

UW FINANCE TRANSFORMATION UPDATE



Faculty Council for University Facilities
and Services

December 2020

UWFT Faculty Advisory Committee



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Senior Lecturer, Information School

- MLIS, Taxonomy, Information Design, University Of Washington, 2004
- Nominee 2019 Distinguished Teaching Award - UW Center For Teaching And Learning



Christopher Laws

Senior Lecturer, Department of Astronomy

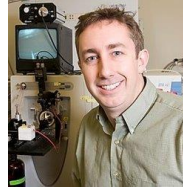
- PhD, Astronomy, University of Washington, 2004
- Assistant Director, Manastash Ridge Observatory



Cheryl Greengrove

Associate Professor, UW Tacoma Interdisciplinary Arts & Sciences

- PhD, Physical Oceanography, Columbia University, 1986
- Puyallup River Watershed Council - Non-profit Board Member



Mike MacCoss

Professor, Department of Genome Sciences

- PhD, Biotechnology, University of Vermont
- Metabolomics Core Director and Proteomics Core Director for the UW Nathan Shock Center of Excellence in the Basic Biology of Aging



Mary Hebert

Professor, Department of Pharmacy

- PharmD, University of California, San Francisco
- Adjunct Professor in Obstetrics and Gynecology
- Director of the UW Obstetric-Fetal Pharmacology Research Unit (OPRU)



Jeffrey Karl Ochsner

Professor, Department of Architecture

- M.Arch, Rice University, 1976
- Fellow of the American Institute of Architects (FAIA)
- Adjunct Professor, Depts. of Landscape Arch. and Urban Design & Planning
- College of Built Environments Senior Advisor for Policies and Procedures



Jim Jiambalvo

Professor, Foster School of Business

- PhD, The Ohio State University, 1977
- Michael G. Foster Chair in Accounting
- Dean Emeritus



Laura Prugh

Professor, College of the Environment

- PhD, Wildlife Ecology, University of British Columbia, 2005
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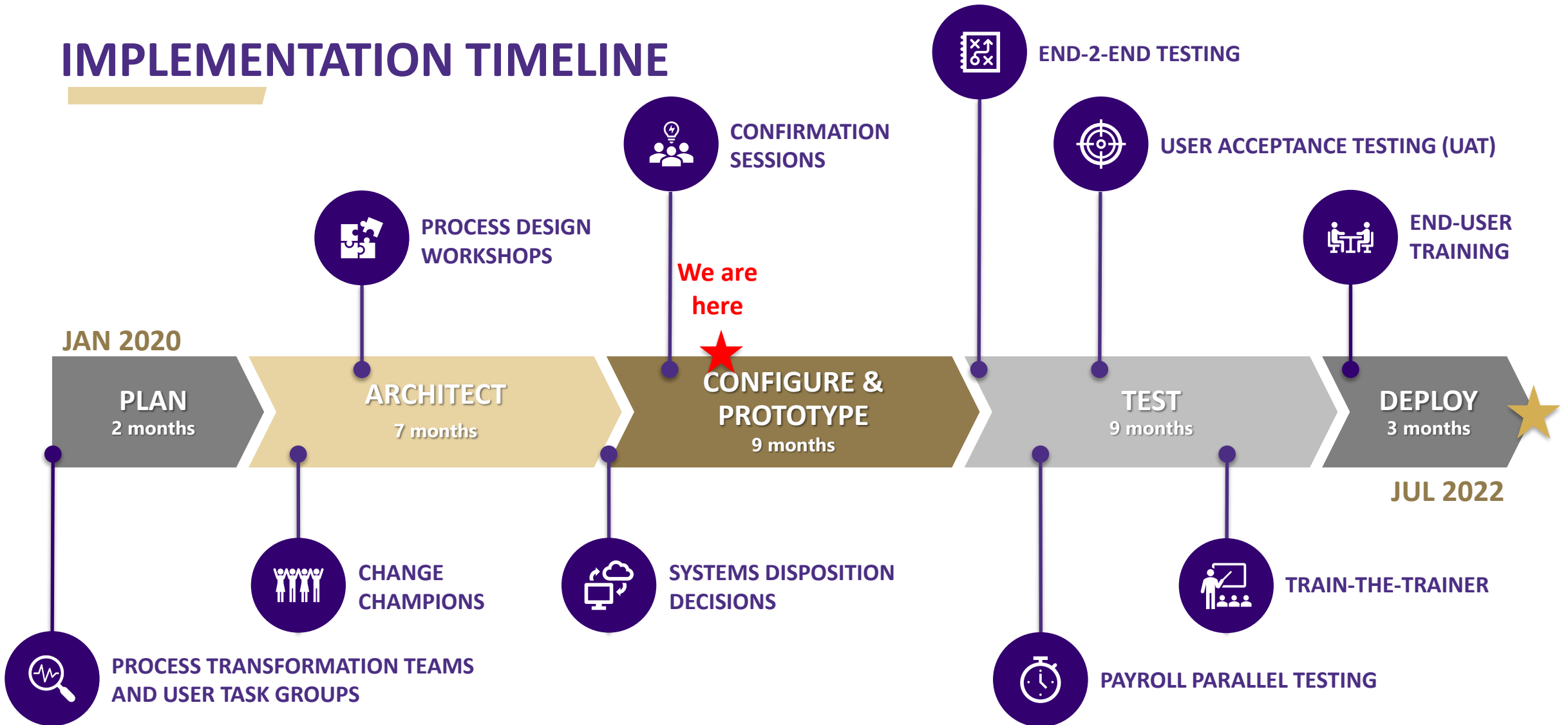


