

Operational Performance Dashboard
December 2009
FY 2010 Quarter 2 (September - December 2009)
(Final Version - March 15, 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

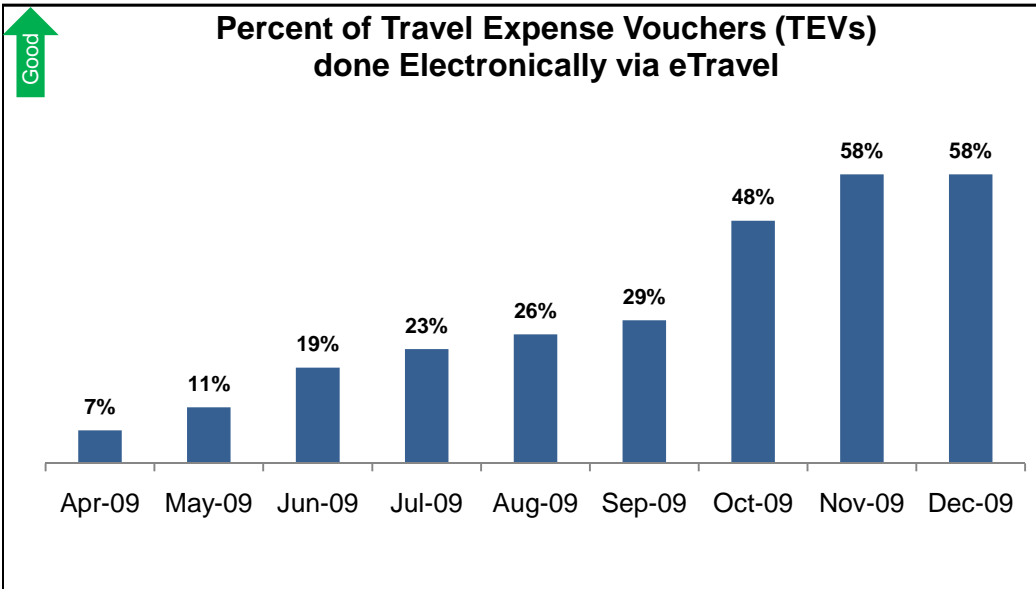
(A unit of Finance & Facilities)

Operational Performance Dashboard - FY 2010 Quarter 2 (September - December 2009)

Process	Measure	Current Output Measure	Target		Gap (Target-Output)	Process	Measure	Current Output Measure	Target		Gap (Target-Output)
CUSTOMER						FINANCIAL					
Pay Bills	Percent of travel expenses reimbursed within 5 days of receipt of TEV	98%	95%	↑	No Gap	Pay Bills	Percent of online invoices paid within 30 days of receipt in PA	92%	95%	↑	-3%
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	↓	2.9	Pay Bills	Reduction in Small Dollar PAS Transactions which should be going through eCommerce.	6,393	6,000	↓	393
Disburse Financial Aid	Percentage of Aid disbursed during the 1st week of a quarter.	84% 2009	85% Benchmark	↑	-1%	Manage Grants	Total uncollected cash for unbilled invoices & aged receivables (cumulative) – JDE	\$54 million	\$23 million	↓	\$31.0
	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	93%	85%	↑	No Gap	Indirect Cost Rates	Five year average of percent annual change in F&A Indirect Cost	3.1%	5.0%	↑	-1.9%
INTERNAL BUSINESS PROCESS						LEARNING & GROWTH					
Inc. online Trans.	Process online mailing, printing & copying	28%	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 – 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	177	50	↓	127		Active Employee Development Plans (EDPs)	33%	75%	↑	-42%

Pay Bills - Travel

Customer

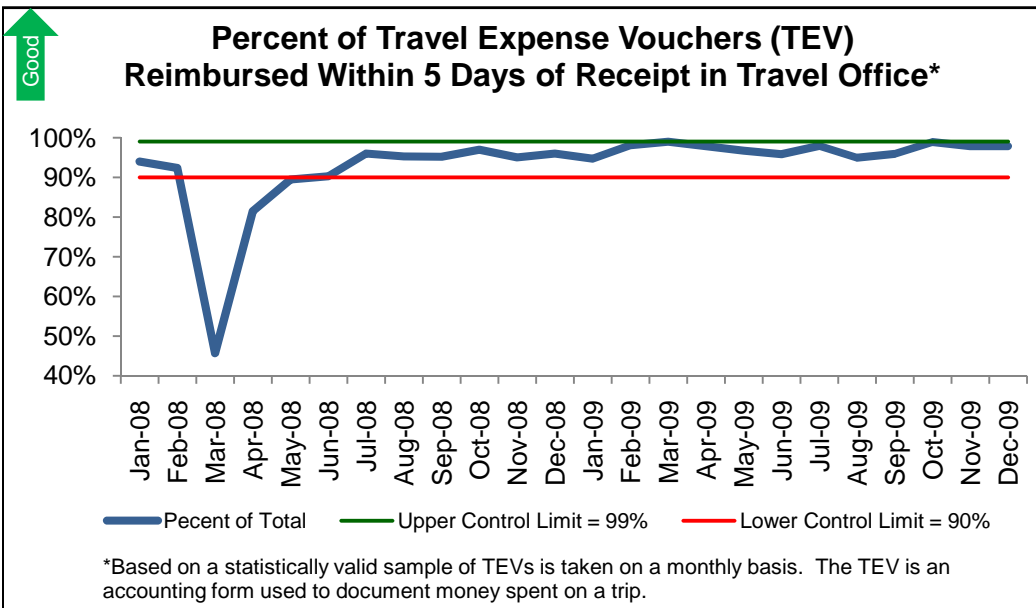


DEFINITION

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

The top chart tracks migration from manual to eTravel transactions. Since the April 2009 launch, eTravel usage has increased 51%. There are approximately 230 departments trained and using eTravel. The Travel Office is training weekly to get more departments on-line. Paper TEV's have decreased. The bottom chart tracks reimbursements within 5 days. Except for the drop in March and April 2008, when higher than usual volumes and resources were reassigned to testing and documenting the new eTravel system, this measure continues to be consistent. December exceeded the 95% target by 3%.

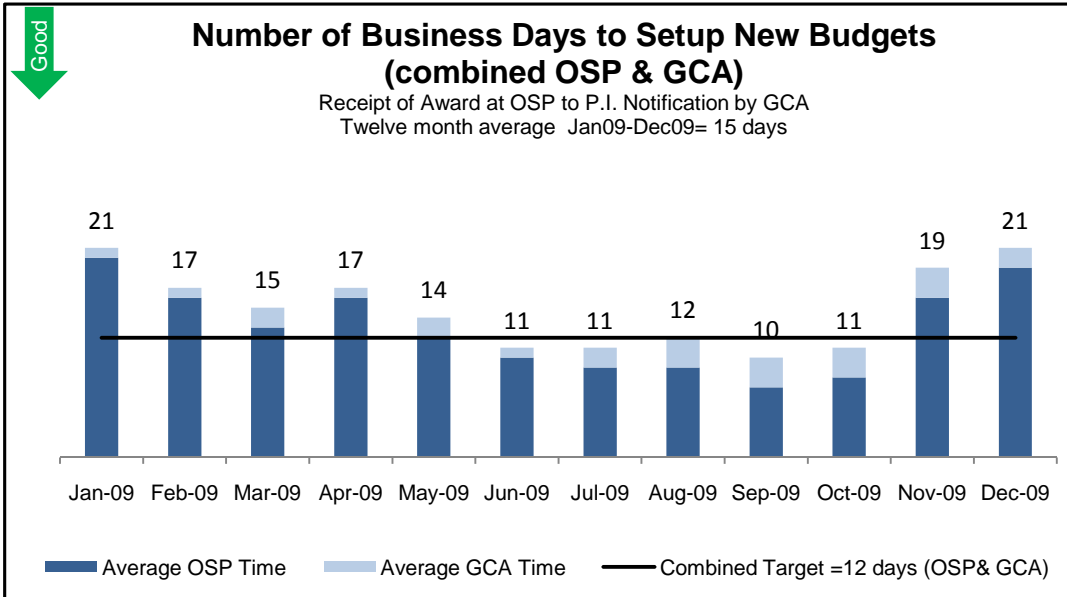


NEXT STEPS

Continue to train departments on eTravel; complete our planned rollout by June 15, 2010. We will also continue to measure the migration of TEV forms from paper to eTravel.

Manage Grants (New Budget Setup) - GCA

Customer

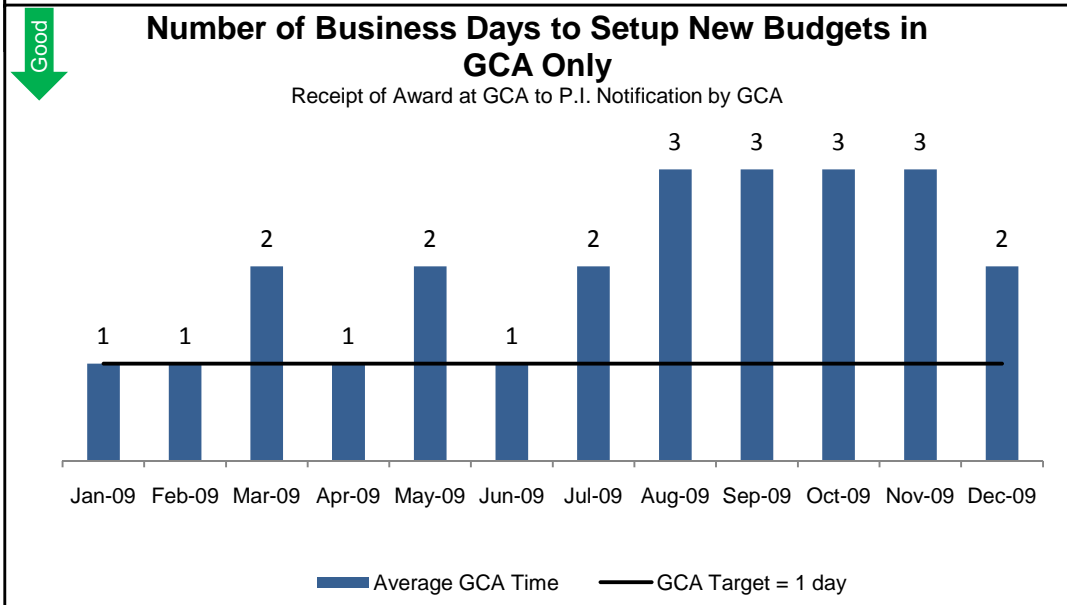


DEFINITION

The measure shows the average number of days to establish a new award in the UW Financial Systems. Twelve month average Jan09-Dec09 = 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. 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.



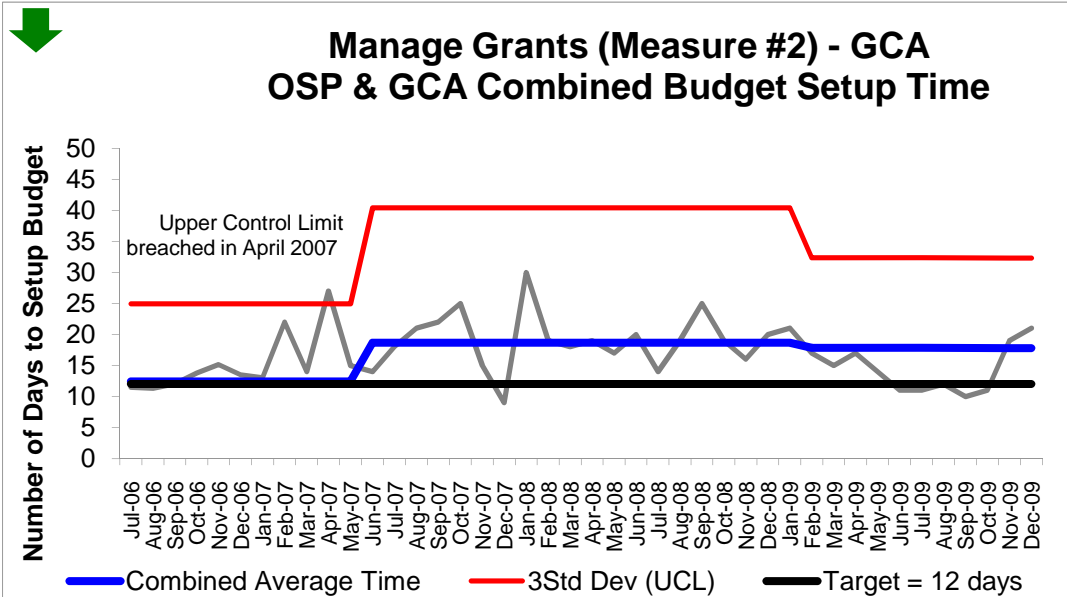
The average time to set up new budgets in GCA increased due to the influx of new awards the university received under the American Recovery and Reinvestment Act (ARRA). The number of new budgets increased from 140 in April to 320 in September 2009. OSP is trying to identify the reasons why the average number of days increased in November and December 2009.

