

Financial and HR Processes

Changing for Excellence
Shared Service Centers



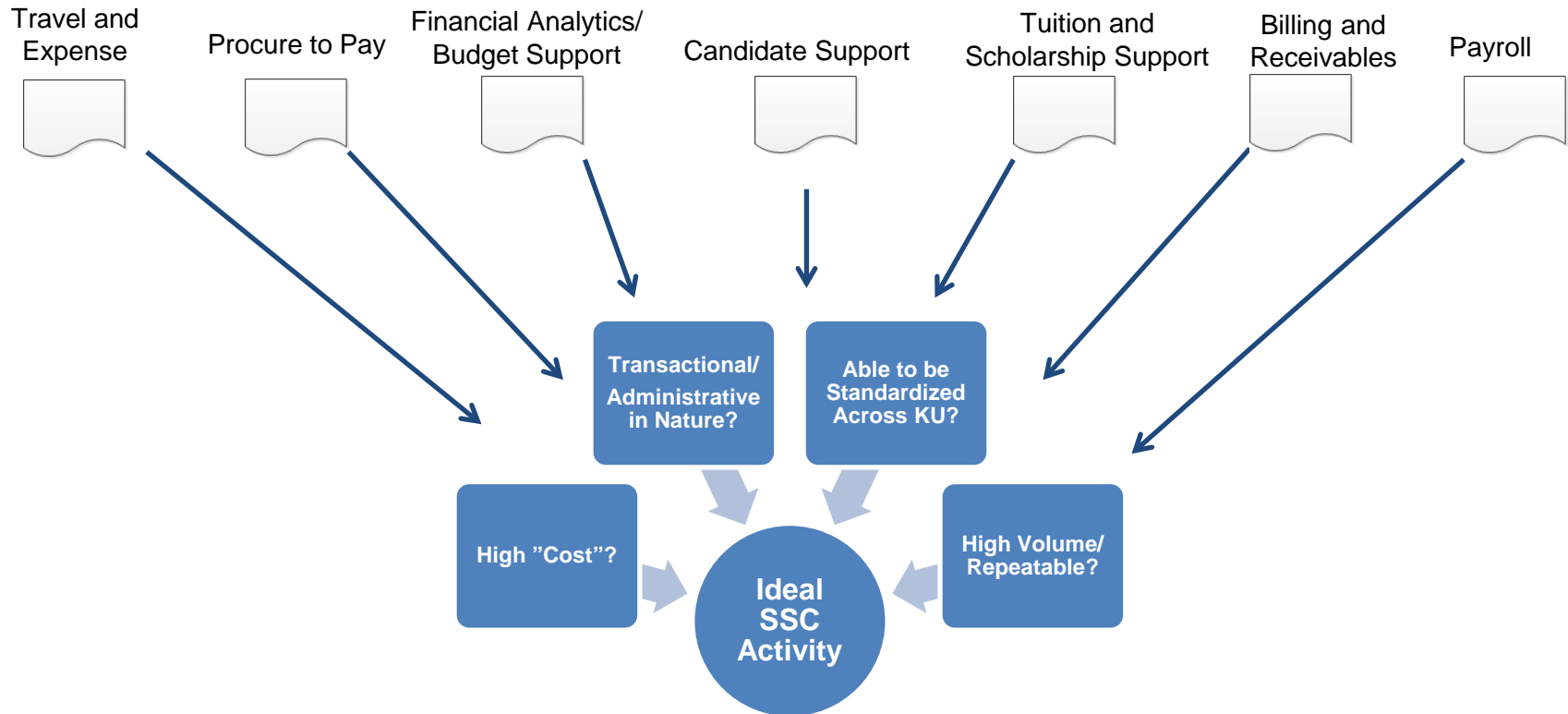
Focus Group Participants

Four focus groups met to provide insight into the viability of moving these financial activities into SSCs.

