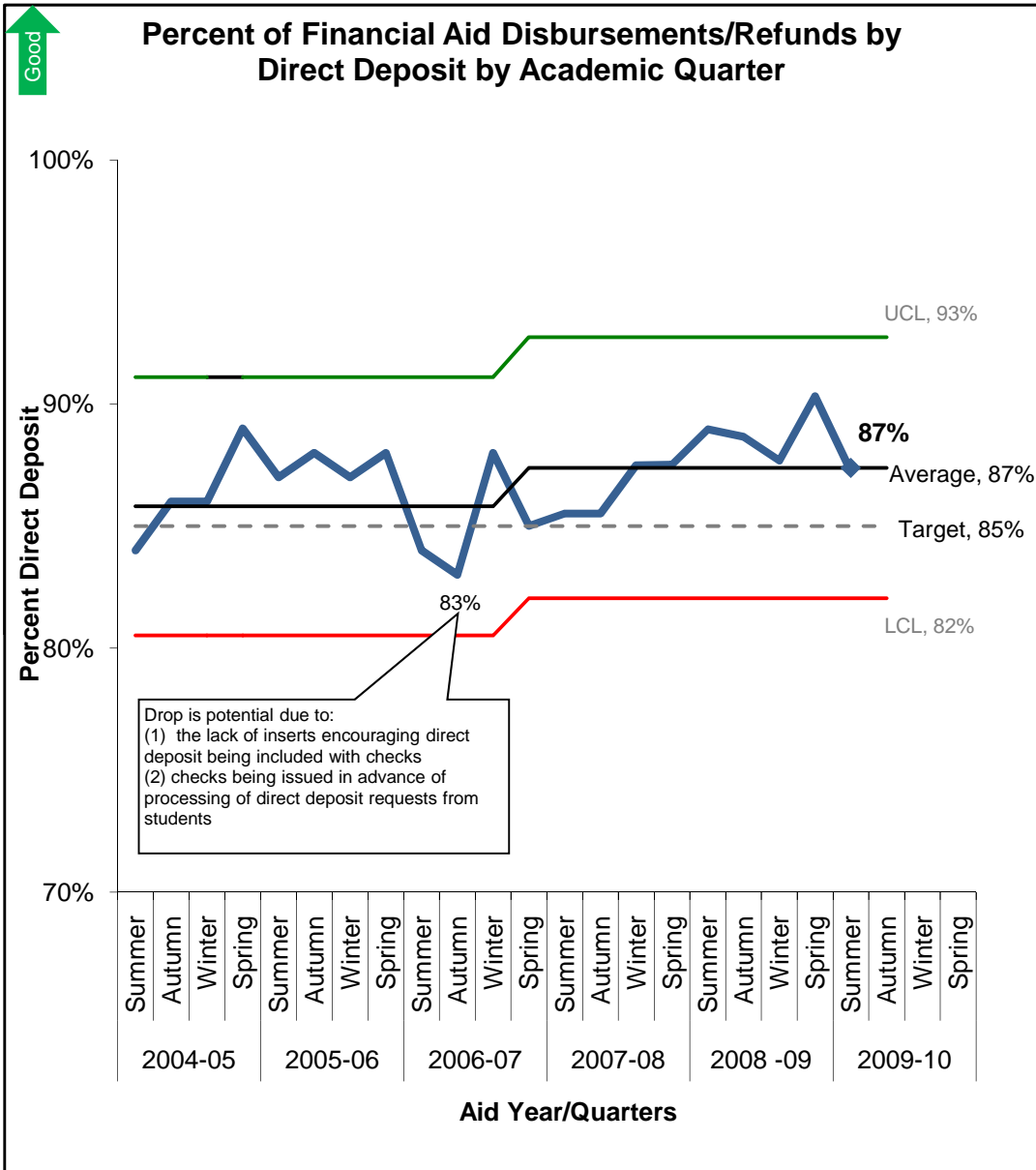


## NEXT STEPS

- Continuous improvements to the electronic account set-up process to achieve desired efficiency and transparency between OSP and GCA.
- Adjust the control limit lines to reflect the efficiency created by SERA implementation.

# Disburse Financial Aid - SFS

Customer



## DEFINITION

Quantifies the percent of Student Financial Aid disbursements (i.e., money received in the form of aid in excess of tuition and other charges that are released to students) done via direct deposit. Note that not all students who receive financial aid would necessarily receive any disbursements by direct deposit or check after tuition, fees or other aid-allowable UW expenses had been paid.

## ANALYSIS

Consistent and persistent notification of direct deposit availability by SFS staff has resulted in a steady rise in direct deposit aid disbursement participation.

Control limits were adjusted to account for a consistently higher average. Additional discussion is required before adjusting target.

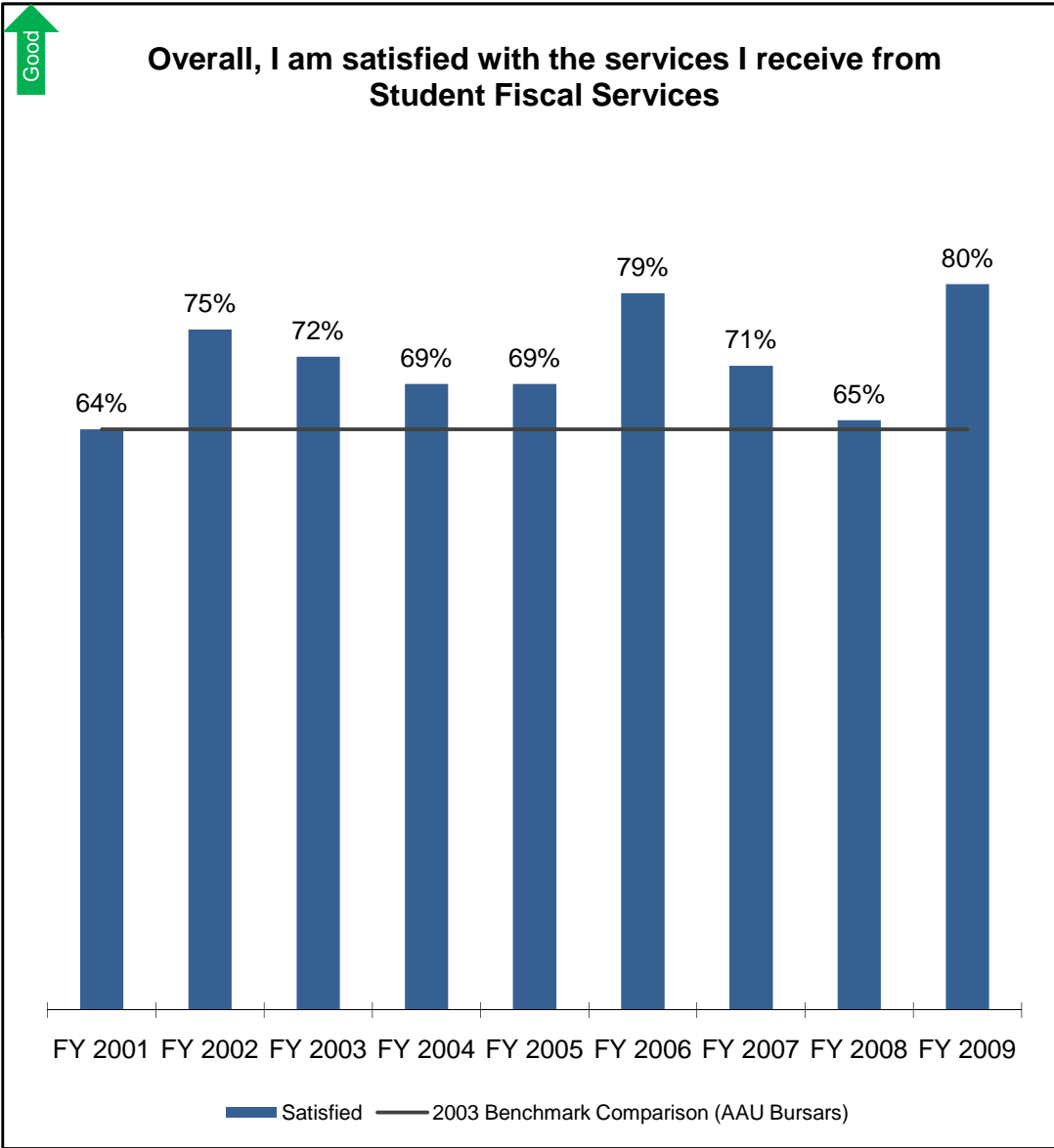
Out of 18,083 students attending UW in the summer 8,533 received some form of financial aid that was disbursed through SFS for a total of \$40,341,296.

## NEXT STEPS

SFS staff continue to notify students of the benefits of direct deposit -- via enclosure within mailed check or when students ask about disbursements.

# 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%.

**ANALYSIS**

Strategies deployed and process improvements implemented as a result of the FY 2008 survey results have resulted in a dramatic shift in customer satisfaction ratings.

Out of 1,230 responses, 1,064 in-person responses rated overall satisfaction with SFS services 83% of the time (i.e., 83% rated 6 or 7 on a 7-point scale), while those taking the on-line version (166) responded 62% as satisfied - up from FY 2008's 35%.

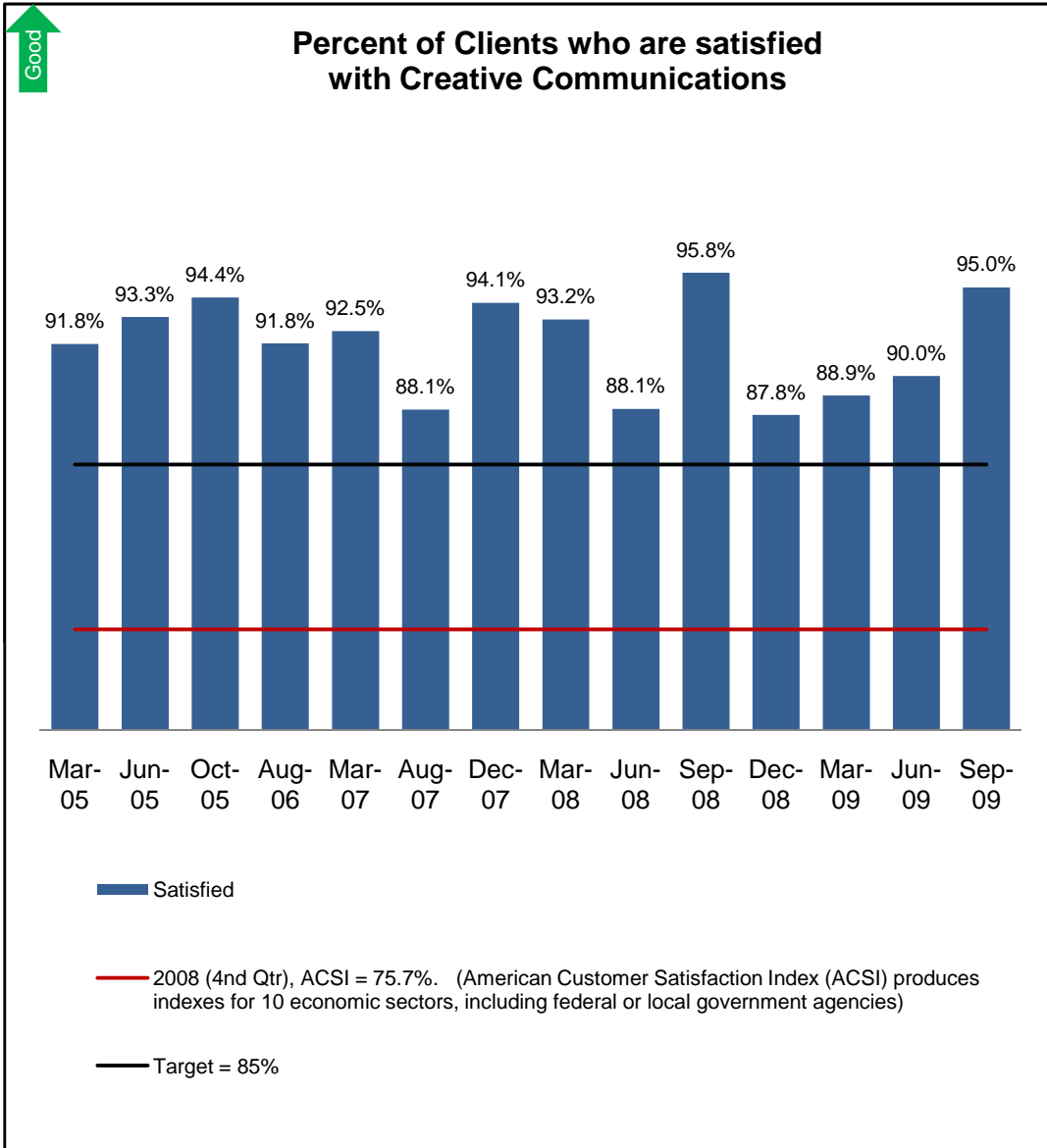
As with last year, most in-person surveys were answered during the beginning of the quarter, while most on-line were answered towards the middle, though with a lower on-line response rate than in prior years. These response rates were due to the roll-out of a communication strategy that had counter staff inviting customers to take the in-person survey, and an attempt to reach on-line service customers through multiple communication channels (e.g., LiveChat and RightNow emails, data mailers, etc.) Unfortunately, while we were highly successful in generating responses from in-person customers, our on-line strategy suffered from numerous coordination and roll-out issues.