NEXT STEPS

GCA will continue to work closely with OSP to maintain a stable output in the new budget set-up process. Continuous improvements will achieve desired efficiency and transparency between the two offices.

Manage Grants (New Budget Setup) - GCA

Customer



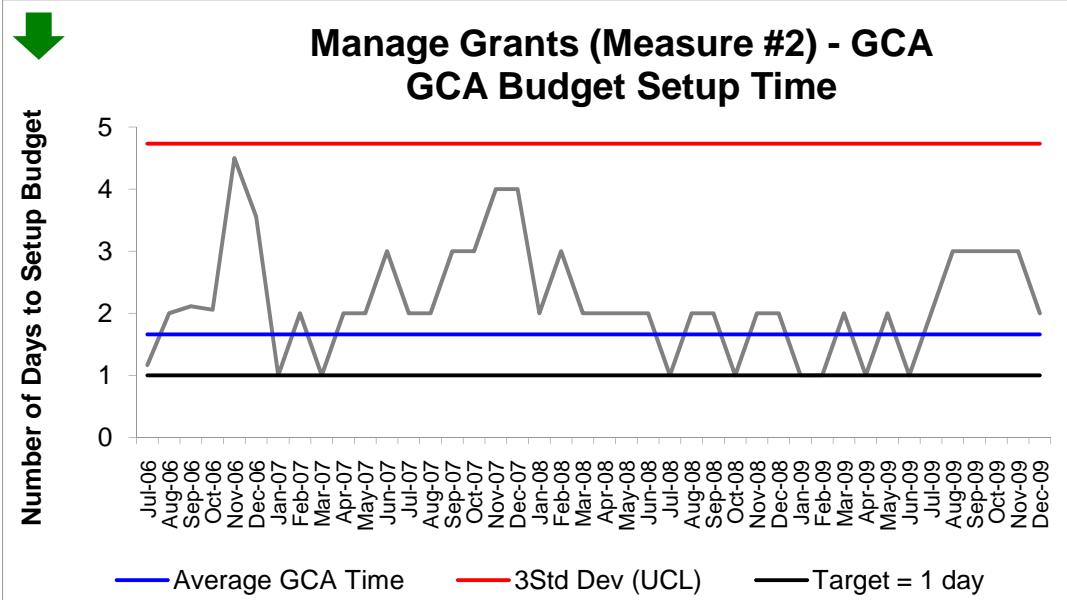
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ANALYSIS

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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. In January 2009, data for New Budget Set Up was fully available with SERA. Another adjustment to the control limits was made to reflect the decreasing trend of time needed to set up a new budget.

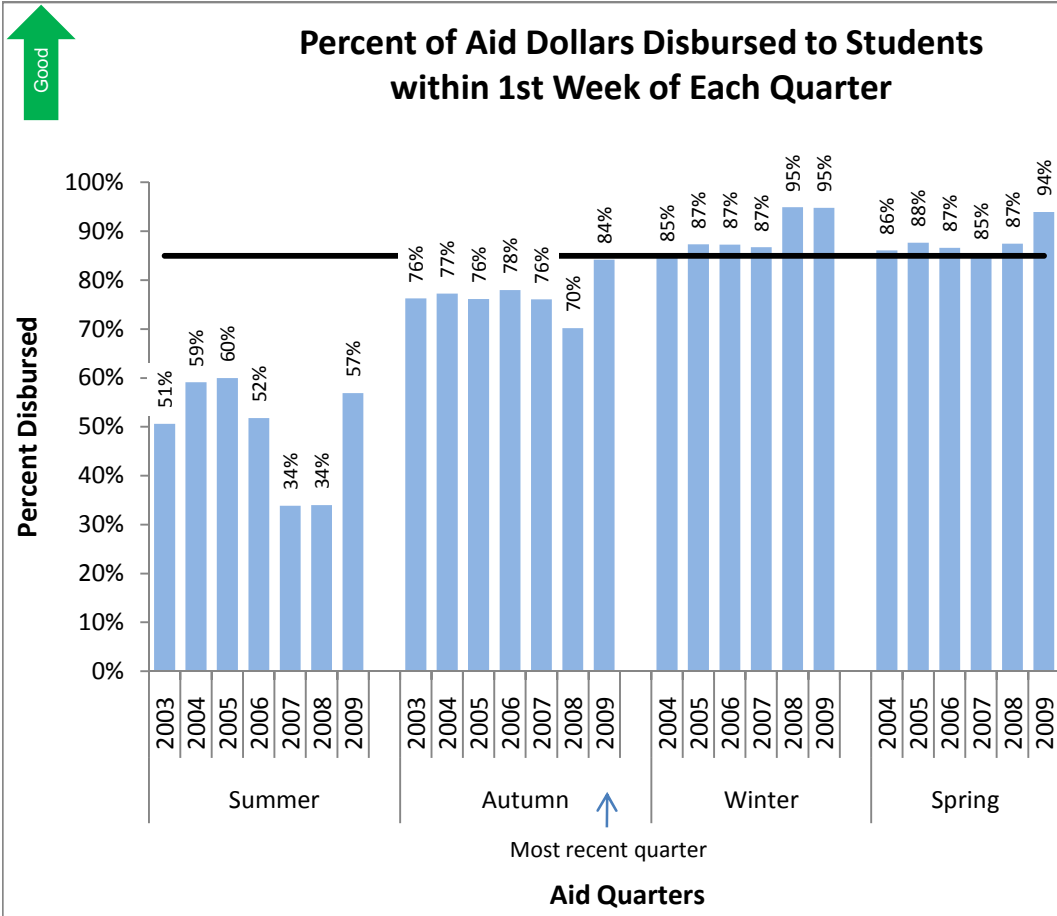


NEXT STEPS

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

Disburse Financial Aid - SFS

Customer



DEFINITION

Student Fiscal Services (SFS) is responsible for disbursing aid to students that originates both through UW sources (e.g., departmental scholarships, aid packages awarded through the Office of Student Financial Aid, as well as external sources (e.g., private scholarships, VA awards, etc.) The sooner we can process and release the funds to students, the sooner they can pay their educational expenses. SFS seeks to disburse as much aid as possible during the first week of each quarter. Note: Figures reported are sensitive to data report timing issues which results in values that are slightly over- or under-stated by several percentage point. The scope of this variation is probably within +/- 5%.

ANALYSIS

The percentage of aid dollars disbursed within the 1st week is relatively stable as indicated by the current variance per quarter calculations (overall, less than 2% variance within each quarter over the history of this measure (see table below chart).

SFS has seen the percentage disbursed during the 1st week increase, even as student number and award dollar volumes have increased (a total of \$184 million was disbursed to students during Autumn quarter 2009, a 12% increase from the prior year). This is due, in part, to staff hired within the past two years becoming fully integrated into current processes, as well as process improvements in customer communications (including outreach efforts), early notification to students to complete necessary paperwork (e.g., promissory notes), and overall improved internal processes.

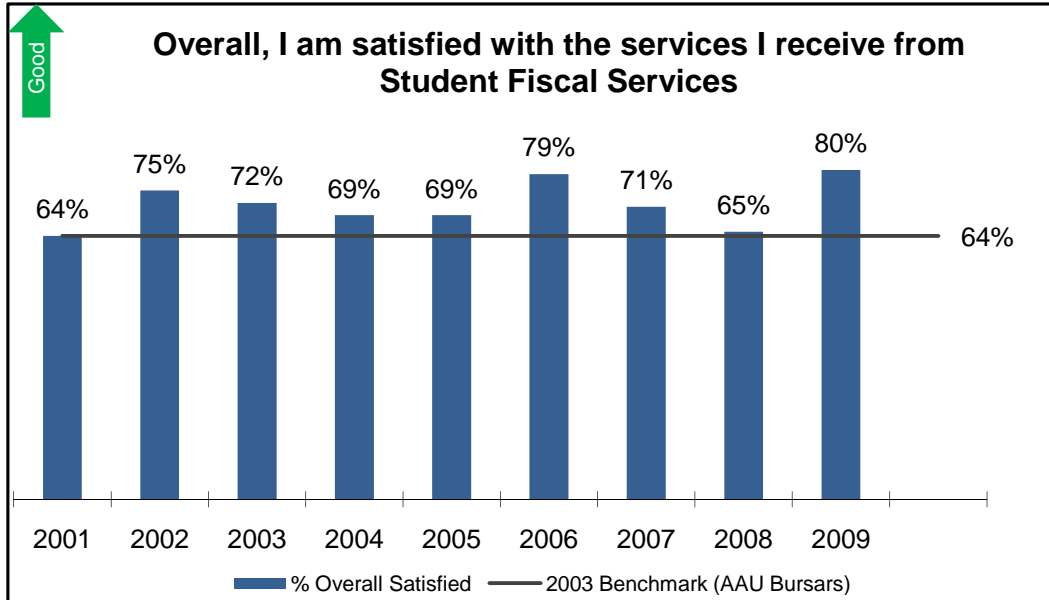
By Quarter	Summer	Autumn	Winter	Spring
Standard Deviation	11.18%	4.12%	4.44%	3.18%
Variance	1.25%	0.17%	0.20%	0.10%

NEXT STEPS

This measure's targets are being considered for adjustment at this time, with different targets set based on historic performance on a per quarter basis -- slated to be completed by the next annual update of SFS measures. Investigation of the data report timing variance is ongoing, but will not be complete for three or more additional quarters of data collection.

Student Satisfaction - SFS

Customer



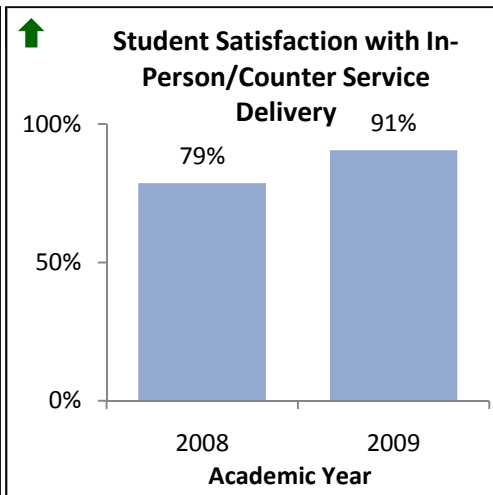
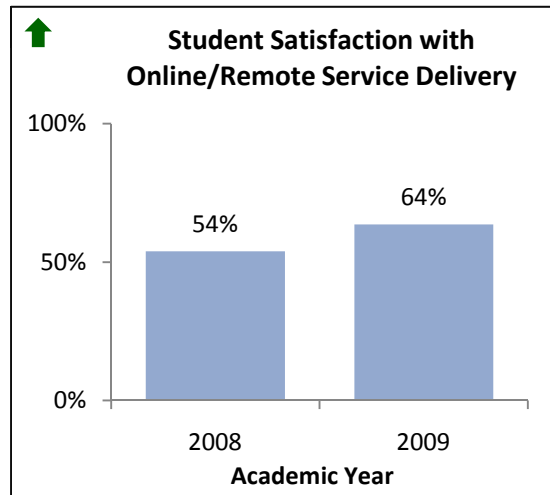
DEFINITION

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) -- benchmark to be determined.

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, the 1,064 students using paper-based surveys, 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%. Note that regardless of how a student took the survey (paper or online), the same questions were asked of their satisfaction on service delivery channels.



