FY16
Annual Performance
Report

(July 1, 2015 - June 30, 2016)

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Division of Business Services

July 15, 2016

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VCFA Strategic Priorities

VCFA Strategic Priority 1: **EID**

Division goal/objective statement: During FY16, the Division of Business Services continued to support the VCFA's priority of Engagement, Inclusion and Diversity (EID) through the development of goals and the planned actions identified in its EID Plan dated August 3, 2015. A summary of the goals are as follows:

SECTION I: INCREASING REPRESENTATION AND RECRUITMENT

According to the VCFA Implementation Resource Guide, diversity is a range of human qualities that impact and influence how people are perceived and how they behave. These qualities include, but are not limited to: age, gender, race, ethnicity, color, physical and mental attributes, sexual orientation, marital status, geography, location, spirituality, education, values and beliefs. Understanding and appreciating the value of human differences will only help get the work of the Division of Business Services done. Towards that end, the goals of the division are to:

> ➢ Draw from a more diverse pool of qualified applicants when recruiting for positions.
> ➢ Demonstrate an increase of currently under-represented populations in its workforce.

SECTION II: INCREASING ENGAGEMENT

According to the VCFA Implementation Resource Guide, engagement is defined as being fully involved in, and enthusiastic about, work. Engaged employees have a heightened connection to their work, the organization, its mission and their co-workers. Engaged employees also find personal meaning in their work and are more likely to go beyond the minimum and expend discretionary effort. Research indicates that engaged employees are also more productive and more likely to be accepting of organizational change. Furthermore, there is a strong correlation between employee engagement and desirable business outcomes including customer service and financial performance. The goal of the Division of Business Services is to:

> ➢ Build a collaborative and inclusive work environment that enhances employees' engagement with their position and the University.

SECTION III: INCREASING INCLUSION

According to the VCFA Implementation Resource Guide, inclusion refers to a sense of belonging, feeling respected, valued, seen for who you are, and valued as a contributing member of the team, work group, or organization. An inclusive culture is one in which barriers to contributions are eliminated, biases are eliminated, and people are respected and able to give their personal best. Research has demonstrated that, even if an organization has diversity in its midst, employees may not perceive that they are welcome or appreciated. The goal of the Division of Business Services is to:

> ➢ Build a work environment so that all employees are supported, included and connected.

Performance target: Performance indicators are the completion of the planned activities and/or milestones identified in the division's EID Plan.

Milestones accomplished:

Conscientious Recruitments: Prior to beginning a recruitment, hiring supervisors considered the needs of the unit and the division, the skills required of the position and how they can create a broad, diverse and qualified applicant pool. Balanced and diverse interview panels and search/screen committees were promoted and training provided to such panels and committees regarding bias literacy and interview parameters (e.g., WISELI Guide and Training for Search Committees on Excellence & Diversity).

External Recruitments: Hiring supervisors continued to look at internal candidates to fill vacant or new positions in support of engagement and professional development, but also conducted external recruitments to attract a more diverse pool of applicants. During FY16, the division utilized many different external sites to support recruiting efforts to heighten diverse demographics in the workplace. Examples included*: LinkedIn; Pan-Asian Leaders; Black Executives Network; National Black MBA Association; Native American Professionals; Professionals with Disabilities; Hispanic Alliance for Career Enhancement; Madison Network of Black Professionals; Latino Support Network; Urban League of Greater Madison; Centro Hispano; Native American Finance Officers Association; Latino Support Network; and Madison Network of Black Professionals.*

Student Employment Initiatives: The division continued to collaborate with the Recruitment Initiative for Student Employees (RISE) and participate in RISE job fairs or activities. In addition, the division continued to participate in the VCFA's Student Employment Initiative (WIGrow) to enhance the student employment experience, and participated in the College of Letters & Sciences' student job shadow program. Finally, the division hosted students from the PEOPLE (Pre-College Enrichment Opportunity Program for Learning Excellence) program for low-income students and students of color.

Campus Diversity Involvement: The division currently has an employee representative on the VCFA EID Council, who serves as a valuable liaison between other VCFA units and division staff, as well as between the VCFA Council and the division's own EID Committee. This participation is a direct means of division representation in the VCFA EID process and serves as an additional avenue of feedback to the division's EID efforts. The division also has two employees who were elected to the Classified Staff Congress.

Communications: Staff and leadership sought means to communicate more effectively throughout the division in order to discuss shared achievements, opportunities and concerns. This included more face-to-face communications between various leadership levels and staff, as well as supporting further development and use of the division's intranet-shared resources. Division supervisors also held an advisory forum aimed at developing shared awareness of issues at the mid-management level and providing ideas to senior leadership to improve the work environment.

Appreciate Accomplishments in Relation to the Campus Community: The division is in a unique position to work with employees from across campus and in relation to many large and exciting campus projects and initiatives. Employees were given opportunities to see and celebrate the outcome of their hard work and their relationship to the campus community. For example, a brown-bag session on "Chasing the Ghost Particle" was hosted to recognize the work of purchasing staff to support the scientific research community. Additionally, visits were coordinated to the Chazen Art Museum , the Allen Centennial Gardens and the Stephen M. Bennett Student-Athletics Performance Center. All of these entities were recipients of the division's support and administrative efforts.

Celebrate Differences**:** The division provided information to employees via the intranet about campus events that include opportunities for employees to understand and learn to appreciate other cultures and interests, and connect with other employees to share experiences. The division also expanded membership of its community committee which organizes social events during breaks, the lunch hour, or after work to foster team-building and create and strengthen connections among co-workers.

VCFA Strategic Priority 2: **Student Leadership Development**

(1) Division goal/objective statement: Conduct initial WiGrow conversations with all new student employees in the Division of Business Services within 45 days of employment start dates.

Baseline measures: The percentage and number of new student employees who received their first WiGrow conversations within 45 days of employment were as follows in the last two fiscal years:

> FY14: 6%, or two out of 32 new student employees
> FY15: 33%, or eight out of 24 new student employees

Performance target: In FY16, 100% of the division's new student employees will receive their initial WiGrow conversation during their first 45 days of employment.

Milestones accomplished:
- All new student employees were welcomed with an email within two weeks of arrival explaining the WiGrow Program.
- Monthly email reminders were sent to supervisors notifying them of 45-day target dates for all new student hires.
- Eleven additional supervisors were trained in the Red Folder/WiGrow Program.
- In FY16, 95%, or 19 out of 20 new student employees, had their WiGrow conversations within 45 days of employment.

(2) Division goal/objective statement: Increase the number of student employees that moderately or strongly agree with the following WiGrow survey statement, *"My supervisor helps me make connections between my current work and my academic pursuits."*

Baseline measures: The percentage of students who moderately or strongly agreed with the statement was as follows in the last two fiscal years:

> FY14: 75%
> FY15: 71%

Performance target: Similar to the VCFA performance target of 75% in FY16, the performance target for Business Services is 75% of the student employees will moderately or strongly agree with the survey statement.