**NEXT STEPS**

Customer Service will continue employing strategies rolled-out following the FY2008 survey results, targeting areas raised within this survey as required -- and strategies for improving on-line response rates will be further explored and developed.

# Client Satisfaction - Creative Communications

Customer



## DEFINITION

For two weeks each quarter, all customers with delivered products are asked to complete a point of service survey. The web-based survey measures customers' satisfaction with product quality, timeliness, and service.

## ANALYSIS

Total number of jobs processed Summer Quarter 2009 = 5,052. Total number of Point of Service Surveys sent to clients = 285. (5.6% of total jobs). Responses to survey = 67. Response rate = 23.5%. A response rating of 6 or 7 on a 7 point scale is considered a satisfied response.

Percentages have remained well above target level which indicates steady progress implementing Digital StoreFront (DSF) web interface.

Digital StoreFront (DSF) web interface update: One Products group, reported last quarter as in development stage, is now available for order while others are on final stage of deployment - UW Seal & traditional, and unique styles for School of Public Health. The current work includes Medical School stationary, letterhead and envelopes. Time allocated to the project remains a challenge as previously reported.

## NEXT STEPS

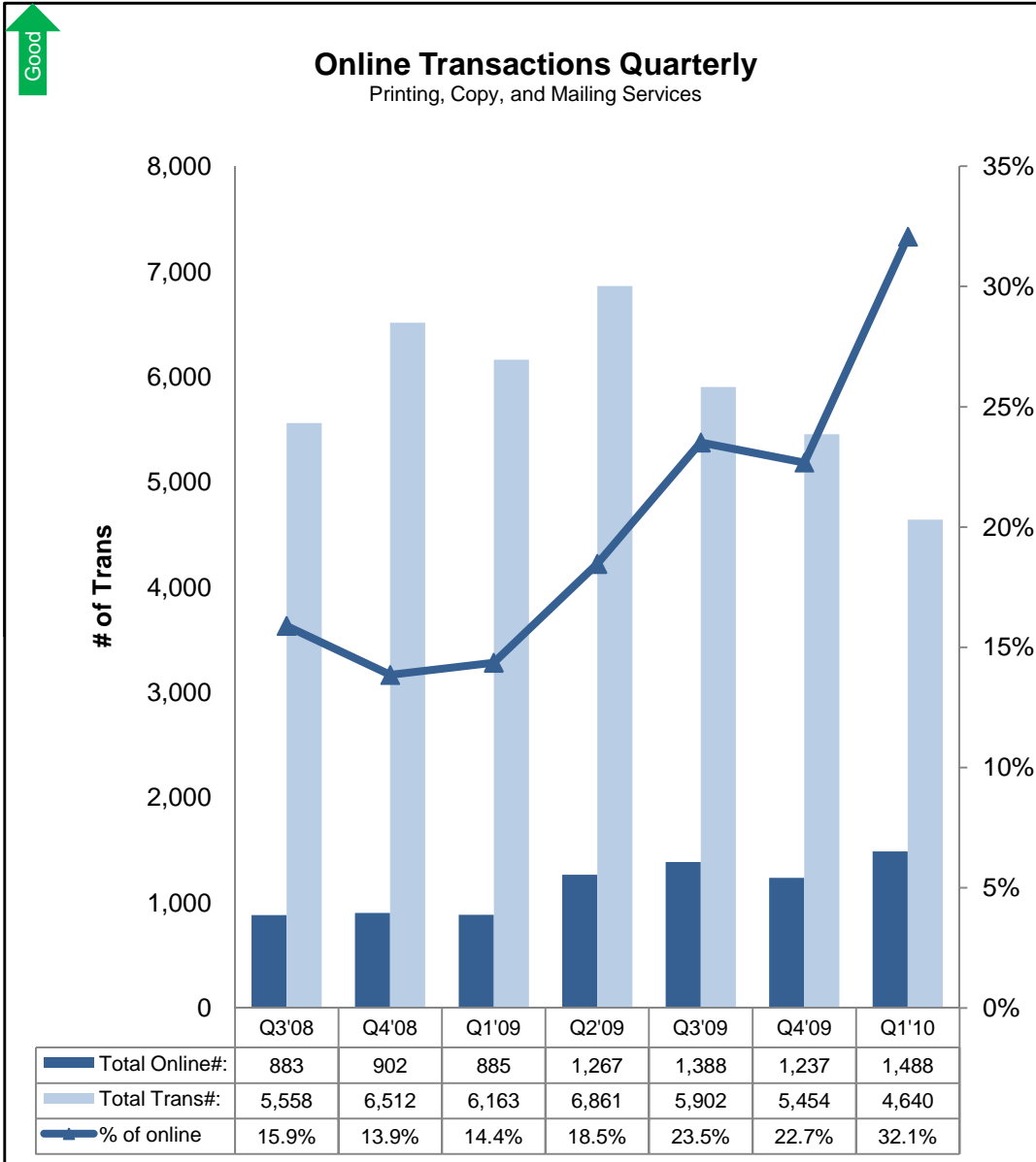
These actions are extracted from the comments provided by customers.

- Improve online ordering system
- Provide more frequent status updates
- Communicate delivery timeline, particularly when job is printed on specialty paper
- Streamline process between print production and mailing



# Increase Online Transactions

Internal Business Process



## DEFINITION

Shows the number of orders submitted to Creative Communications (C2) via web based online ordering. Excludes 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.

## ANALYSIS

A combination of an increase in the online transactions and a decrease in the total transactions has resulted in a 9.4% increase from the previous quarter, or 32.1% for the quarter. The increase in the online transactions is encouraging and can be attributed to the products added to DSF. However, the increase in the percentage of transactions is due to an overall decrease in total transactions.

During the previous quarter we established a 26% online order target by Q3'10; we were pleased to discover that we surpassed that target in Q1. Normally we would adjust the target upward, but feel it is necessary to monitor overall transactions for the next quarter before doing so.

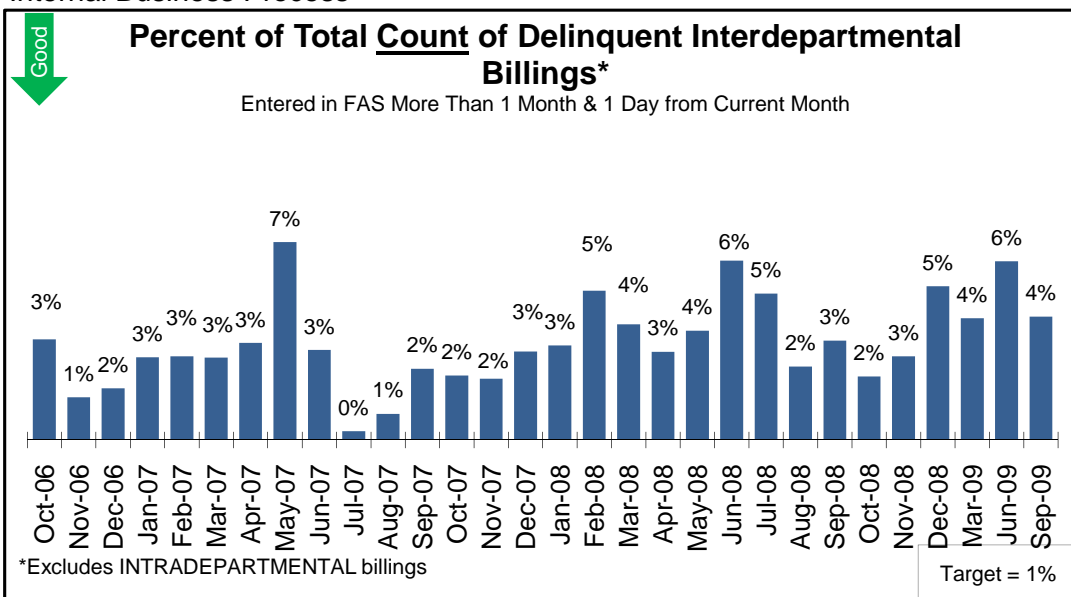
Current DSF products include: business cards, campus products (formerly UStore products), letterhead and envelopes. Completed implementation of unique styles for School of Public Health.

## NEXT STEPS

Continue final stage of UW Seal & traditional implementation.

# Manage Financial Reporting - Financial Accounting

## Internal Business Process



### DEFINITION

Number or percentage 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

Monthly Average Totals during the July - September period:  
CTI/ISD Count = 37,726, Dollars = \$24 Million

70% of this quarter's late dollars represents six users:

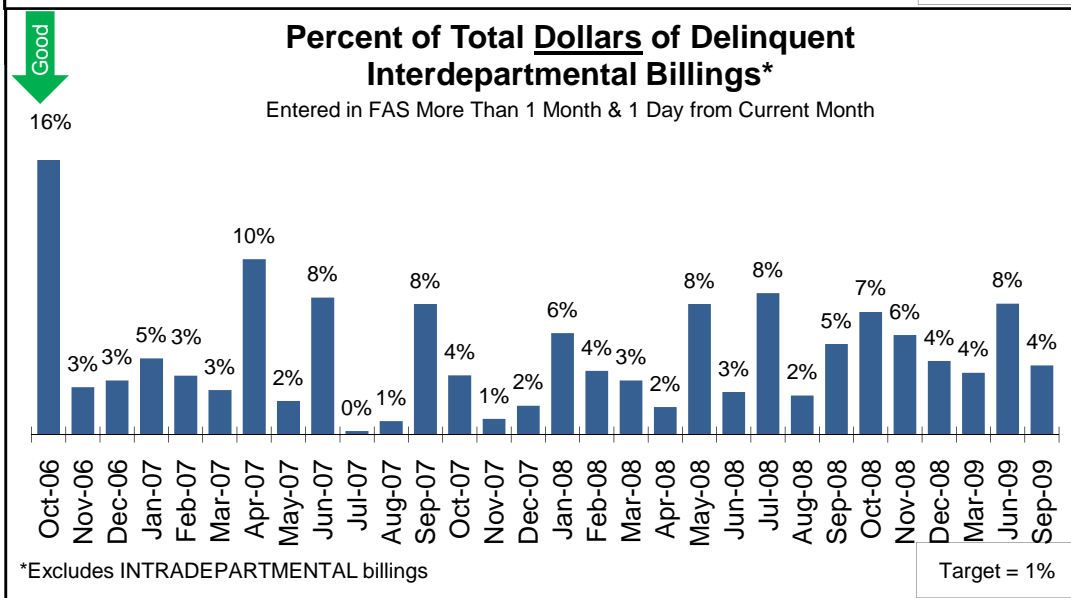
- 1) Global Health (\$752,476).
- 2) School of Oceanography (\$592,945).
- 3) Infrastructure Support (UW Tech) (\$333,334).
- 4) Department of Medicine (\$132,166).
- 5) Chemistry(\$128,249)
- 6) HR Operations - Med Centers (\$106,040)

60% of this Quarter's late transaction (count) is represented by four users:

- 1) Chemistry (970)
- 2) Material Science & Engineering (664).
- 3) Association of University Physicians (658)
- 4) Non-operating (UWMC Pharmacy Drug Svc) (464).