P. K Sen

Professor, School of Business, UW Bothell

- PhD, Columbia University, 1985
- Chair, Curriculum Committee, UW Bothell School of Business
- Doctoral Colloquium Coordinator, Asian American Accounting Association

IMPLEMENTATION TIMELINE






WHAT'S HAPPENING WITH SHARED SERVICES?



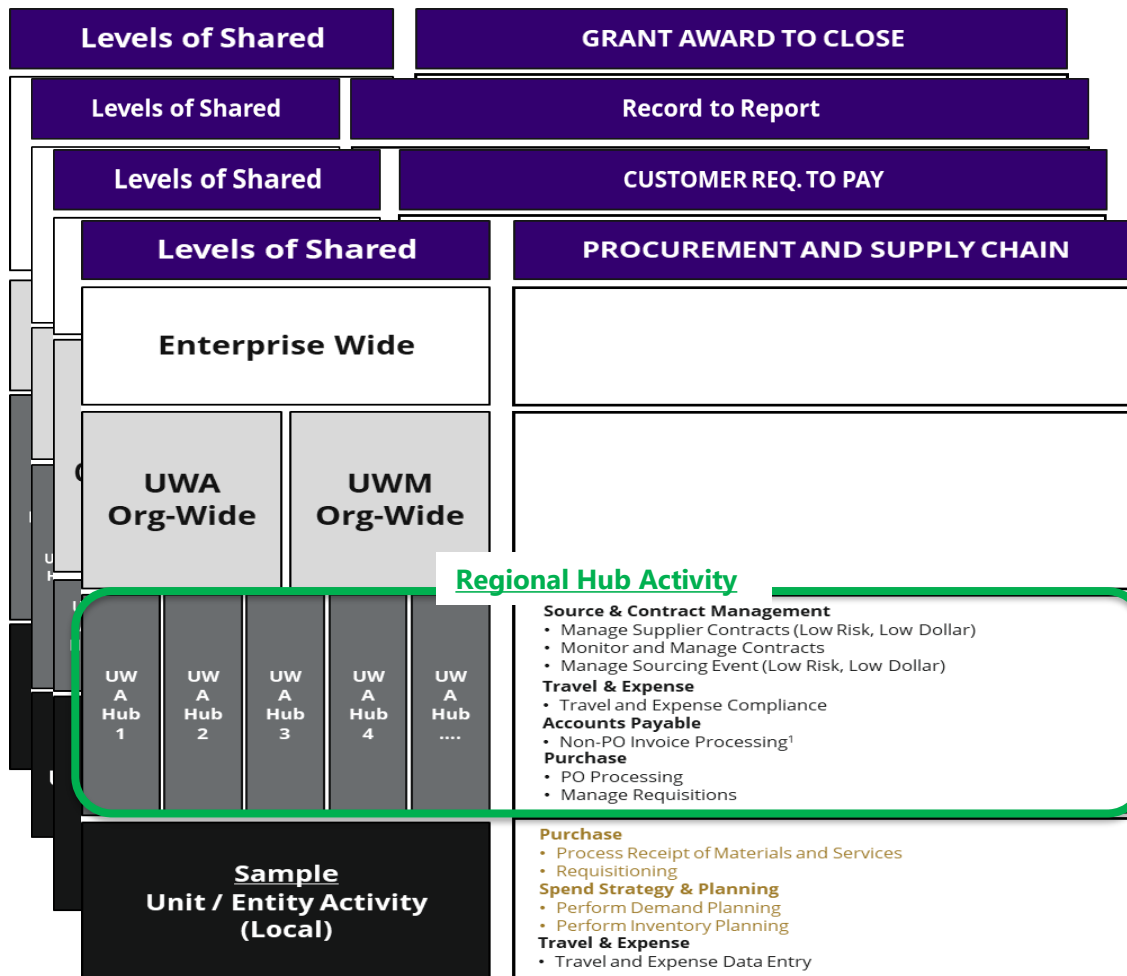
WHERE SHOULD FINANCE WORK BE PERFORMED?