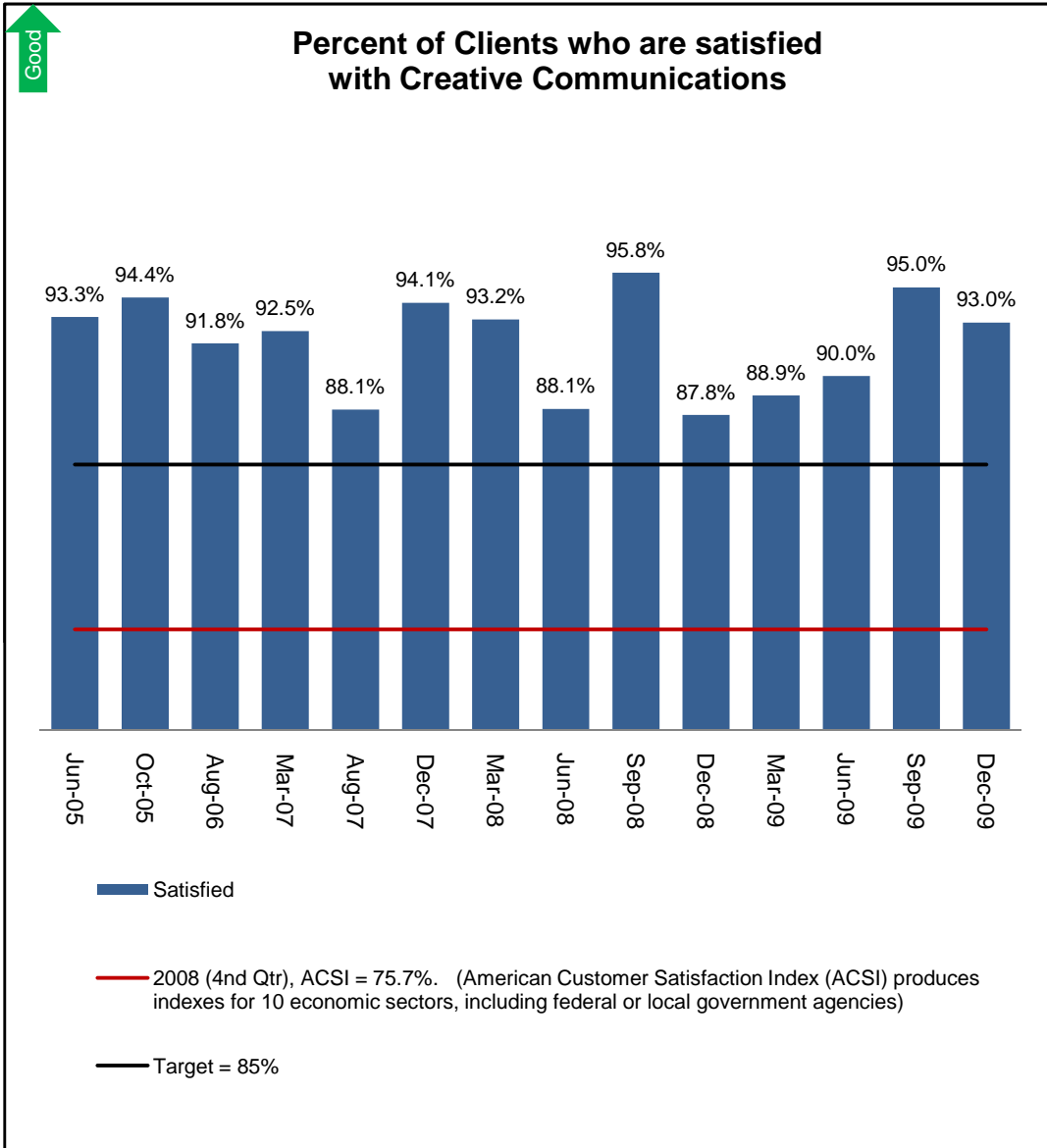
As with last year, most in-person surveys were answered during the beginning of the quarter, while most on-line were answered towards the middle, though with a lower on-line response rate than in prior years. These response rates were due to the roll-out of a communication strategy that had counter staff 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 marketing 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 2 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 in the areas of Mail Prep, Copy Services, and Print Services.

ANALYSIS

Percentages have remained stable and above target while we continue to transition our products and services to Digital StoreFront (DSF) web interface. We do recognize the low response rate by our clients and believe that they may experience survey exhaustion. Before the end of Q3'10, we will decide whether to move our survey to once every six month or once a year. We believe this will better capture our clients' satisfaction.

Digital StoreFront (DSF) web interface update: The current UW economic and our departmental transition phase slowed the pace for our team to add additional products. The current work includes Medical School stationary, letterhead and envelopes.

- Total jobs = 5,271
- Total invites = 324
- # of responses = 57
- % of total jobs = 6.1%
- % of responses = 17.6%

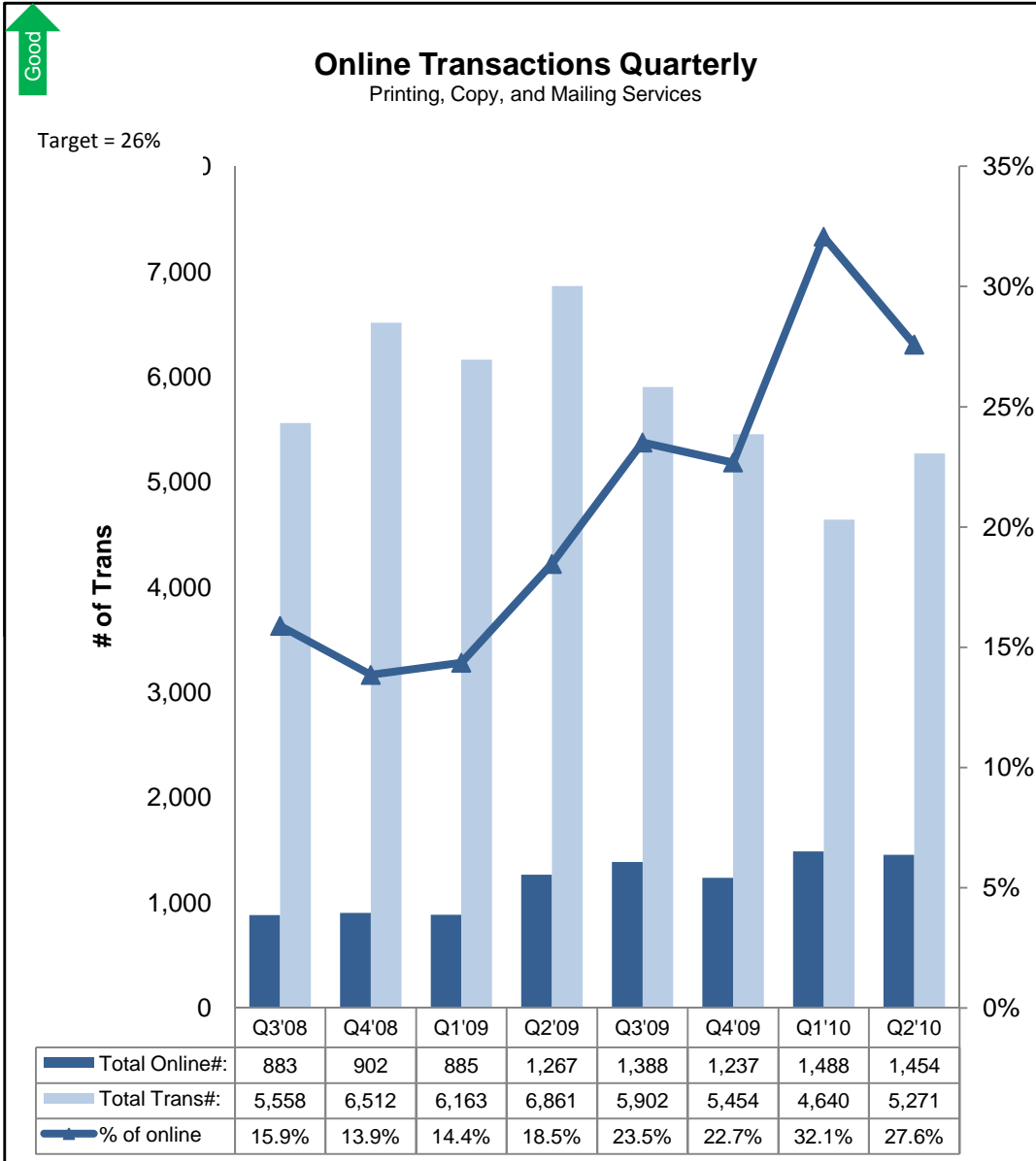
NEXT STEPS

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 - Creative Communications

Internal Business Process



DEFINITION

Shows the number of orders submitted to 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

An increase to Total Transactions and a slight decrease to Total Online Transactions have resulted in a 4.5% decrease from the previous quarter, or 27.6% for the quarter. As anticipated, the increase in total transactions coincided with the academic quarter, but the decrease to total online transactions was not expected. A troubled upgrade to the DSF system caused the online order to be inoperable for three and a half weeks.

Once again we surpassed the 26% Q3'10 target set in Q4'09. By the close of Q3'10 we will determine whether or not to adjust the target.

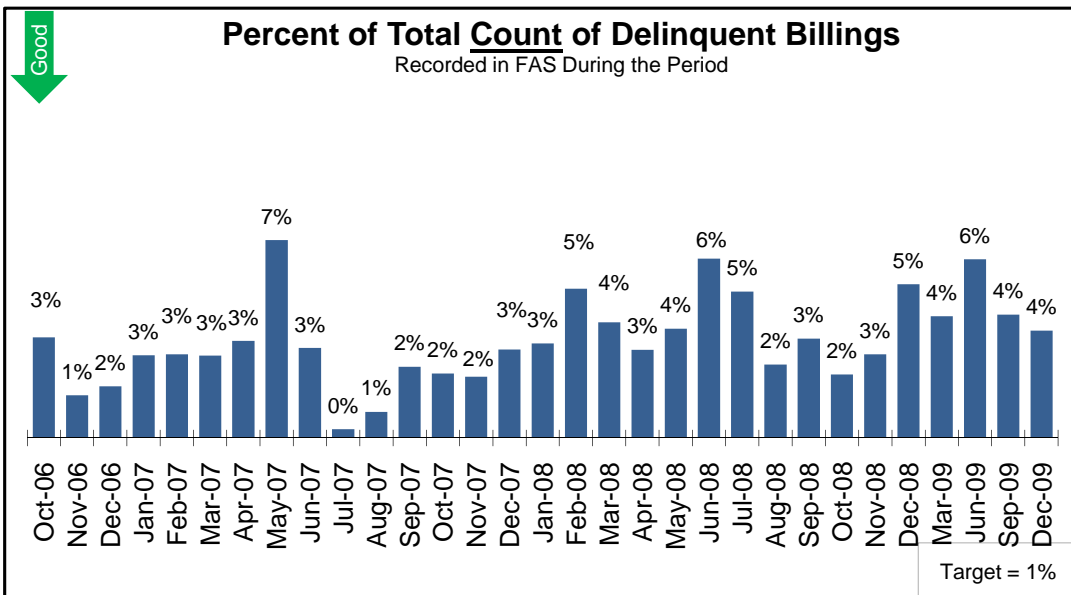
Current DSF products include: business cards, campus products (formerly UStore products), letterhead and envelopes. Completed implementation of unique styles for School of Public Health.

NEXT STEPS

Continue final stage of UW Seal & traditional business cards implementation.

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

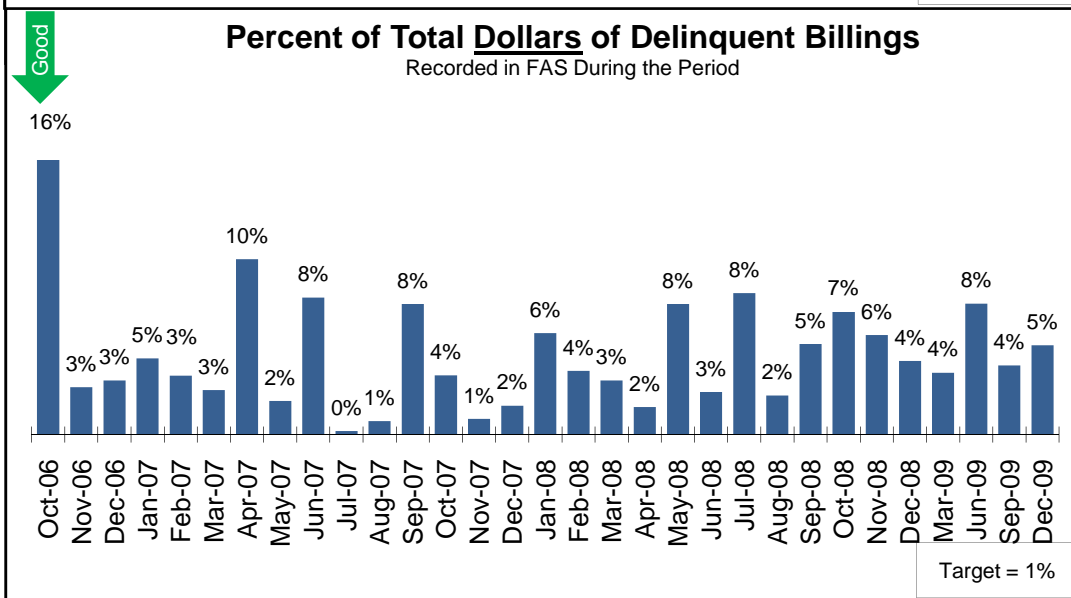
Monthly Average Totals during the Oct - Dec period: CTI/ISD Count = 39,539, Dollars = \$26 Million

51% of this quarter's late transaction count is represented by three users:

- 1) Non-operating (UWMC Pharmacy Drug Svc) (775)
- 2) Association of University Physicians (737)
- 3) UW Tech Bus & Fin (628)

52% of this quarter's late dollars is represented by five users:

- 1) Enterprise Platforms (UW Technology) (\$489,029).
- 2) Treasury (\$484,481).
- 3) Department of Medicine (\$464,215).
- 4) Transportation Div (UW Finance & Facilities) (\$406,802).
- 5) School of Oceanography (\$277,261)



NEXT STEPS

Continue direct communication with recurring late billing departments.