Milestones accomplished:
- Approximately 15% of Business Services student employees attended the both FY16 WiGrow Forums (9 attended in Fall and 8 attended in Spring).
- 81% (17 out of 21) supervisors in Business Services completed the Spring Supervisor WiGrow training.
- Eleven additional supervisors trained in the Red Folder/WiGrow programs.
- In FY16, 95% moderately or strongly agreed with the survey statement, "*My supervisor helps me make connections between my current work and my academic pursuits."*

(3) Division goal/objective statement: Increase the number of student employees that moderately or strongly agree with the following WiGrow survey statement, *"My supervisor helps me see connections between skills gained/used in my current work that are transferable to a future occupation."*

Baseline measures: The percentage of students who moderately or strongly agreed with the statement was as follows in the last two fiscal years:

FY14: 88%
FY15: 86%

Performance target: Even though the VCFA performance target is 75% in FY16, the performance target for Business Services is 88% of the student employees will moderately or strongly agree with the survey statement.

Milestones accomplished:
- Approximately 15% of Business Services student employees attended the both FY16 WiGrow Forums (9 attended in Fall and 8 attended in Spring).
- 81% (17 out of 21) supervisors in Business Services completed the Spring Supervisor WiGrow training.
- Eleven additional supervisors trained in the WiGrow and Red Folder Programs.
- In FY16, 89% moderately or strongly agreed with the survey statement, *"My supervisor helps me see connections between skills gained/used in my current work that are transferable to a future occupation."*

VCFA Strategic Priority 3: **Resource Stewardship through Process Improvement**

The Division of Business Services has not selected an individual project to highlight for the VCFA priority of resource stewardship through process improvement. Rather, several projects or initiatives are included later in the division's performance report that were aimed at improving process efficiency and effectiveness, enhancing services, increasing collaboration, increasing responsiveness to customers, and improving the University's financial performance.

Division Strategic Priorities & Goals - Overview

The Division of Business Services supports UW-Madison's institutional responsibilities of higher education and research through the delivery of business services to campus. The division's service areas are accounting, purchasing, materials distribution and surplus property disposition, risk management, and student account, payment and loan services.

Services have historically focused on compiling data and processing transactions. While these services are essential, last fiscal year (FY16), the division continued on a path of transformation. As a central unit, the division is attempting to expand its role to position itself at the forefront of managing and coordinating financial and business functions and services across campus. In order to do so, the division will need to develop the infrastructure and staff capabilities to assess and oversee financial internal controls, prepare financial reports for internal and external constituencies, identify and mitigate risk, and advance strategic sourcing.

In FY16, the division continued to strive towards five long-term strategic priorities (highlighted in red below). Performance was measured for a total of eleven goals related to four of the strategic priorities:

> Division Strategic Priority 1: **Cultivate a Quality Workforce**
> Division Strategic Priority 2: **Serve as an Effective Campus Partner**
>> **Goal:** Improve User Acceptance and Utilization of Shop@UW
>> **Goal:** Evaluate MDS Operations and Develop an Improved Business/Service Model
>> **Goal:** Evaluate SWAP Operations and Develop an Improved Business/Service Model
> Division Strategic Priority 3: **Ensure Financial Integrity and Preservation of Campus Assets**
>> **Goal:** Improve the Workers Compensation Return-to-Work Program
>> **Goal:** Increase the Number of Vendors Paid by ACH
>> **Goal:** Support the Managed Travel Program
>> **Goal:** Develop a Campus Financial Internal Control Framework
> Division Strategic Priority 4: **Promote Strategic Sourcing and Demand Management**
>> **Goal:** Implement Strategic Category Spend Management
> Division Strategic Priority 5: **Enrich the Student Experience**
>> **Goal:** Implement Credit Cards for Student Tuition Account Payments
>> **Goal:** Support the Campus Student/Parent Financial Portal Project
>> **Goal:** Improve Communication with Students and Parents

It is important to note that many of the division's goals are strategic in nature and required the cooperation of campus partners, stakeholders and customers in order to be successful. They also relate to the division's transformation to a central unit at the forefront of managing and coordinating financial and business functions and services across campus and, therefore, will involve a significant paradigm shift. Other goals are operational and are aimed at monitoring and improving the division's existing functions and processes.

Finally, in keeping with the VCFA's mission and strategic priority of resource stewardship, all of the goals are aimed at improving process efficiency and effectiveness, enhancing services, increasing collaboration, increasing responsiveness to customers, and improving the University's financial performance.

Priority	Goal/Objective	Baseline Measure	Performance Target	FY16 Year-End Actuals
Serve as an Effective Campus Partner	Improve User Acceptance and Utilization of Shop@UW	Number of transactions: 251,856 % of addressable spend transactions: 35% Shop@UW spend: $37,929,100 % of addressable spend: 7.1%	Number of transactions: 255,000 % of addressable spend transactions: 36% Shop@UW spend: $39,000,000 % of addressable spend: 7.5%	Number of transactions: 257,260 % of addressable spend transactions: 38.5% Shop@UW spend: $40,978,592 % of addressable spend: 8.4%
(same as above)	Evaluate MDS Operations and Develop an Improved Business/Service Model	FY15 net loss: $175,158	Break-even financial position and completion of milestones to study operation	Net gain as of May 31, 2016: $193,003
(same as above)	Evaluate SWAP Operations and Develop an Improved Business/Service Model	FY15 net gain: $30,687	Break-even financial positon and completion of milestones to study operations	Net loss as of May 31, 2016: $19,205
Ensure Financial Integrity and Preservation of Campus Assets	Improve the Workers Compensation Return-to-Work Program	Average of 23.9 days	Reduction of current average by 10%, or average of 21.5 days	Goal not acted upon
(same as above)	Increase the Number of Vendors Paid by ACH	3% of purchase order contract vendors	10% of purchase order contract vendors	32% of purchase order contract vendors
(same as above)	Support the Managed Travel Program	Air contract savings (less fees): $37,000 FWT/Concur usage: 90% GET usage rate: 40% GET customer satisfaction rate: 96% Expense submission: 90% within 60 days	Air contract savings (less fees): $66,000 FWT/Concur usage: 100% GET usage rate: 50% GET customer satisfaction rate: 96% Expense submission: 95% within 90 days	Air contract savings (less fees): $163,756 FWT/Concur usage: 97% GET usage rate: 46% GET customer satisfaction rate: 91% Expense submission: 94% within 90 days
(same as above)	Develop a Campus Financial Internal Control Framework	Does not currently exist	Completion of identified deliverables according to project plan	93% of identified deliverables completed
Promote Strategic Sourcing and Demand Management	Implement Strategic Category Management	Does not currently exist	Category strategies developed: 18 % of addressable spend: 18% Category strategies approved: 10 % of addressable spend: 13%	Execution of one category strategy (Janitorial/Sanitation) will realize cost savings of approximately $250,000 annually