Unit Level Finance Work

Processes that are unique or specific to an individual unit

| Defining Shared | | |
|---|--|--|
| Location | Definition | Example of Activities |
|  Enterprise Wide (EW) | Process can be shared by all of UW | <ul style="list-style-type: none"> • Enterprise consolidation • Enterprise policy and procedures • Travel and Expense Compliance • Maintenance of Master Data (e.g. vendor master, customer master, foundation data model) |
|  Org-wide (OW) | Process can be shared by all of UWA or UWM , but not across both organizations | <ul style="list-style-type: none"> • Cash Application and Collections (Misc. AR) • Org-level close and financial statements |
|  Regional Hub (RH) | Process can be shared at a Regional Level via a hub (serving more than one major organization/major unit) (e.g. across multiple schools/colleges, administrative units, auxiliary units and/or campuses. For larger schools and colleges this could be across multiple depts/divisions) | <ul style="list-style-type: none"> • Initial point of contact for units for finance and supply chain questions • Transaction processing (e.g. purchase orders, travel & expenses entry, invoice generation) • Post award grants management analysis and reporting |

FOR THE SAKE OF COMPLIANCE, STANDARDIZATION, AND EFFICIENCY SOME WORK MUST SHIFT SPACE



Regional Hub Activity Breakdown by Skillset

Finance / Accounting Skillset

Record to Report:

- Process Journals

Grant Award to Close:

- Perform Cost Transfers / JEs
- Award Closeout Reconciliation
- Analysis / Review of Grant Reports / Forecast
- Effort Reporting Review

Customer Billing Skillset

Customer Req:

- Generate Invoice (Internal & External)

Grant Award to Close:

- Clinical Trial Invoicing

Sourcing / Procurement Skillset

Source & Contract Mgmt.:

- Manage Supplier Contracts*
- Manage Sourcing Event*
- Monitor & Manage Contracts

Accounts Payable

- Non-PO Invoice Processing

Travel & Expense

- Travel & Expense Compliance

Purchase:

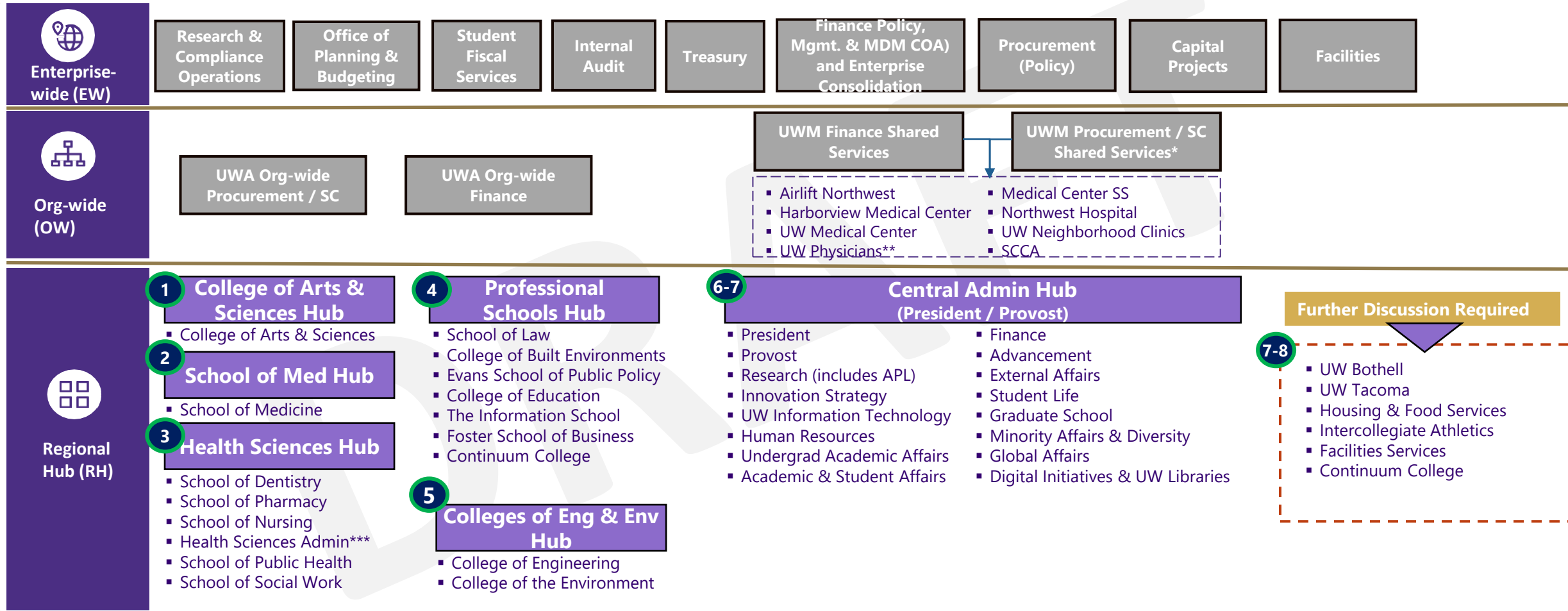
- PO Processing
- Manage Requisitions

* Low Risk, Low \$

Segregation of Duties?

THE ORIGINAL PLAN: A NUMBER OF REGIONAL HUBS, SERVING BASED ON AFFINITY AND DISTRIBUTING EFFORT

Levels of Shared



Local Unit Finance / Supply Chain Presence Remains for Site Support (Local Transaction Processing) and Business Partnering (Budgeting & Reporting)

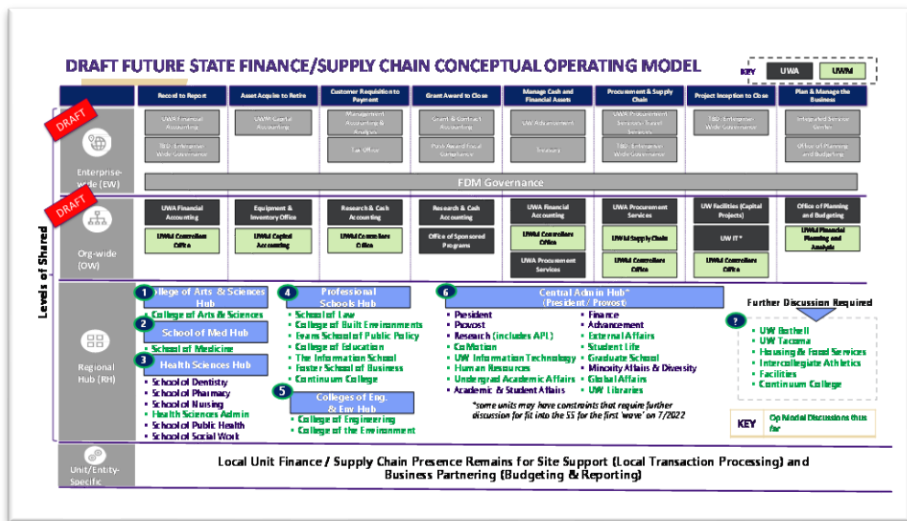
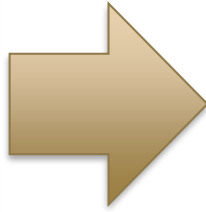
*UWM Procurement also provides services to Valley Medical Center
 ** Further discussion is required to determine what would fall in UWM vs. SoM
 *** Further discussion is required due to state of transition

