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Educational Support and Administrative Review

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University of North Alabama
Department of Business and Financial Affairs
Five Year Report
June 2011

1. Overview of Department

1.1 Brief overview of department

The University Office of Business and Financial Affairs encompasses all aspects of business and fiscal responsibilities managed by three main divisions: The Business Office, the Office of Human Resources and the Procurement Office.

The **Business Office** of the University of North Alabama provides students, faculty, staff and administration with services and information essential to the mission of the university. The Controller's Office directs the activities of each of the areas within the Business Office. These include the Office of Financial Affairs, Office of Student Accounts (Bursar), and the Payroll Office. Financial Affairs includes general ledger accounting, grants and contracts accounting, Perkins loan management and accounts payable. Student Accounts encompasses all aspects of student accounting and the university's cashiering operation.

The primary purpose of the University of North Alabama (UNA) **Office of Human Resources** and Affirmative Action (the Human Resources Office) is to support the processes and services associated with employment (faculty, staff, and students) at the University of North Alabama.

The primary purpose of the University of North Alabama (UNA) **Office of Procurement** is to work with faculty, staff and students in identifying, selecting, and acquiring needed materials and services. This is to be done as economically as possible, following all applicable federal and state laws and with4(quirUvic)5ou d3calpsted (a)4BC(mi)-3(ssi)-3()-9(f N)h7o

Office of Human Resources:
The mission of the Office of Human Resources and Affirmative Action is to provide quality services and programs as well as knowledgeable guidance and assistance to all members of the campus community. We are committed to excellence with regard to our administration of benefits and wellness, compensation, employee relations, recruiting and selection, performance management, training and development, and human resources planning.

Office of Procurement:
To provide the highest level of quality, value, and satisfaction to our internal customers while servicing their needs; maintaining the optimum level of professionalism, integrity, and ethics in support of the University's goals and objectives for all procurement functions.

1.3 Goals and objectives of the department

Business Office:
The overarching goal of the Business Office is to provide accurate, timely and relevant financial information and business services to the university community and outside constituencies. More specific goals under this umbrella include:

Provide financial information in a manner that is as easily accessed as possible.
Continuously improve internal control processes and risk management activities.
Optimize technological capabilities for the benefit of constituency groups.
Maintain compliance with federal, state and industry regulations.
Develop, maintain, and communicate adequate procedures, controls, records and files.
Advise in the development and implementation of policies that have a financial component.

Office of Human Resources:
The Human Resources Office is a service cost center in that the office exists to provide services related to employment at UNA. While our goals are specific to each particular area of service, our overarching goal is to continuously improve and enhance the services that we offer.

The goals and objectives of the Human Resources Office are as follows:

Facilitate the recruitment and selection processes to ensure not only legal compliance, but, also to enhance the campus community with quality hires that represent the diversity of our student population
Administer employee benefits plans that are flexible so as to fit each individual employee's needs and that are innovative so that the Universit mn   r _   mplo $ ¡

Provide data that are accurate and useful to our internal customers

Foster a positive working environment by managing all employee relations issues in a clear and consistent manner

Office of Procurement:

The University Office of Procurement is a service cost center in that the office exists to provide services to other departments and students on campus whether such services are in the procurement, printing, equipment asset management, debit card or other areas normally provided by the office. Our primary goal is to strive for continuous improvement in all service areas this office provides to the campus community.

Procurement goals and objectives are as follows:

Provide cooperative interaction between suppliers and members of the faculty, staff and students.

Assist in the acquisition of goods and services via creation of purchase orders and preparation, tabulation and award of competitive bids.

Encourage fair and open competition among suppliers through competitive bidding in accordance with the Alabama Competitive Bid Law http://www.examiners.state.al.us/.

Ensure that purchase orders and contracts contain all necessary terms and conditions to insulate UNA against liability or any miscommunication of requirements.

Develop, maintain, and communicate adequate procedures, controls, records and files.

Ensure that the highest procurement standards and ethics are maintained and up-to-date industry practices are applied.

1.4 Governance structure of the department

The **Business Office** is a division of the Office of Business and Financial affairs. The Controller, who reports to the Vice-President of Business and Financial Affairs, directs the activities of the Business Office through the following direct reports:

Director of Financial Affairs – responsible for accounting services, accounts payable and Perkins loan management

Bursar – responsible for student accounting (billing and collections) and cashiering

Payroll Manager – responsible for payroll functions

The **Office of Human Resources** is a division of the Office of Business and Financial Affairs. The four staff members within the department report to the Director.

The **Office of Procurement** is a division of the Office of Business and Financial affairs and is charged with the responsibility and authority to commit the University to purchases as delegated by the President of the University within the policies prescribed under the authority of the Board of Trustees. The Office of Procurement is also responsible for management of the Central Duplicating, the Mane Card office and University inventory control.

2. Department Evaluation

2.1 Description of the means of assessment of department goals

All aspects of the Business Offices within UNA are subject to an annual audit performed by the Alabama Department of Examiners of Public Accounts. The Office of Procurement is evaluated for Alabama bid law compliance, University policy compliance, consistency, fairness, and ethical practices. The Office of Human Resources is evaluated for compliance with regard to compensation practices. Employee selection and retention is reported and monitored through IPEDs reporting.