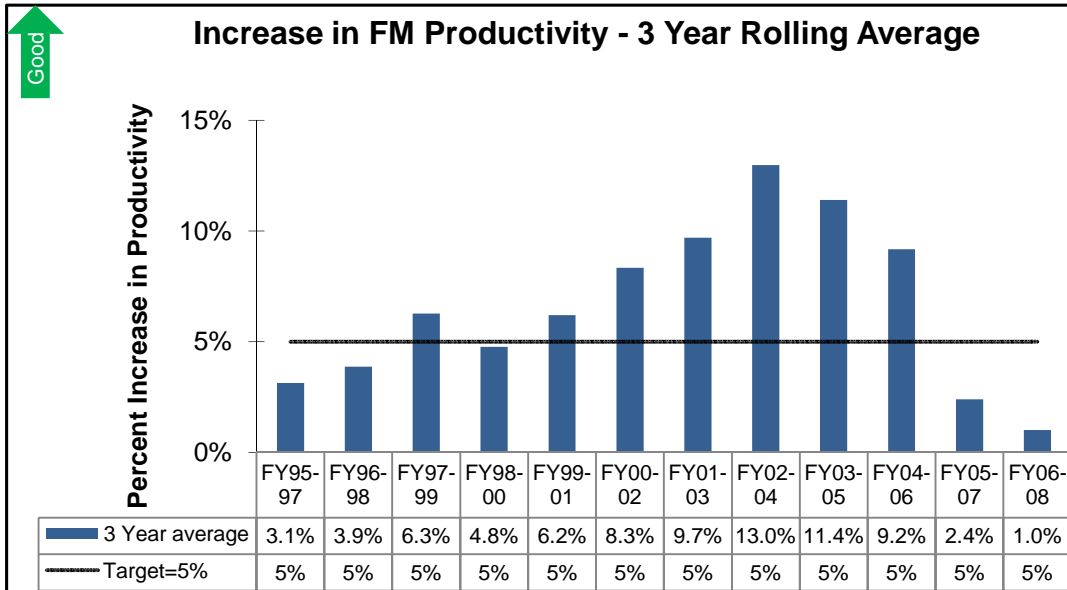
### NEXT STEPS

Continue direct communication with recurring late billing departments.



# Productivity - FM

## Internal Business Process

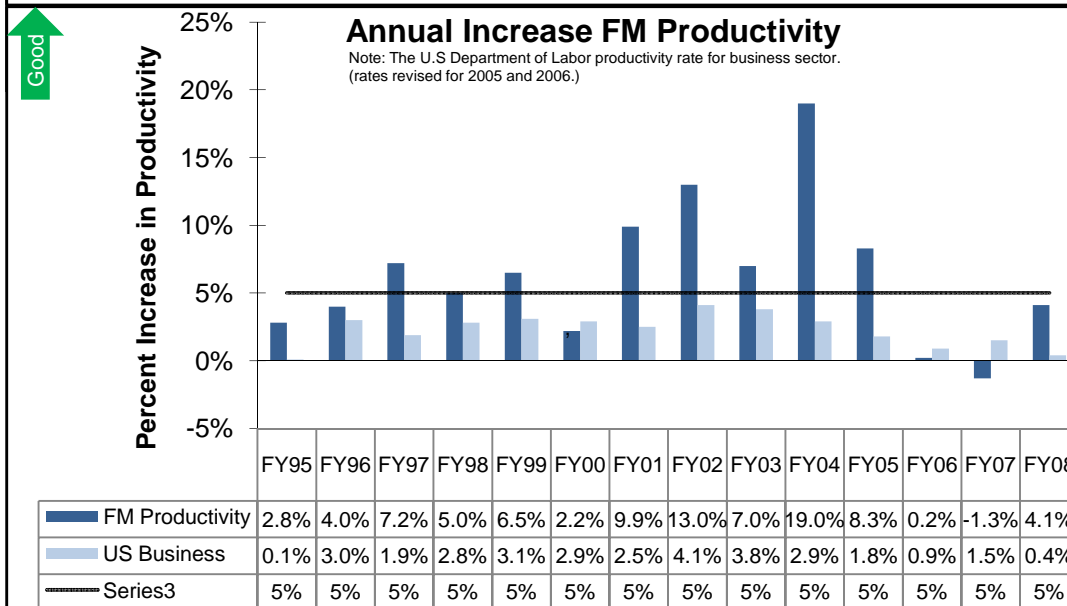


### DEFINITION

This measure is a composite statistic using labor productivity-- output per hour of labor--to measure progress over time of process improvements and other initiatives. FM adapted the methodology used by the federal government to compute productivity within an administrative unit in a large organization. The last published rate was in 2005-2006. This approach enabled FM to use US Business for benchmarking. FM also simplified the calculation, focusing on one or two output indicators (transactions, etc.) and using FTE positions for labor input. A rolling three year average adjusts for one year fluctuations.

### ANALYSIS

Prior to FY05, FM's productivity was comparable to, or greater than, the business sector as measured by the US Dept of Labor. In FY06, Purchasing was included in the data because it joined FM in the last 3 months of the year. Treasury was also included in the data. In FY07, Purchasing was included in the new Procurement Services area as are Financial Services, and other areas. Treasury is excluded from the data in FY07 due to reorganization. Overall, productivity increased 4.1% in FY08 reversing the 1.3% drop in FY07.



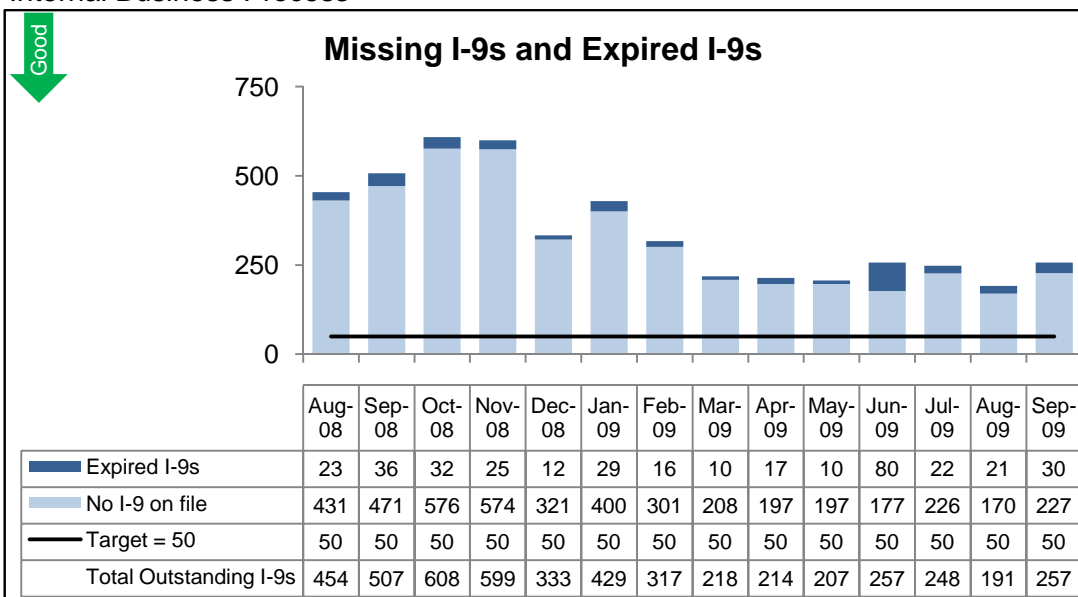
### NEXT STEPS

Our efforts are to continue to eliminate transaction-related positions through increased automation and to re-establish knowledge worker positions, which has the effect of reducing productivity (particularly where there's been no significant increase in transaction volume).

The Metrics and Reporting unit in Finance and Facilities is conducting an analysis of productivity and FTE's to identify improvements to this measure.

# 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.

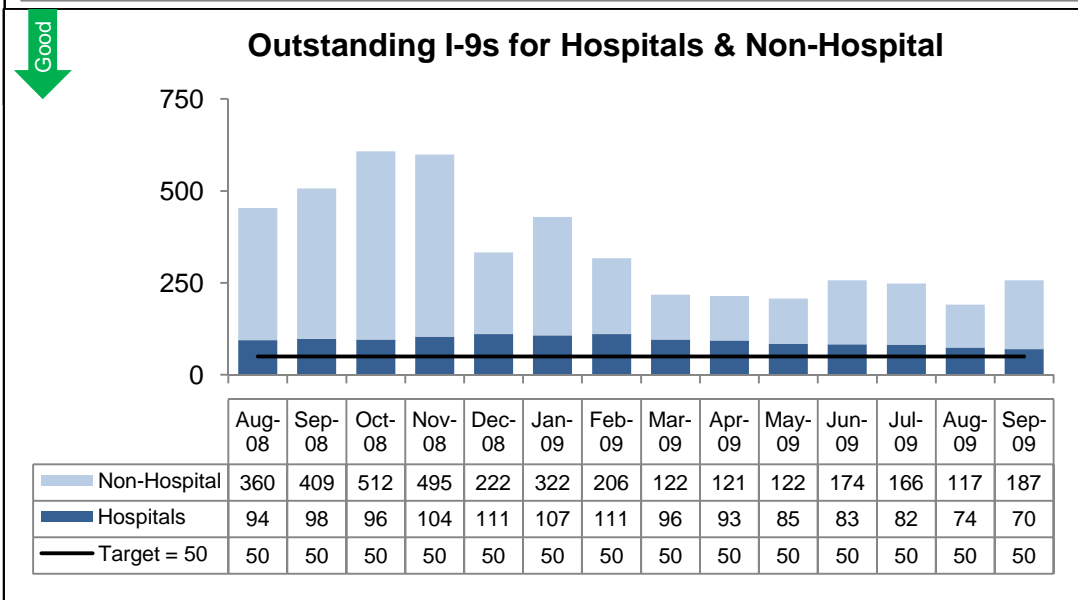
### ANALYSIS

The number of expired I-9s increases with the end of the academic year. Many of the employees are on leave for the summer and will be updated after the school year starts again. The number of missing I-9s decreased in September. Potential Risk: Up to \$40,000 per I-9 missing or expired = 257 \*

\$40,000 = \$10,280,000. Number of UW Employees = 34,000. The number of missing and expired I-9s represents less than 1% of the total number of UW employees. In September, of a total of 257 cases, 222 were active and 35 inactive (15.7%). Expired I-9s are often higher in September, new hires have been placed in the payroll system for fall quarter academic appointments; however, the employee has not arrived on campus (quarter start date 9/30/09).