Priority	Goal/Objective	Baseline Measure	Performance Target	FY16 Year-End Actuals
Enrich the Student Experience	Implement Credit Cards for Student Tuition Account Payments	Does not currently exist	Completion of identified milestones within schedule and implementation of credit card payment option by Fall 2016	Credit cards payment option fully implement on April 18, 2016
(same as above)	Support the Campus Student/Parent Financial Portal Project	Does not currently exist	100% response to resource requests to Bursar's Office by portal project team	Project suspended at direction of VCFA
(same as above)	Improve Communication with Students and Parents	Number of phone contacts: - General tuition: 2,701 - Financial Aid: 1,381 - Refund Timing: 457 - 1098T: 1039 - Authorized Payer: 628	Reduce by 10% in each category	Number of phone contacts: - General tuition: 2,014 (25% reduction) - Financial Aid: 1,233 (11% reduction) - Refund Timing: 562 (23% increase) - 1098T: 592 (43% reduction) - Authorized Payer: 582 (7% reduction) Overall decrease of 20%

Division Strategic Priority 2: **Serve as an Effective Campus Partner**

Goal: Improve User Acceptance and Utilization of Shop@UW

Why is it important? The eCommerce solution Shop@UW has the potential to be the University's lowest cost of transaction for the shop/order/pay cycle. All supplier catalogs hosted on Shop@UW are sourced, negotiated and contracted to provide products that meet the University's requirements at the most advantageous prices. Increasing use of Shop@UW feeds a virtuous cycle in that the University's procure-to-pay transaction costs are reduced, while at the same time improving analytics and volumes that, in turn, drive improved pricing leverage. Due to ease of use and the ability to compare products and prices nearly instantaneously, on-line is rapidly becoming the shopping channel of choice not only for personal shoppers but organizational shoppers as well. While Shop@UW currently has some strong user support within the University, feedback has indicated a need to improve the user experience and user acceptance of the solution.

How do we measure it? This goal will be measured by the number and percentage of Shop@UW transactions, as well as the amount and percentage of addressable spend through Shop@UW.

Baseline measure:
- Number of Shop@UW transactions in FY15: 251,856
- % of Addressable Spend Transactions: 35%
- Shop@UW spend in FY15: $37,929,100
- % of Addressable Spend: 7.1%

Performance target:
- Number of Shop@UW Transactions: 255,000
- % of Addressable Spend Transactions: 36%
- Shop@UW spend: $39,000,000
- % of Addressable Spend: 7.5%
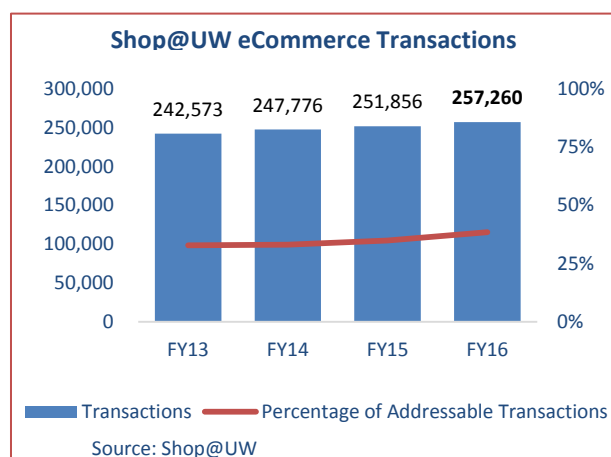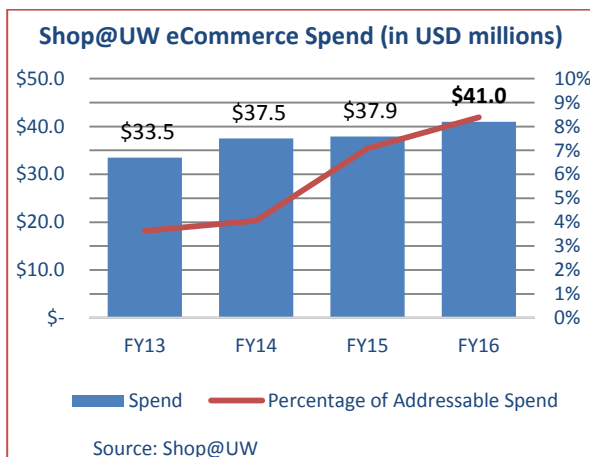
Performance result:
- Number of Shop@UW Transactions: 257,260
- % of Addressable Spend Transactions: 38.5%
- Shop@UW Spend: $40,978,592
- % of Addressable: 8.4%

Illustration:

Shop@UW eCommerce Spend (in USD millions)
Spend — Percentage of Addressable Spend
Source: Shop@UW

Shop@UW eCommerce Transactions
Transactions — Percentage of Addressable Transactions
Source: Shop@UW

Milestones accomplished:
- A Shop@UW improvement plan was developed, which included user feedback sessions and the delivery of end-user training to several campus units within UW-Madison and ten outlying UW System campuses.
- Based on user feedback, office supplies provider Staples was converted from a "hosted" catalog to a "punch out" catalog to improve usability.
    - Approximately 300 people were trained on the new office supplies catalog over six sessions on the UW-Madison campus.
- Feedback results and an update were presented at the UW-System Spring Purchasing Conference.
- A new supplier (Roche) was added to Shop@UW.

Challenges:
- Shop@UW is engined by the procurement software SciQuest which has been integrated with a customized version of Microsoft Dynamics (Great Plains) used by the Materials Distribution Services (MDS) operation. The integration with a single auxiliary operation's financial system (as opposed to an ERP system such as PeopleSoft) has inhibited the ability to utilize SciQuest functionality to its maximum potential.
- All users of Shop@UW have access to a home-grown tool (Post Allocation Tool) that allows them to reallocate charges to other campus units. The tool currently has no workflow approvals and is a significant internal control weakness, thereby limiting the extent to which Shop@UW can be appropriately promoted for use on campus.