The Faculty Attitude Survey and the Campus Climate survey routinely contain questions

2.5 Brief analysis of those areas in need of improvement and an action plan for improvement in these areas:

To better communicate policies and guidelines for the use of financial services of the University, the Business Office's websites are continually updated to include policies, guidelines and necessary forms. Business Office personnel participate in monthly new hire orientation to familiarize new employees with where to go for financial information related to their positions.

The **Office of Human Resources** must have the ability to interact with both employees and job applicants via telephone and email and to store and share records and files electronically. The

additional space. As new technology is added this area has been rearranged nicely to accommodate more space and offer more services.

The Mane Card Office is located in an enclosure within the general open area of the Guillot Center. It is a central location to campus and located near the mail room, a large retail dining area and the campus bookstore providing easy access for students, faculty and staff.

3.3 Staff

The **Business Office** is composed of the Controller's Office, the Office of Financial Affairs, the Office of Student Accounts and the Payroll Office. The offices are staffed with a total of 14 employees as follows:

> Controller's Office – Controller and one executive assistant
> Office of Financial Affairs – Director, three accountants, one accounts payable coordinator and one accounts payable clerk. A fourth accountant performs some accounting duties for this area but primarily supports the Office of the Vice-President of Business and Financial Affairs.
> Office of Student Accounts –

2. Implementation of Sungard's Banner administrative software system. The Business Office was fully responsible for the implementation of the Finance module and significantly involved in the implementations of the Human Resources and Student modules.

3. Implementation of software supporting Banner, including Workflow, BDMS imaging software and Argos reporting software.

4. Assisted in the development and implementation of the university's Identity Theft Protection Policy.

5. Increased the options for electronic viewing of student accounts and payment options.

6. Facilitated Business Practices training for faculty and staff with fiduciary responsibilities to raise awareness of proper procedures when processing financial transactions and to increase the ability to avoid impropriety.

7. Worked in conjunction with several offices to build and allow on-line access to a searchable database providing information on the university's expenditures via the internet. This database was a requirement of the state budget office.

8. Have begun to reduce the need for on-campus storage of files through the use of BDMS imaging software.

9. Facilitated increased process flow in several areas through the use of Banner Workflow, which increases communication throughout each step of certain electronic processes, e.g. notification of withdrawal of student from the university.

10. Instituted electronic billing and payment options for student accounts.

11. Continued to receive unqualified opinions on the audited financial records of the university, with no findings noted for the Business Office.

Office of Human Resources:

1. Online Employment System: Based on feedback received from the campus community as well as from applicants, the Human Resources Office recognized the need to address deficiencies in its application and recruiting processes. For the campus community, process needed to provide (1) more rapid delivery of applications through the approval channels to the respective hiring authorities, (2) simultaneous applicant review capabilities for all parties involved in the hiring process, and (3) recruiting process status updates. For applicants, the process needed to provide a more expedient, less cumbersome process by which to express interest in a position. The Human Resources Office itself needed a process that was less paper- and staff-intensive.

    a. After research was conducted regarding the best product to automate the process, PeopleAdmin was selected in December, 2006. PeopleAdmin, based in Austin, Texas, specializes in systems that automate many of the most paper- and staff-

provided by the department. Detailed benefits information and forms/links are provided as well as fillable and printable forms employees would normally have to obtain in person or through campus mail from the Human Resources Office. It also contains an area for current and/or upcoming projects related to Human Resources or employee relations.

4. <u>Life/AD&D and Long-Term Disability Insurance Enhancements</u>: During the fall of 2007, the Human Resources Office initiated a market analysis of life/AD&D and long-term disability policies and rates. We solicited the assistance of a broker for this analysis. Ultimately, the University selected the Hartford Insurance Company as the new provider of its coverage, and a conversion was made from the Standard Insurance Company to the Hartford on April 1, 2008. As a result of this change in provider, the University has realized significant savings in monthly premium costs. Although there were no substantive changes to the above-referenced coverage, the maximum benefit levels were raised to reflect current salaries and to provide for better coverage for employees in the future. In addition, the Hartford assumed administrative responsibility for the billing of retirees who retain the coverage.

   a. In addition to the coverage provided by the University, all eligible employees were given the opportunity to purchase voluntary term life insurance benefits at group rates. Each policy contains a guaranteed issue amount (regardless of health issues) for both eligible employees and their eligible dependents who elect coverage during the initial enrollment period. Information regarding this coverage was disseminated to employees through sessions that were conducted by the Human Resources Office over a three day period in mid-April. Coverage was effective June 1, 2008.

5. <u>Compensation and Classification Study</u>: Through the collaborative efforts of the Salary Issues Committee and the Human Resources Office, a competitive bid process was conducted to select the consulting firm to administer the University's compensation and

whole, were paid approximately $400,000 below market rates. Based on the findings, the university implemented a three-phase plan to address the deficits. Phases 1, 2, and 3 were implemented in October of 2008, 2009, and 2010, respectively.

6.