Productivity - FM

Internal Business Process

New productivity under development, will be available for next quarter.

DEFINITION

Productivity is a ratio of (unit of work) to (FTE). Unit of work is defined by the department. It is 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. This ratio depicts whether FM is doing more with less, or less with more staff over the years. However, to provide a more complete picture, other critically important issues should also be considered/presented: backlog, quality of work (errors & deviations), customer satisfaction, work not represented by chosen output, benchmark to industry/best practices, and the choice of base year.

ANALYSIS

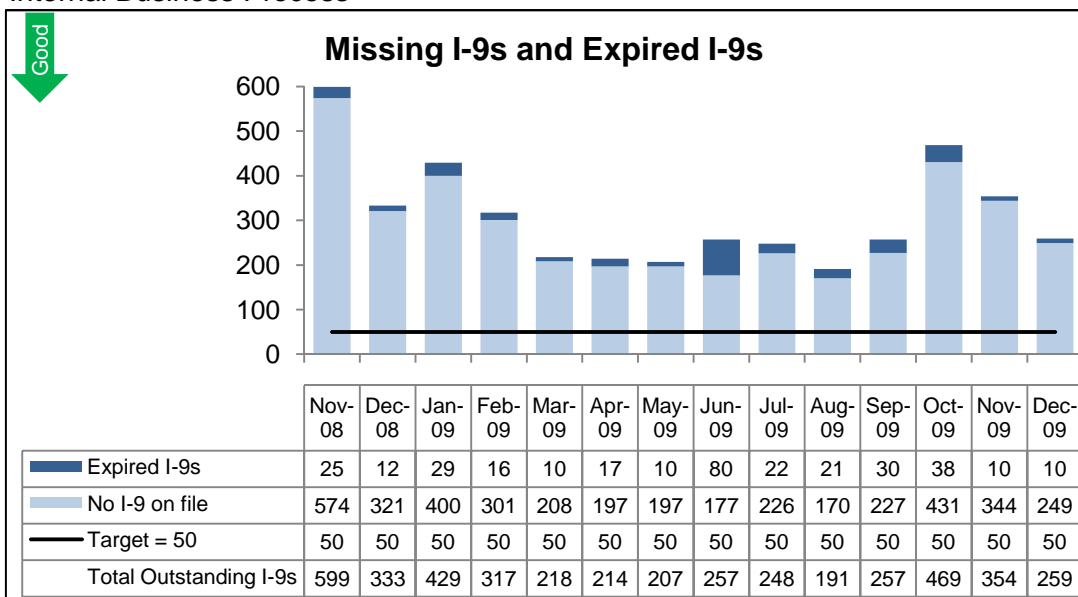
The top chart for December 2009, showcases the revised 2008 prior measure and an all-new 2008 forward graph. Some, more recent, FM productivity data points inaccurately added and removed FM departments reflecting multiple reorganizations without readjusting to the base year. The graph below restates FM productivity and consistently includes the same population throughout the years. Measure change in 2008 forward include a new 2008 base year (reset for all Finance & Facilities), inclusion of Purchasing, and FTE actuals (previously budgeted).

NEXT STEPS

1. Inclusion of Creative Communications (C2)?
2. We continue to eliminate transaction-related work through increased automation and to develop needed knowledge worker positions. This will have the effect of reducing productivity (particularly where there's been no significant increase in transaction volume), by increasing the denominator (FTE's)

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.

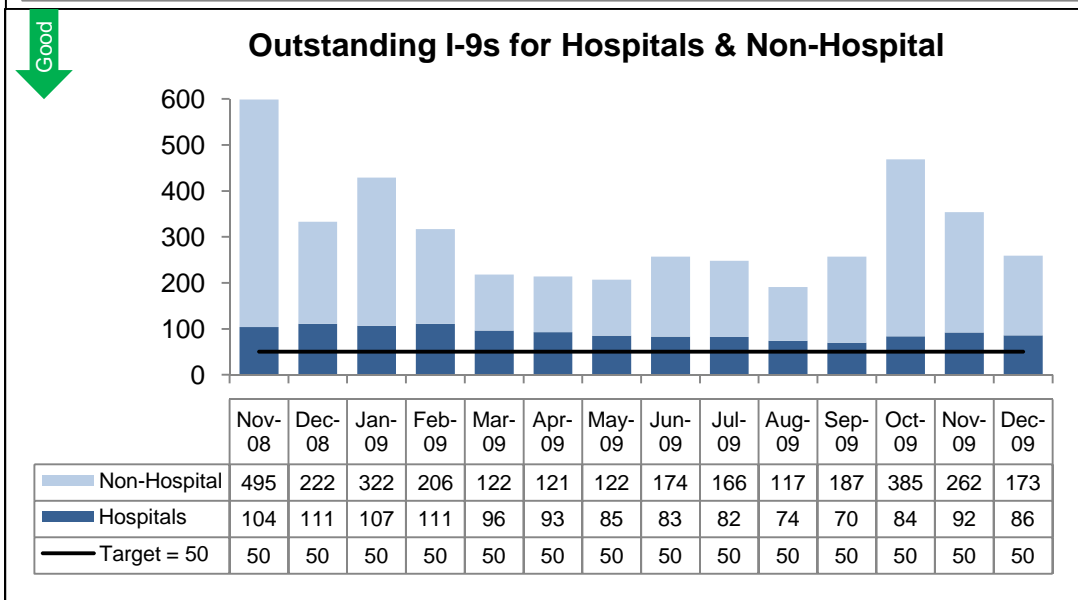
The bottom graph compares the number outstanding from the hospitals to all other departments.

ANALYSIS

The number of expired I-9s increases with the beginning of the academic year. 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, 225 were active and 24 inactive (22%). Expired I-9s are often higher in September and October, 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).

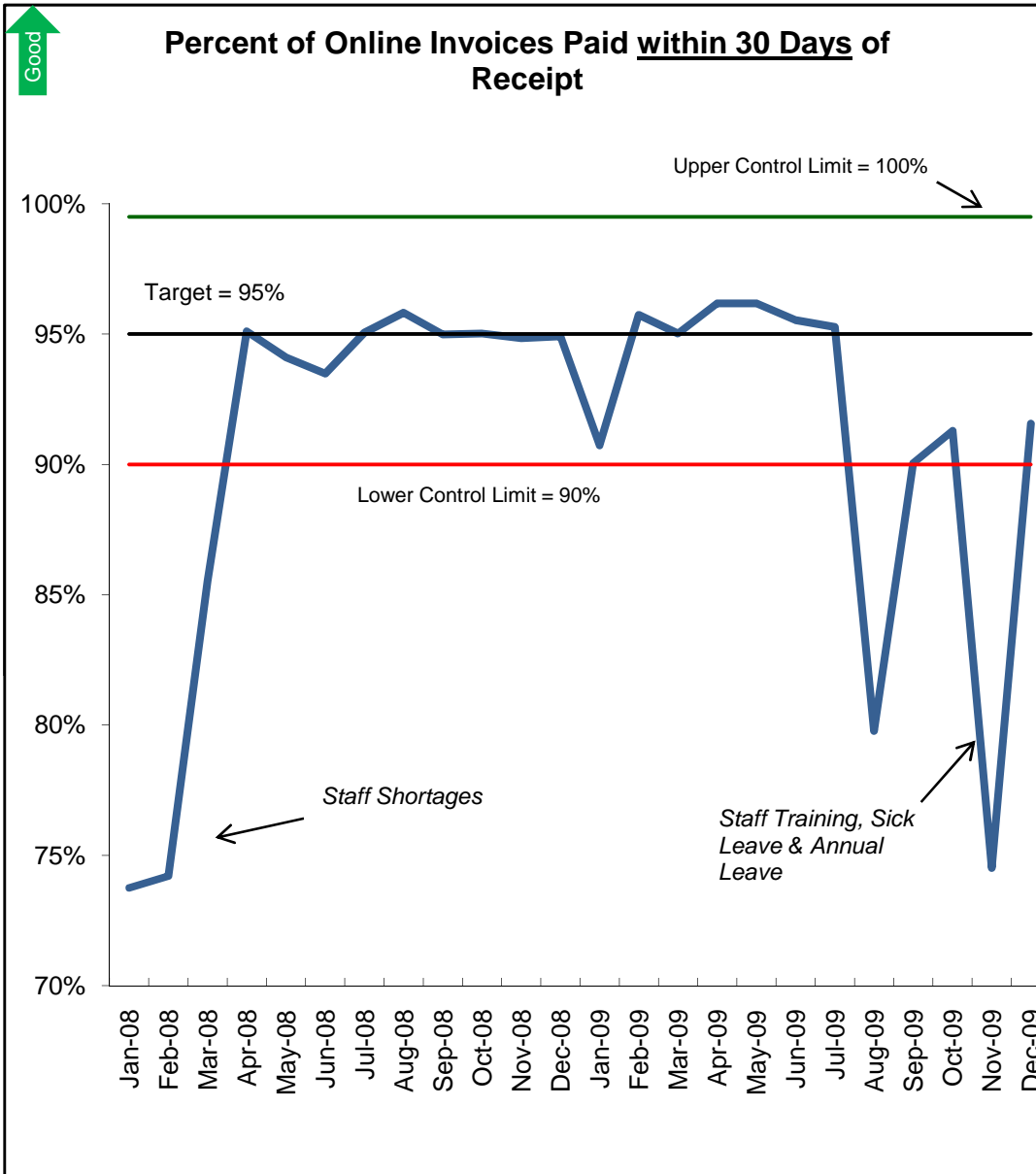
NEXT STEPS

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 - FS

Financial



DEFINITION:

Identifies the number of days between receipt of vendor invoice in Financial Services (FS) and the check date. WA State requirement is 30 days.

ANALYSIS:

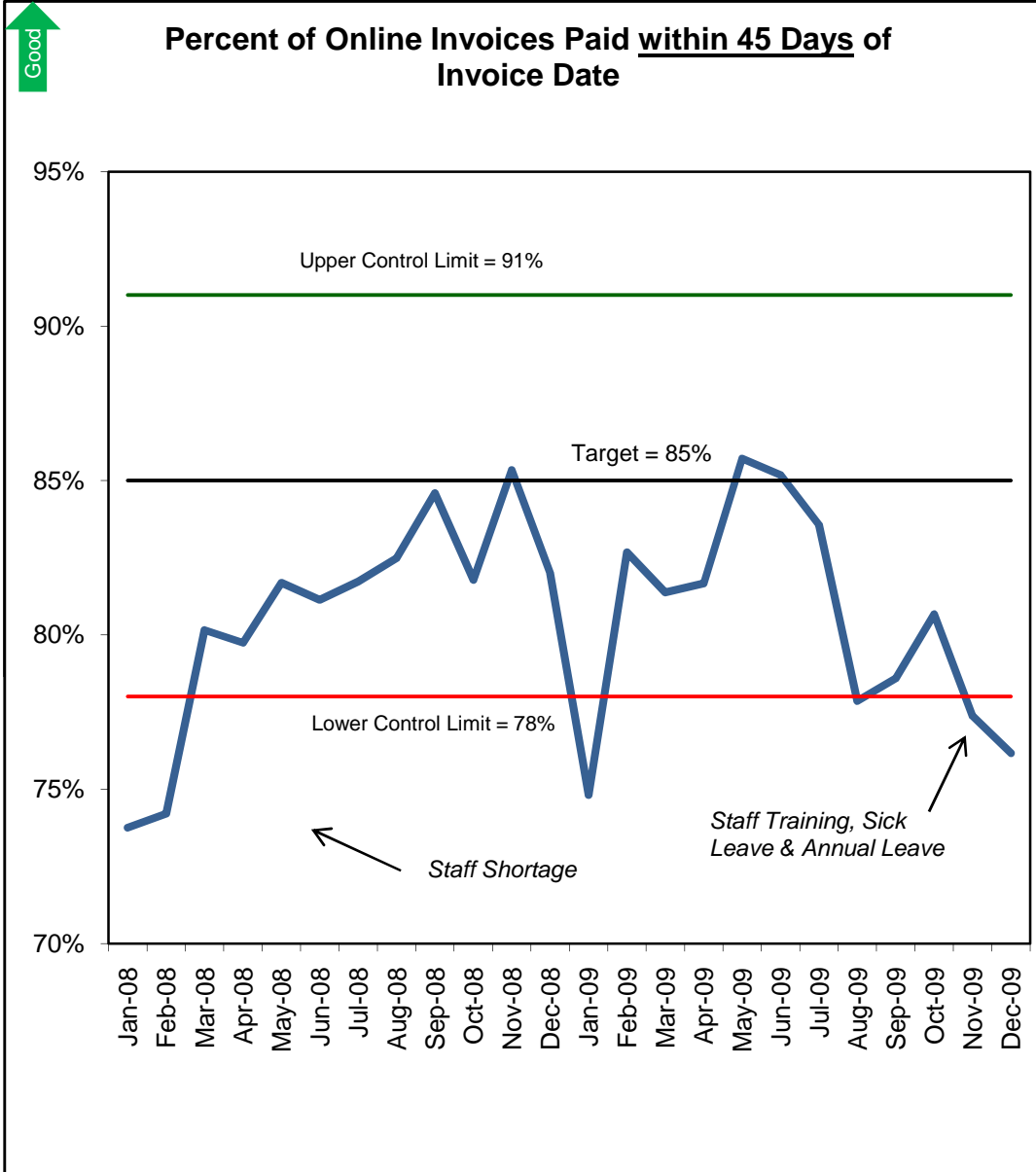
This measure was slightly lower in November 2009 due to the retirement of a long term staff member. This departure, while expected, necessitated the redistribution of her work which resulted in slower cycle times. Additionally, in October 2009, we began rolling out the BOA Electronic payment program. While preliminary results of this program have been encouraging, it has nonetheless caused additional work for staff in the way of outreach, communication & training of this new payment process to UW vendors. Finally, please note that while the number of online invoices continues to drop in light of our ongoing eCommerce migration efforts, we're finding that the "problem" vendors are still in our remaining pool. This "shift" in the percentage of "problem" vs. "easy" invoices is having a negative effect on our numbers. At present, we're attempting to work with these vendors in order to migrate them to an eCommerce solution.