Division Strategic Priority 2: **Serve as an Effective Campus Partner**

Goal: Evaluate MDS Operations and Develop an Improved Business/Service Model

Why is it important? As an auxiliary function, Material Distribution Services (MDS) is a revenue generating operation with the revenue intended to cover the cost of services delivered to the University. Recently, however, MDS revenue has inconsistently matched costs, resulting in declining fund balances. To assure MDS meets client needs and operates at a high performance level, a fresh evaluation of service and operational business models is needed. In the meantime, cost savings measures to improve MDS's financial performance have already been implemented which contributed to the reduction of the actual net loss at the end of FY15 ($175,158) compared to the net loss that had been forecasted early in the fiscal year ($566,000). Moreover, additional plans are under consideration during FY16 to ensure the MDS operations are cost effective and services are optimized for the University.

How do we measure it? This goal will be measured by financial performance and the completion of key actions according to plan.

Baseline measure: In FY15, MDS produced a net loss $175,158.

Performance target: Break-even financial results during FY16 and the completion of a study of the operation.

Performance result: Net gain of $80,333 as of June 30, 2016.

Milestones accomplished:
- Drafted a charter to study materials warehouse/inventory and delivery operations at UW-Madison by working cooperatively with other campus units.
- Identified workgroup members from the Division of Facilities, Planning and Management (FPM), the Division of Housing, and the Union.
- On-boarded a WI School of Business (WSB) Supply Chain graduate student to contribute part-time to the study.
- Held scoping sessions and obtained data about materials warehouse/inventory and delivery operations.
- Benchmarked seven peer universities validating central receiving, package redelivery and inventory storage and management.

Challenges:
- The study has not yet been completed due to other division priorities and resource constraints.
- Graduate student resource availability (due study abroad) impacted the ability to fully analyze information and data.
- Gaps in responses from peer universities yielded a benchmark that contained fewer specifics than desired.

Division Strategic Priority 2: **Serve as an Effective Campus Partner**

<u>**Goal:** Evaluate SWAP Operations and Develop an Improved Business/Service Model</u>

Why is it important? As an auxiliary function, Surplus with a Purpose (SWAP) is a revenue generating operation with the revenue intended to cover the cost of services delivered to the University as well as support a sustainability mission to reuse, resell, or recycle surplus property. In recent years, SWAP revenue has inconsistently matched costs, resulting in declining fund balances. Furthermore, a significant source of SWAP's revenue is derived from providing disposal services to other state agencies, which is not core to the University's mission and has hampered SWAP's ability to provide adequate service to University customers. Some cost savings measures to improve SWAP's financial performance have already been implemented which contributed to a net gain at the end of FY15 ($30,687) compared to the net loss that had been forecasted early in the fiscal year ($148,500). However, to assure SWAP meets University customer needs and operates at a high performance level, a fresh evaluation of service and operational business processes is necessary.

How do we measure it? This goal will be measured by financial performance and the completion of key actions according to plan.

Baseline measure: In FY15, SWAP produced a net gain of $30,687.

Performance target: Break-even financial results during FY16 and the completion of a study of the operation.

Performance result: Net loss of $50,223 as of June 30, 2016.

Milestones accomplished:
- Established a workgroup comprised of staff from SWAP, the Division of Facilities Planning and Management (FPM), and the Office of Sustainability (OOS) to develop recommendations for an improved and re-focused surplus business/service model.
- Gathered and reviewed data, prepared process maps, and benchmarked surplus operations at peer universities.
- Benchmarked the surplus operations of 12 peer universities.
- Presented surplus study efforts at the University Surplus Property Association annual conference.
- Wrote an article for Facilities Management magazine on the surplus study efforts.
- Completed a supply base capability/market assessment of external surplus service providers.

Challenges:
- The study has not yet been entirely completed due to delays in obtaining alternate site availability and costs data.

Division Strategic Priority 3: **Ensure Financial Integrity and Preservation of Campus Assets**

Goal: Improve the Workers Compensation Return-to-Work Program

Why is it important? Return-to-Work programs allow workers who are unable to perform their normal job duties because of injury or illness to return to work in a temporary modified duty capacity. By allowing injured workers to return in a temporarily modified role, an organization can:

- Improve employee morale and self-esteem.
- Maintain an experienced workforce.
- Maintain workflow and quality standards.
- Stabilize and reduce workers compensation costs.

How do we measure it? By the average number of days to place an employee back on duty after injury.

Baseline measure: The current average is 23.9 days.

Performance target: Performance target for FY16 will be the reduction of the current baseline average by 10%, or an average of 21.5 days.

Milestones accomplished:
- None.

Challenges: The Director of the Office of Risk Management has been vacant since the beginning of the fiscal year. The recruitment for the position is in the final stages and the position is expected to be filled by September 2016.

Division Strategic Priority 3: **Ensure Financial Integrity and Preservation of Campus Assets**

### **Goal:** Increase the Number of Vendors Paid by ACH

Why is it important? Paper check processing has many costs, including check stock, magnetic toner, and specialized printer maintenance, check sorting, envelope stuffing, postage, and additional manual process steps. There is also the risk of paper checks being addressed incorrectly or getting lost in transit. These undelivered checks then require an additional void and re-issue process, as well as stop payment costs. In addition, many UW-Madison purchase order contracted vendors are requesting electronic ACH fund transfer payments instead of paper check payments.

How do we measure it? By comparing the number of purchase order contracted vendors paid via check to those paid via ACH.

Baseline measure: This is a continuation of a goal initiated in FY15. At the end of FY15, 3% of purchase order contract vendors were paid by ACH (166 of 5,447 vendors).

Performance target: By the end of FY16, increase the number of purchase order contracted vendors receiving payment by ACH to 10% (546 of 5,447 vendors).

Illustration:
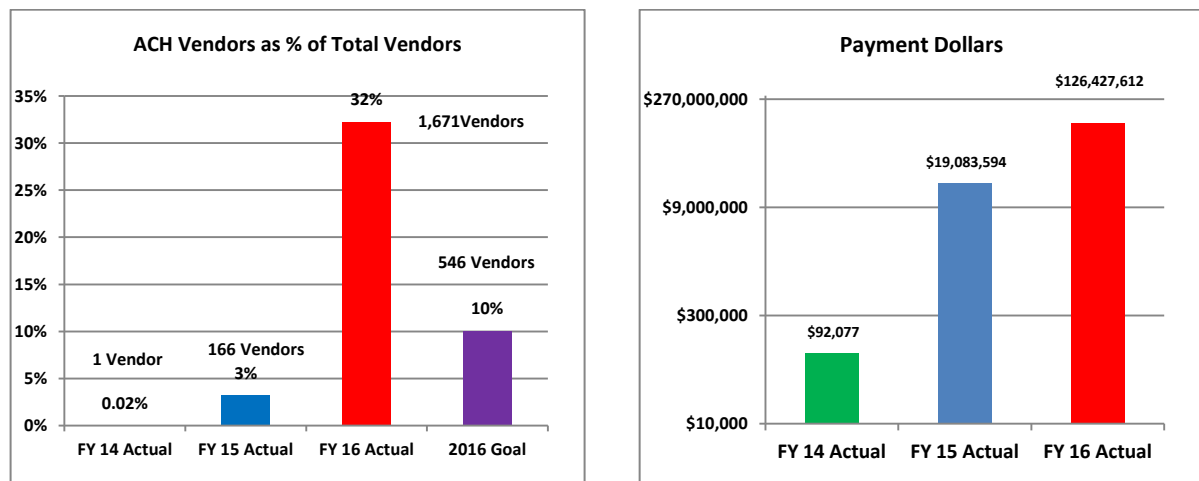
Note: Data through June 27, 2016