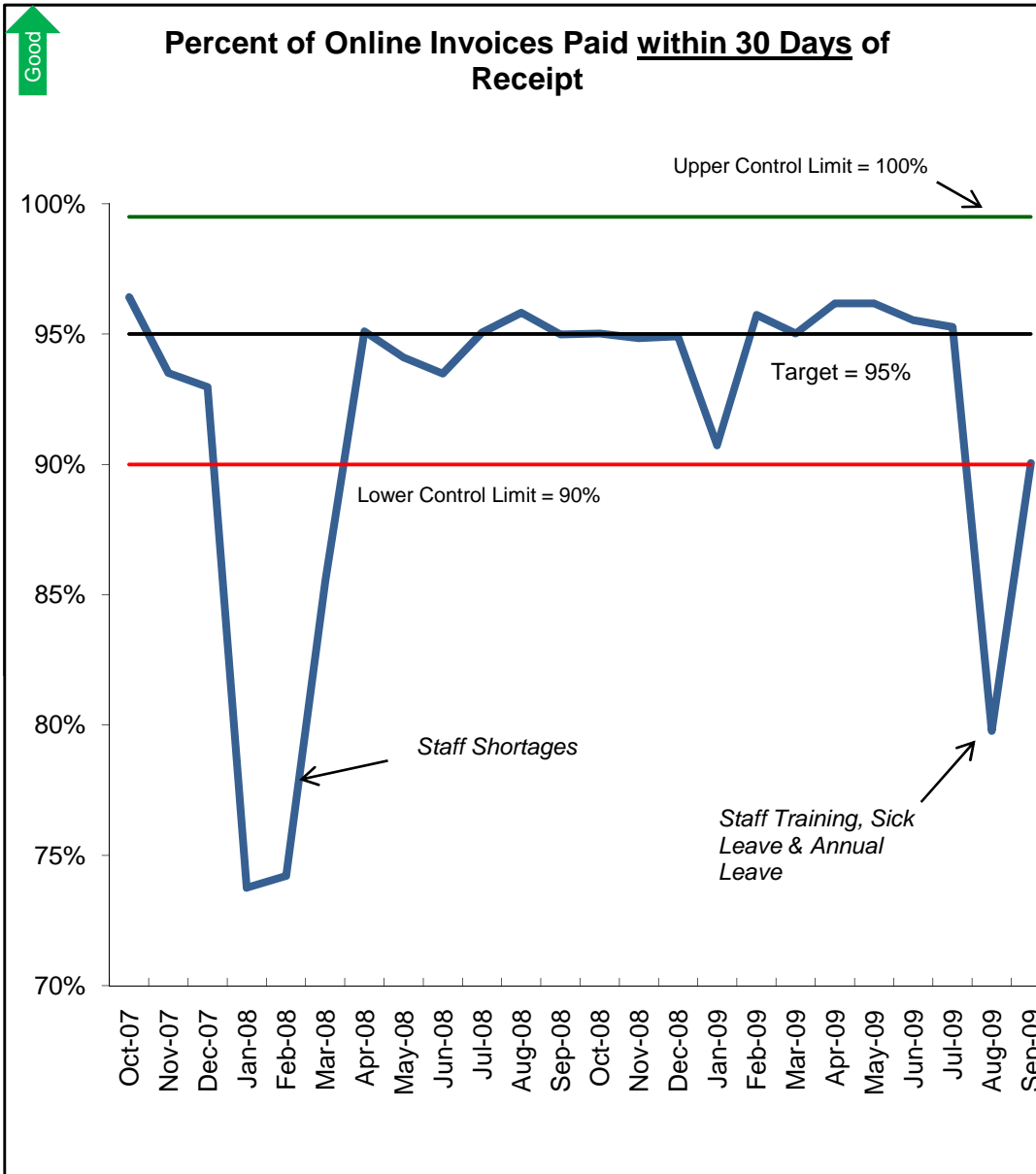
### NEXT STEPS

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.



# Pay Bills Online Invoices Paid Within 30 Days of Invoice Date - Payables

Financial



**DEFINITION:**

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

**ANALYSIS:**

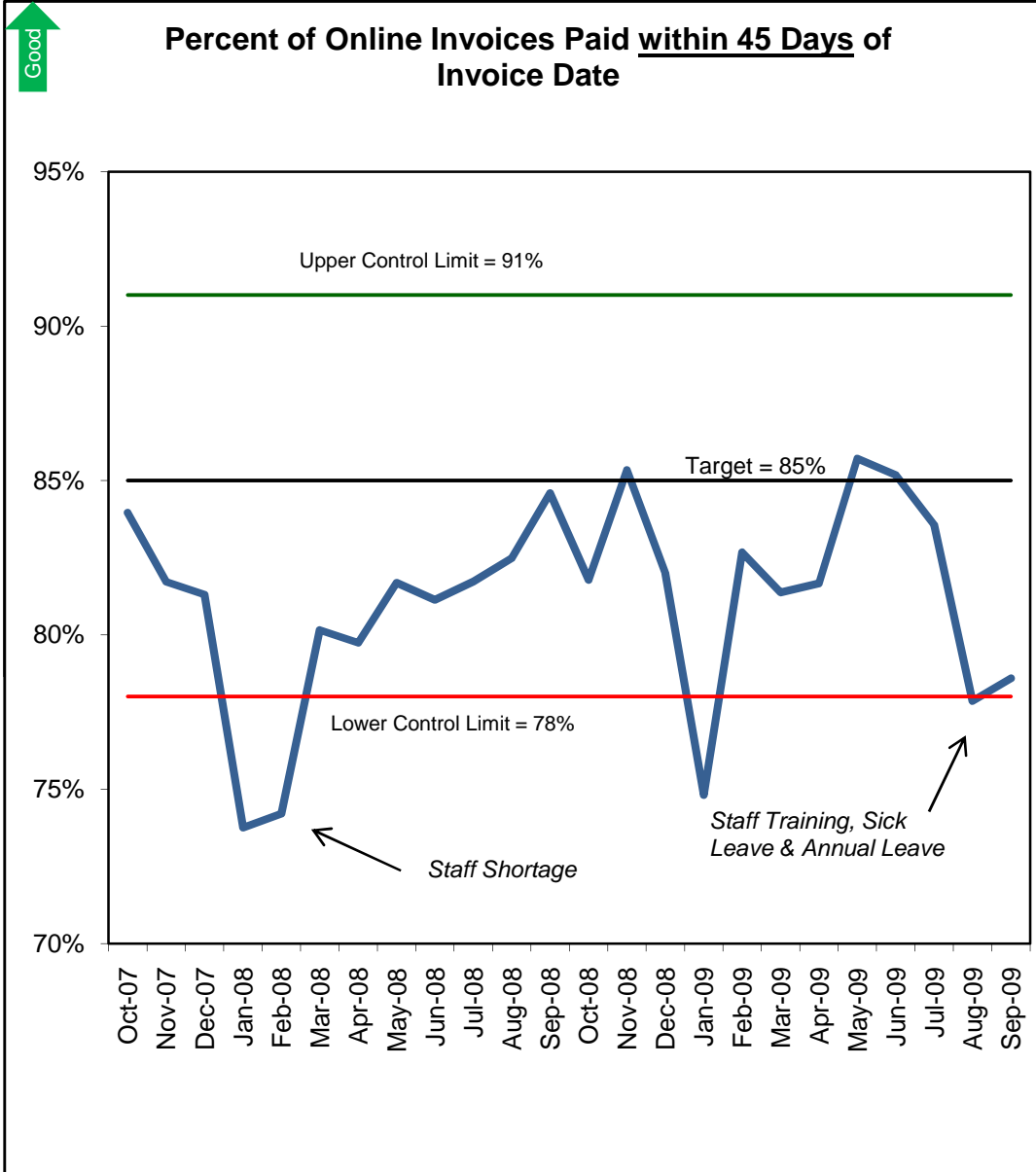
This measure was slightly lower during the last few months due to staff shortages resulting from training, sick leave and annual leave by staff members. However, as Procurement Services continues its efforts to migrate small dollar transactions from the Purchasing Accounting Systems (PAS) to eCommerce, we expect that the volume of invoices processed by AP will decrease as time goes on.

**NEXT STEPS:**

Reporting to identify American Recovery and Reconciliation Act (ARRA) requisitions and invoices is in development. We will develop processes to ensure that ARRA invoices will be prioritized to support federal reporting requirements. Additional work is in process to assist departments in setting up standing orders or Procard accounts to manage monthly small dollar repetitive orders from contract vendors, which should improve billing and payment outcomes with these vendors.

# Pay Bills Online Invoices Paid Within 45 Days of Invoice Date - Payables

Financial



**DEFINITION:**

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

**ANALYSIS:**

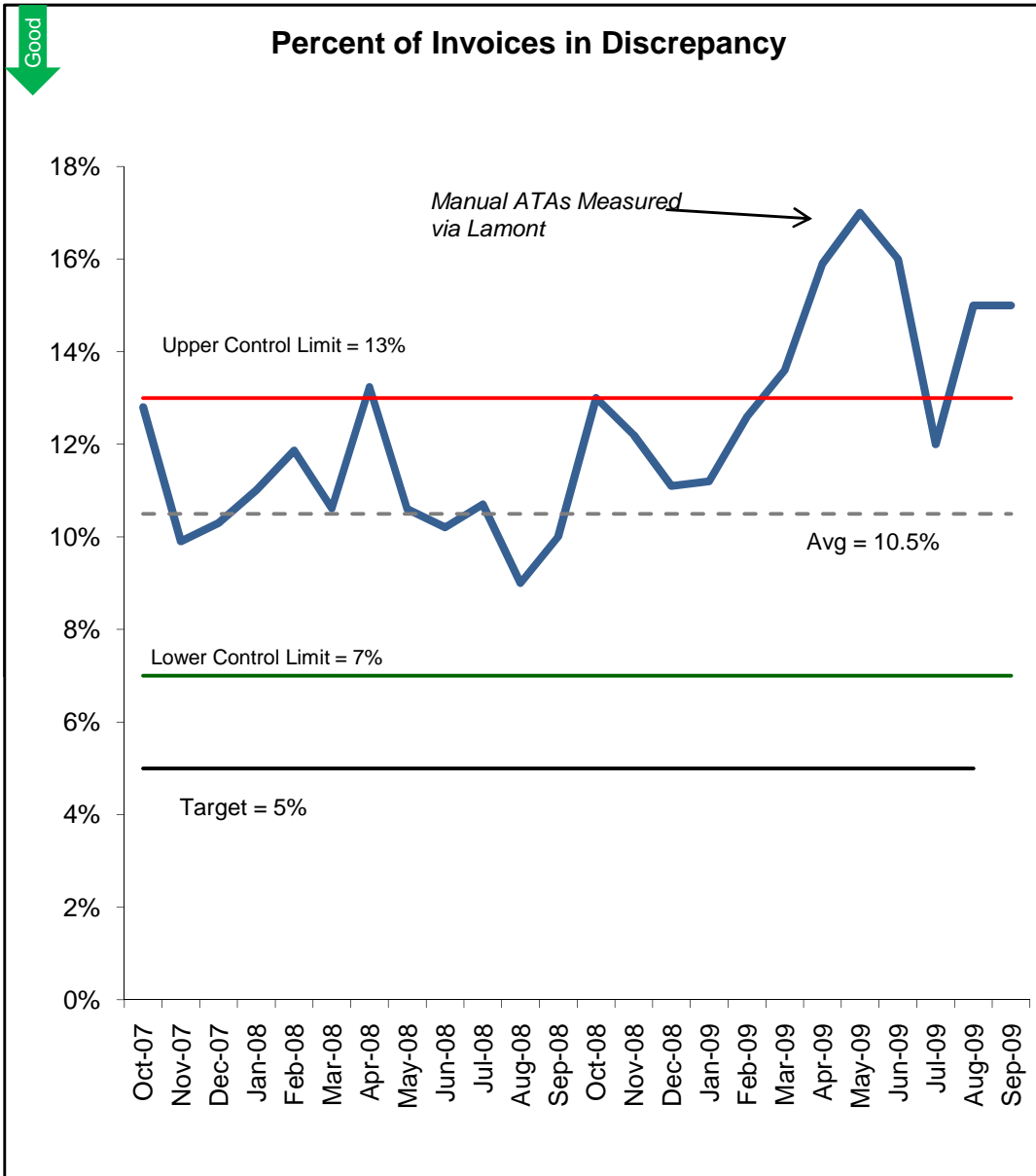
Research and analysis by the Accounts Payable (AP) Customer Service Project and the Seamless Utilization Task Group (UTG#1) show that over 60% of invoices are mailed by vendors to the ordering department rather than to AP. The delay of delivery to AP increases the likelihood of payment in more than 30 days from date of the invoice. This measure is also impacted by the time required to resolve invoice discrepancies.