NEXT STEPS:

Procurement Services is continuing its efforts to migrate small dollar transactions from PAS to eCommerce. However, as this is an on-going project, the final results of our efforts are not yet known which has created some fluctuation in the volume of workload for online invoices. Once the workload volume of online invoices has stabilized, our cycle times should also stabilize as well.

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

Financial



DEFINITION:

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

ANALYSIS:

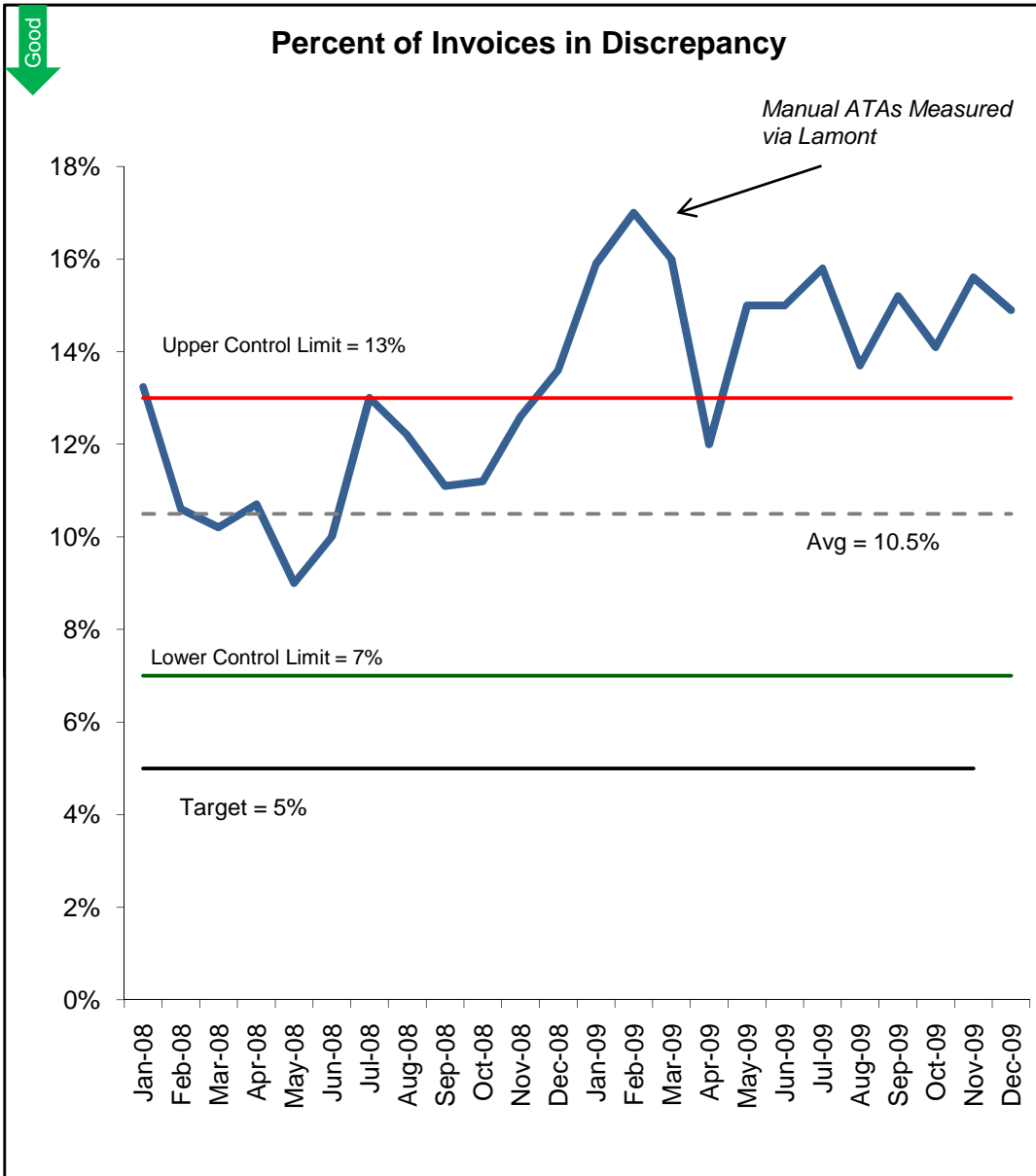
Preliminary numbers suggest that many of the invoices which were previously being sent directly to Financial Services (FS) from the vendor are now being migrated to eCommerce. This migration has resulted in a greater proportion of invoices being held in the department prior to submission to AP which, in turn, has increased overall cycle time for this measure. Additionally, please note that in October 2009 we began to roll out the new BOA electronic payment program which caused more work for staff in the way of outreach, communication & training of this new system to UW vendors. Also, in November 2009, a long, time AP staff member retired. This departure strained normal cycle times as her work had to be distributed among existing staff members.

NEXT STEPS:

AP continues to educate departments and vendors to send their invoices DIRECTLY to FS. Additionally, Procurement Services continues its efforts to migrate transactions from PAS to eCommerce.

Pay Bills - Invoices with Discrepancies - Financial Services

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:

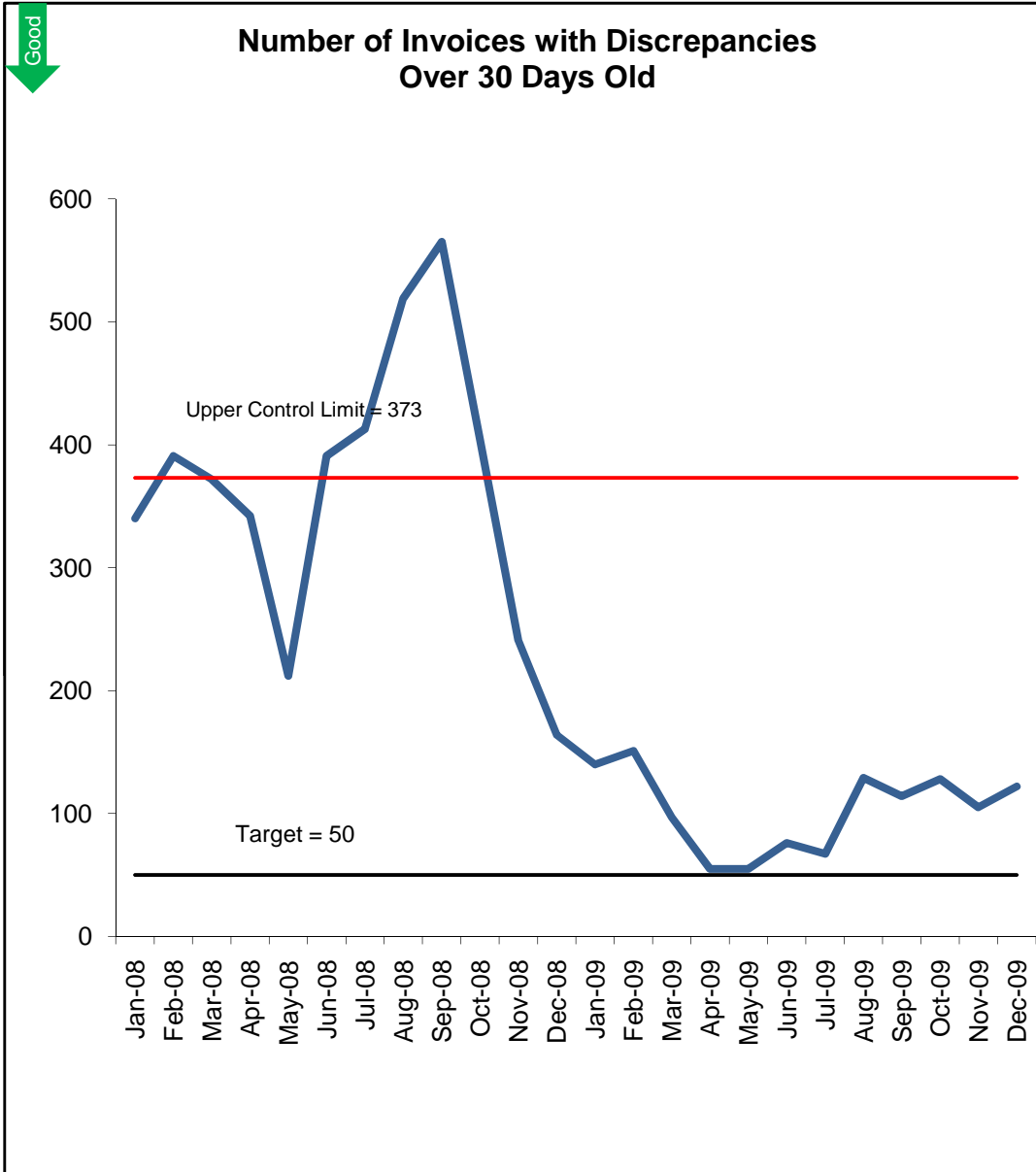
The increase in number of invoices with discrepancies is the outcome of more accurate counting – previously the measure was a manual count; currently the measure has been automated in Lamont and so represents a more realistic count.

NEXT STEPS:

In addition to more accurate counting, this measure has been impacted by the significant reduction in small dollar orders processed in PAS as a result of the \$3,300 limit project. A Seamless 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. Specific actions currently underway include a targeted plan for discrepancies related to compressed gas orders. The goal is to have these eliminated by the end of FY10. Data review showed gas orders constituted nearly 20% of small dollar discrepancies.

