

**Operational Performance Dashboard  
September 2010  
FY 2010 Quarter 5 (July - Sept 2010)**  
**Final draft**

**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

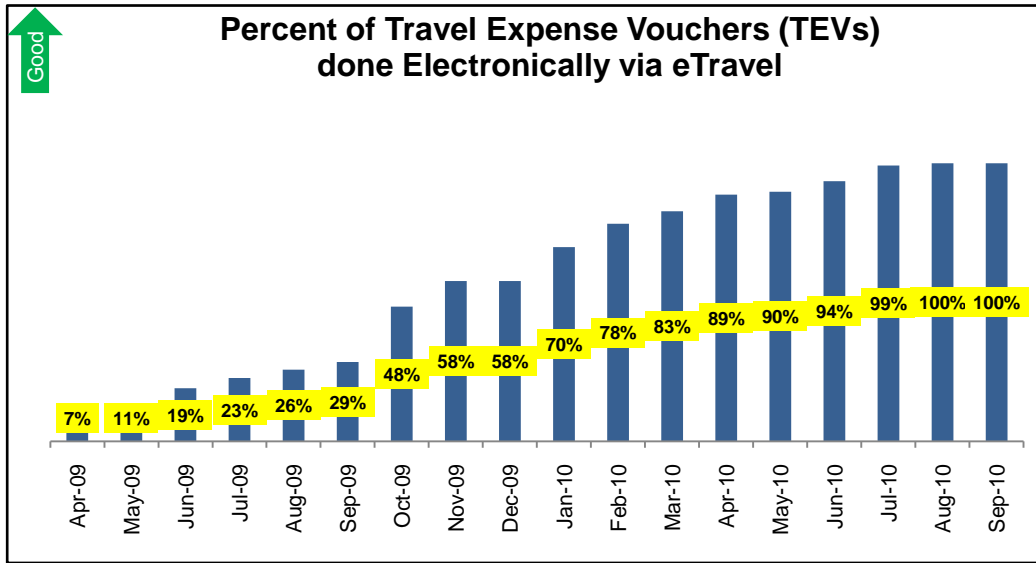
(A unit of Finance & Facilities)

## Operational Performance Dashboard - FY 2010 Quarter 5 (July - Sept 2010)

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	100%	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	↓	3.0	Pay Bills	Reduction in Small Dollar PAS Transactions which should be going through eCommerce.	6,229	6,000	↓	229
Disburse Financial Aid	Percentage of Aid disbursed during the 1st week of a quarter.	79% 2010	85% Benchmark	↑	-6%	Manage Grants	Total uncollected cash for unbilled invoices & aged receivables (cumulative) – JDE	\$49 million	\$23 million	↓	\$26.0
	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	3.6%	5.0%	↑	-1.4%
						Avoid Postage Cost	Maximize Postage Discounts Through Automation	10.6%	8.5%	↑	No Gap
<b>INTERNAL BUSINESS PROCESS</b>						<b>LEARNING &amp; GROWTH</b>					
Inc. online Trans.	Process online mailing, printing & copying	50%	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	5%	1%	↓	4%		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	271	50	↓	127		Active Employee Development Plans (EDPs)	39%	75%	↑	-36%

# Pay Bills - Travel

Customer

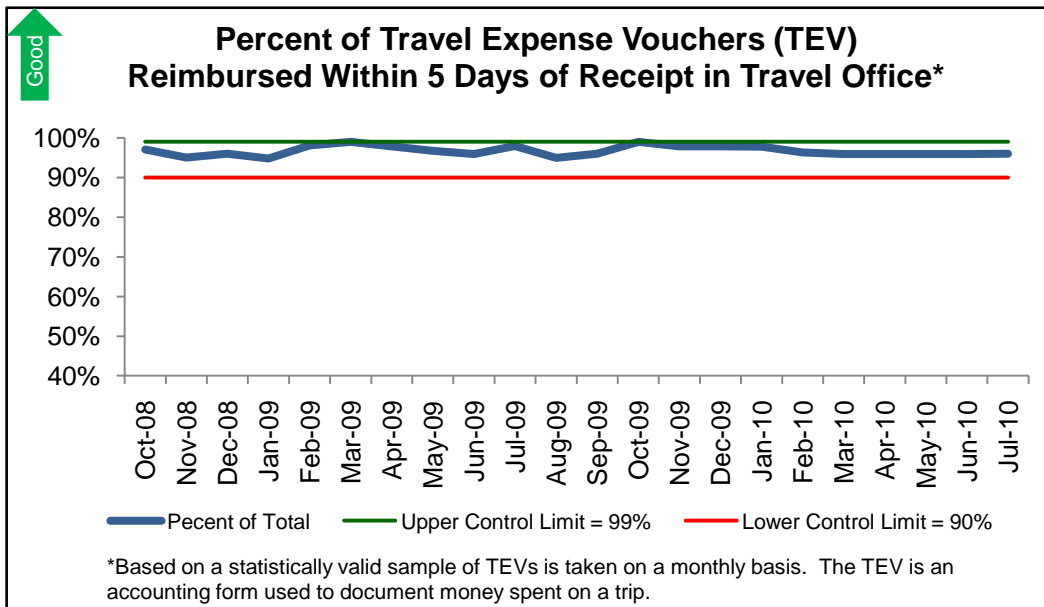


## DEFINITION

The top graph quantifies the percent of total travel vouchers completed electronically through the new Ariba eTravel system. The bottom graph tracks paper vouchers. It shows the average number of working days between receipt of a TEV (Travel Expense Voucher) in the Travel Office and the check date.

## ANALYSIS

The top chart tracks migration from manual to eTravel transactions. Since the April 2009 launch, eTravel usage has increased steadily and by July 15, 2010 our goal of 100% was reached. The bottom chart tracks reimbursements within 5 days (June = 96%). This measure continued to be consistent but please note, paper TEVS are no longer accepted by our office effective July 15, 2010.

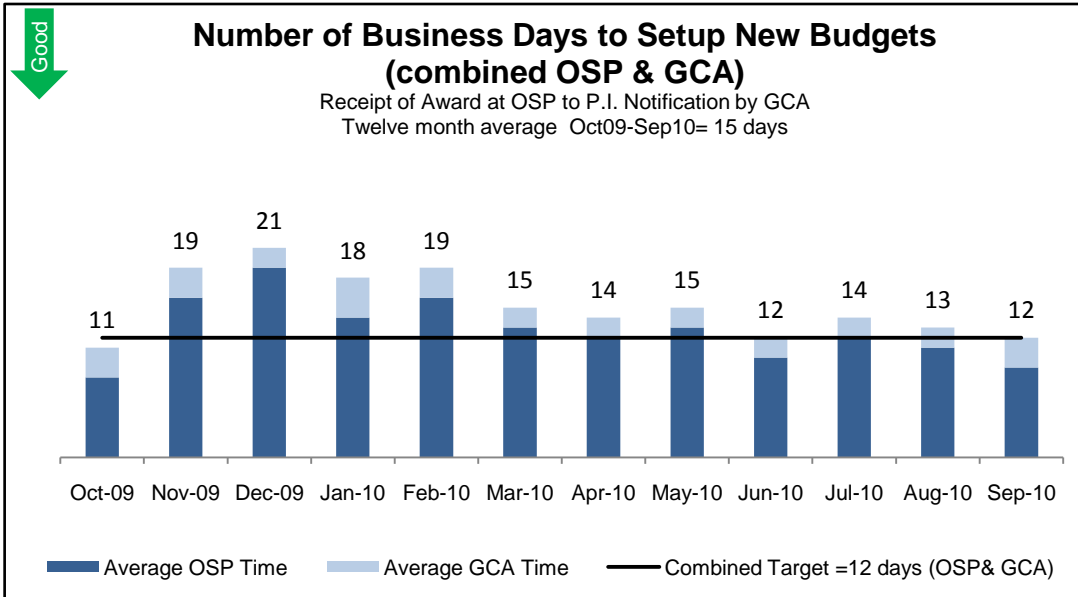


## NEXT STEPS

Continue to train departments on eTravel; move to Phase 2 of the project - direct deposit. This will be the last quarter the TEV measure will appear on the FM dashboard. Travel is currently designing dashboard measures to support eTravel. At this time, we are not sure if any of the measures will be added to the FM dashboard.

# Manage Grants (New Budget Setup) - GCA

Customer

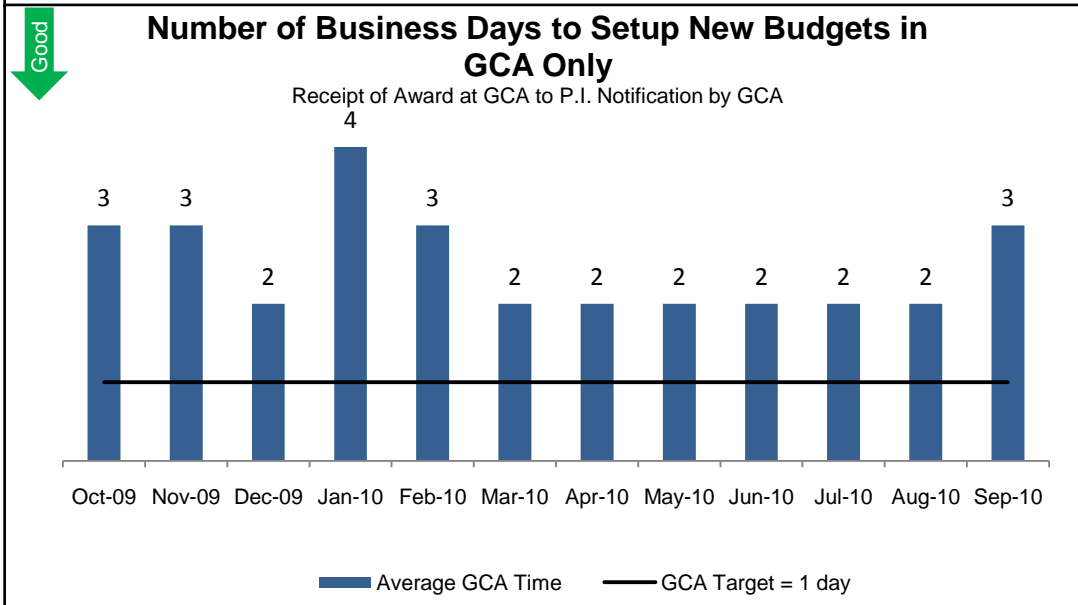


**DEFINITION**

The measure shows the average number of days to establish a new award in the UW Financial Systems. Twelve month average Oct09-Sep10 = 15 days.

**ANALYSIS**

The top chart tracks the average number of days it took to setup a new budget. That time was measured from when OSP (Office of Sponsored Programs) entered new award information into SERA (System for Electronic Research Accounting) until GCA (Grant and Contract Accounting) setup a new budget for the award into UW Financial Systems and notified the Principal Investigator. The chart illustrates that the budget setup time for both OSP and GCA from November 2009 to February 2010 was higher than expected. This was mainly due to the influx of new awards the university received under the American Recovery and Reinvestment Act (ARRA).



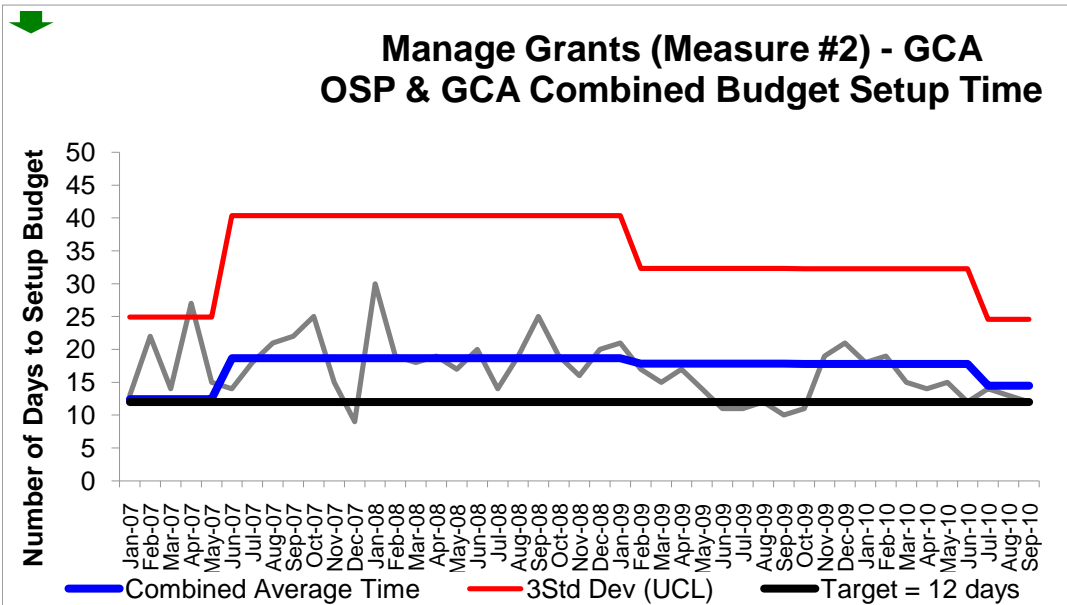
The bottom chart tracks the average time it took to setup a new budget in GCA only. In August 2010, GCA started to apply the LEAN concept to the new budget set-up process. The transition caused a spike in the September setup time which is reflected in the chart.