Unit/Entity-Specific

THE PROVOST REQUESTED A PIVOT IN APPROACH

Unit (*especially* school and college) choice, as demonstrated by meeting set criteria, in what shared environment to have:

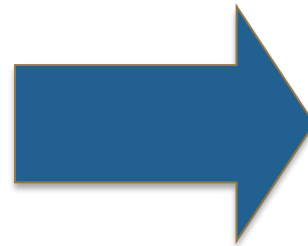
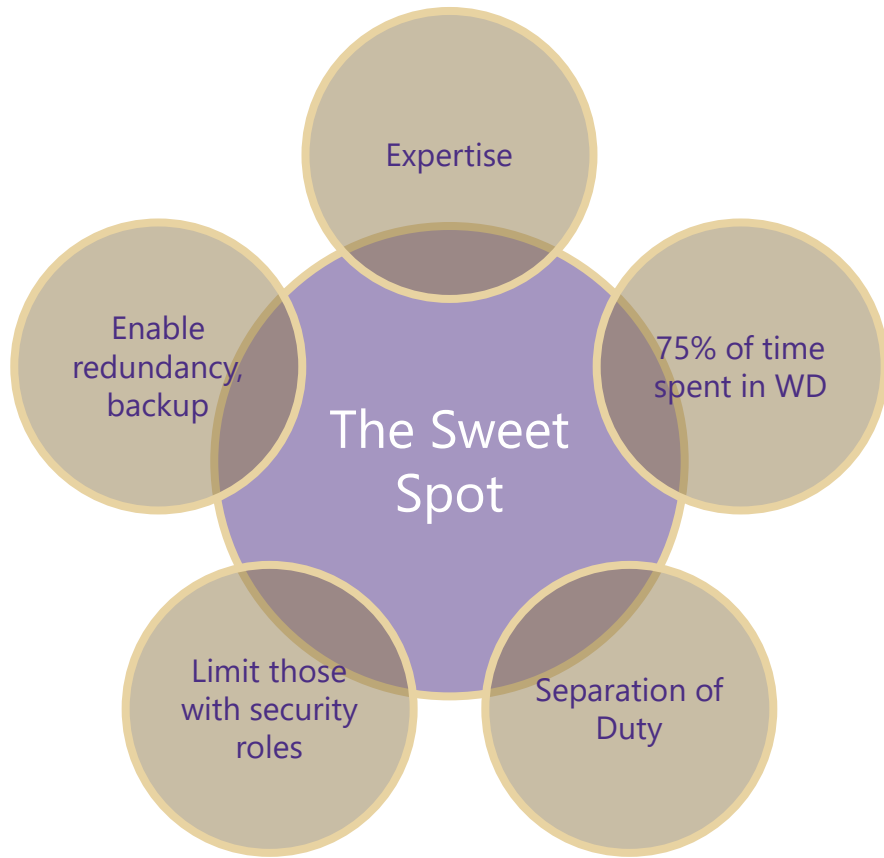
1. Single, unit-level shared environment
2. Join other units and create a mutual shared environment
3. Be served by a 'central shared environment'