Pay Bills - Invoices with Discrepancies Over 30 Days Old - FS

Financial



DEFINITION:

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

ANALYSIS:

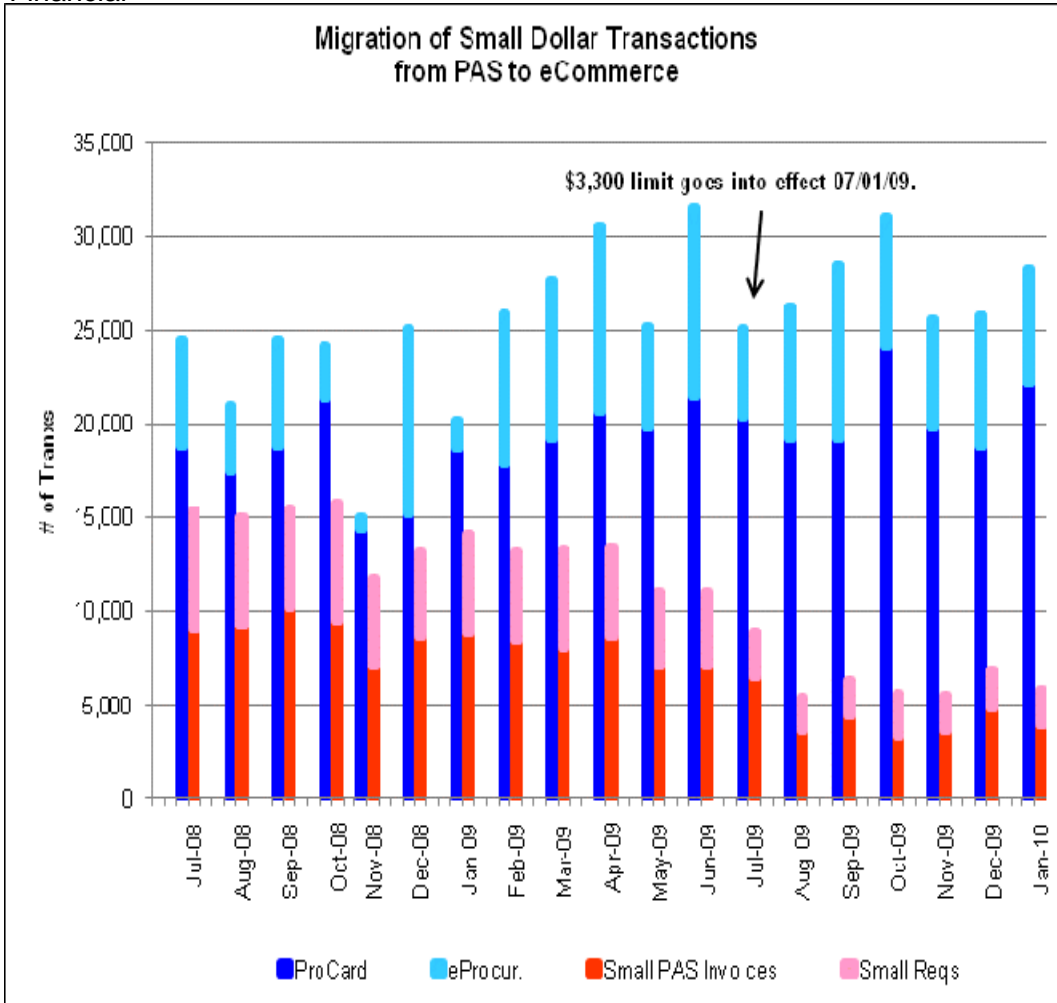
To resolve these outstanding discrepancies, the original Purchase Order or the actual invoice must be modified (or the invoice itself must be approved) before payment can occur. This process can take time as it requires a coordinated effort between the Purchasing Department, the UW department which placed the order, the supplier, and Financial Services (FS).

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/FS 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. Specific actions currently underway include a targeted plan for discrepancies related to compressed gas orders. The goal is to have these eliminated by the end of FY10. Data review showed gas orders constituted nearly 20% of small dollar discrepancies.

Migration of Small Dollar Purchases from PAS to eCommerce

Financial



DEFINITION

This chart tracks the migration of small dollar purchases from 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 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

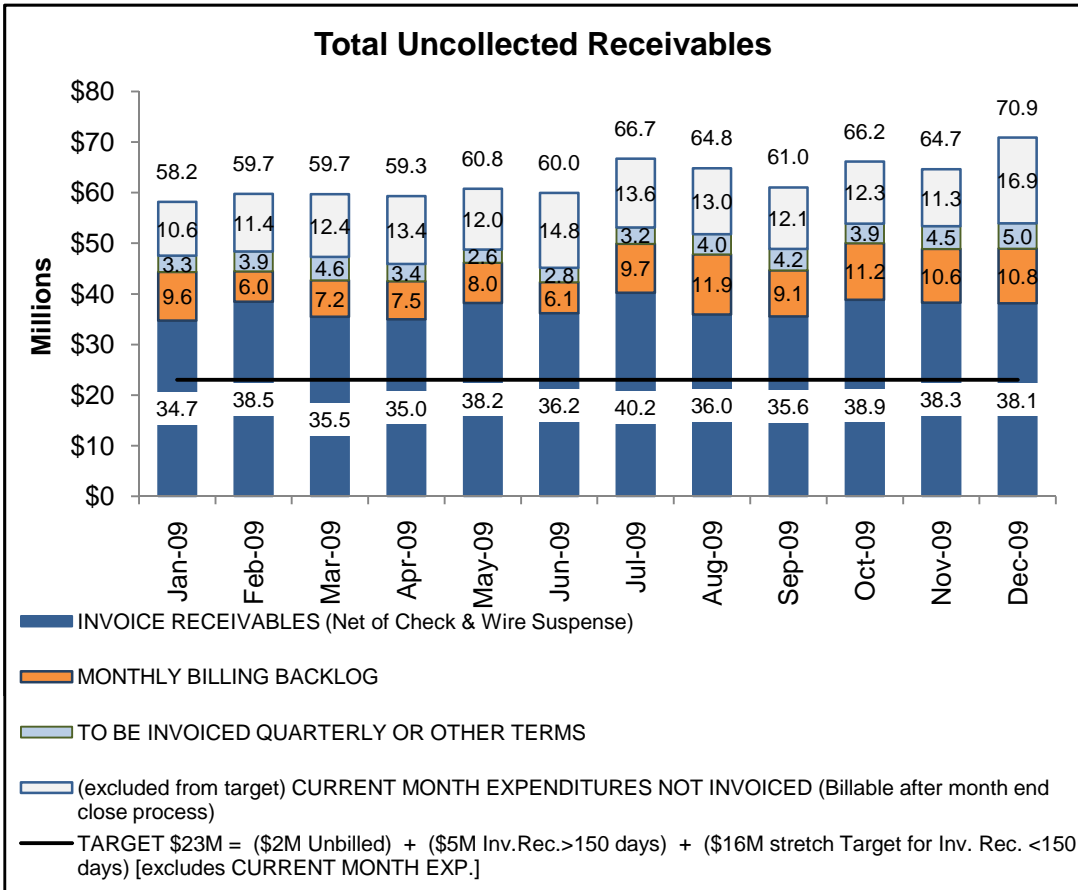
eCommerce conducts outreach based on departmental data analysis. Part of this outreach includes research in how departments utilize all available purchasing methods. The initiative to move all possible transactions under \$3,300 into eCommerce has been highly successful. Phase 2 requires follow-up outreach 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

1. 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.
2. 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 68% of the total backlog (~\$16M) that should have been billed, but could not be, due to staff shortage, stringent requirements from sponsors, and other various reasons.
3. Invoice Receivables (the dark blue portion) are aged receivables including all aged 30 days or greater.
4. Current Month Expenditures are excluded from the Target of \$23M.

NEXT STEPS

The Auto Final Invoice automated the final invoicing process which involved about 9% of the total number of receivable invoices that have been processed manually. GCA teams are looking into the manual invoicing backlog and working to find solutions to increase efficiency of the billing process.

2009 UW Annual Report shows \$152MM for Accounts Receivables Grants & Contracts

http://f2.washington.edu/fm/uw-annual-reports/sites/default/files/file/2009_Annual_Report.pdf (p.25)

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)

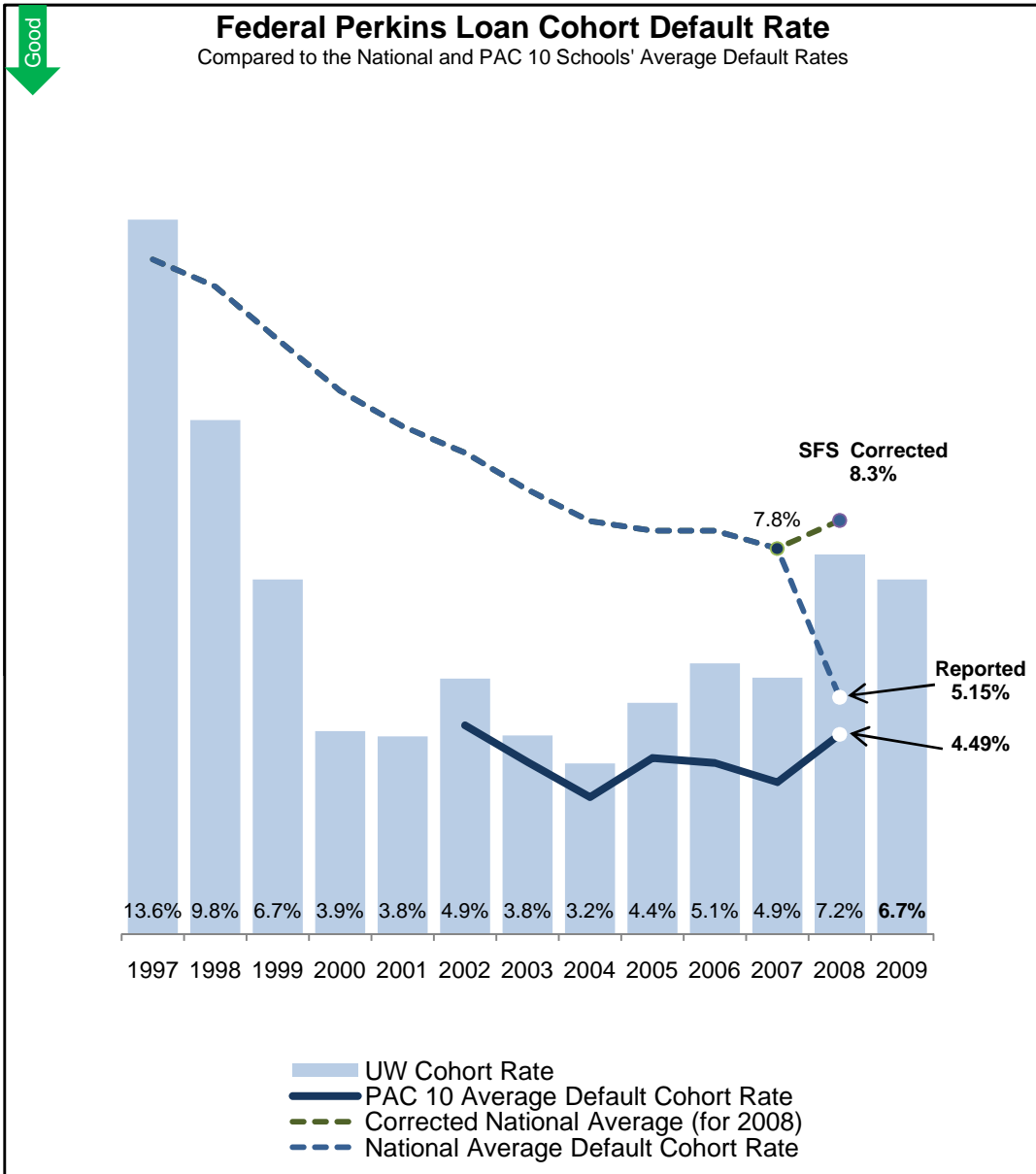
*Year end adjustments for deficits, suspense, doubtful accounts, and deferred revenue

*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 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.

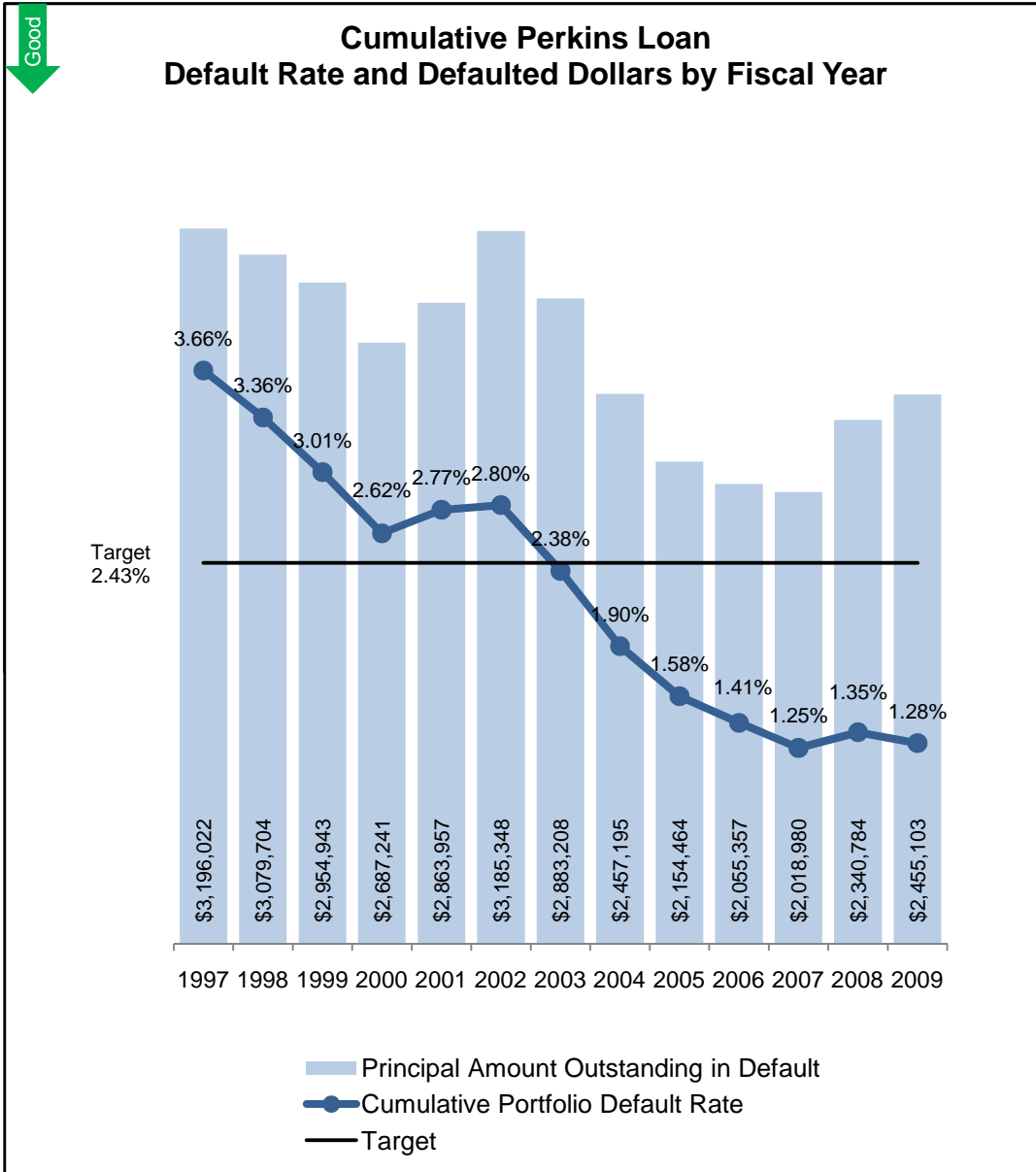
NEXT STEPS

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

Current legislation moving through Congress centralizes the Perkins Loan program within the US Department of Education. This measure will be replaced with a measure related to UW's Direct Loans programs once that occurs.