Milestones accomplished:
- Exceeded the targeted goal of converting vendors from check payment to ACH. There have been 1,671 vendors converted to ACH by the end of the fiscal year. Further, an additional 117 UW-Madison bank accounts managed for custodial account purposes (human subject payment accounts and other campus contingent fund purposes) have been converted to ACH replenishment instead of check replenishments.
- Mailings were sent to 2,500 additional vendors (3,000 in FY16), introducing the opportunity to convert to ACH payment.
- Meetings were held with the Division of Facilities Planning and Management, Division of Continuing Studies, Intercollegiate Athletics and Research & Sponsored Programs to discuss converting specialized vendors to ACH. Each contacted campus group has converted some vendors to ACH.

- ACH payments provide an estimated net savings between $2.50 and $5.00 per payment. There were 9,831 ACH payments made in FY16 which reflects an estimated net savings between $24,577 and $49,155.
- The ACH conversion team received a VCFA Administrative Improvement Award in recognition of the collaborative results converting vendor payments from check to ACH.

Challenges:
- Coordination with UW-System Administration to assess the ability to configure the Shared Financial System (SFS) to allow for processing of batch ACH payments and setting payment terms in the system is a challenge. Both enhancements are an opportunity for further efficiencies and savings.

Division Strategic Priority 3: **Ensure Financial Integrity and Preservation of Campus Assets**

Goal: Support the Managed Travel Program

Why is it important? Wisconsin Act 32 (2011-2013 Biennial Budget) granted the Board of Regents the flexibility to establish a new travel program for UW institutions apart from the travel guidelines in the State Compensation Plan. As a result, several measures have been implemented, or will take effect, during FY16 including the required use of Fox World Travel (FWT) and its on-line booking tool (Concur) as the University's travel service provider; changes in reimbursement rates for meals, incidentals and lodging; and time limits under which travel expense reports must be submitted in order to ensure compliance with IRS Accountable Plan rules. These measures, along with other actions recently implemented at UW-Madison, such as the Guided Expense Tool (GET), present opportunities for cost savings, increased the availability of financial data, greater security and duty of care for travelers, and improved customer service.

How do we measure it? Support for the program will be measured by several key metrics related to air contract cost savings (less service fees) and usage rates associated with using FWT/Concur, usage rates and customer satisfaction rates for GET, and submission time for travel expense reports.

Baseline measures: Baseline measures represent the experience through the end of FY15, as follows:
- Air contract cost savings (less service fees) and usage rates associated with using FWT/Concur: $37,000 savings and 90% usage.
- Usage rates and customer satisfaction rates for GET: 40% usage and 96% satisfaction (pilot).
- Submission time for travel expense reports: 90% submitted within 60 days of conclusion of travel.

Performance targets:
- Air contract cost savings (less service fees) and usage rates associated with using FWT/Concur: $66,000 savings and 100% usage.
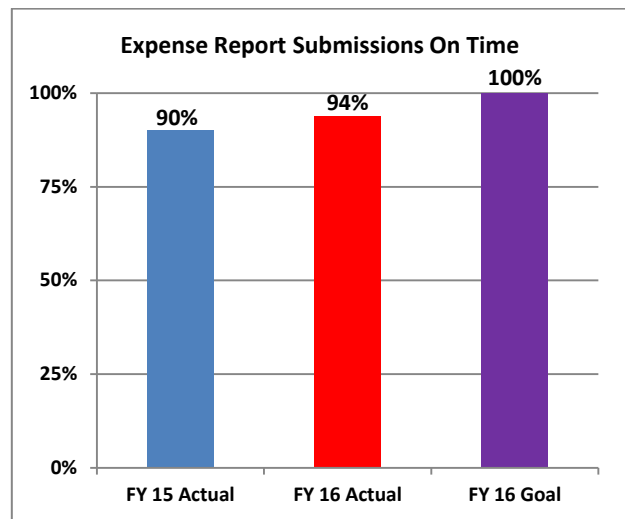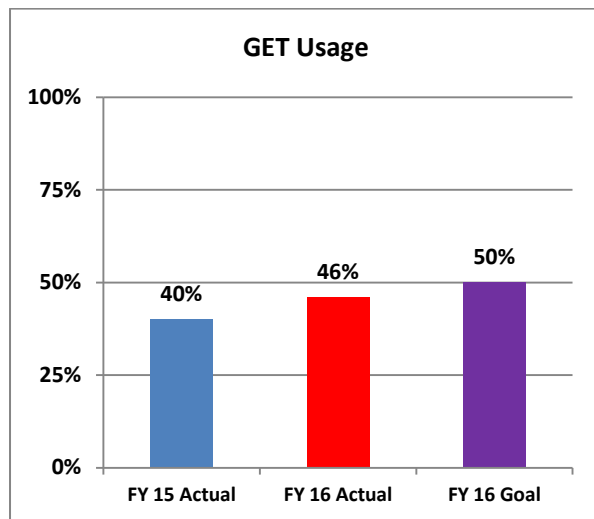- Usage rates and customer satisfaction rates for GET: 50% and 96% satisfaction (total population).
- Submission time for travel expense reports: 95% submitted within 90 days of conclusion of travel.