| Financial Focus Group Participants | |
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| <ul style="list-style-type: none">• Anita Abel, Business Manager, Life Span Institute• Ruth Allenbrand, Accountant, College of Liberal Arts and Sciences• Jess Black-Magnussen, Grant Specialist, Life Span Institute• Eunice Clifton, Accountant, Design and Construction Management• Stacey Cummings, Business Manager, University Relations• Teri Herberger, Associate Director, Center for Research on Learning• Jama Lickteig, Budget Officer, Psychology, College of Liberal Arts and Sciences• Bette Luther, Business Manager, International Programs• Stephanie Miller, Accountant, College of Liberal Arts and Sciences• Deb Mitra, Financial Analyst, Comptroller's Office• Sharon Riley, Accountant, Libraries | <ul style="list-style-type: none">• Rhonda Sharp, Business Manager, Provost Business Services• Lisa Shaw, Business Manager, School of Music• Kristy Spellman, Administrative Professional, Provost Business Services• Cathy Swenson-Tucker, Accountant, Russian, Eastern European and Eurasian Studies, College of Liberal Arts and Sciences• Jennifer Talbott, Business Manager, Spencer Museum of Art• Stephanie Tobis, Accountant, Edwards Campus• Gayle Vannicola, Business Manager, School of Journalism and Mass Communications• Beth Wehner, Business Manager, School of Engineering• Karla Williams, Director, School of Business• Emily Zentner, Assistant Business Manager, Continuing Education |

Focus Groups Summary

Focus groups vetted a comprehensive list of processes to determine which warrant further assessment as SSC activities.



Focus groups also provided input on the departmental HR activities that are not currently undergoing process redesign (recruiting and onboarding and performance management).

Travel and Expense

Booking travel and/or supporting staff and faculty to receive reimbursement

Processes to be Reviewed by the Process Improvement and Training Committee

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| <ul style="list-style-type: none">• Reimbursements (all funds)• Cash advances | <ul style="list-style-type: none">• Relocation expenses• Student travel | <ul style="list-style-type: none">• Travel booking• Travel authorization |
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Process Improvement Considerations:

- The new Travel and Expense module has created many questions – staff are still learning how to use the module and associated imaging system
- Travel rules need to be more accessible: the groups suggested a standard list of what is required from every traveler
- Staff are concerned that SSCs will not be able to manage “complex” KUEA, KUCR, and state funding decisions; training and knowledge of the fund codes is necessary
- Faculty and staff should be allowed to continue booking their own travel in the new system
- Expanded use of department credit cards for travel needs to be considered

Focus groups universally agreed that most of the travel and expense activities are strong shared service center candidates.

Candidate Support/Honorarium Processing

Payment and/or hospitality arrangements for guest faculty, staff or student prospects to visit campus

Processes to be Reviewed by the Process Improvement and Training Committee

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|--------------------------|---------------------------------|-------------------------------------|
| • Reimbursement stipends | • Travel processing and booking | • Process contractual services form |
|--------------------------|---------------------------------|-------------------------------------|



Process Improvement Considerations:

- It is critical that the individuals supporting these processes in the SSC have a strong relationship with the department they are serving
- Standard policies and procedures that are universally known by those doing the work are needed
- SSCs were seen as offering an opportunity for better knowledge sharing around payment rules for travel and reimbursement

Focus groups suggested that these activities are aligned with travel and expense reimbursement and are strong shared service center candidates.

Tuition and Scholarship Support

The process that matches student award recipients with appropriate funds and ensures funds are credited

Processes to be Reviewed by the Process Improvement and Training Committee

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| <ul style="list-style-type: none">• Keying allocated tuition sponsorship• Process stipends | <ul style="list-style-type: none">• Communication with the Bursar, Financial Aid and Scholarship Offices | <ul style="list-style-type: none">• Complete instate rate forms• Ongoing follow-up after the forms are processed |
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Process Improvement Considerations:

- Matching award recipients with appropriate funds and providing follow up support were recommended for SSCs – *“Follow up questions after the fact are time consuming.”*

Focus groups agree that the processing of scholarship support and stipends are strong potential fits for the shared service centers.

Financial Analytics/Budget Support

Supporting units with information about fund balances and program budgets—excluding the strategic financial support provided by the Budgeteers

Processes to be Reviewed by the Process Improvement and Training Committee

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| <ul style="list-style-type: none">• Reconciliation of budgets• Budget transfers | <ul style="list-style-type: none">• Paperwork for Journal Vouchers• Tools to enable reporting on budget status | <ul style="list-style-type: none">• Retroactive funding adjustments• Provision of budget status reports to Chairs/Directors |
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Process Improvement Considerations:

- Improved reporting tools, including the ability to encumber funds, were seen as necessary if these activities are to move to an SSC
- Staff suggested that shadow systems are necessary for financial reporting purposes
- Concerns around the transparency of endowment data were raised and need to be explored further



Imperfect Compatibility:

- Some areas have specialized systems which function to augment reporting, such as the Maximo system in FS; these activities may not be good SSC candidates
- Analysis and forecasting were suggested as strong department-level activities

Focus groups suggested that moving these activities to the SSC is necessary to provide the SSC staff with diverse and interesting work; however, chairs and faculty may have concerns.