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

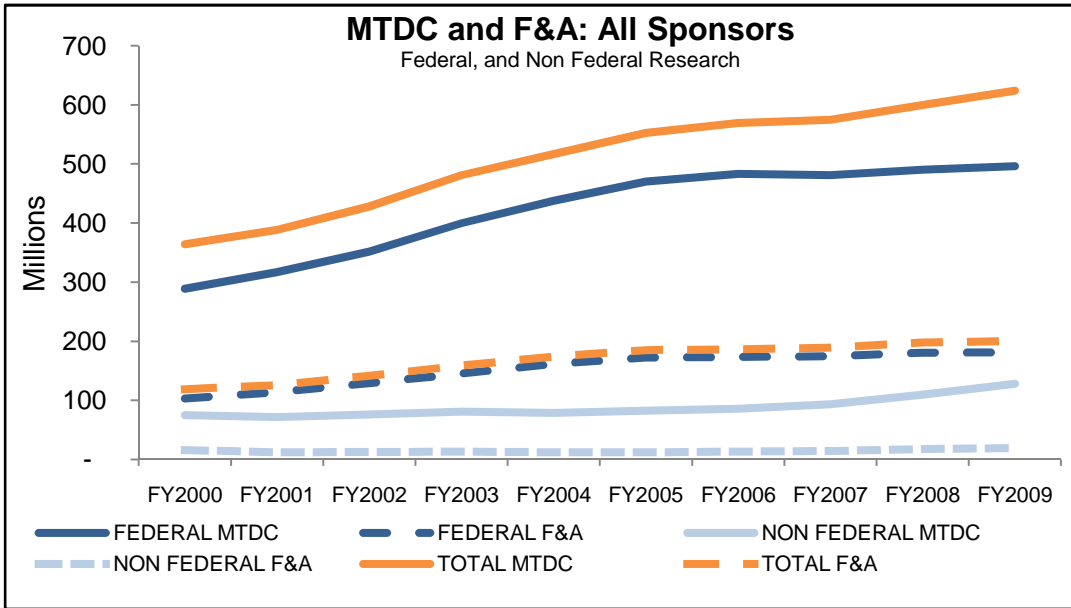
Monitor this trend in relation to ongoing external economic conditions and continue to track 3rd party collection agencies' performance.

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).

As with the prior (related) measure, pending Congressional legislation will eliminate UW's oversight of the Perkins Loan program. This measure will be deleted once UW's Perkins Loan portfolio is transferred to be managed centrally within the US Department of Education.

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.

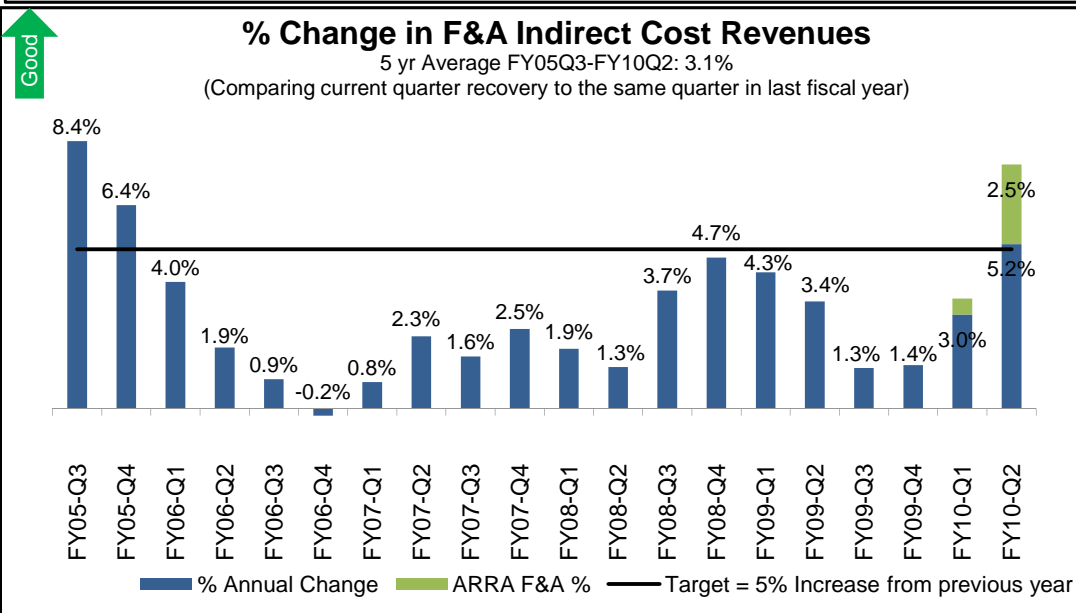
ANALYSIS

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.

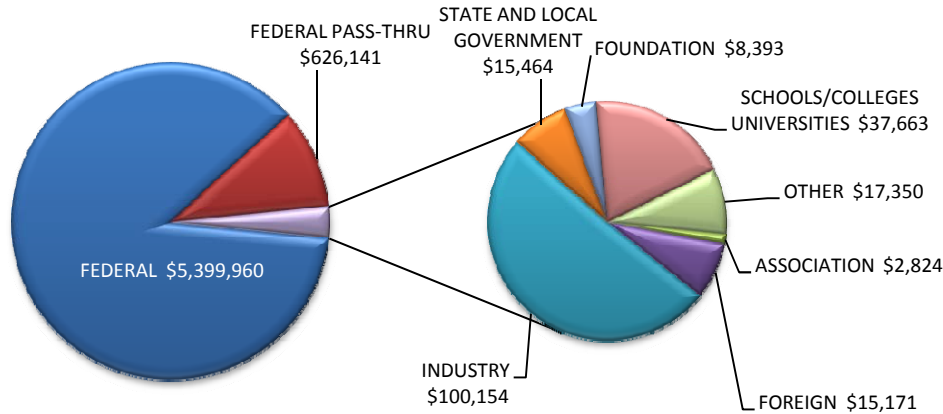
Note: MTDC (Modified Total Direct Costs) represents the 'base' which we use to calculate and apply the F&A rate. Each base (instruction, research, service and other direct institutional activities) includes all direct costs except: capital equipment, sub grant and contract in excess of \$25,000, rental 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 7/09-12/09 \$6,223,119
Total F&A Recovery 7/09-12/09 \$78,580,863



**Increased F&A Recovery Resulting from Increased F&A Rate
in Current Fiscal Year for On-Campus Research**
Total Increased Recovery 7/05-12/09 \$21,072,073
Total F&A Recovery 7/05-12/09 \$723,027,847

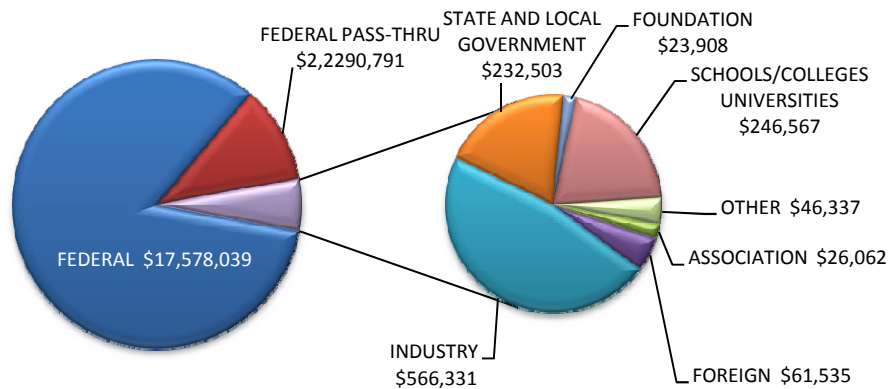


Chart reflects the increase in F&A revenue attributable to the F&A rate increase from the last F&A rate

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 December 31, 2009 there was over \$6.2 million in increased F&A recovery for these awards. Cumulatively, 7/2005-12/2009, the increased F&A rates for on-campus research have generated slightly more than \$21 million.

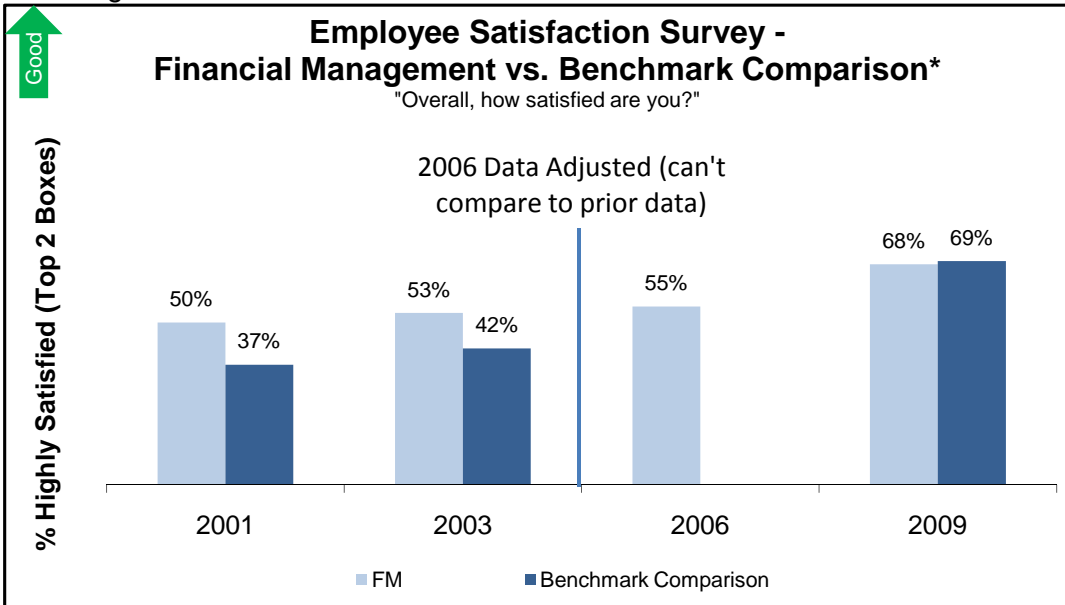
Charts reflects the increase in F&A revenue attributable to the F&A rate increase from the last F&A rate negotiation.