Illustration:

GET Usage

40%	46%	50%
FY 15 Actual	FY 16 Actual	FY 16 Goal

Expense Report Submissions On Time

90%	94%	100%
FY 15 Actual	FY 16 Actual	FY 16 Goal
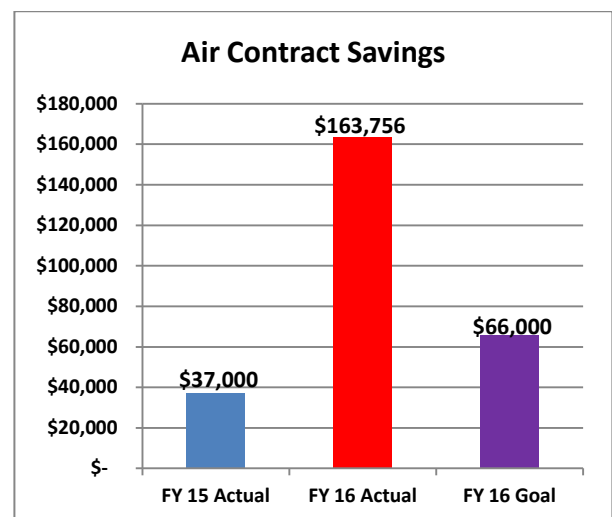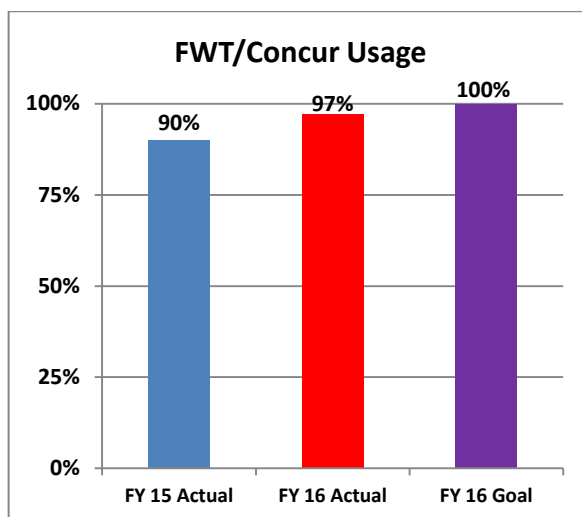
Note: 2016 Data is for the period July, 2015 through May, 2016

Milestones accomplished:
- Compliance monitoring tools influenced FWT/Concur usage approaching the goal of 100% usage, achieving 97% usage.
- Training efforts were supplemented to help ensure compliance with new travel policies which went in to effect January, 2016 and required IRS Accountable Plan compliance including expense report submission for reimbursement within 90 days following the completion of travel. In FY16, 94% of expense reports were processed within 90 days of completion of travel.
- Quarterly reports were distributed to divisions including travel activity and air fare service fees savings. Air contract savings reported during FY16 were $163,756.
- Communication efforts were increased to emphasize the availability of GET as a useful tool and practical option for travel expense reimbursement requests. GET was used for 46% of expense reports submitted during the fiscal period with a reported 91% satisfaction.

Challenges:
- Additional information technology related interface improvements between the Shared Financial eReimbursement System (SFS) and GET requires UW-System Administration and the Division of Information Technology (DoIT) resources and support before some of the user population will adopt GET.
- Adding features for expense report alerts in GET when expenses are in excess of 90 days from the end of the trip would be helpful but also requires UW-System Administration and Division of Information Technology (DoIT) resources and support.

Division Strategic Priority 3: **Ensure Financial Integrity and Preservation of Campus Assets**

Goal: Develop a Campus Financial Internal Control Framework

Why is it important? UW-Madison operates in a highly decentralized environment and is exposed to risks that could be mitigated with a planned and consistent approach to financial internal controls. In the Spring of 2015, under the sponsorship of the Vice Chancellor of Finance and Administration (VCFA), UW-Madison launched a comprehensive Financial Internal Controls Initiative to improve campus-wide financial processes and develop a financial internal control framework using the Committee on Sponsoring Organizations (COSO) as a guide. The framework will provide for:

- Compliance with laws and regulations;
- Transparent, reliable financial information;
- Protection for the resources and reputation of the University;
- Accountability and ownership of risks and internal controls across the University; and
- Greater stakeholder confidence in the University's financial operations.

As a precursor to the formal launch, UW-Madison engaged Price Waterhouse Coopers (PWC) to conduct a high-level risk assessment of the University's financial and accounting operations. PWC concluded that twelve (12) campus-wide financial processes were at risk and not adequate to detect fraud or material misstatements in financial data and reports. The twelve (12) financial processes identified as at risk were:

- Financial Information Management and Financial Reporting
- Cash Handling
- Revenue
- Internal Billing
- Capital Equipment
- Inventory
- Procure-to-Pay
- Grants
- Gifts / Development
- Payroll System (HRS) Management
- Scholarship / Financial Aid / Tuition
- Cost Transfers

How do we measure it? Since this endeavor is an ongoing effort, the basis for measurement will be the completion of activities that further the development of a campus financial internal control framework according to the project plan.

Baseline measure: Baseline measures do not currently exist.

Performance target: Performance targets for FY16 will be the full completion of identified milestones according to the project plan.

Milestones accomplished: To date, seven (7) of the twelve (12) process improvement teams have been formed and have started their work. The teams are utilizing the Lean Six Sigma (LSS) methodology for process improvement. UW-Madison's Office of Administrative Process Redesign (APR) is providing the project management for each of the teams, as well as the project management for the Financial Internal Controls Initiative as a whole. Following are the actions completed during FY16 for each of the teams:

	Target Date	Date Completed	Status
Capital Equipment			
• Departmental Property Admin (DPA) analysis	6/25/15	7/10/15	Completed
• Current and future state transfer processes	7/29/15	8/10/15	Completed
• New asset labels designed and ordered	9/1/15	10/7/15	Completed
• Policy development	10/30/15		Reset 2/29/16
• IT software selection	11/1/15	11/30/15	Completed
• Training curriculum defined	12/31/15		Reset 3/31/16
• Complete policy development	2/29/16	2/29/16	Completed
• Draft interim tech solution	6/30/16	2/25/16	Cancelled
• Begin requirements for final tech solution	4/29/16	3/1/16	Completed
• Decision to implement Asset Mgt Module	3/1/16	3/1/16	Completed
• Begin agile development for bolt-on	4/22/16	4/22/16	Completed
• Develop procedures for new process	4/29/16		In progress
• Fit Gap Consultant for Asset Mgt Module	5/20/16	6/30/16	Completed
Financial Information Management and Financial Reporting			
• Inventory current campus financial reports	6/15/15	7/24/15	Completed
• Current state of Account Reconciliation	9/30/15	9/30/15	Completed
• Analysis of current financial reports	10/8/15	12/15/15	Completed
• Current state of GL entries	10/30/15	10/30/15	Completed
• Current state of COA/Account structure	10/30/15	12/17/15	Completed
• Stakeholders' Needs Assessment	12/31/15	12/17/15	Completed
• Current state of UWSA reporting requirements	12/31/15	12/23/15	Completed
• Initial reporting discussions with UWSA	1/29/16	4/13/16	Completed
• Initial UW-Madison Financial Glossary	1/29/16	6/1/16	Completed
• Conceptual design of future funding strings	2/29/16	4/13/16	Completed
• Conceptual design of future Chart of Accounts	2/29/16	4/13/16	Completed
• Design future reconciliation process	2/29/16		On hold
• Evaluate current state of access controls	2/29/16	5/9/16	Completed
• Design Financial Policy Framework	2/29/16		In progress
• Complete final report	2/29/16	4/13/16	Completed
• Plan implementation	3/31/16	6/16/16	Completed
Revenue			
• Work team launched	6/30/15	7/08/15	Completed
• Identify revenue collecting divisions	7/30/15	7/30/15	Completed
• Definitions of internal and external revenue	9/1/15	9/17/15	Completed
• Current state assessment	10/30/15	11/19/15	Completed
• Develop recommendations	2/29/16	4/8/16	Completed
• Design new process	2/29/16	4/8/16	Completed
• Complete final report	3/31/16	4/29/16	Completed
Inventory			
• Work team launched	7/31/15	8/6/15	Completed
• Definitions of inventory	9/30/15	9/14/15	Completed
• Current state assessment	10/30/15	12/21/15	Completed
• Develop recommendations	2/29/16	4/18/16	Completed
• Design new process	2/29/16	4/18/16	Completed
• Complete final report	3/31/16	6/21/16	Completed