Procure to Pay

The process that begins with placing an order through receipt of the goods and payment from endowment, KUCR and/or state funds

Processes to be Reviewed by the Process Improvement and Training Committee

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| <ul style="list-style-type: none">• Create/maintain vendor records• Pay department bills for recurring expenses• Make purchases via KUPPS/P-Card | <ul style="list-style-type: none">• Assign funding• Process invoices• Match PO and invoice• Return unwanted goods• Process credit memos | <ul style="list-style-type: none">• Prepare SOVs/FOMs (FS payment)• Perform special purchasing requests, sole source, and other equipment bids |
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Process Improvement Considerations:

- Improved KUPPS functionality and better training is necessary
- For research, item selection and purchase are highly specialized; defined “requestor” (department) and “shopper” (SSC) roles are needed
- The level of account knowledge that exists in the departments today must transfer to the SSC

Imperfect Compatibility:

- Receiving goods – central delivery could add unnecessary time, expense and complexity
- Inventory management – departments with significant inventory are rare and specialized

The focus groups agreed that aspects of purchasing should be considered for the SSCs, and highlighted the importance of standardizing forms/processes and tools.

Billing and Receivables

The process that begins with billing for revenue through collecting payments and ends with deposit

Processes to be Reviewed by the Process Improvement and Training Committee

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| <ul style="list-style-type: none">• Reconcile deposits and review for errors | <ul style="list-style-type: none">• Enter receipt of funds• Contractual services payments and contract forms | <ul style="list-style-type: none">• Key transactions for revenue billing |
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Process Improvement Considerations:

- There may be opportunities to increase the electronic workflow for some processes, regardless of a potential move to an SSC: for example, the focus groups suggested that SOVs may be better processed as online transfers, in the same manner that FOMs are processed



Imperfect Compatibility:

- Departmental deposits and collection of funds were considered poor choices since they would require secure handling of cash

Focus groups suggested that some aspects of invoicing and departmental deposits should be considered for the SSC; however, receipt of cash should remain in the department.

Payroll

The process related to initiating payroll changes and tax forms, including support for international hires

Processes to be Reviewed by the Process Improvement and Training Committee

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| <ul style="list-style-type: none">• Funding changes for payroll (including annual grant updates) | <ul style="list-style-type: none">• Process off-cycle payment requests | <ul style="list-style-type: none">• GLACIER: Payment processing for international personnel• Retroactive funding adjustments |
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Process Improvement Considerations:

- GLACIER compliance and follow through are headaches that staff would happily hand over to the SSCs
- Focus groups identified the need for more training around payroll processes
- Focus groups suggested a need to improve communication on payroll process and system changes
- The processing of new employees on payroll should be integrated with the hiring and onboarding processes

Departmental payroll was seen as a strong SSC candidate, and focus group members suggested increased training and communication would be necessary.

Departmental HR Activities

HR activities completed by the departments and units, excluding recruiting and onboarding activities

Processes to be Reviewed by the Process Improvement and Training Committee

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| <ul style="list-style-type: none">• Paperwork and communication for international hires | <ul style="list-style-type: none">• Reviewing and confirming personnel information, such as funding information, appointments and merit | <ul style="list-style-type: none">• Facilitating performance management |
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Process Improvement Considerations:

- Financial processes are closely tied to many of the non-recruiting/onboarding HR tasks
- A new time and leave system is being implemented and will go live in the near future
- New performance management systems and processes are being considered

Much of the departmental HR work has already been redesigned in preparation for the new PeopleSoft system; however, focus groups identified some HR activities which are currently outside the scope of the ROC.

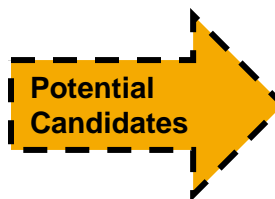
Process Improvement and Training Committees to be Formed

Each of the processes analyzed by the Focus Groups contains core activities which may be candidates for Shared Service Centers.