**NEXT STEPS**

Experienced analysts will form the Launch Pad team to focus on setting up new budgets as part of the LEAN restructure in GCA. This goal is to streamline the whole process and leverage the expertise that comes from specialization. The LEAN team is going to implement the FIN/JDE Same-Time Setup eliminating one day of lag time in the budget setup process. 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

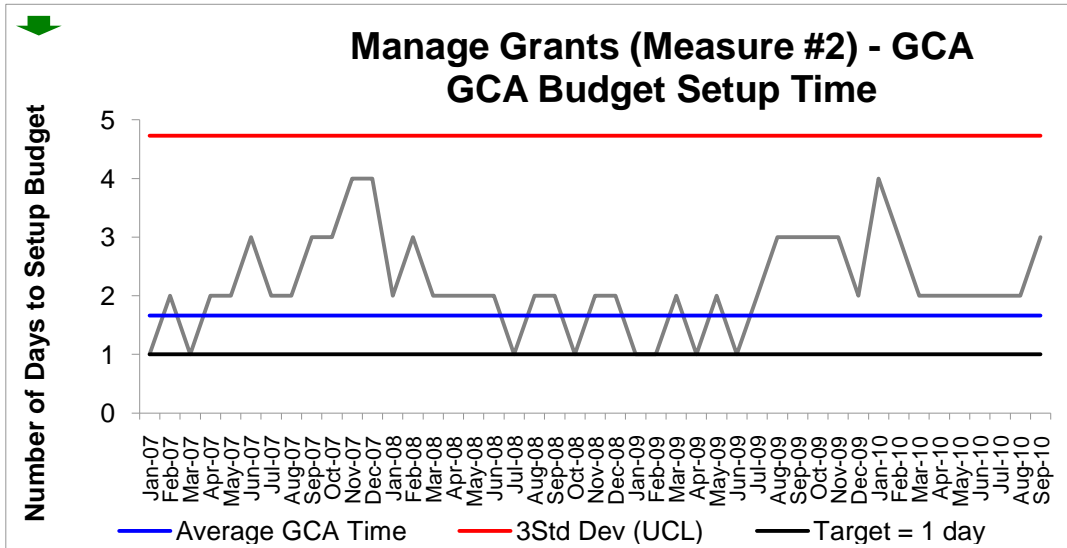
The average number of days to establish a new award in the UW Financial Systems. Twelve month average Oct09-Sep10 = 15 days.

## 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

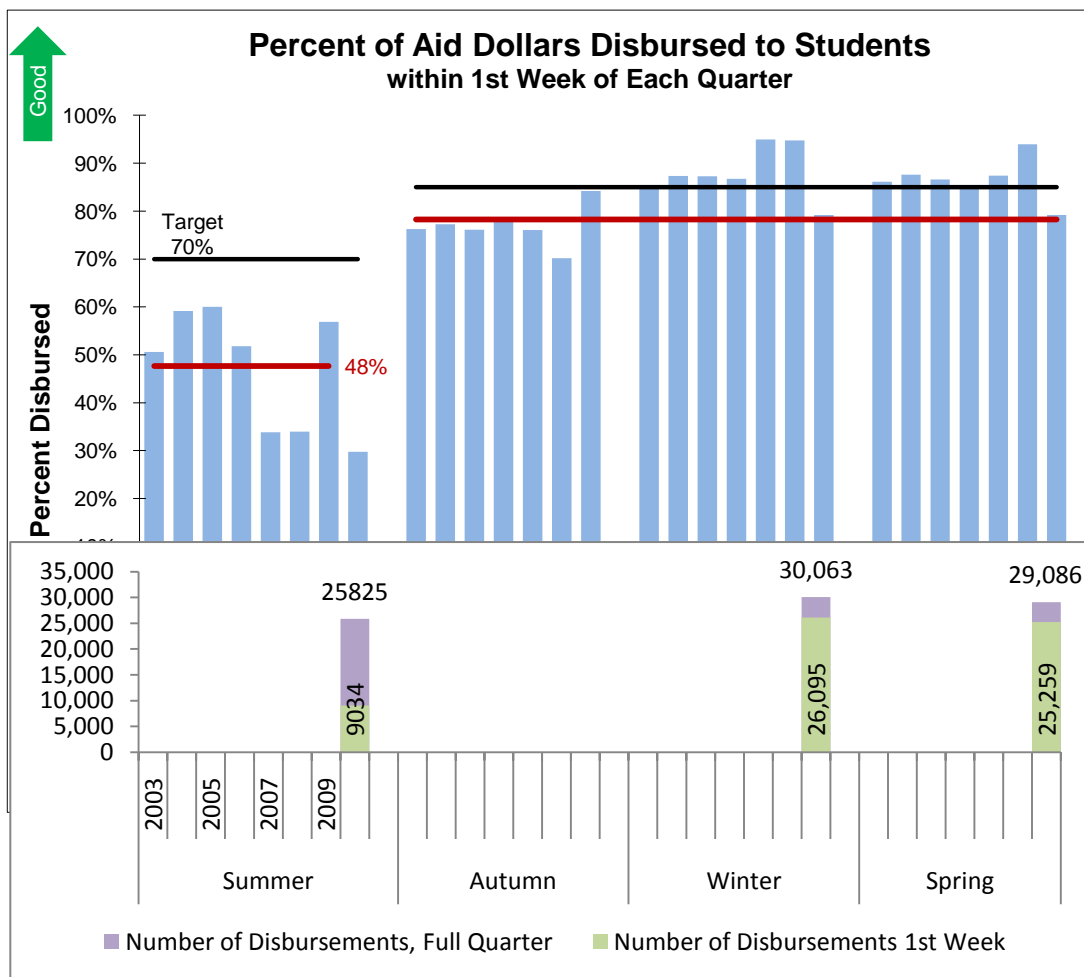
Student Fiscal Services (SFS) disburses aid to students that originates both through UW sources (e.g., departmental scholarships, aid packages that are awarded through the Office of Student Financial Aid (OSFA), as well as external sources (e.g., private scholarships, VA awards, etc.) The sooner the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

SFS fell significantly below its Summer Quarter target of disbursing 70% of total aid within the first week of the quarter, however, there was a significant mitigating factor. New Federal student loan regulations that were of benefit to the borrower took effect on July 1st, 2010. A decision was made in consultation with the Office of Student Financial Aid to delay disbursements of Federal student loans funds until after those regulations took effect. Federal student loans represented more than 40% of all aid disbursed.

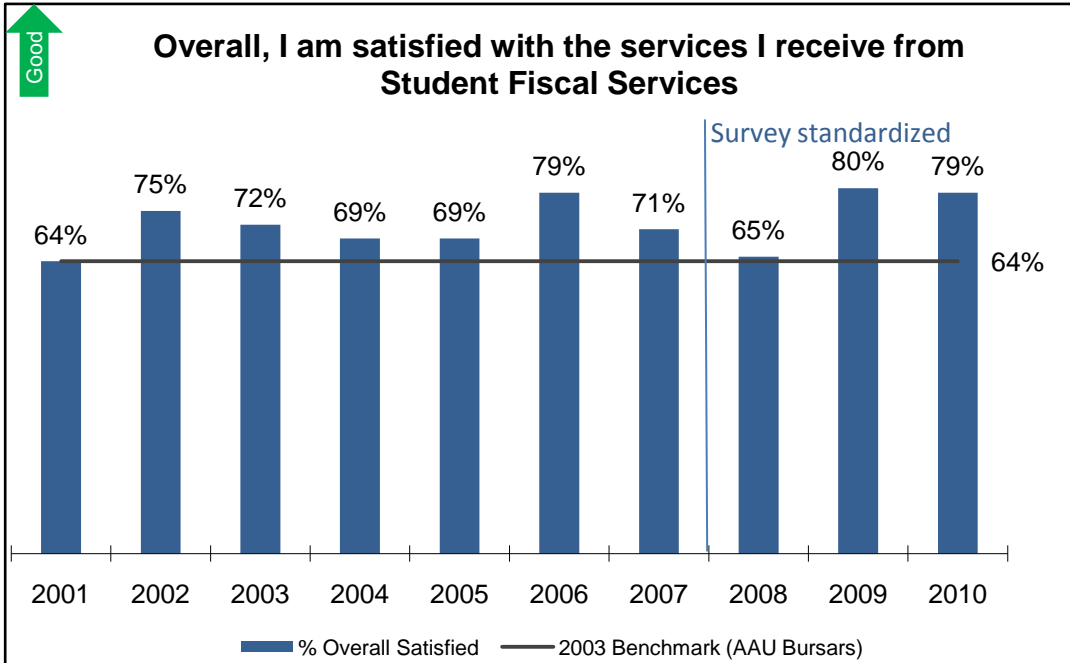
## NEXT STEPS

SFS will set new targets on a "per quarter" basis on a later report. In addition, SFS will pilot a measure breaking out the aid by source and type. For example, loans versus grants and scholarships and whether State, Federal, or third party funds are being used.



# 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:

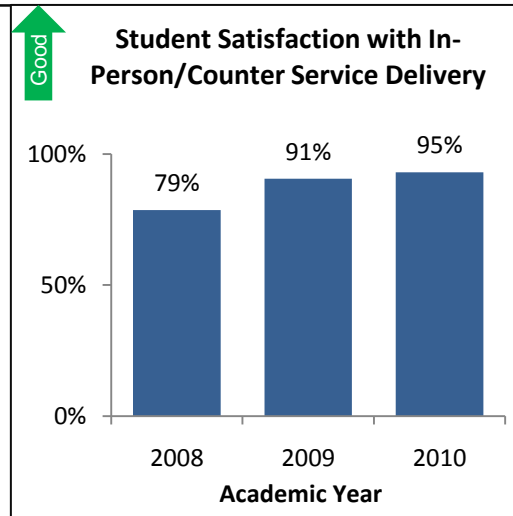
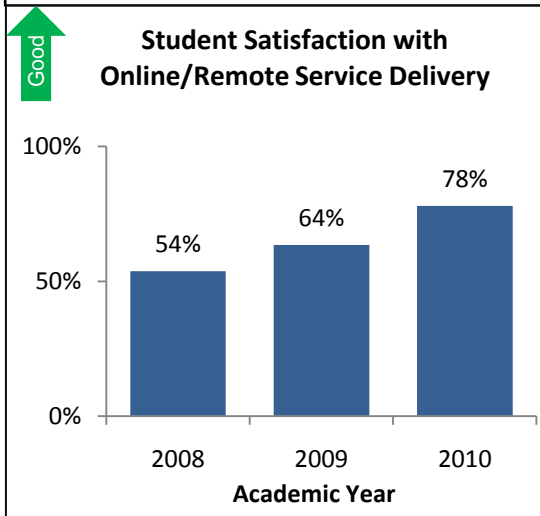
1. Fees (credit card fees) - 16.4%
2. Process Efficiency (Web Check, Get) - 11.4% and
3. Other Departments (Misattribution of services to SFS) - 8.6%

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

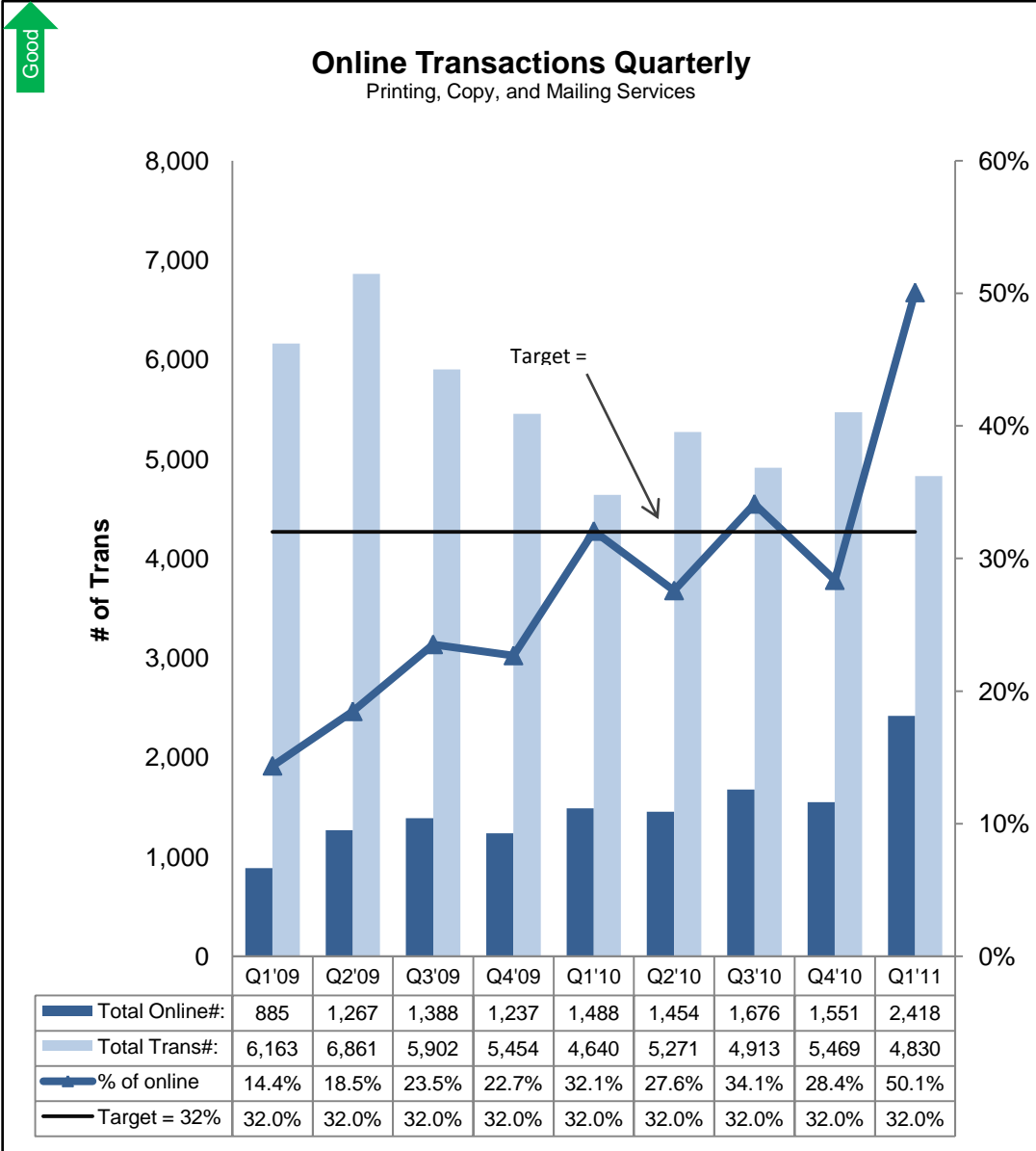
- Customer Service continues seeks to improve customer communications by reviewing current web site content, and increased monitoring of phone, email, live chat and in-person communications with customers.