**NEXT STEPS:**

AP strives to improve the expedited process for aging invoices coming from campus and vendors. AP and Purchasing continue to make improvements to the invoice discrepancy resolution process. Also, more importantly, we continue to explore alternative payment methods for the invoices that are still coming through AP.

# Pay Bills - Invoices with Discrepancies - Payables

Financial



## DEFINITION:

Quantifies the percentage of vendor invoices in which a discrepancy exists between the original Purchase Order 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:

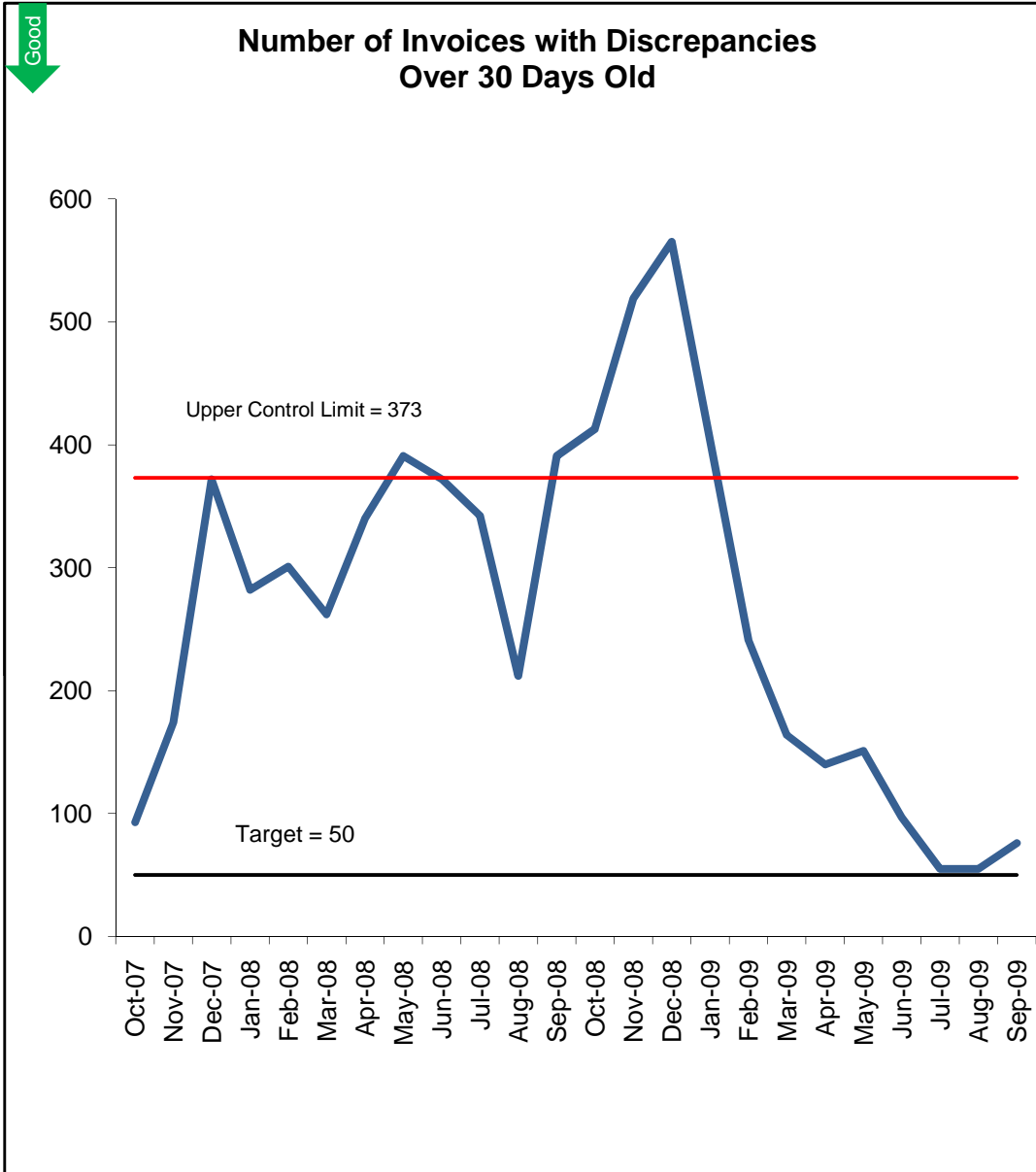
The increase in number of invoices with discrepancies is the outcome of more accurate counting – previously the measure was a manual count; currently the measure has been automated in Lamont and so represents a more realistic count.

## NEXT STEPS:

In addition to more accurate counting, this measure has been impacted by the significant reduction in small dollar orders processed in the Purchasing Accounting System (PAS) as a result of the \$3,300 limit project. A Seamless Process Improvement Team (PIT) sub team is taking a closer look at the data to discern what the root cause(s) of the increase in percentage of discrepancies might be. The team will be looking for patterns specific to discrepancy type, buyer process, supplier invoicing, customer set-up and other intake issues, payables process, etc. The team will also consider recommendations for targeted outreach and expanded guidance for order set-up and processing.

# Pay Bills - Invoices with Discrepancies Over 30 Days Old - Payables

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 the Purchasing Department, the UW department which placed the order, the supplier, and Financial Services.

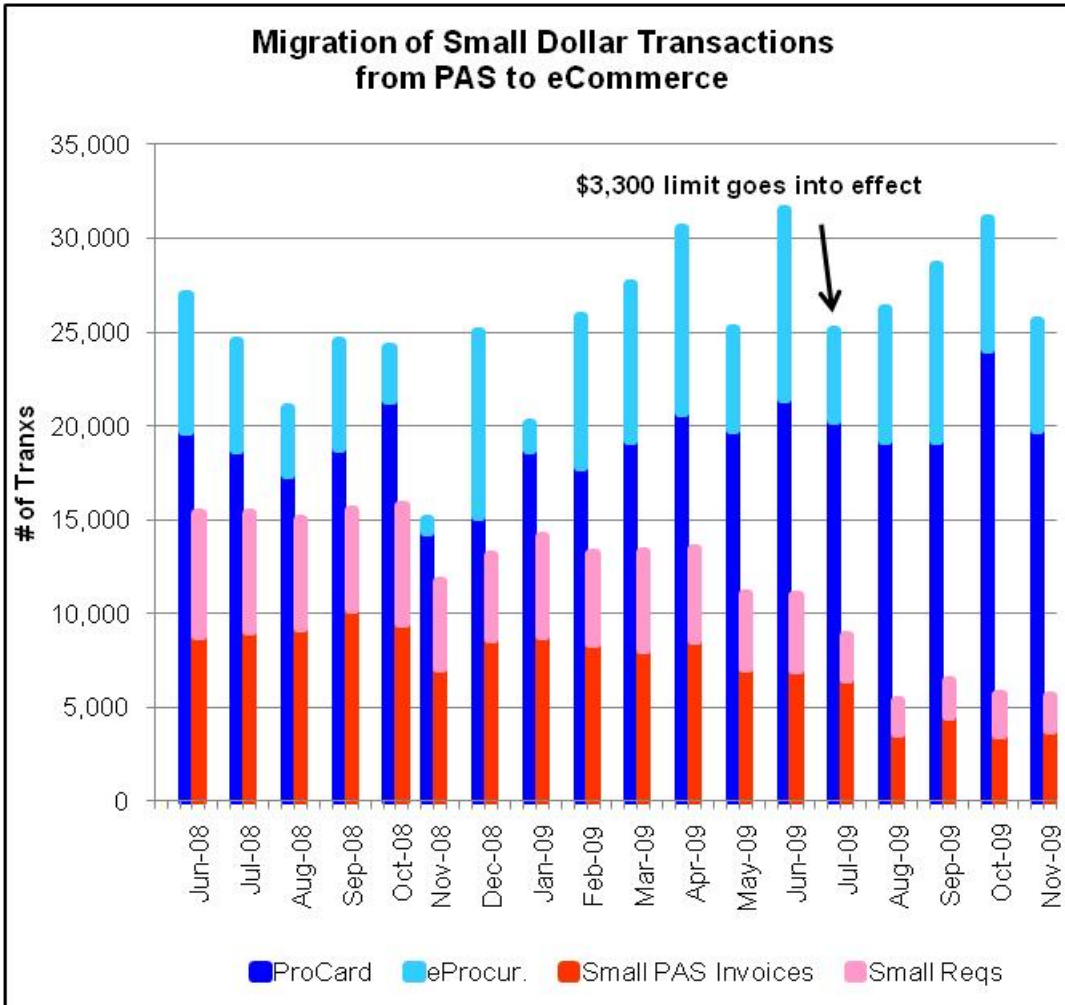
**NEXT STEPS:**

This measure shows excellent results in reduction of discrepancies that are not resolved within 30 days, due to changes in prioritization of this resolution process as well as improvements in tracking via Lamont and improved Purchasing/Payables communications. Also, many of these transactions could have been made through eCommerce methods. As we continue to migrate small dollar transactions to eCommerce, this measure could reach target.



# Migration of Small Dollar Purchases from PAS to eCommerce

Financial



## DEFINITION

This chart tracks the migration of small dollar purchases from Purchasing Accounting Systems (PAS) to eCommerce, displaying the manual one requisition to multiple invoices relationship in PAS that creates 2 sets of documents, the requisition initiated by a campus department and managed by Purchasing (pink bar) and the resulting invoice (red bar) processed by Accounts Payable (AP) for payment to complete the purchase cycle. In comparison, eCommerce produces one set of documents managed by the department that ordered the goods or services.

## ANALYSIS

The goal is to migrate all eligible purchases to either ProCard and/or eProcurement. This will save the University time, money and effort in accordance with Financial Management's strategic objective to streamline the Procure to Pay process.