Shared Service Centers

Process Improvement and Training Committees

- Travel and Expense and Candidate Support/Honorarium Processing
- Tuition and Scholarship Support
- Financial Analysis/Budget Support
- Billing and Receivables
- Payroll
- Departmental HR Activities
- Procure to Pay (separate work stream)



The Design Review and Steering Committees decided to move forward to form six Process Improvement and Training Committees to further define and vet activities that may move into the SSCs.

Next Steps: Process Streamlining

Process Improvement and Training Committees will begin identifying opportunities to streamline current processes.

Process Improvement and Training Committees

For each of the core activities identified, dedicated implementation staff will work with the Process Improvement and Training Committees to gather current processes, practices, procedures, and reporting in an array of schools, units and research centers in order to determine if these can be streamlined for use in the shared service centers.

Primary Roles

1 Transform Current Processes

Implementation staff will work with the committees and central departments to:

- Document “as is” processes, practices, procedures, and reporting in a array of schools, research centers and administrative units to map current practices
- Identify key differences and best practices among current processes
- Create and document new processes, practices, procedures, and reporting that will be used in the shared service centers
- Identify any additional workflow or technology changes needed to further optimize the processes, practices, procedures, and reporting
- Identify training needs for shared service centers
- Communicate findings to campus

2 Create the SSC Guide

Implementation staff will work with the committees and central departments to create an online shared service center guide, that will include:

- SSC job descriptions
- Staff reporting relationships
- Communication channels
- KPIs, measurement guidelines, and timelines
- Service level agreements (SLAs)

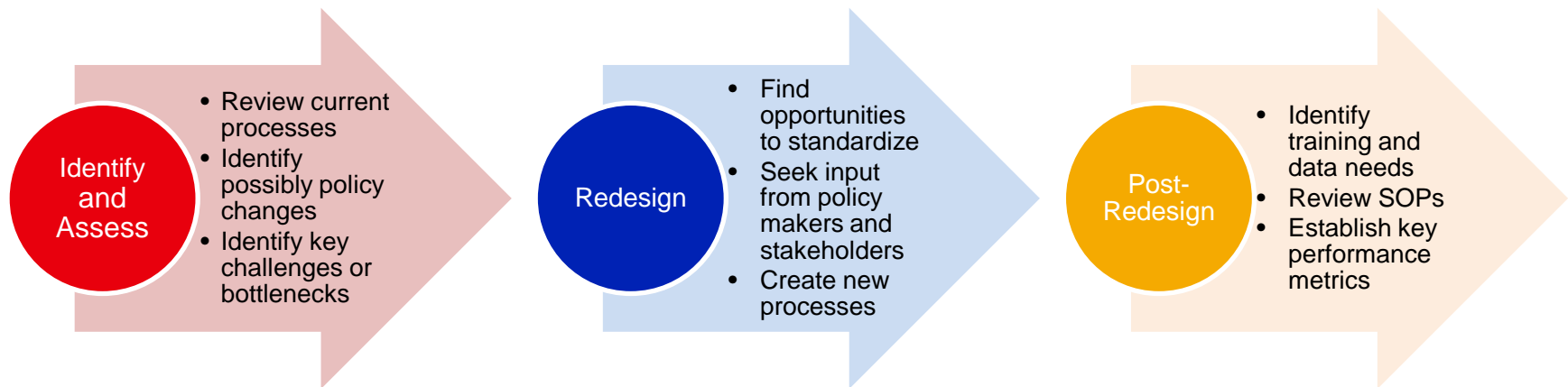
Process Improvement and Training Committees Activities

KU staff on the Process Improvement and Training Committees (PITCs) will meet several times over the coming months to map and refine financial processes.

Phase I: Teams will identify and map current processes and activities and the challenges and benefits of bringing the processes into the SSCs.

Phase II: Ownership of each aspect of the redesigned processes (departmental, central, or SSC) will be identified. Groups will also identify workflow, technology changes or other tools needed to optimize the process.

Phase III: Teams will develop the training needed to adapt to the new process, and establish the metrics which will measure the success of the processes.



PITCs are a critical component of the Shared Service Center (SSC) implementation. The SSC Steering Committee and the Design Review Committee will make final decisions on the activities of the SSCs based on input from the PITCs.