CRITERIA FOR UNIT SHARED SERVICES WORK

| Criteria for Unit Shared Services Work | |
|--|--|
| Category | Criteria |
| 1. Capacity | a) Unit Shared Services Team: Unit consolidate shared activities* and associated FTEs across each department/programs into a unit level shared environment, ideally in the Finance and Admin organization of the Dean's office. |
| | b) Cost Neutral Stand-up: Shared service responsibilities completed within existing unit resources. Units start planning in FY21 for training (FT to provide), position review and change of duties/scope to ensure that units resources are redeployed by go-live. |
| | c) Have redundancy and avoid single points of failure: unit has a coverage model that has appropriate redundancy and avoids single points of failure. |
| 2. Competency | a) Process Expertise: Unit FTE resources have adequate financial and procurement competencies/skills (e.g. accrual accounting, operational journal updates) |
| | b) Workday Expertise: 'shared environment' resources have an affinity for technology and learning new things. They will spend most of their time in Workday and they have sufficient Workday expertise to effectively execute transactions by go-live. Over time, efficiencies expected to be improved over todays current state. |
| 3. Compliance | a) Policy Knowledge: Understanding of University and external policies to ensure Workday Finance and Procurement transactions are executed in a compliant manner. Knowledge of current regulatory requirements (local, state, federal) for grants and procurements is aligned with roles performed by central admin functions. |
| | b) Security Role Concentration: Ensure that only unit hub FTEs have security roles to process transactions slated for the hub level of shared |
| | c) Internal Controls: Unit has sufficient resources to ensure internal controls over financial transactions (segregation of duties). |
| 4. Operational Sustainability | a) Standard Tools: Commitment to the use of standard tools (e.g. Workday, ServiceNow) to route Finance and Procurement transactions for review/processing |
| | b) Continuous Improvement: Investment and ability to continuously improve activity in a shared environment as processes in the Workday platform change and mature |

STAFFING GUIDELINES



| Unit Shared Environment Transactions | |
|---|---|
| <p><u>Purchasing</u></p> <ul style="list-style-type: none">Manage RequisitionsManage Sourcing EventManage Supplier ContractsPO ProcessingT&E Compliance | <p><u>Grant Award to Close</u></p> <ul style="list-style-type: none">Perform Cost Transfers/JEsAward Closeout ReconciliationEffort Reporting Review |
| <p><u>Misc. A/R</u></p> <ul style="list-style-type: none">Create External InvoicesPerform Invoice Adjustments | <p><u>Record to Report</u></p> <ul style="list-style-type: none">Process JournalsMonth/Year End Close |

SCHEDULE

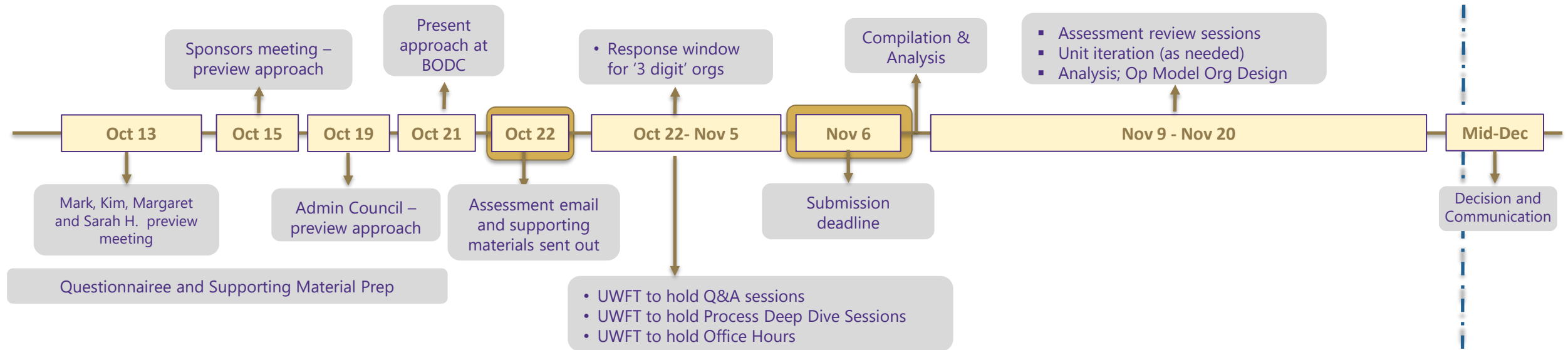
Preparation

Completion - Initial Evaluation

Iteration/Follow-on

Outcomes and Comms

We are here



APPENDIX



QUESTIONNAIRE REVIEW PROCESS- GOALS AND KEY INPUTS

Our goals for the Questionnaire Review Process (QRP) are:

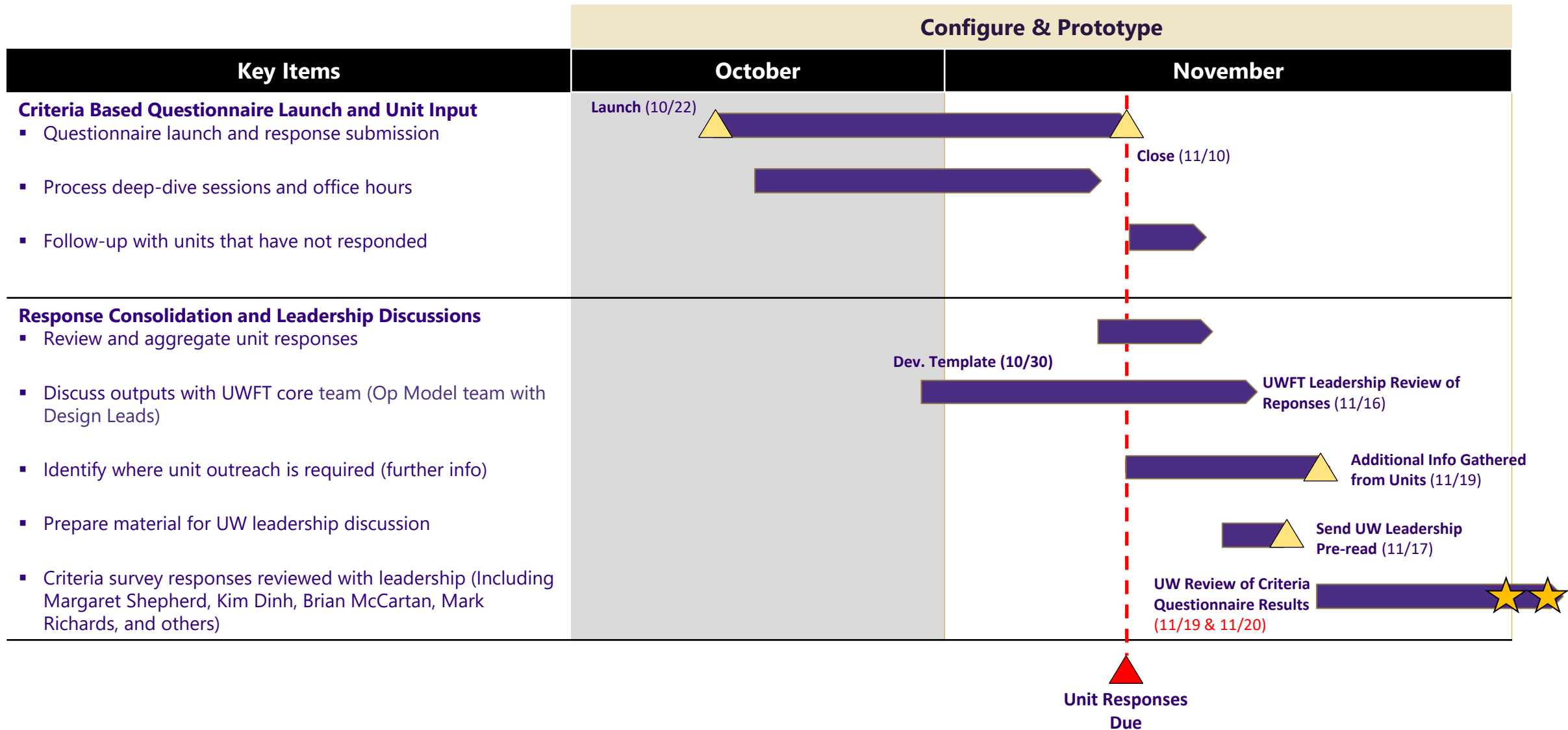
- Provide quantitative and qualitative data
- Ensure the 'voice of the unit' is brought forward without requiring the execs to read every questionnaire.
- Enable a review process that is efficient and effective
- Focus more time on reviewing questionnaires where the 'best' answer isn't immediately clear
- Enable an 'iterative' process that facilitates clarification, discussion, etc.

Key inputs to the review process are:

- Hackett data for transaction numbers, # of people performing, full time equivalent calculation, peer benchmarking
- Unit size data (total FTEs, FTEs doing Fin/Proc/Grants work, # of depts, # of faculty, etc.)
- Questionnaire responses
- **Reference:** Unit specific Hackett Output – on the Change Network



CRITERIA MODEL REVIEW HIGH-LEVEL TIMELINE



CRITERIA MODEL – ENGAGEMENT FOLLOWING RESPONSE EVALUATION