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



# Increase Online Transactions - Creative Communications (C2)

Internal Business Process



## DEFINITION

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

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

## ANALYSIS

The sudden increase of 21.7% in online transactions submission (28.4% to 50.1%) from the previous quarter is encouraging and can be attributed to the products added to DSF, especially the revised campus map and the 2011-12 calendar. In addition, a fiscal quarter volume comparison of Q1'10 vs. Q1'11 shows a slight increase of 190 transactions (4,640 vs. 4,830). The two numbers seem to indicate that our customers are adapting to DSF ordering even with a slow economy.

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

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.

## NEXT STEPS

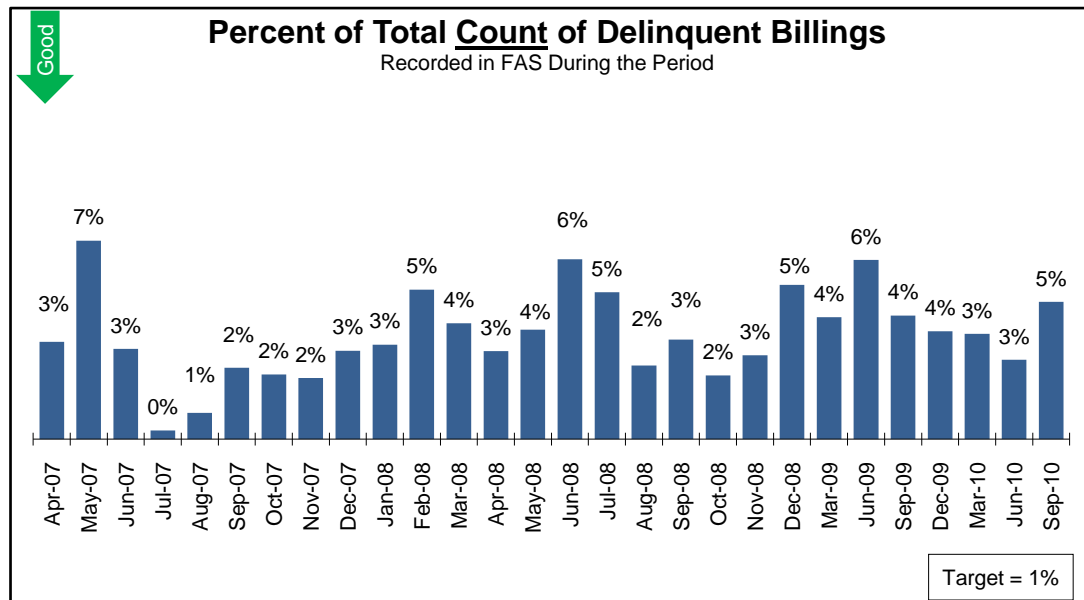
As part of Copy Services LEAN initiative, all copy services products are being added to DSF and will soon be available to the UW community. This will substantially increase the number of online orders submitted to C2.

Historically, Copy Services orders have been primarily transmitted by hard copy order form or by informal email.



# Manage Financial Reporting - Financial Accounting

## Internal Business Process



### DEFINITION

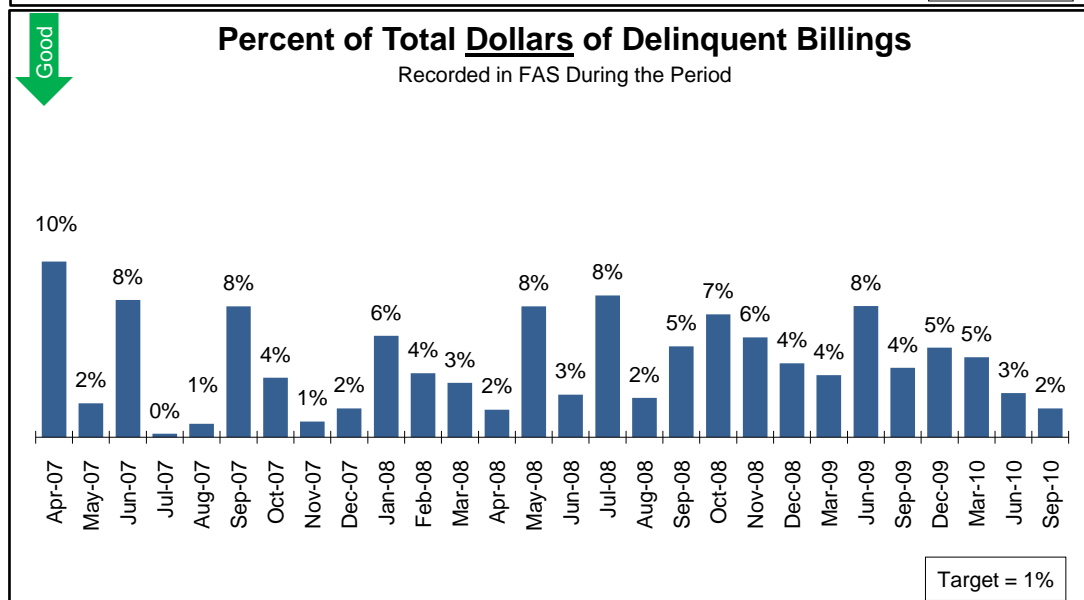
Percent of total count or dollars of Cost Transfer Invoices (CTIs) and Internal Sales Documents (ISDs) that are processed later than the month following the date of service. Late billings lead to untimely budget status as well as the possibility of lost funds (in the case of grants that have closed prior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

### ANALYSIS

Percentages of Total Dollars of Delinquent Billings since December 2009 (5.3%) continued to decrease in 2010. Communication with departments submitting CTI/ISD is ongoing.

### NEXT STEPS

Continue direct communication with recurring late billing departments.



# Productivity - FM

Internal Business Process

New productivity under development.

## 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.

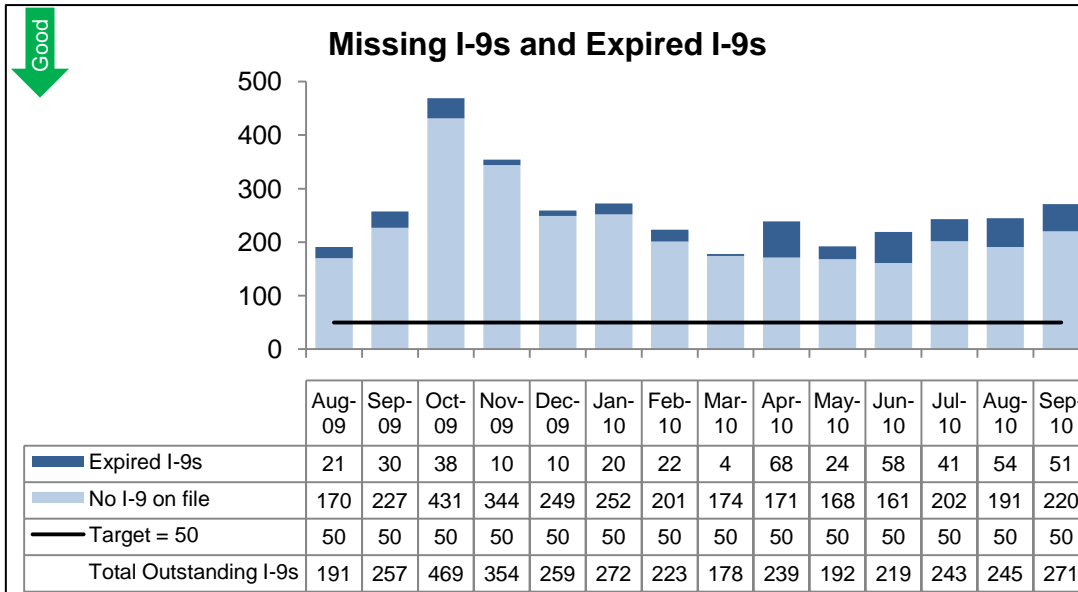
## ANALYSIS

## NEXT STEPS

- 1.

# Pay People - Payroll

## Internal Business Process

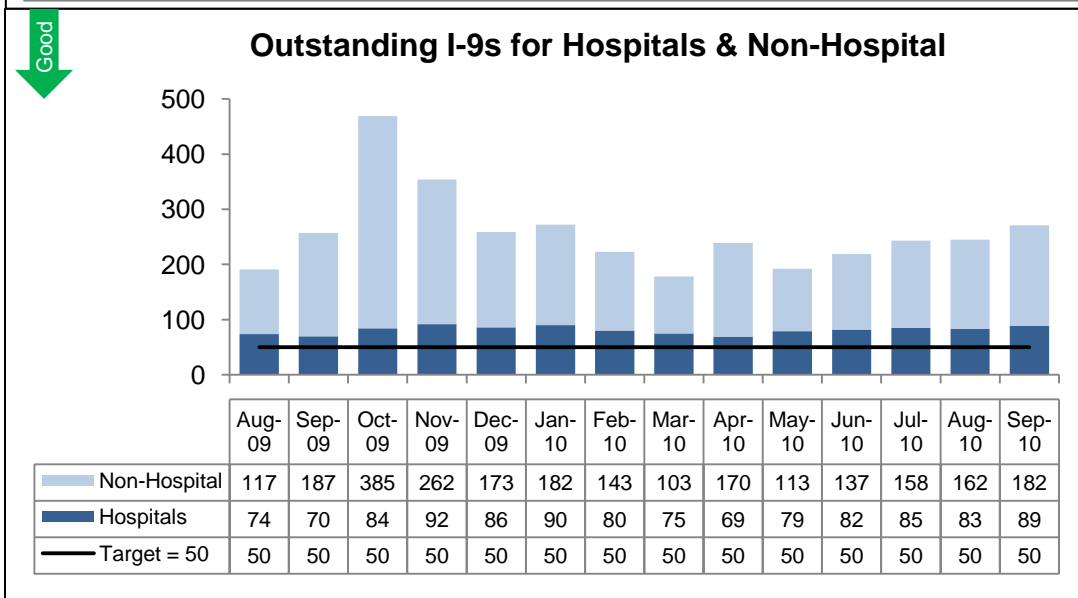


### DEFINITION

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 increased with the beginning of fall quarter. The number of missing I-9s has also increased. Potential Risk: Up to \$40,000 per I-9 missing or expired = 271 \* \$40,000 = \$10,840,000. Number of UW Employees = 38,000. The number of missing and expired I-9s represents less than 1% of the total number of UW employees. In September, of a total of 271 cases, 206 were active and 65 inactive (24%). 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 9/29/10).

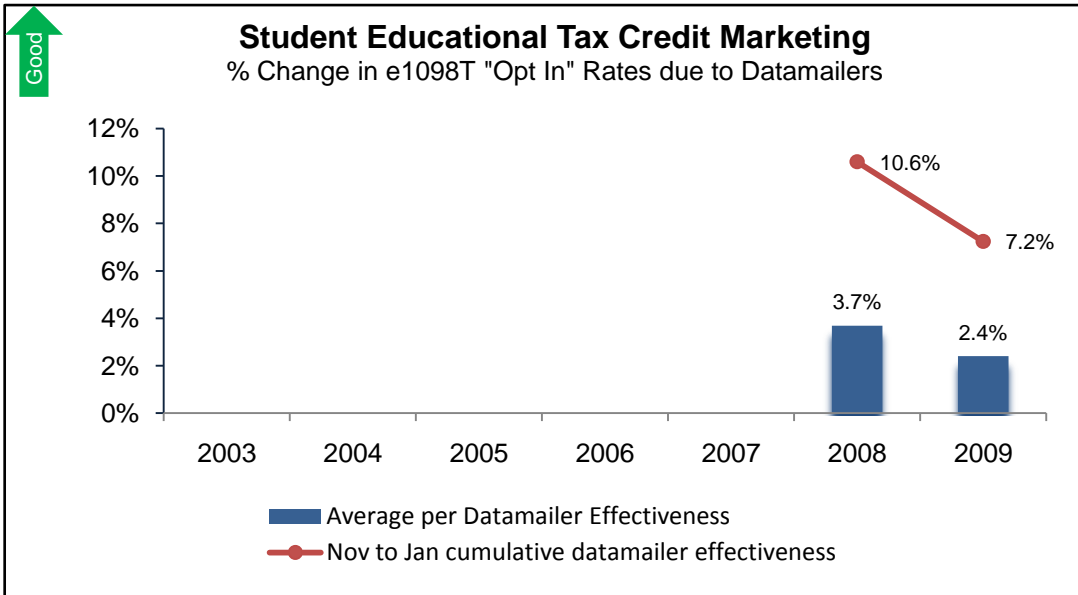


### NEXT STEPS

The numbers will decrease with the beginning of fall quarter and as employees arrive on campus with their documentation. For those that remain on the list, the department 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