## NEXT STEPS

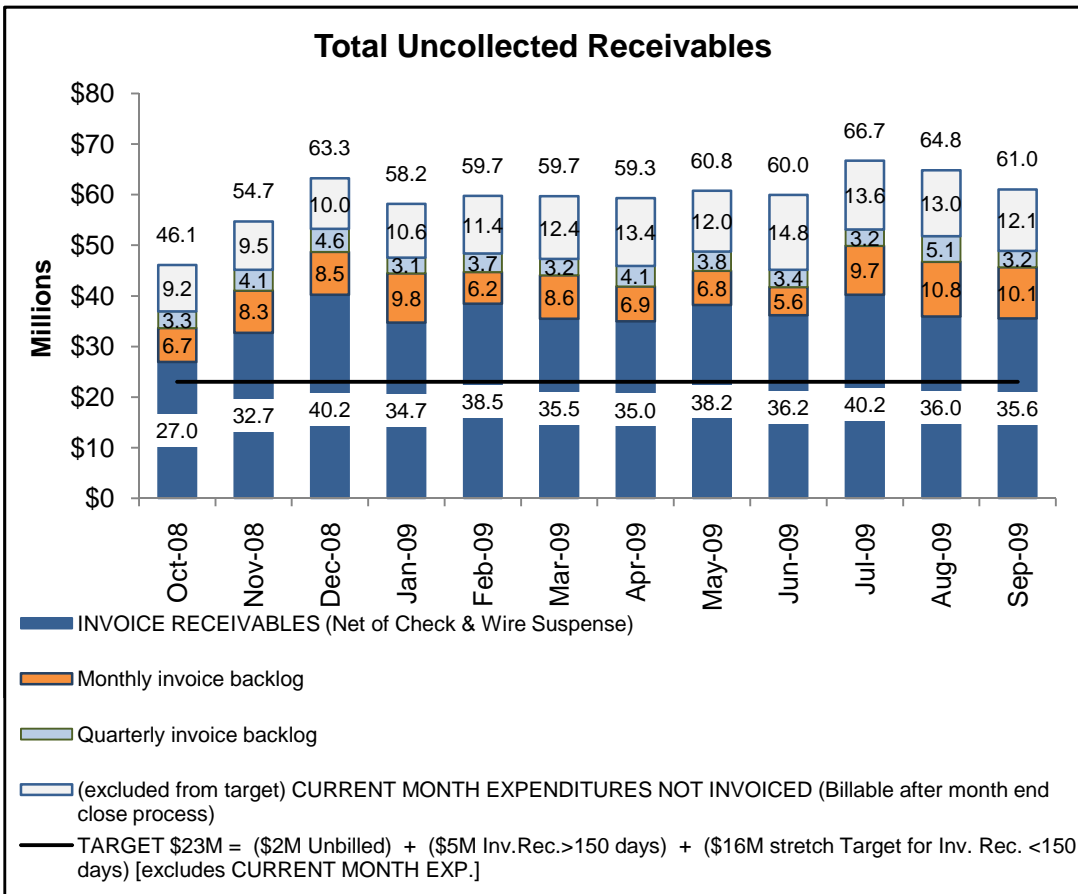
eCommerce conducts outreach based on departmental data analysis. Part of this outreach includes research in how departments utilize all available purchasing methods. The initiative to move all possible transactions under \$3,300 into eCommerce has been highly successful. Phase 2 requires follow-up outreach with departments, demonstrating through data analysis, inappropriate use of PAS. There will also be a continued emphasis with online and in-person training, utilizing eCommerce websites more effectively, quarterly forums, email and newsletter communications to departments, emphasizing the use of the Procurement Guide, in addition to establishing a structure for effective internal communications to provide our customers with consistent Procure to Pay consultation and information from all Procurement Services units.

## 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:

a. 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.

b. The monthly invoice backlog (the orange portion) contains about 76% of the total backlog (~\$10M) that should have been billed, but could not be, due to staff shortage, stringent requirements from sponsors, and other various reasons.

-Invoice Receivables (the dark blue portion) are aged receivables.

-Current Month Expenditures are excluded from the Target of \$23M.

## NEXT STEPS

The Auto Final Invoice process was implemented in July 2009. This new process will automate the final invoicing process which involved about 9% of the total number of receivable invoices that have been processed manually. In addition to the time savings by generating final invoices automatically, the automated process would help reduce the number of follow-ups between departments and Grant Contract Accounting's (GCA) campus service teams.

2008 UW Annual Report shows \$138MM for Accounts Receivables Grants & Contracts

<http://www.washington.edu/admin/finmgmt/2008report/financialstatements.pdf> (p.29)

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)

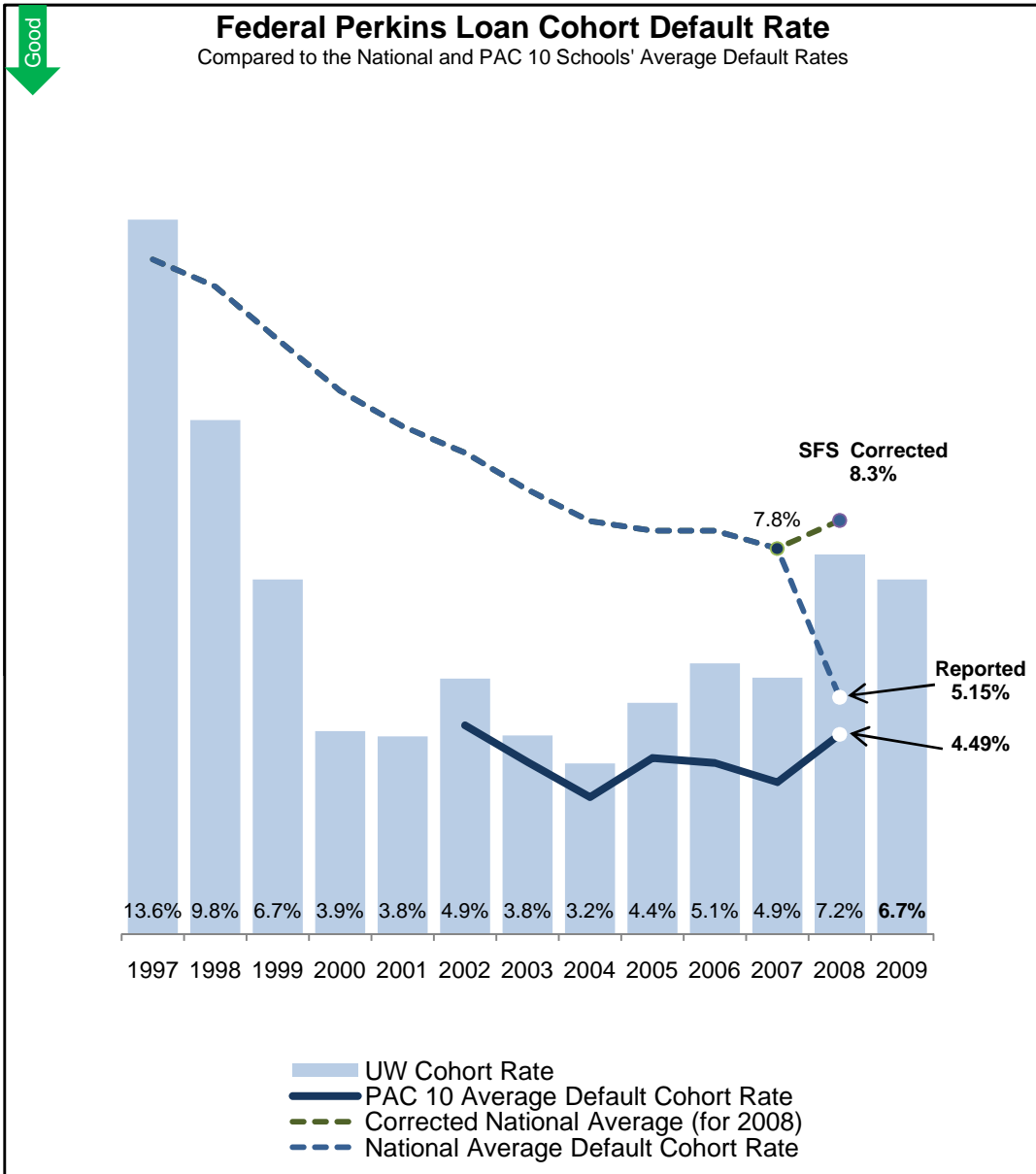
\*Year end adjustments for deficits, suspense, doubtful accounts, and deferred revenue

\*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

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 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

NOTE: The 2008 National Average Default Cohort Rate contains an error: a school reported 1,000,000+ borrowers entering repayment, thus skewing the calculation. This error has yet to be corrected by the Federal reporting agency. Backing out this data results in a rate of 8.3%

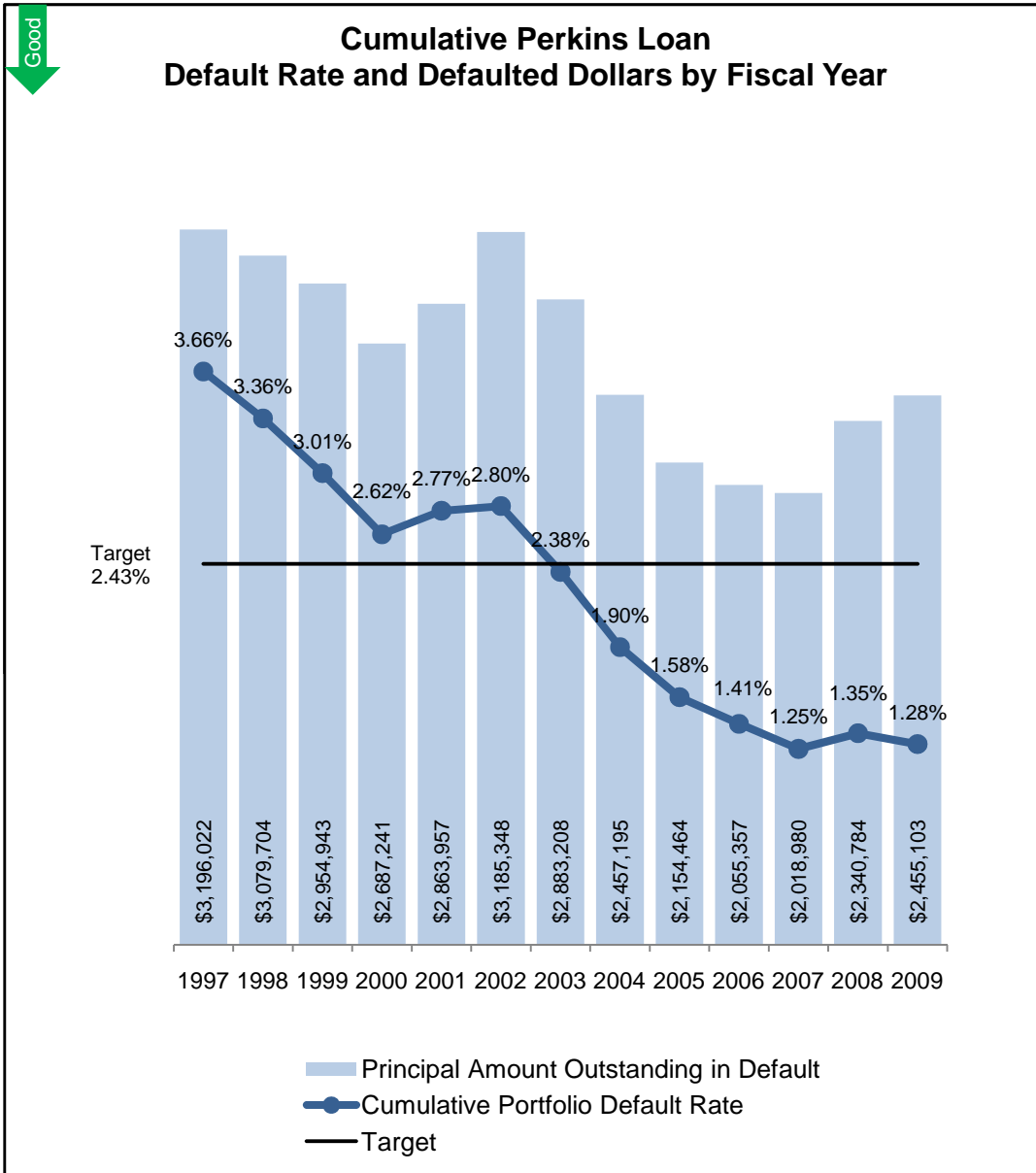
Current economic trends would indicate that we can expect an overall increase in defaults -- as students entering the workforce face increased competition for career-track jobs within their fields of study and an overall tighter employment market.