	Target Date	Date Completed	Status
Cash Handling, Receipts & Deposits			
• Current state assessment	10/30/15	12/22/15	Completed
• Develop recommendations	2/29/16	5/13/16	Completed
• Complete final report	3/31/16	6/21/16	Completed
Procure to Pay			
• Work team launched	6/30/15	7/16/15	Completed
• Current state assessment	10/30/15		Reset 1/31/16
• Current state assessment	1/31/16	2/29/16	Completed
• Develop recommendations	3/31/16	5/5/16	Completed
• Design new process	3/31/16	5/5/16	Completed
• Complete final report	4/29/16	6/28/16	Completed
Internal Billing			
• Work team launched	7/31/15	7/28/15	Completed
• Current state assessment	10/31/15		Reset 2/29/16
• Regulations and benchmarking	1/29/16	3/29/16	Completed
• New services and rate setting analysis	2/29/16	2/22/16	Completed
• Develop recommendations	4/29/16	5/10/16	Completed
• New process	4/29/16	4/29/16	Completed
• Complete final report	5/31/16		In progress

Strategic Priority 4: **Promote Strategic Sourcing and Demand Management**

Goal: Implement Strategic Category Spend Management

Why is it important? Strategic category spend management is a methodical and collaborative approach to managing purchasing across an enterprise. Rather than taking a piecemeal, contract-by-contract or supplier-by-supplier approach to procurement, strategic category spend management is holistic. By focusing on a total category solution, understanding user requirements, and working with partners across the campus to develop strategies, the best contracts and supply management solutions can be achieved, including demand management for maximizing value while balancing and managing supply risks.

How do we measure it?
- Number of category strategies developed by Purchasing Services.
- Percentage of addressable spend for which a category management has been developed.
- Number of category strategies approved by campus leadership for deployment.
- Percentage of addressable spend for which a category management has been approved by campus leadership for deployment.

Baseline measure: While there have been past efforts to strategically source specific products, there has not been an overall strategy for category spend management at UW-Madison, therefore, baseline measures do not exist.

Performance target:
- Number of category strategies developed by Purchasing Services: 18
- Percentage of addressable spend: 18%
- Number of category strategies approved by campus leadership for deployment: 10
- Percentage of addressable spend: 13%

Milestones accomplished:
- The University's addressable spend was analyzed and segmented into spend categories and sub-categories.
- An initial set of 18 category strategies was drafted in consultation with campus partners.
- Received a waiver from the State mandatory contract from the WI Department of Administration (DOA) to conduct a reverse auction for can liners in the Janitorial/Sanitation category.
- Utilized the Procurex web tool to conduct a reverse auction and selected City Supply as the University's vendor with a price reduction of nearly 50%.
- As a result, the University is projected to realize approximately $250,000 in cost savings annually on can liners based on the current purchasing volume.

Challenges:
- Delay in obtaining additional procurement flexibilities from State mandatory contracts impacted the ability to move forward on other category strategies.

Priority 5: **Enrich the Student Experience**

Goal: Implement Credit Cards for Student Tuition Account Payments

Why is it important? By providing an additional payment method, students and parents have the convenience of paying by credit card, can more quickly eliminate holds on accounts, and be able to make tuition payments even if they do not have immediate access to funds. Additionally, international students have an additional way to make payments from their home country. Data from other Big 10 universities indicate that, once implemented, approximately 4-6% of student and parent tuition payments will be made by credit card.

How do we measure it? Credit card payments will be accepted for tuition payments according to action plan.

Baseline measure: No baseline measure exists since UW-Madison does not currently accept credit card payments from students and parents.

Performance target: Implement the credit card payment option no later than Fall 2016.

Milestones accomplished:
- The credit card payment option was fully implemented on April 18, 2016.
- From April 18 - June 30, 2016, a total of 774 credit card transactions have been processed amounting to $1,133,918.
- No additional costs were incurred by the University for implementing the CASHNet SMARTPay for the Bursar's Office transactions.
- Credit card payments are processed only online by the student or authorized payee given that a convenience fee is assessed. No credit card payments are processed over the phone or at the window.
- A non-refundable convenience fee of 2.75% is assessed to each transaction by CASHNet, and passed on to the payer.
- CASHNet notifies the Bursar's Office of any disputed transactions over $200 to assist with the communications with the student.
- The credit card refund process has been fully developed and documented. A total of 24 refunds have been processed through June 30, 2016 amounting to $35,358.
- The Bursar website, billing notifications and undergraduate catalogue have all been updated to include credit card information.

Priority 5: **Enrich the Student Experience**

Goal: Support the Campus Student/Parent Financial Portal Project

Why is it important? In surveys conducted in 2008 and 2013 with approximately 8,000 first-year parents, over 97% rated the current process for paying bills as very difficult, and stated that it would be helpful to have one place to pay all university bills. This matches the feedback that senior leaders and other university offices had been receiving for many years. The Campus Student/Parent Financial Portal Project is intended to deliver a short-term solution to provide students and parents one location to view university bills and account balances and to make payments. This included bills and account balances related to student tuition/fees, housing and health services.

How do we measure it? The basis for measurement will be the amount of Bursar's Office staff time spent in support of the Campus Student/Parent Financial Portal Project during FY16.

Baseline measure: Baseline measures do not currently exist.

Performance target: Meet 100% of the Campus Student/Parent Financial Portal Project resource requests made to Bursar's Office staff.

Milestones accomplished:
- Bursar staff invested approximately 120 hours of work with the various Student/Parent Portal Project teams, which included:
    - Providing subject matter expertise regarding the payments related to tuition and student fees.
    - Review of project requirements for ISIS item type, tree node, charge priority, and payment priority set up to support processing decisions developed by the project team.
    - Identifying strengths and weaknesses with moving forward with various options.