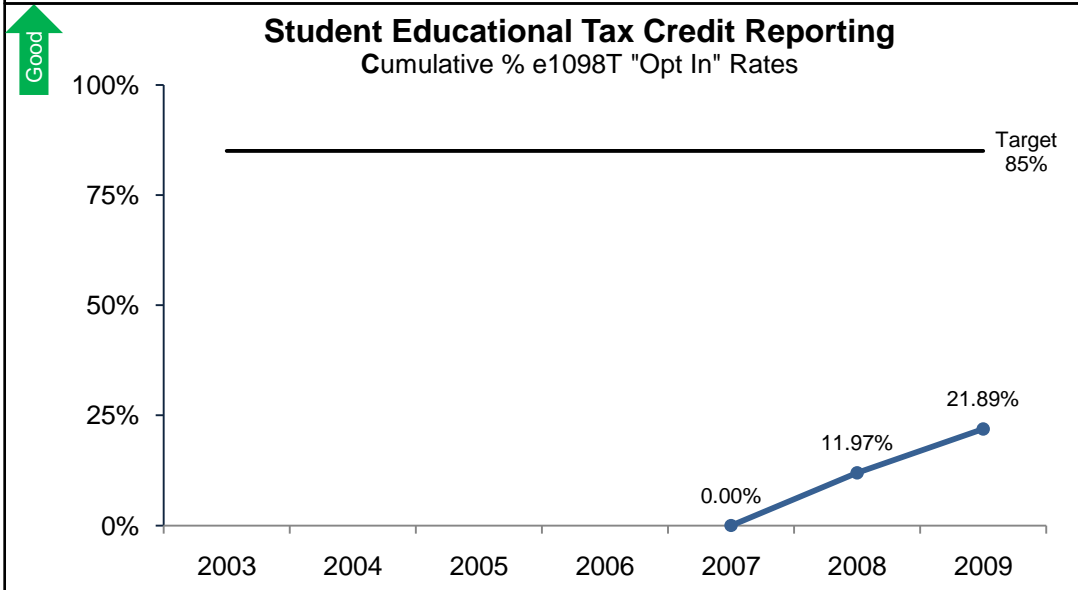
The effectiveness of our data mailer promotional campaign to get students to sign up for e1098Ts was not as effective this year as last -- as a result of timing (months of notifications sent) and frequency (number of notifications sent)

**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%.

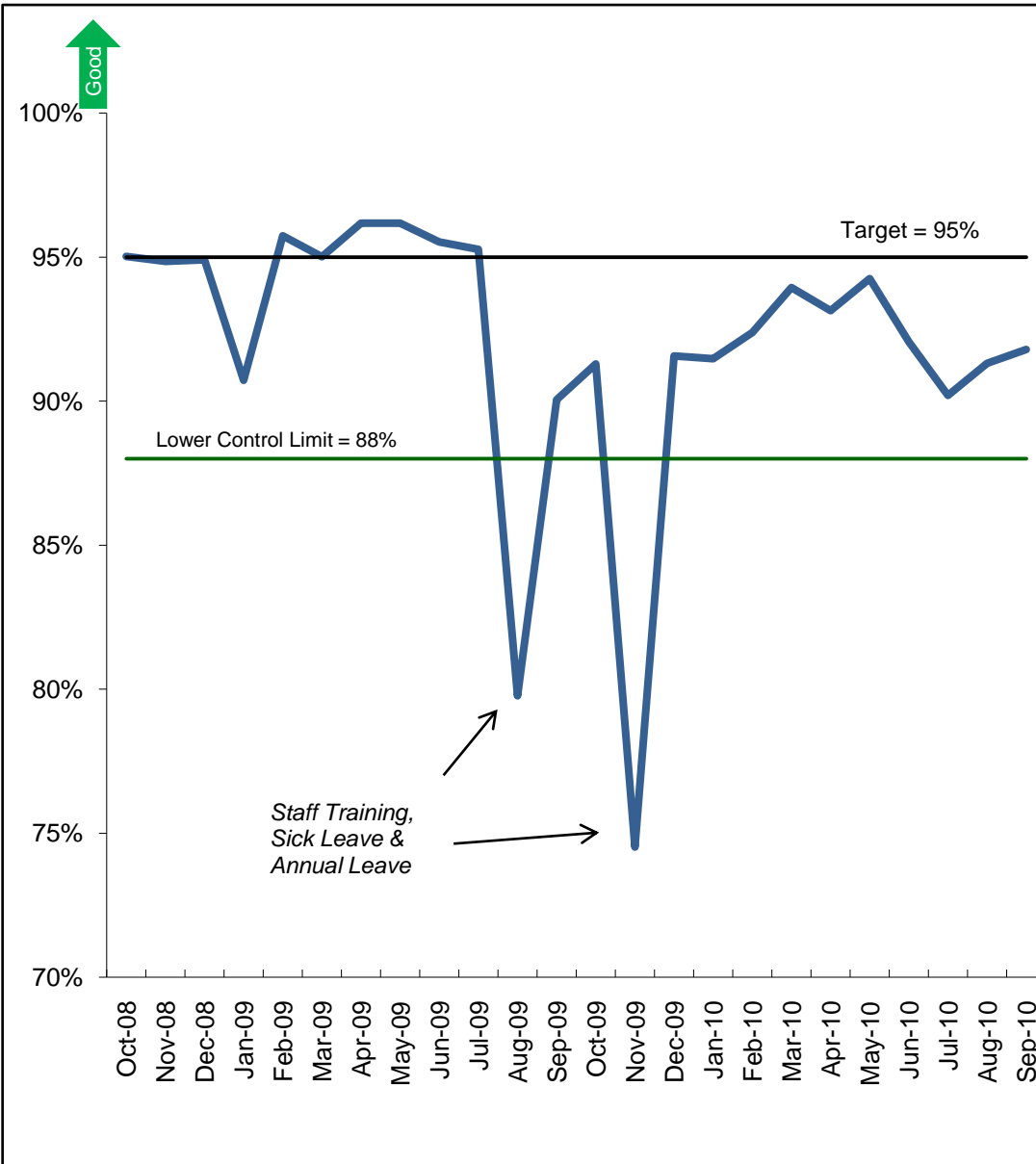
## NEXT STEPS

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. WA State requirement is 30 days.

## ANALYSIS:

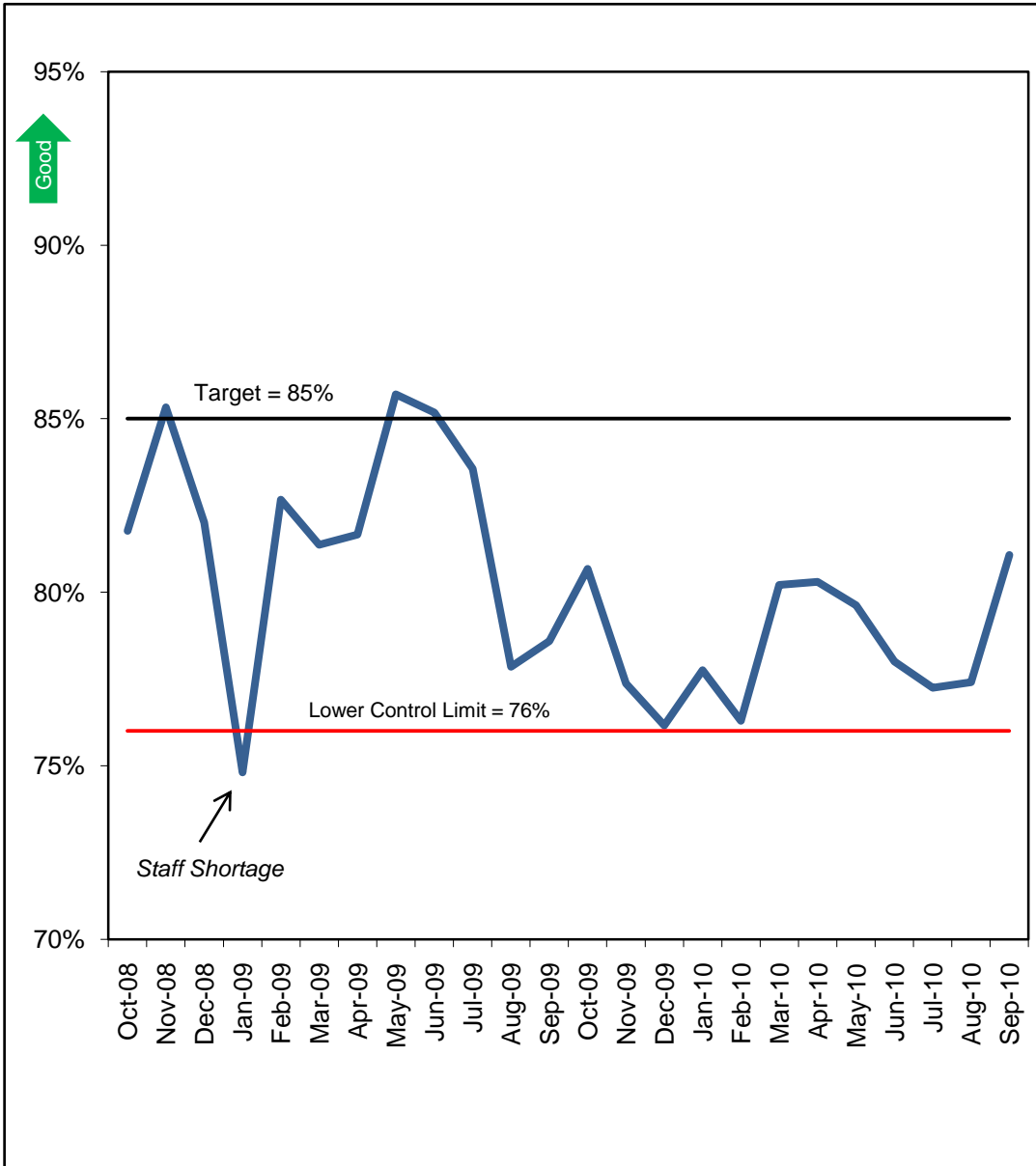
We continue to migrate more small dollar transactions from PAS to eCommerce. Additionally, on July 1, 2010, we began intensifying our efforts to facilitate this migration by declining to process small dollar requisitions under \$3,300 in PAS unless no other eCommerce option existed. Please note, however, that as a result of this migration, the relative proportion of larger dollar, more complex invoices (as opposed to smaller, more simple invoices) is increasing which is creating a downward pressure on cycle time. To illustrate, in June 2009 only 5% of our invoices were over \$10,000 while in September 2010 this same figure increased to 12%. Invoices over \$10,000 require explicit departmental approval before payment can be made which can slow down average cycle time. As always, we will continue to pro-actively follow up with departments in an effort to expedite this departmental approval process.

## NEXT STEPS:

Procurement Services will continue its efforts to migrate transactions from PAS to eCommerce. As part of this effort, we are attempting to set up additional vendors in Ariba to make our eProcurement system a much more robust and comprehensive procurement option to UW Departments. We will also look for any other opportunities as they arise to increase the use of ProCard, eProcurement while in the meantime providing excellent customer services for those invoices being processed through PAS.

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

Financial



## DEFINITION:

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

## ANALYSIS:

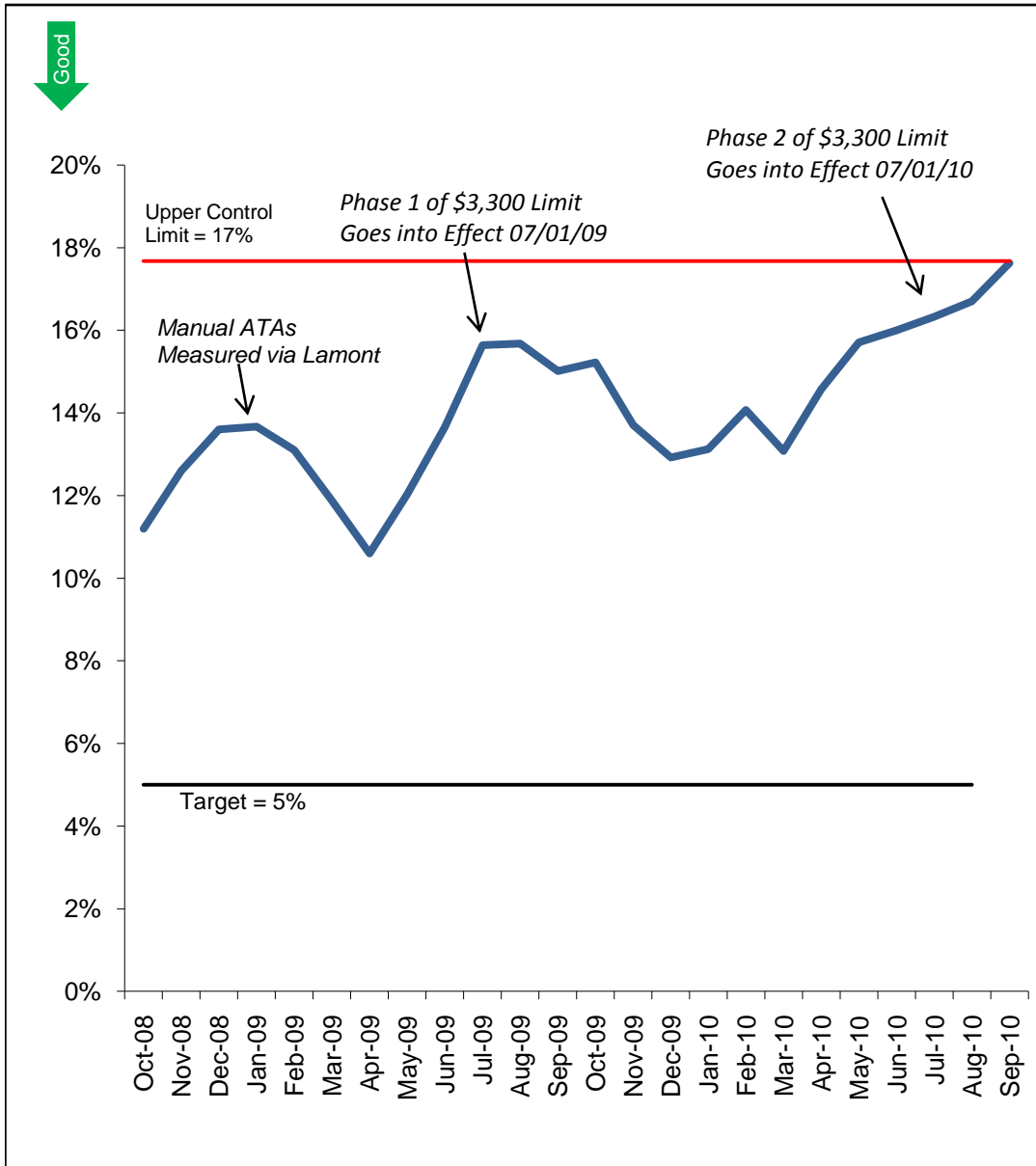
We almost reached our target of 85% in September 2010. However, many invoices continue to be held in departments for extended periods of time before being sent to Accounts Payable. This holding time is illustrated by two supplemental graphs shown on our department level dashboard. Specifically, they show that of the population of invoices which were NOT paid within 45 days of the invoice date, Accounts Payable did not receive approximately 60% of these invoices until 40+ days after the invoice date. We also observed that many of these same PAS invoices could have gone through either ProCard or eProcurement.