NEXT STEPS

None presently

Develop staff - Percent of Staff Highly Satisfied with FM

Learning & Growth

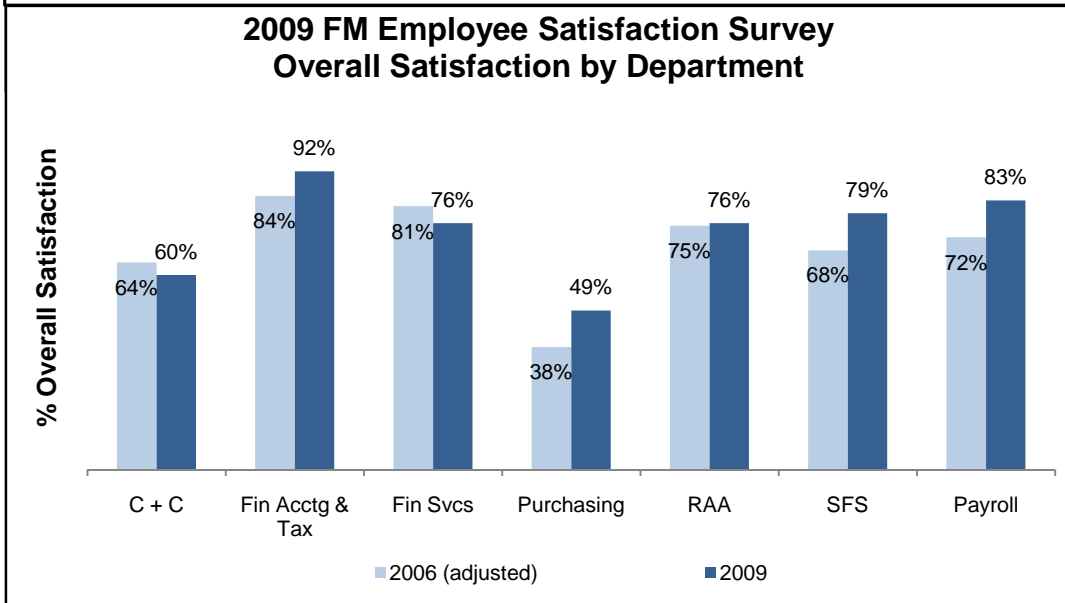


DEFINITION

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.

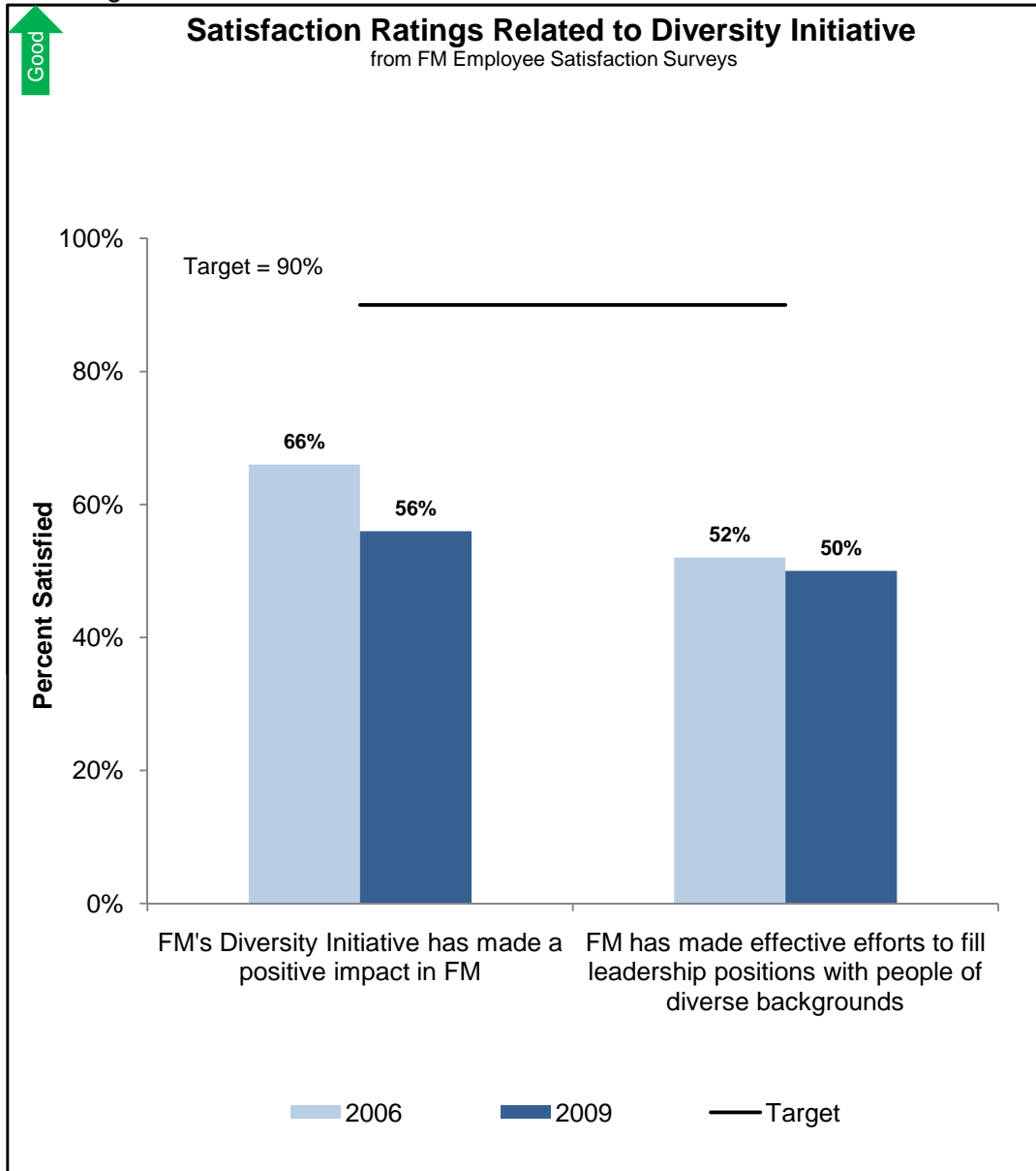


NEXT STEPS

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

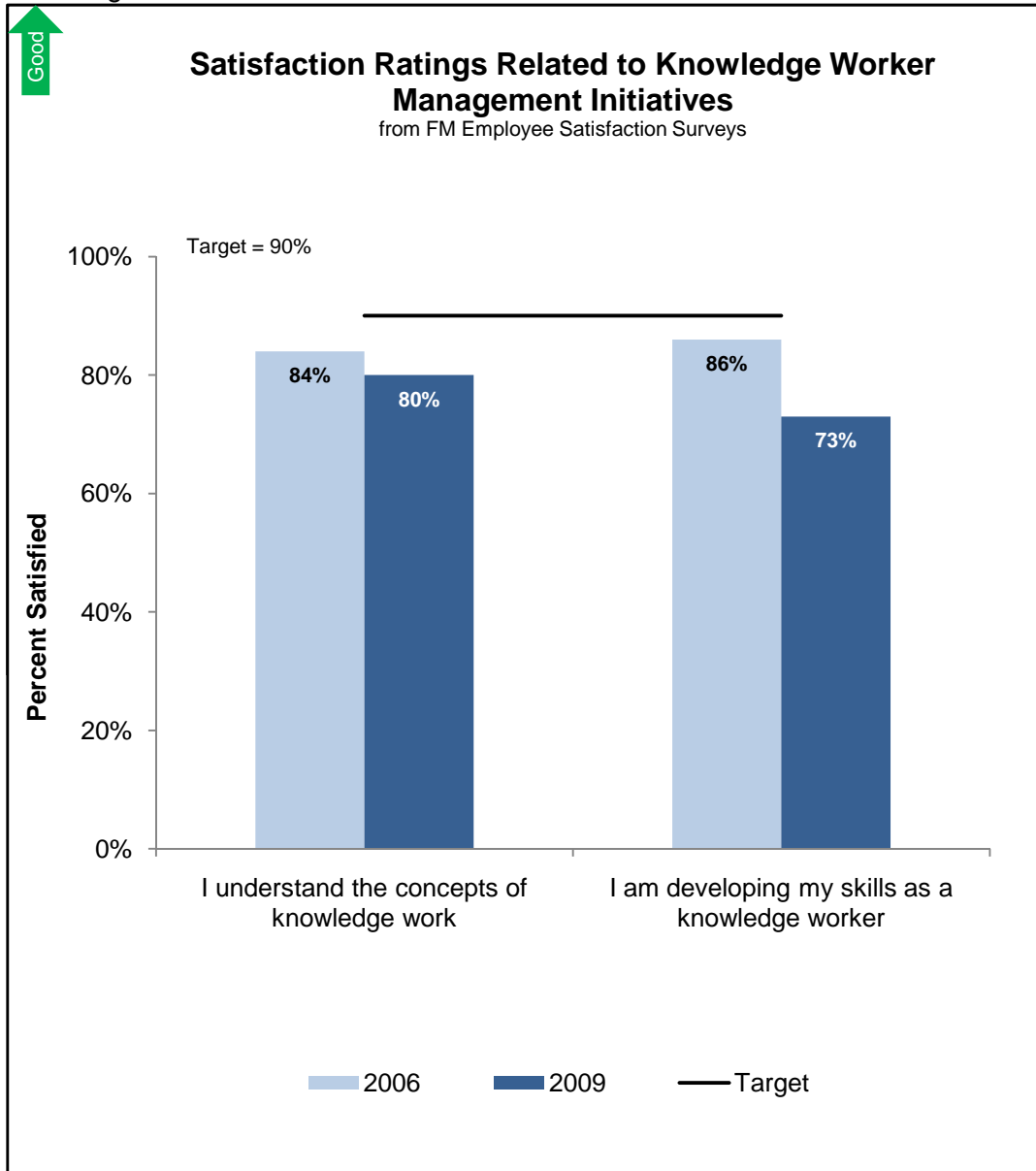
The Diversity question was added in 2006. Reorganization in 2007 resulted in more than 50% addition of employees new to FM. The 2009 results provide a new baseline for improvement activities.

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

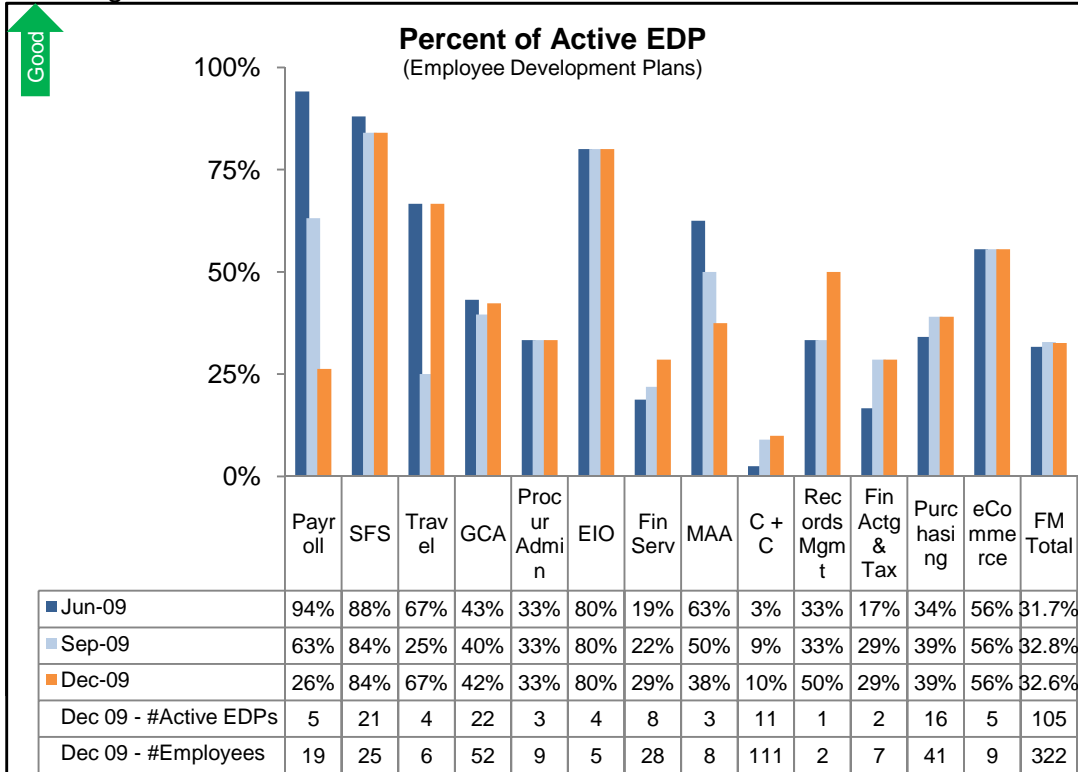
In 2007, reorganization resulted in FM gaining two new areas: Purchasing and Creative Communications and losing Treasury, Risk Management, and Quality Improvement. More than 50% of the staff in FM today work in these two areas. In 2009, these scores provide a new baseline.

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 105 employees with active personal development plans. One-third (32.6%) 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:

Grant & Contract Accounting, Procurement Administration, Financial Services (FS), Creative Communications (C2), Financial Accounting & Tax, and Purchasing. Targeted EDP workshops in the workplace appears to have improved performance in eCommerce, C2, and FS

NEXT STEPS

Managers continue to encourage all staff to complete or reactivate their EDPs. More targeted EDP workshops are scheduled in Procurement Services. Revise measure to represent the new Procurement Services re-organization.