Challenges:
- In December 2015, the Student/Parent Financial Portal Project was suspended at the direction of the VCFA. A primary reason for the decision to suspend the project related to challenges stemming from the lack of integration of the underlying accounting systems used by the Bursar's Office, the Division of Housing, and the Division of University Health Services, as well as a different basis of accounting (cash versus accrual) used by each.
- As the recommendations under Financial Internal Controls Initiative are implemented to better integrate financial systems and data across campus, a Student/Parent Financial Portal may become feasible and the project may resume.

Priority 5: **Enrich the Student Experience**

Goal: Improve Bursar's Office Communication with Students and Parents

Why is it important? Students and parents want to have a positive experience with administrative units at the University, including the Bursar's Office. Providing excellent, proactive communications between the Bursar's Office and students and parents allows both to focus on the academic reasons the students are at the University, as well as creating an excellent customer experience.

How do we measure it? Improvement is measured by tracking phone call data about what topics are generating the most questions from parents and students. The phone call data includes information about the caller, the tone of the call, and the outcome of the call. A reduction in the number of calls suggests that there is less confusion about certain topics. Performance will be measured by tracking the reduction in phone calls in five top categories (see below).

Baseline measures:

| FY15 Baseline	Total	Students	Parents	Other
General Tuition and Tuition Bill	2,701	1,536	1,099	66
Financial Aid	1,381	912	460	9
Refund Timing (FA & Non-FA)	457	333	117	7
1098T	1,039	344	688	7
Authorized Payer	628	44	580	4
Total Calls	**6,206**	**3,168**	**2,944**	**93**

Performance target: Reduce by 10% the number of phone calls received in each category.

Milestones accomplished:
- The following instructional "How To" videos have been created:
    - How to make an e-payment.
    - How to set up an authorized payer.
    - How to sign up for e-Refunding.
    - How to access the 1098T.
- A diagram with imbedded links has been added to the Bursar's webpage to help assist students with identifying which office to contact for their specific type of question. The links direct the student to the appropriate webpage to address their question.
- FAQ information was updated to include changes made to the 1098T eligible fees and scholarships/grants.
- The total number of phone calls in the top five categories has dropped by approximately 20%.

FY16 Totals	Total	Students	Parents	Other
General Tuition and Tuition Bill	2,195	1,616	560	19
Financial Aid	1,334	1,127	204	3
Refund Timing (FA & Non-FA)	605	497	102	6
1098T	604	251	349	4
Authorized Payer	617	106	508	3
Total Calls	**5,355**	**3,597**	**1,723**	**35**

Illustration:
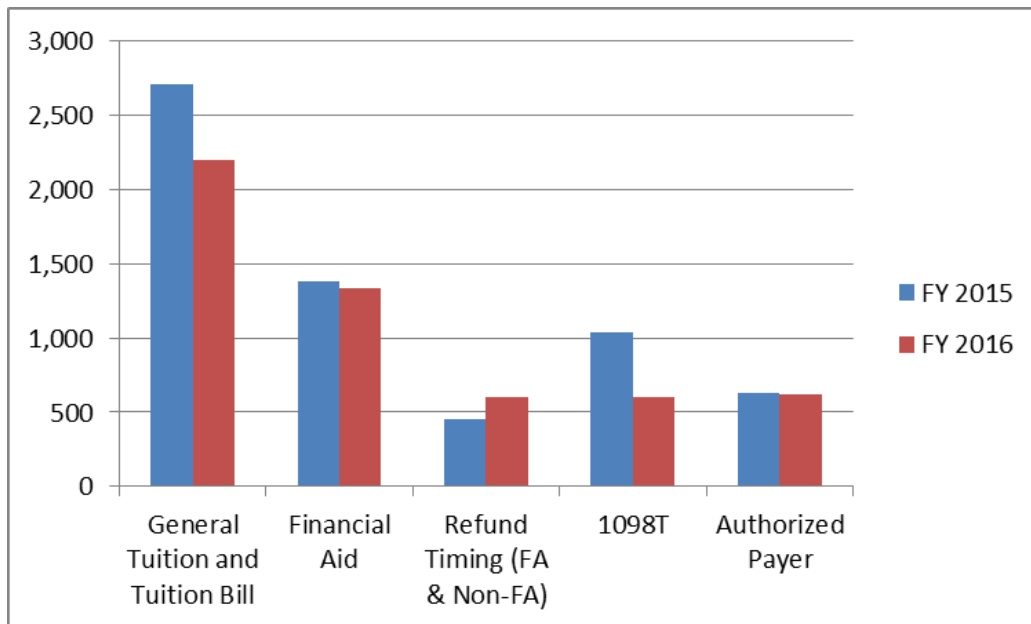
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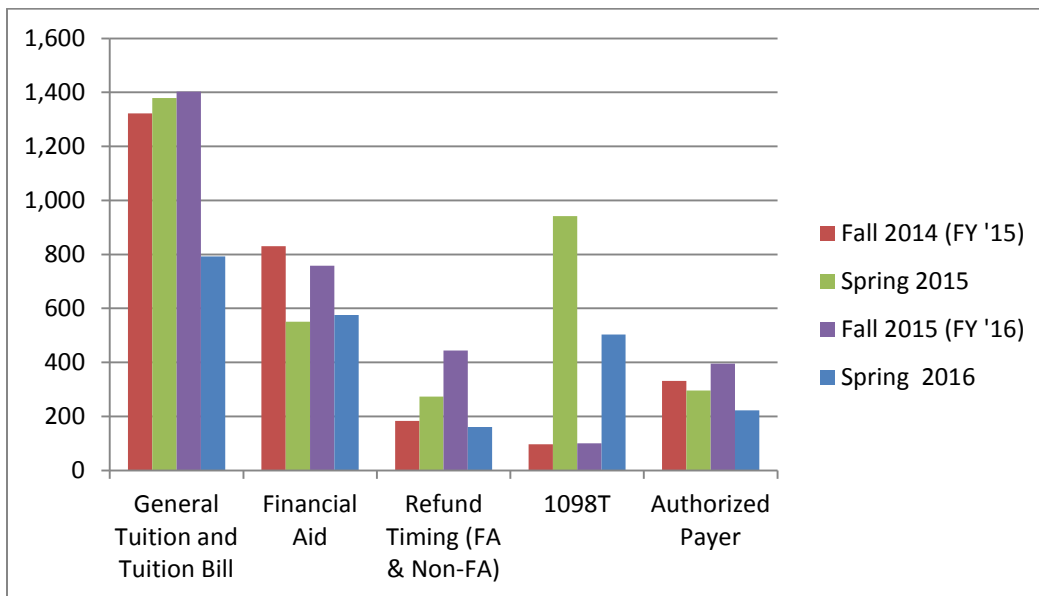
Data by semester for each fiscal year