## NEXT STEPS

We are in the process of developing a comprehensive and integrated outreach plan to select campus departments. Ideally, we'd like to focus our efforts on those departments which are late in submitting their PAS invoices AND seem resistant to using eCommerce purchasing methods. The purpose of this outreach will be to encourage departments to use either ProCard or eProcurement wherever possible. However, when no such option exists, we will encourage them to submit their invoices to Accounts Payable on a more timely basis. We hope that by reminding departments of the inherent advantages of eCommerce (faster payment, contract pricing, etc.) compared with the inherent disadvantages of PAS (slower payment, invoice discrepancies, etc) that more and more transactions will naturally migrate from PAS to eCommerce. Finally, for large invoices over \$10,000 which require explicit departmental approval before payment can be made (Non-RIP invoices), we will continue to follow up directly with those departments which have not yet submitted their approval on an as needed basis. Additionally, we are also beginning to explore ways in which this follow up process related to Non-RIP invoices could potentially be automated.

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

Financial



## DEFINITION:

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

## ANALYSIS:

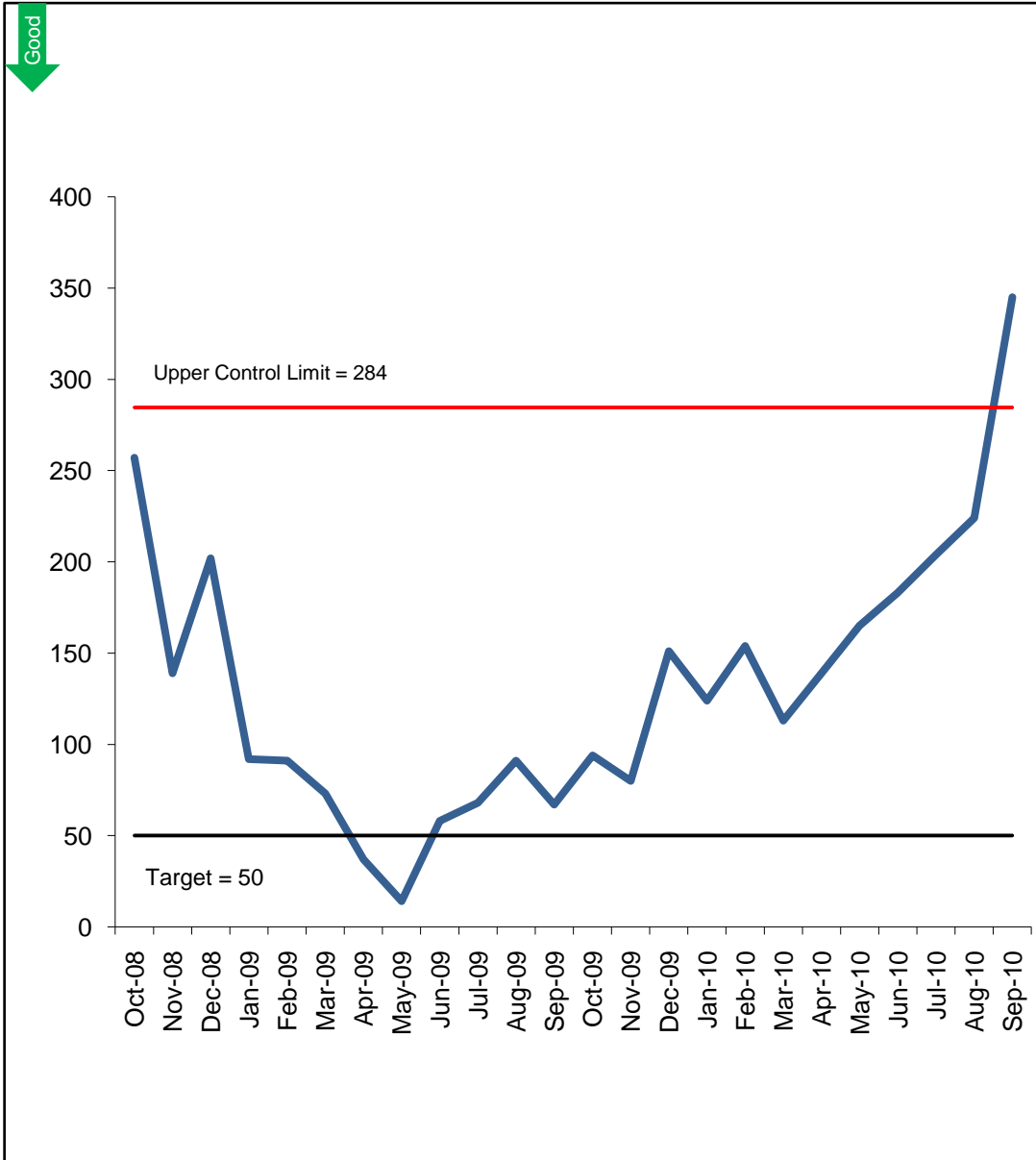
The absolute number of discrepancies – which represents the numerator of this metric - has remained fairly constant for the past year. However, the total number of online invoices processed – which represents the denominator of this metric – has fallen considerably as a result of our efforts to migrate 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. Most of these discrepancies relate to pricing issues in which the invoice price exceeds the terms specified in the PO.

## NEXT STEPS:

Over the past several months, we've made good progress in migrating certain types of transactions (like compressed gas orders) from PAS to eCommerce. Additionally, on July 1, 2010, we further intensified our migration efforts by declining to process small dollar requisitions under \$3,300 in PAS unless no other eCommerce option existed. We are developing comprehensive and integrated outreach plans to selected campus departments. Ideally, we'd like to focus our efforts on those departments having high invoice discrepancy rates AND seem resistant to using eCommerce purchasing methods. The purpose of this outreach will be to encourage departments to use eCommerce wherever possible. However, when no such option exists, it will also be to encourage them to set up their requisitions so that the 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 naturally migrate from PAS to eCommerce.

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

Financial



## DEFINITION:

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

## ANALYSIS:

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

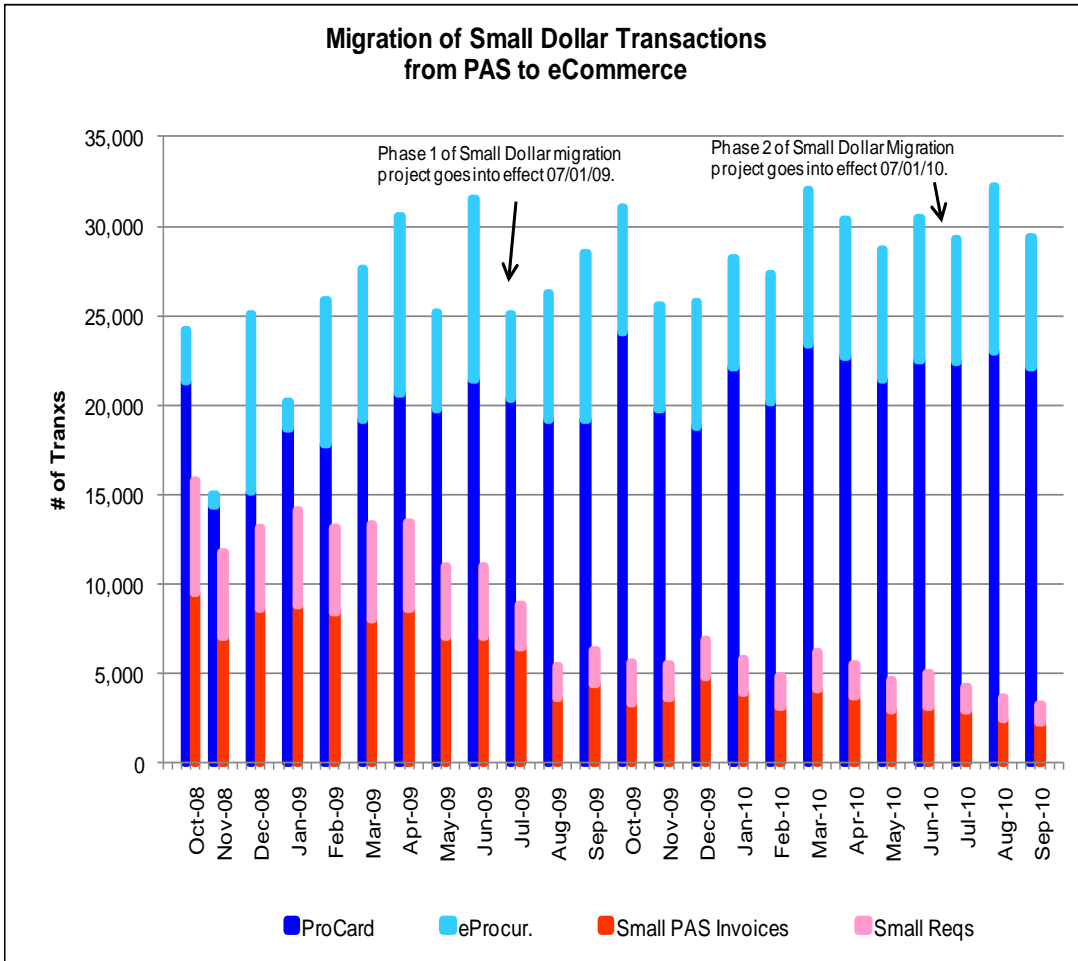
## NEXT STEPS:

The current spike in aging discrepancies appears to be mainly due to a backlog of copier related orders. Specific staff have been assigned to replace an outgoing person and absorb copier related orders. They will be working over the next 45 days to reconcile the outstanding billing issues. A LEAN project has been scheduled to look into copier and print management and it is hoped that that team will offer some solutions to issues causing related discrepancies.



# 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 requisitions under \$3,300 in PAS unless no other eCommerce option existed. As demonstrated by the graph above, this policy shift has yielded extremely positive results. To illustrate, back in July 2008 only 50% of our transactional volume was done through eCommerce. Today, that same figure now stands at 75% (90% for small dollar only, but 75% overall volume).