## NEXT 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

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.

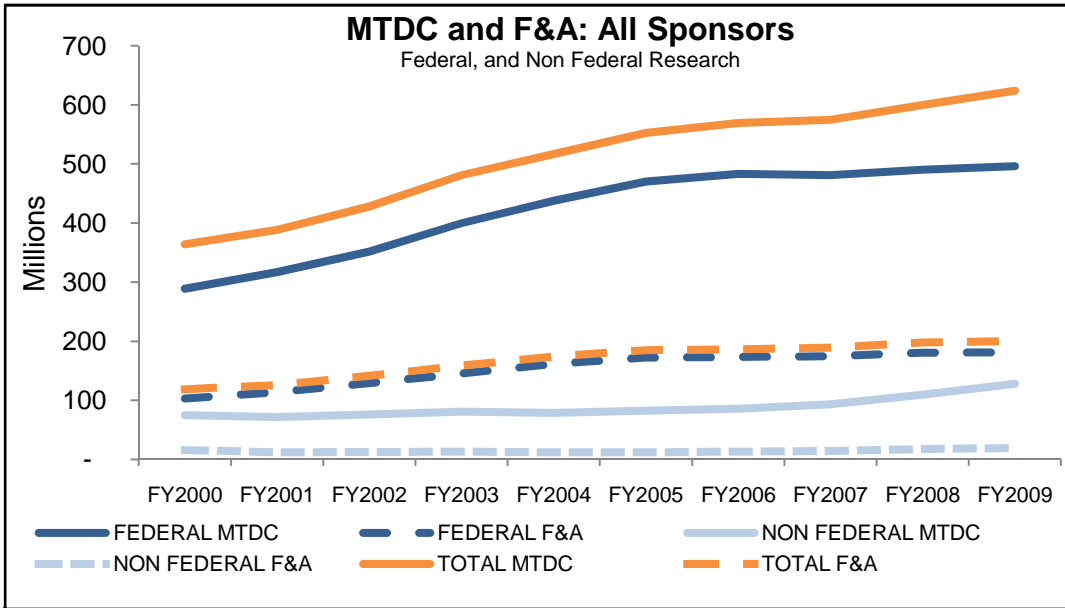
## NEXT STEPS

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

Target will be re-assessed if the current cumulative default rate stays below the current targeted average for an additional two years (i.e., by end of 2011).

# 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.

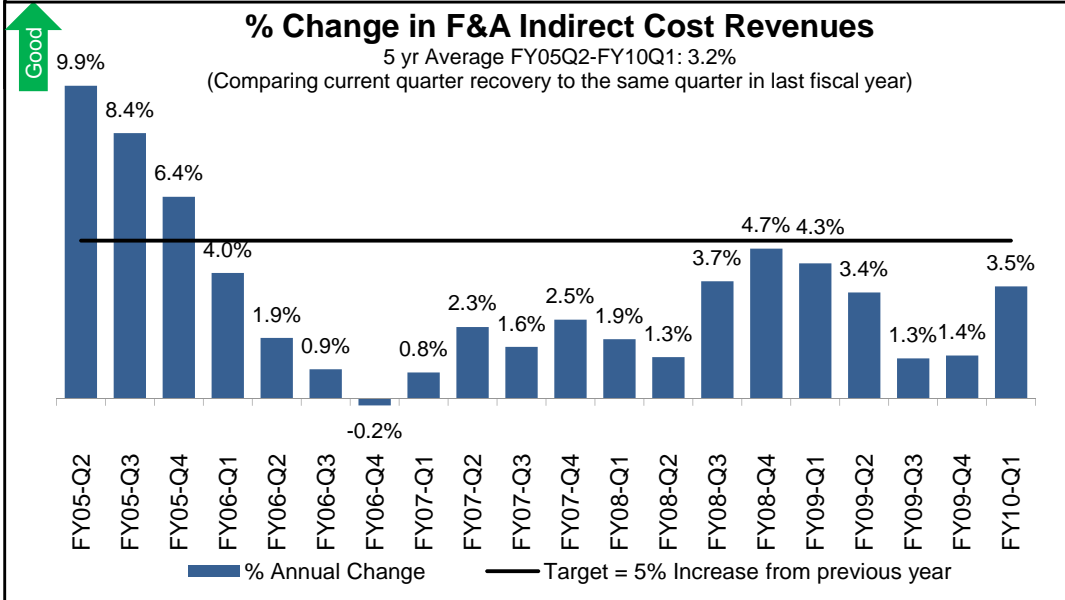
## ANALYSIS

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.

## 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.



# Develop and Negotiate Indirect Cost Rates - RAA

Financial

**Increased F&A Recovery Resulting from Increased F&A Rate in Current Fiscal Year for On-Campus Research**  
**Total Increased Recovery 7/09-9/09 \$3,390,241**  
**Total F&A Recovery 7/09-9/09 \$39,218,124**

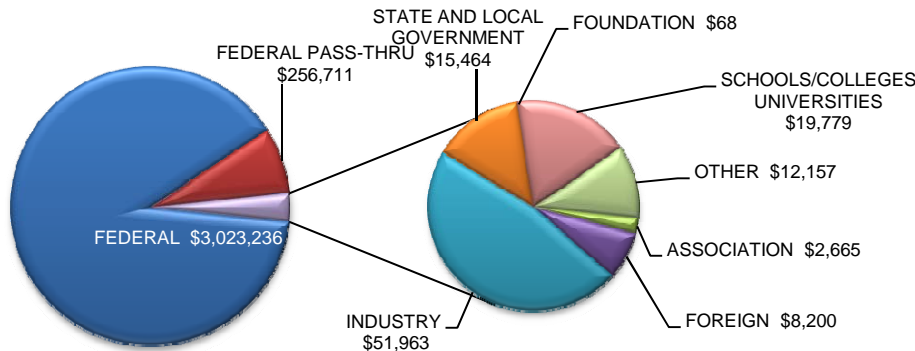


Chart reflects the increase in F&A revenue attributable to the F&A rate increase

**Increased F&A Recovery Resulting from Increased F&A Rate in Current Fiscal Year for On-Campus Research**  
**Total Increased Recovery 7/05-9/09 \$18,239,196**  
**Total F&A Recovery 7/05-9/09 \$683,666,109**

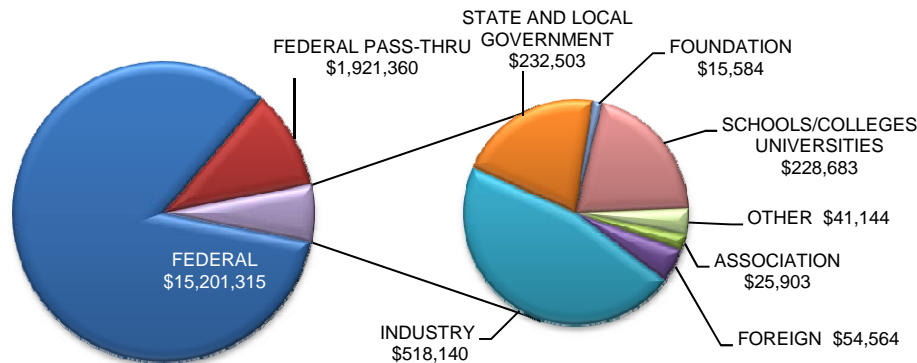


Chart reflects the increase in F&A revenue attributable to the F&A rate increase from the last F&A rate

## 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

The increase in the negotiated F&A rate has resulted in significant additional recovery of F&A dollars related to on-campus research activity. For fiscal year ended September 30, 2009 there was over \$3.3 million in increased F&A recovery for these awards. Cumulatively, 7/2005-9/2009, the increased F&A rates for on-campus research have generated slightly more than \$18.2 million.

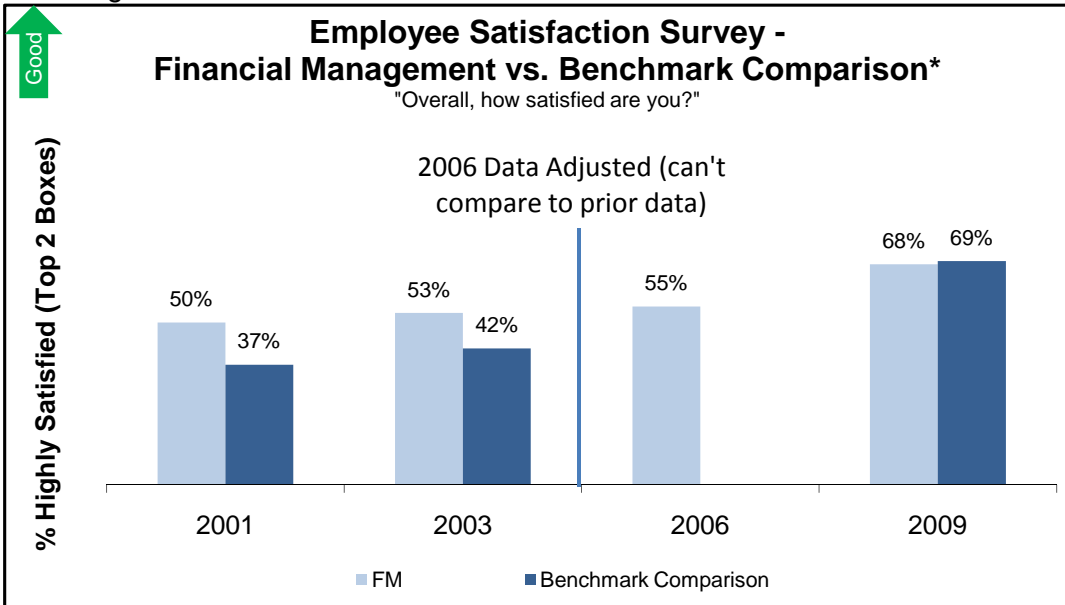
The charts reflect the increase in F&A revenue attributable to the F&A rate increase from the last F&A rate negotiation.

## NEXT STEPS

None presently

# Develop staff - Percent of Staff Highly Satisfied with FM

Learning & Growth

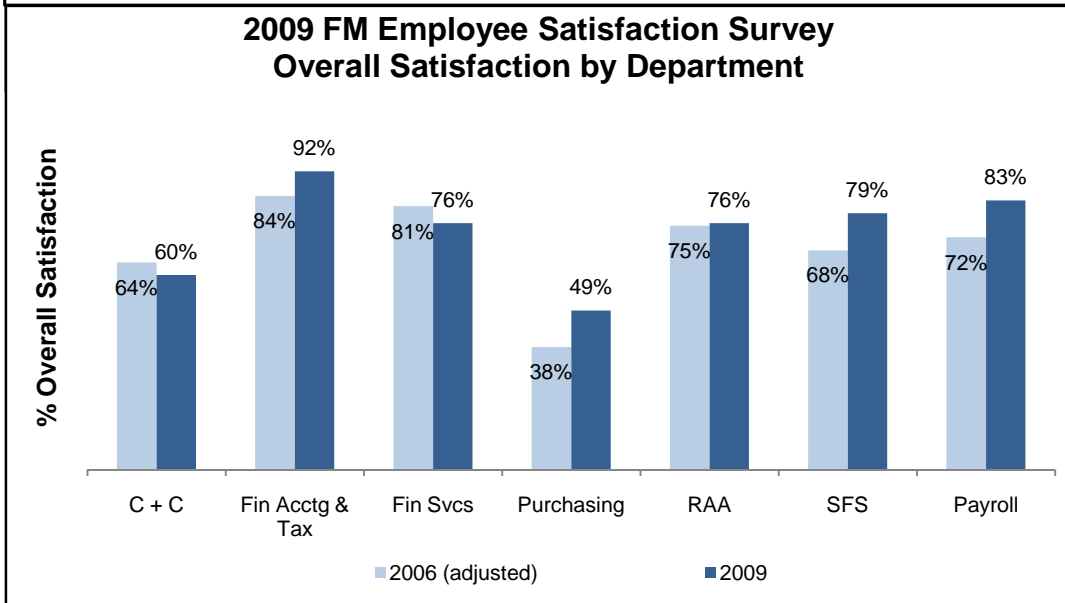


## DEFINITION

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.