## NEXT STEPS

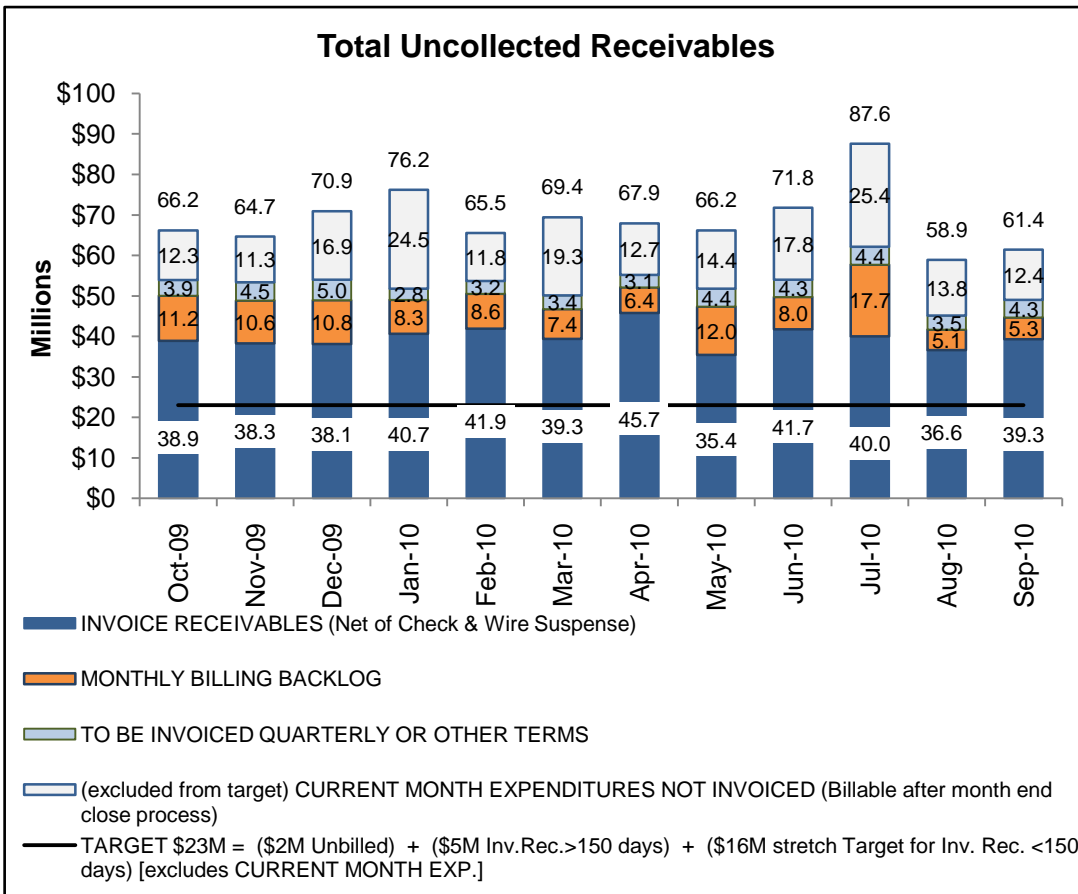
Procurement Services will continue its efforts to migrate transactions from PAS to eCommerce. With the recent "return policy" implemented as of July 1, 2010 for PAS-submitted transactions that could have gone through eCommerce, we have potentially leveled out in terms of the benefits out outreach specific to method of purchase. However, with the expected benefit of spend (pricing) data through our new relationship with Educational Advisory Board, more broad outreach opportunities will be had. Note also that as of 10/18/10, \$3500 is the new \$3300. With the manageable volume going through PAS, our migration efforts will likely focus more on our ProCard spend (and moving that spend 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

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 55% of the total backlog (~\$9.6M) that should have been billed, but could not be, due to stringent invoicing requirements.
3. Invoice Receivables (the dark blue portion) are aged receivables including all aged 30 days or greater.
4. Increased in July 2010 Cumulative Unbilled amount due to change of calculation criteria as recommended by the LEAN Team.

August and September 2010 showed the positive results of applying the LEAN concept to the billing process. It reduced the average monthly billing backlog of over \$15 million to under \$10 million. That was a direct result of collaborative work between GCA, its process partners and sponsors. The LEAN Team focuses on issues that create the bottleneck in billing and implements drastic change to achieve resolutions.

## NEXT STEPS

GCA's currently applying the LEAN concept to reduce, and eventually eliminate, the invoicing backlog. Its Invoicing Stream is operational by mid October 2010 to focus solely on the billing process. The LEAN Team identifies areas for improvements in the invoicing process and work with process partners (OSP), and sponsors (LSDf, WA State agencies...) to increase billing efficiency.

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](http://f2.washington.edu/fm/uw-annual-reports/sites/default/files/file/2009%20Annual%20Report.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)

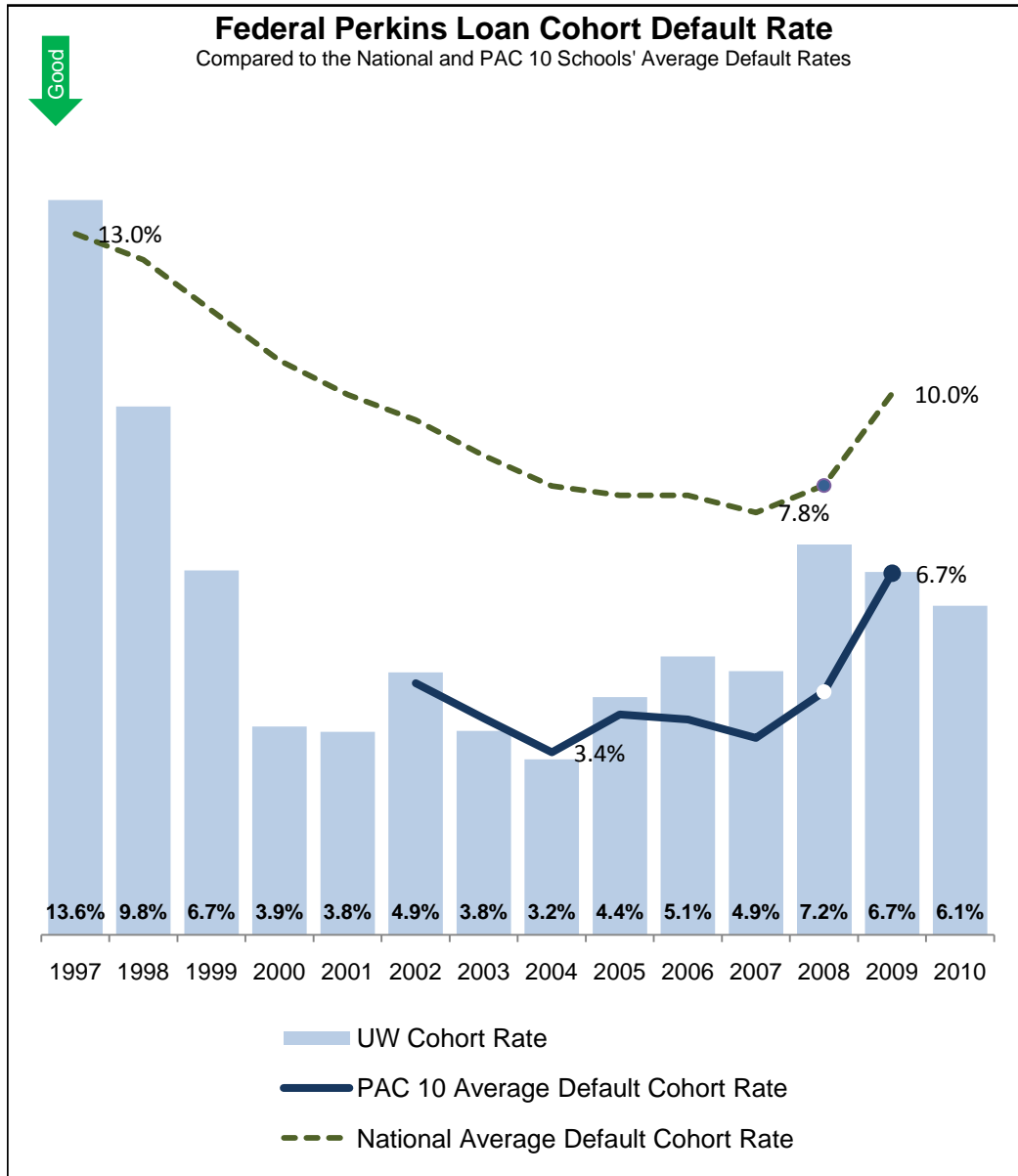
\*Year end adjustments for deficits, suspense, doubtful accounts, and deferred revenue

\*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 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

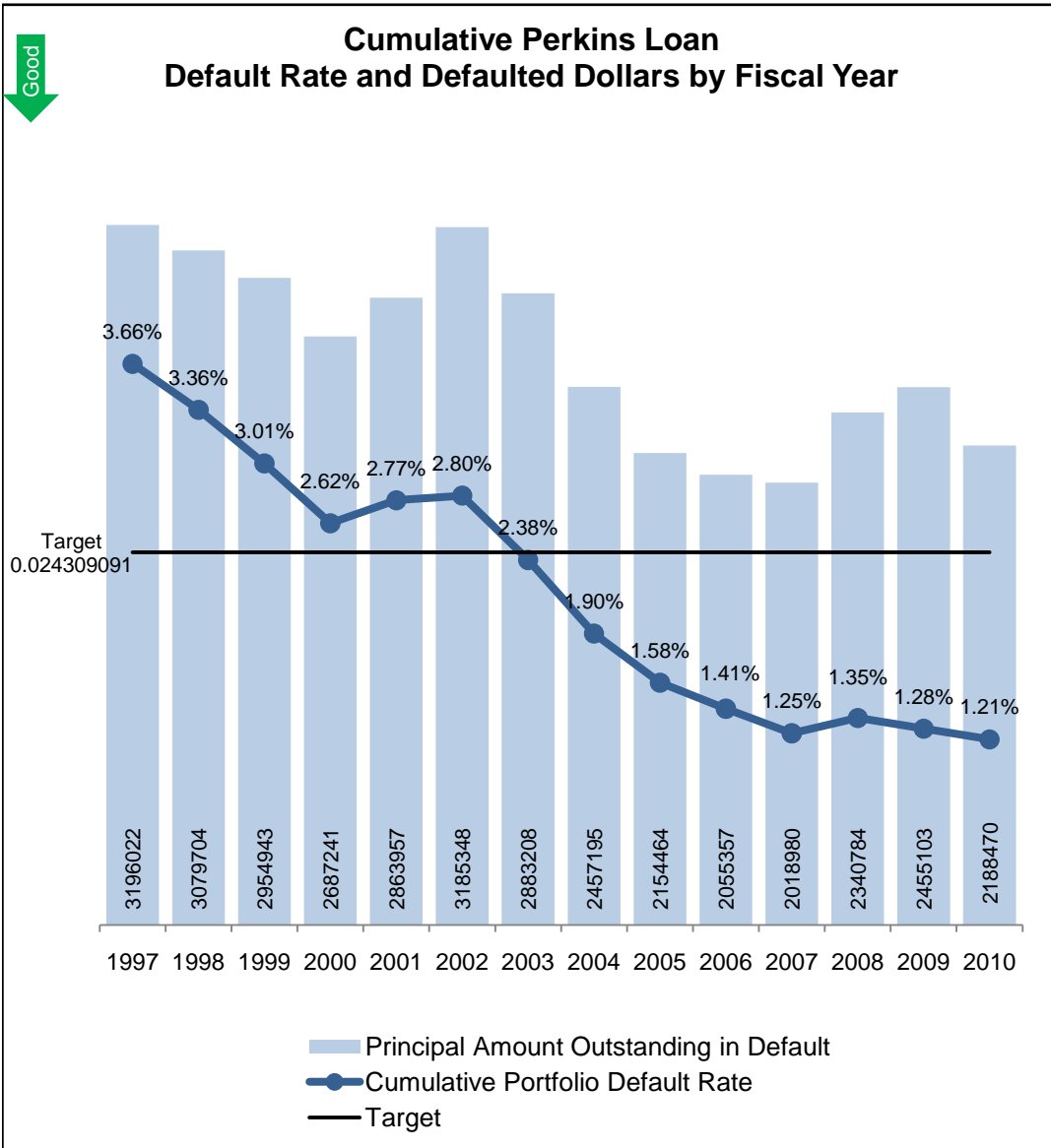
Current economic trends would indicate that we can expect an overall increase in defaults -- as students entering the workforce face increased competition for career-track jobs within their fields of study and an overall tighter employment market. Next reporting of this (and updates to the Cohort Rate)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

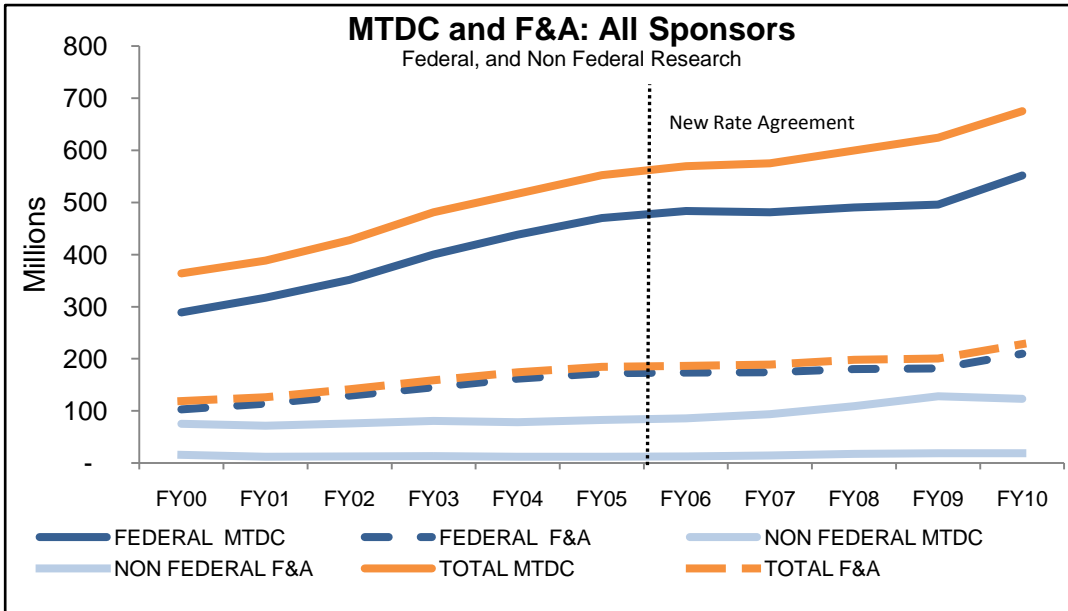
SFS used to report the Cumulative Default Rate on the Perkins Fiscal Operations Report (FISAP) up until the US Department of Education switched to the reporting of the Perkins Cohort Default Rate (which takes into account only the borrowers that have gone into repayment during one reporting period.)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

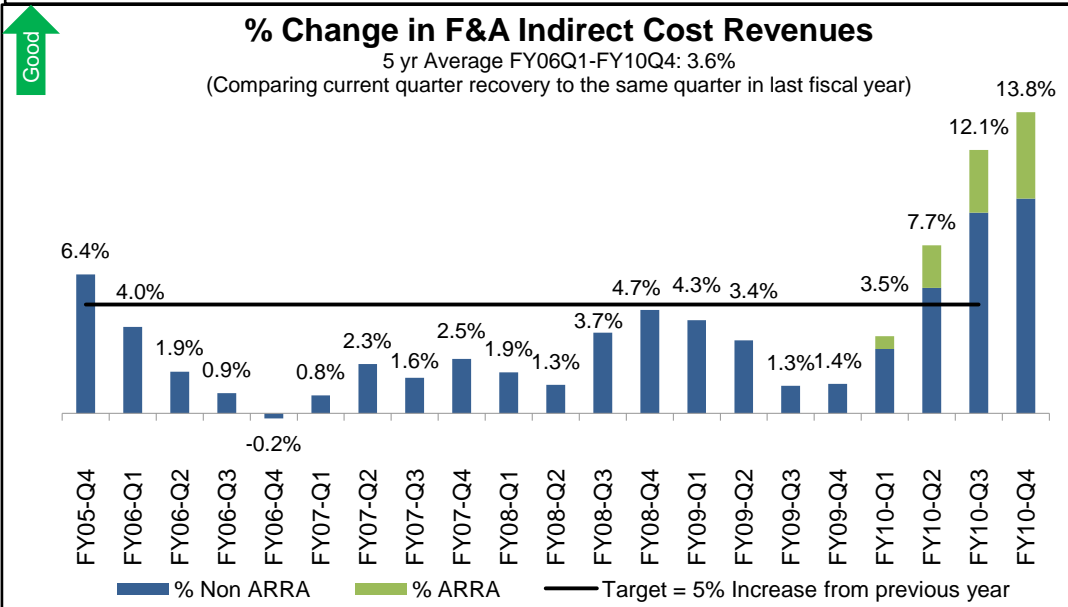
Decline in the growth rate of F&A recovery is reflective of a continuing change in the research expenditure portfolio. That is, the distribution for sponsored research funding is changing as follows. Federal research funding has flattened in the last few years while non-Federal research awards have increased 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.

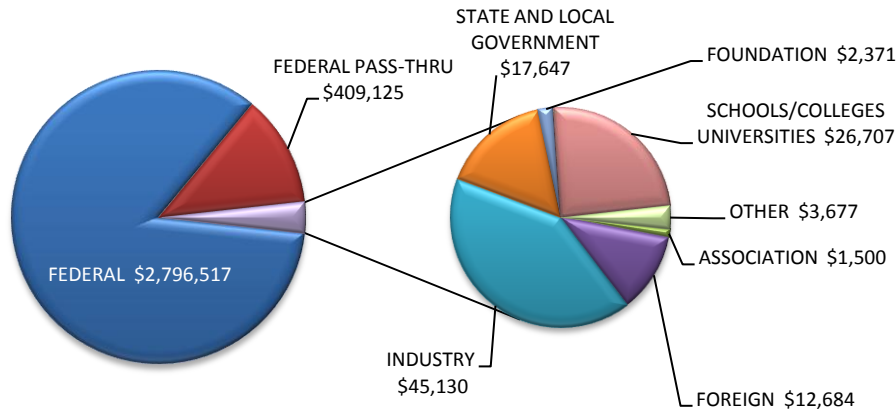
Note: MTDC (Modified Total Direct Costs) represents the 'base' which we use to calculate and apply the F&A rate. Each base (instruction, research, service and other direct institutional activities) includes all direct costs except: capital equipment, sub grant and contract in excess of \$25,000, rental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



# 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 7/10-9/10 \$3,315,359**  
**Total F&A Recovery 7/10-9/10 \$43,297,374**



## DEFINITION

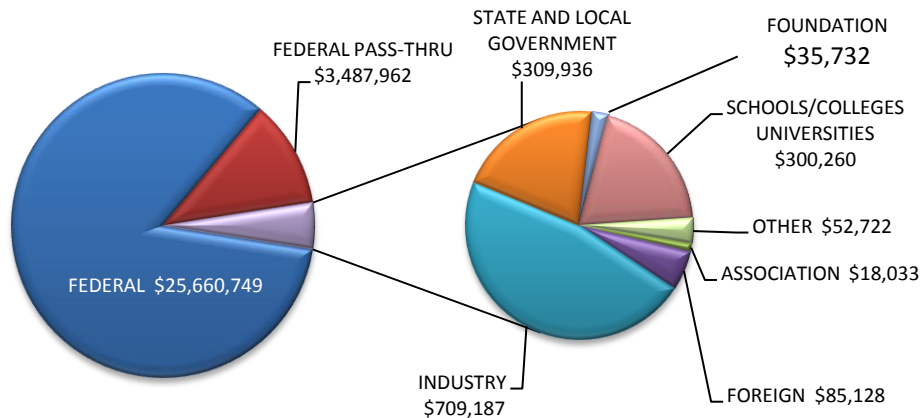
The Facilities and Administrative Cost Rate, or "F&A Rate", is a mechanism to reimburse the University for expenses incurred in providing facilities and administrative support to sponsored research and other sponsored projects. The F&A rate is essentially an overhead rate.

## 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 quarter ended September 30, 2010 there was over \$3.3 million in increased F&A recovery for these awards. Cumulatively, 7/2005-9/2010, the increased F&A rates for on-campus research have generated more than \$30.6 million.

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

**Increased F&A Recovery Resulting from Increased F&A Rate  
in Current Fiscal Year for On-Campus Research**  
**Total Increased Recovery 7/05-9/10 \$30,659,709**  
**Total F&A Recovery 7/05-9/10 \$849,407,960**



## NEXT STEPS

None presently

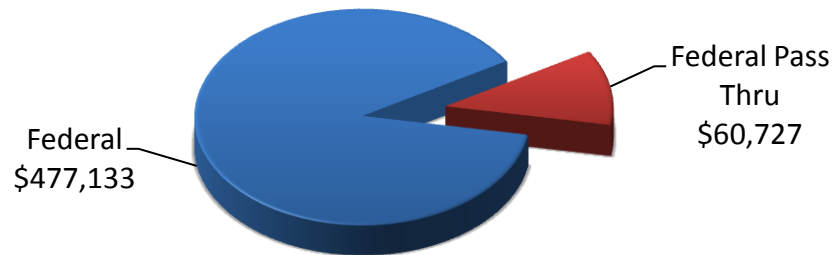
Chart reflects the increase in F&A revenue attributable to the F&A rate increase from the last F&A rate negotiation.

# Develop and Negotiate Indirect Cost Rates - RAA

Financial

### ARRA FUNDING

**Increased F&A Recovery Resulting from Increased F&A Rate  
in Current Fiscal Year for On-Campus Research**  
**Total Increased Recovery 7/10-9/10 \$537,861**  
**Total F&A Recovery 7/10-9/10 \$6,129,948**



**Increased F&A Recovery Resulting from Increased F&A Rate  
in Current Fiscal Year for On-Campus Research**  
**Total Increased Recovery 7/05-9/10 \$2,001,947**  
**Total F&A Recovery 7/05-9/10 \$14,336,916**

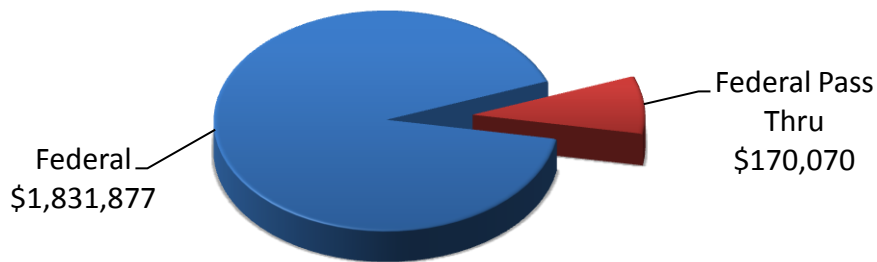


Chart reflects the increase in F&A revenue attributable to the F&A rate increase from the last F&A rate negotiation.

### 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. Since July 2009, the university has received more than 680 awards from the American Recovery and Reinvestment Act (ARRA) totaling over \$328 million in funding. For the first five quarters that ended in September 2010, there was approximately \$2 million in increased F&A recovery for these ARRA awards.

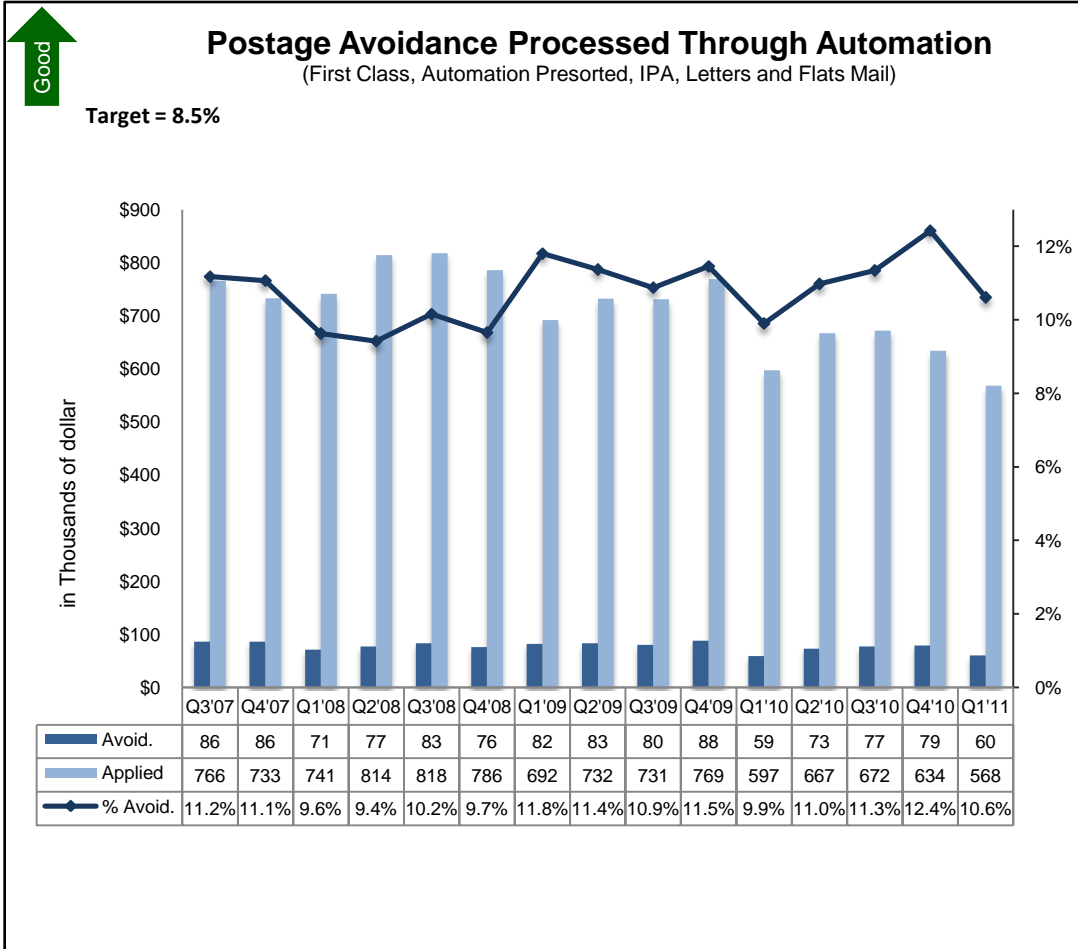
Charts reflects the increase in F&A revenue attributable to the F&A rate increase from the last F&A rate negotiation.

### NEXT STEPS

None presently

# 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 Q1'11 the percentage of postage avoidance remained above the target of 8.5% at 10.6% and was also 0.7% higher than Q1'10. These two figures demonstrate the Campus Community's continued benefit from the discounted mail programs.

The overall volume of out-going mail for fiscal year 2009-10 decreased by 12% from the previous fiscal year (9,856,478 vs. 8,688,247 pieces). This mirrors the USPS nationwide decrease of 13%.