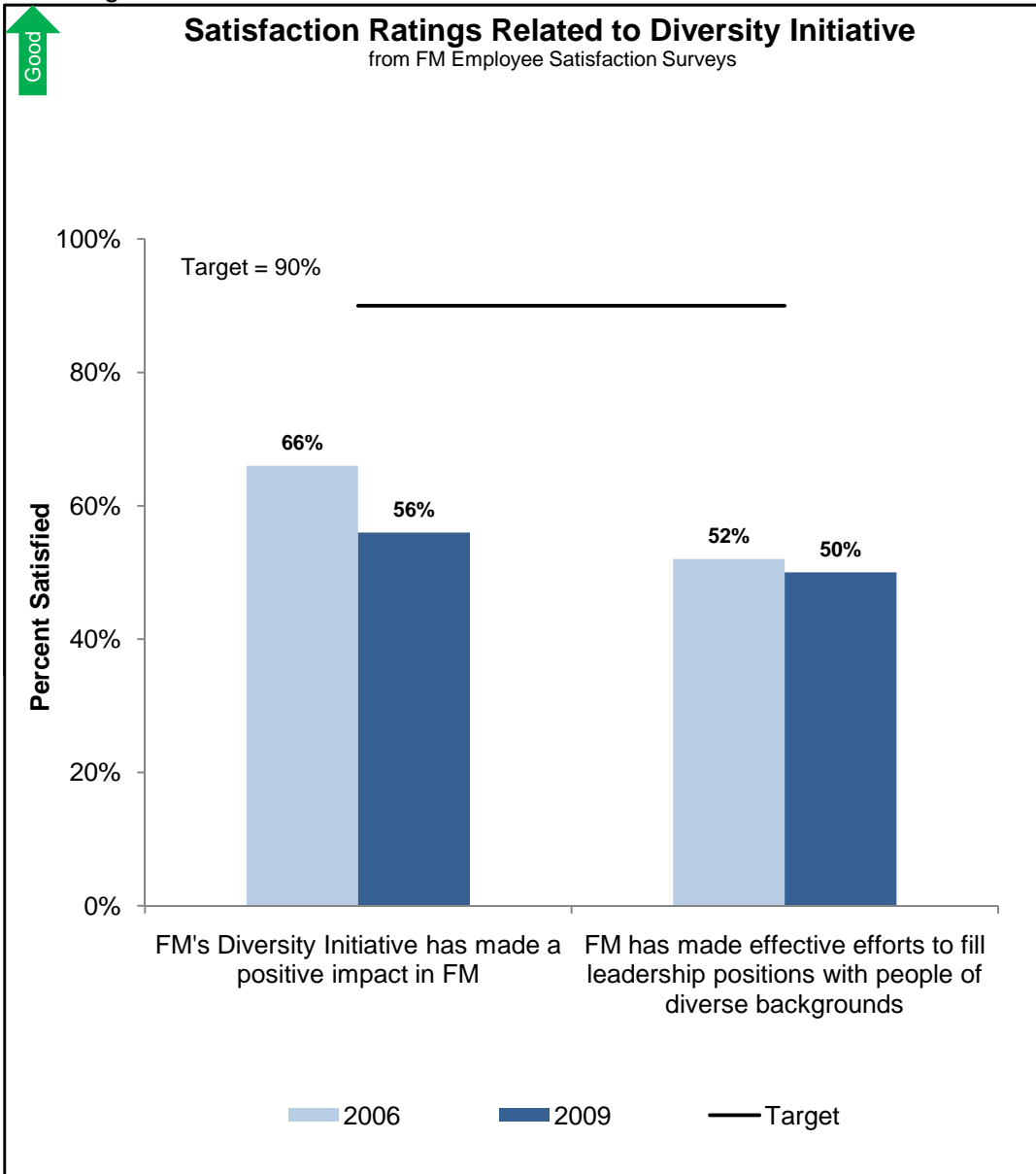


## NEXT STEPS

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.

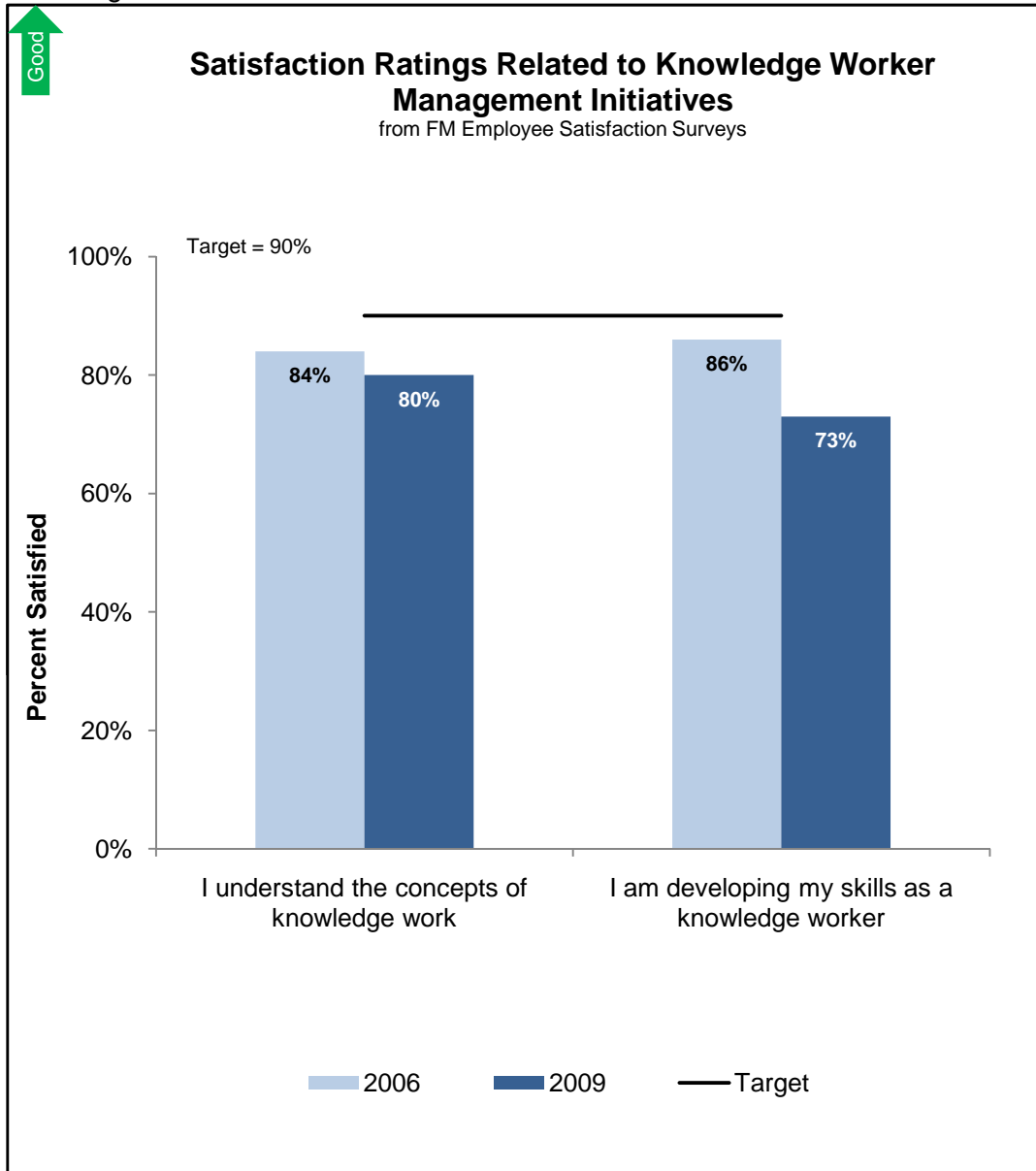
## NEXT STEPS

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

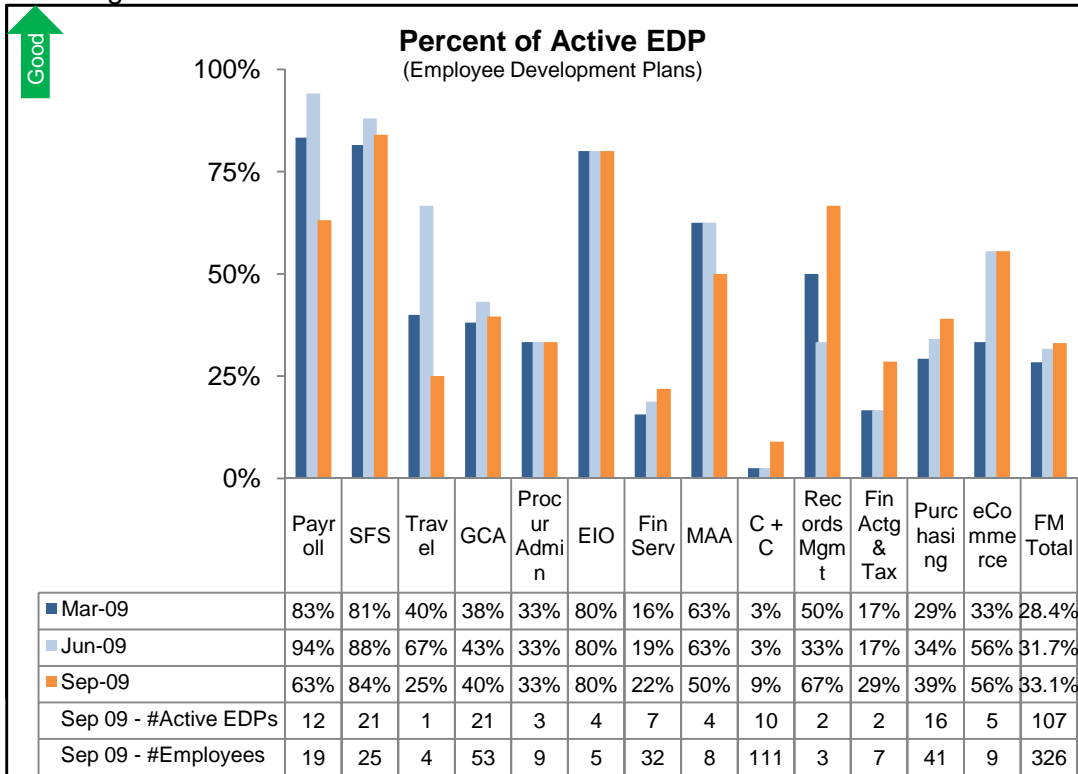
In 2007, reorganization resulted in FM gaining two new areas: Purchasing and Creative Communications and losing Treasury, Risk Management, and Quality Improvement. More than 50% of the staff in FM today work in these two areas. In 2009, these scores provide a new baseline.

## 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.

### ANALYSIS

Overall, there are 107 employees with active personal development plans. One-third (33.1%) of FM employees have active plans. SFS (Student Fiscal Services) led the way with a 84% score with EIO (Equipment Inventory Office) close behind at 80%.

Departments still below the 50% mark in active EDPs include: Grants & Contracts Accounting, Procurement Administration, Financial Services, Creative Communications, Financial Accounting & Tax, and Purchasing. Targeted EDP workshops in the workplace appears to have improved performance in eCommerce and Purchasing.

### NEXT STEPS

Managers continue to encourage all staff to complete or reactivate their EDPs. More targeted EDP workshops are scheduled in Procurement Services.