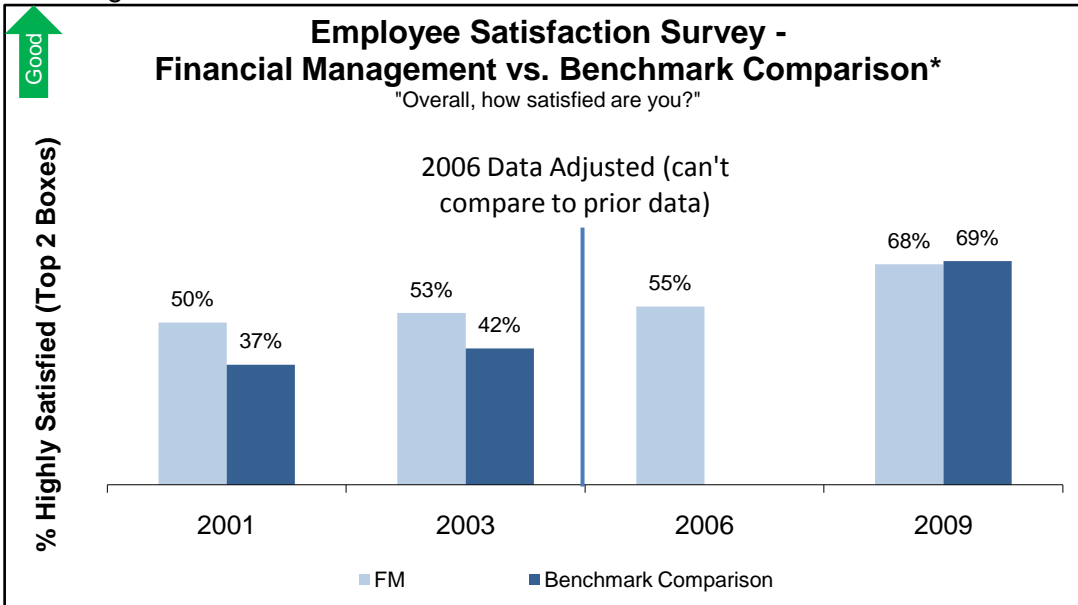
## NEXT STEPS

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

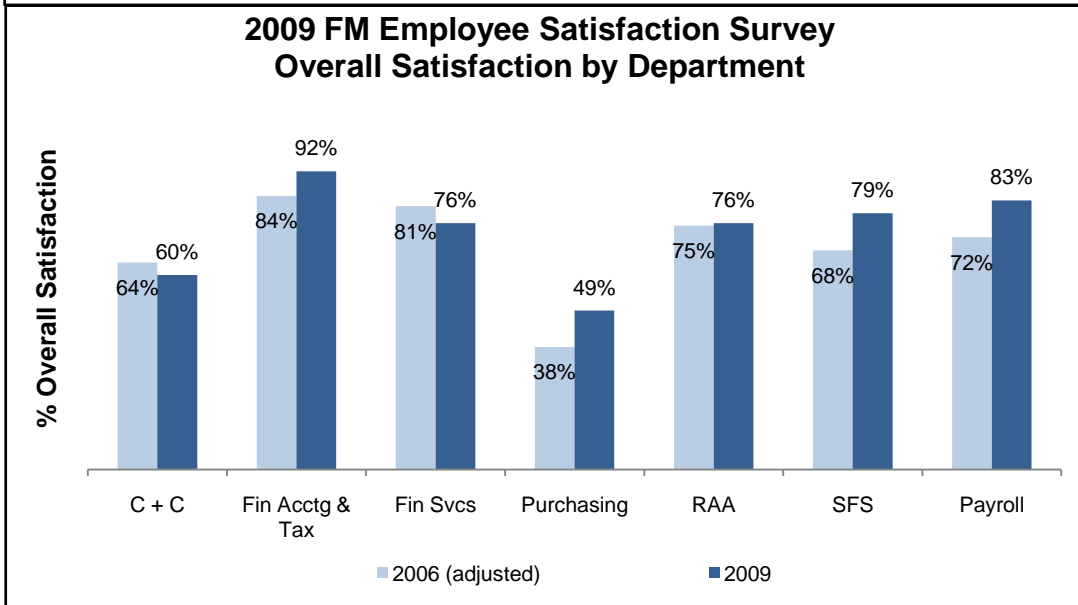


## DEFINITION

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.

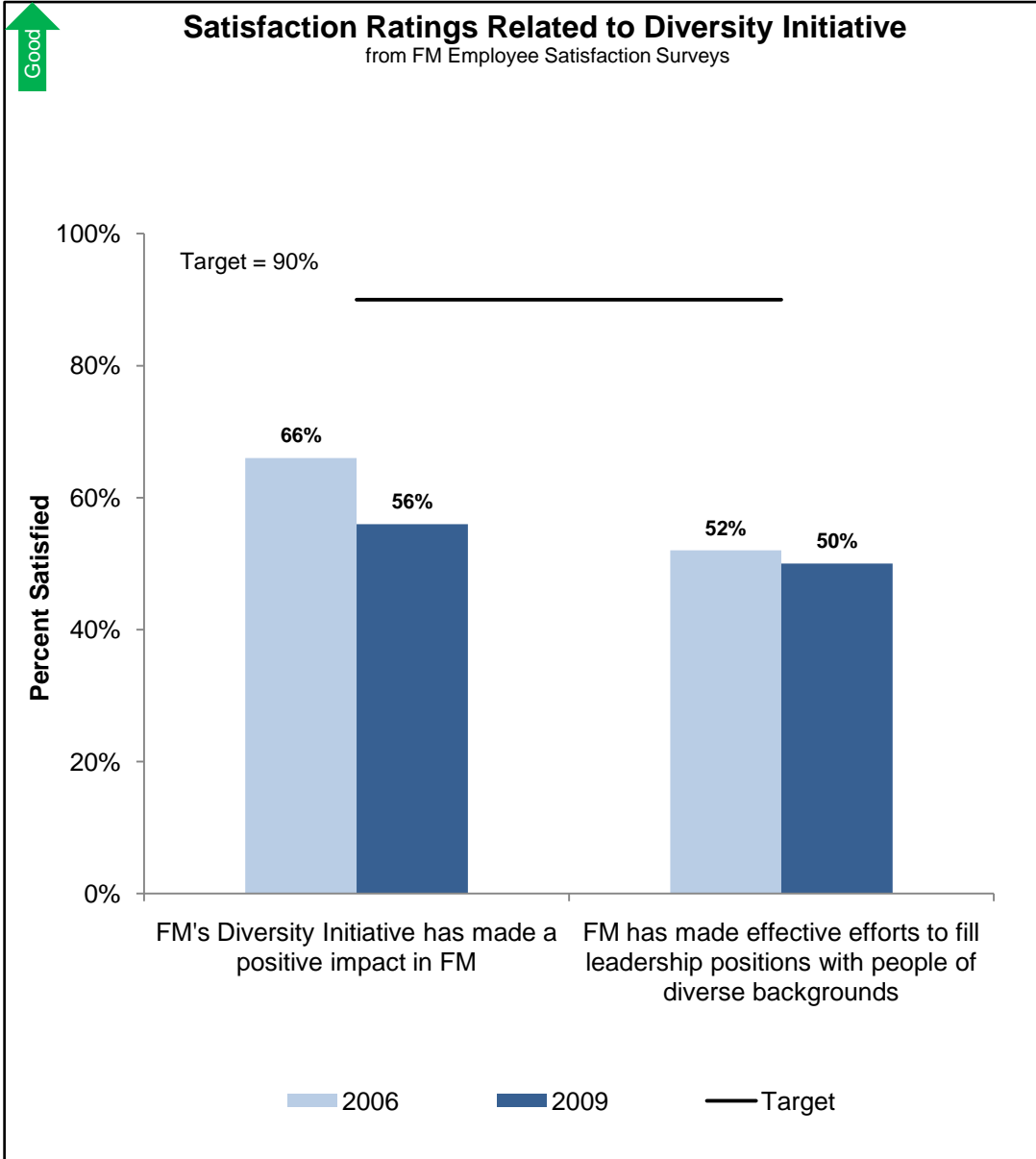


## NEXT STEPS

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

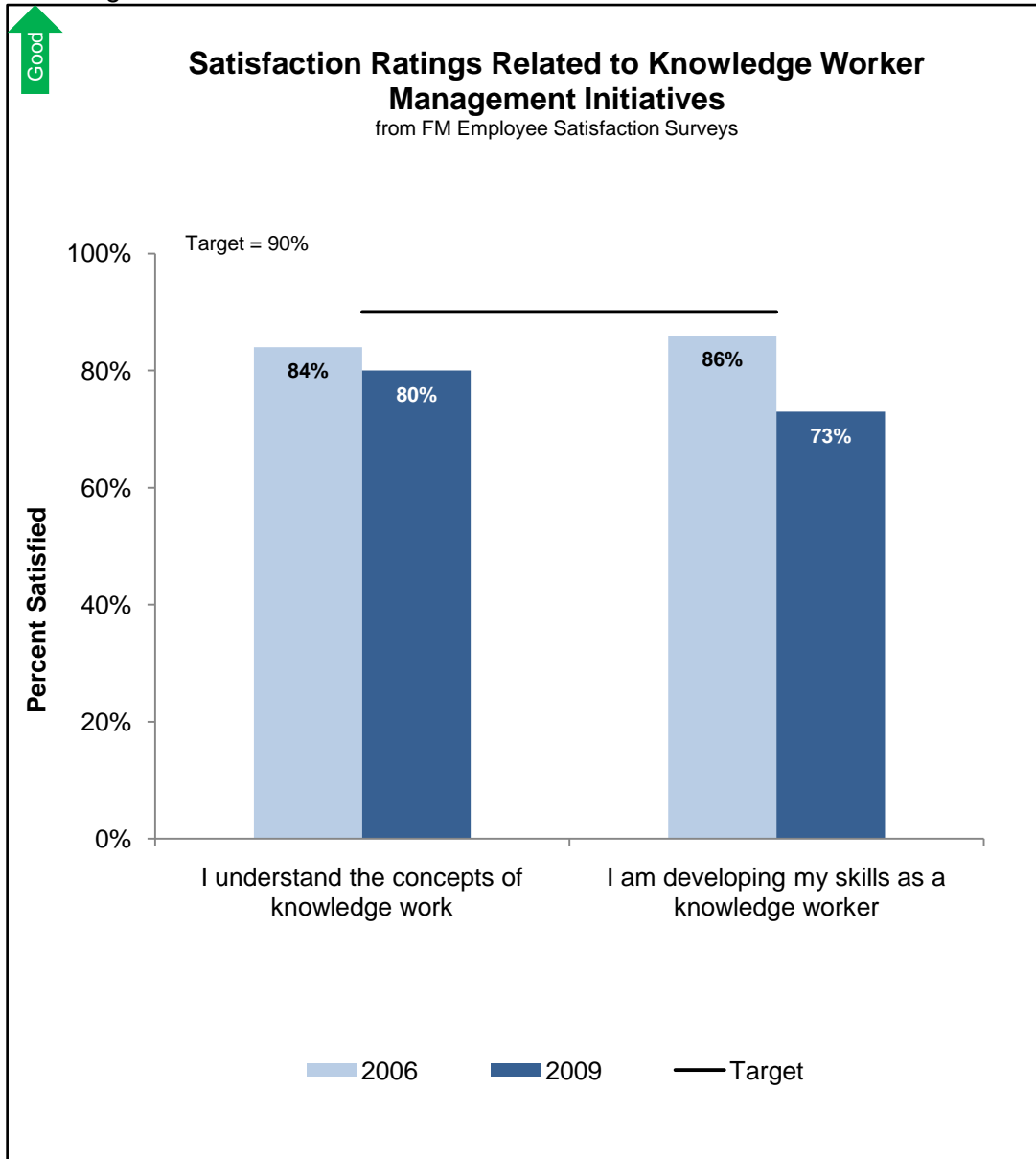
The Diversity question was added in 2006. Reorganization in 2007 resulted in more than 50% addition of employees new to FM. The 2009 results provide a new baseline for improvement activities.

## 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

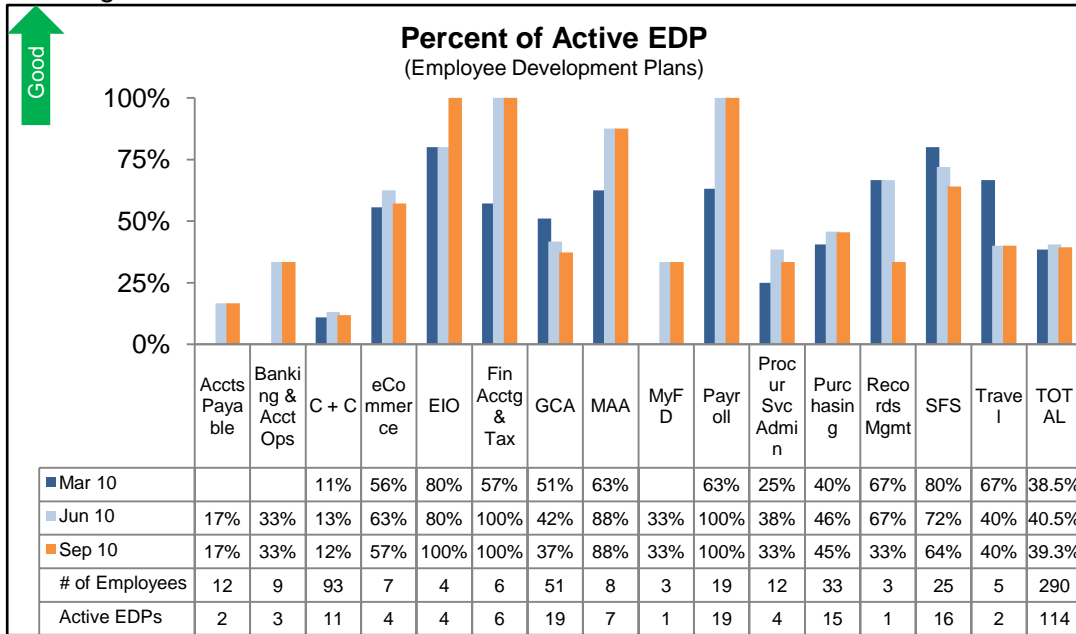
In 2007, reorganization resulted in FM gaining two new areas: Purchasing and Creative Communications and losing Treasury, Risk Management, and Quality Improvement. More than 50% of the staff in FM today work in these two areas. In 2009, these scores provide a new baseline.

## 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.

### ANALYSIS

Overall, there are 114 employees with active plans (39.3% a drop from ). Payroll, Equipment Inventory Office and Financial Accounting & Tax reached 100% active EDPs.

The drop from 124 employees in June occurred in Creative Communications, eCommerce, GCA, Procurement Services Administration, Purchasing, and SFS.

### NEXT STEPS

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