10. <u>Comprehensive New Hire Orientation</u>: In July, 2009, the first new hire orientation was offered. Each orientation session typically lasts about four hours and includes speakers and presentations from various parts of the campus community. A riding tour of campus is also included.   Each participant leaves the session with a bound manual of useful information for future reference. The sessions are typically held once per month.

11. <u>Workflow</u>:   Through collaboration with Computer Services and the Workflow Team Leader, the Human Resources Office developed automatic processes in a tool called Workflow to conduct the interactions between the Human Resources Office and other departments across campus in a smoother and more efficient manner. The following Workflow processes have been developed and are fully in use at the

Office of Procurement

1. Full implementation of the purchasing card policy to accommodate small purchases, team travel, online procurement, certification renewals, and more. The plan provides an annual rebate of 1.25% of the total expenditures. This process reduces the number of Disbursement Requests and the issuance of formal purchase orders for items less than $200.00.

2. The procurement web site has been updated providing access to open bids, campus forms, policies and procedures and training manuals. It will be our continued goal to enhance the web site for ease of communication to the campus as well as suppliers for the purpose of providing clear direction and open competition for any opportunities available at the University.

3. Through a formal bid process an exclusive beverage agreement was signed providing an annual gift of $55,000.00; $7,500 in free products and marketing options for all students on campus; and another $800 of free product specifically for Athletics. This is all in addition to the 30% commission received from all beverage-vending on campus. The agreement was signed as a 3 year commitment with the option of extending annually for 2 more years.

4. The addition of Color printing capabilities and other enhancements in the Central Duplicating Office have provided cost savings up to 75% for the University in color printing and binding expenses that can now be accomplished on campus.

5. The Mane Card system (Debit Card) has been enhanced to allow on-line deposits directly onto the students ID card. Additionally, the off-campus program was outsourced to CBORD (the company providing the Debit card system software). Previously the University loaned, managed and paid for the maintenance of the equipment used at local businesses to sell via the UNA Mane Card at a cost of over $15,000 per year. By outsourcing we have removed any cost to the University and allowed CBORD the flexibility of marketing and promoting the Debit Card services.

6. Signed an agreement with UPS in fall 2010; this agreement provides very large discounts for mailing packages internationally and shipping locally. By reviewing the last 4 years of freight spend on items UNA ships around the world, the least we have spent is $88K and the most is $128K. Due to our new UPS agreement UNA only spent $39K this year and has the potential to save another $10K or more from that by educating users to ship on our UPS agreement instead of FedEx. This must be noted as a minimum cost savings realized of $49,000.00 for the year.

7. Engaged Staples Office Supplies in a new agreement fall 2009 to include a rebate option. This new on-line office ordering process not only provides next day delivery of discounted office supplies, but it provides an annual commission check averaging over $65

Image most paperwork that must be retained for a period of time, e.g., all documentation related to disbursements, contractual agreements, memos approving action on items, etc.
Facilitate the purchase and use of event ticketing software enabling online transactions
Examine the use of ACH payments to an increased number of vendors
Expedite direct deposit for reimbursements to employees
Update policies to continuously reflect current business practices and adherence to governmental regulations.

The **<u>Offices of Human Resources</u>** will continually seek areas for improvement of the processes and services it offers. In addition, new processes and services will be developed.

To improve the staff performance management program; The current performance management program is more of a performance appraisal system. The form itself is somewhat outdated, and the process does not lend itself to an open, frank, exchange of information with regard to expectations and performance feedback between the employee and his/her supervisor. The Human Resources Office should retool the process so that it is interactive, focused on development, and current in terms of technology.

To further streamline the process for personnel actions; Most requests for payment and other personnel actions are made via a paper-driven process with multiple approval levels. Based on the both the student employment and the new hire workflow models, the Human Resources Office endeavors to automate as many processes as are appropriate. Not only will this make us better stewards of the University's resources, but it will also improve accuracy and decrease processing time.

To use Xtender software to scan and attach electronic copies of forms to specific Banner records; Both the Human Resources Office and the Payroll Office maintain a file for each employee. Many of the documents in the files are duplicates of one another. Xtender software was developed to make available scanned documents within the Banner forms to which they apply. The advantages for both offices are tremendous, from file storage space and cost reduction to time saved retrieving a paper file.

To continue the progress that has been made in the Compensation Ladder project; The Compensation Ladder project was launched at the conclusion of the Classification and Compensation study with the purpose of encouraging and rewarding employees' efforts to enhance their knowledge and skills within their current positions. Phase one of the Compensation Ladder project was completed May, 2009. This phase involved the formation of subcommittees of job incumbents who completed and returned to the Staff Senate the first draft of a Compensation Ladder for each position represented by each subcommittee. The next phase is currently in progress and involves the Compensation Ladder committee's comprehensive review of each position's proposed ladder. Future phases include assigning recommended compensation to each compensable factor as well as developing policies that dictate how and when compensation is awarded, how professional development is funded, etc.

The **Office of Procurement** is constantly trying to improve on the turn-around- time for order placement; to create more and more robust procurement contracts that provide ease of business interaction and competitive support of all University needs; and strives to find better ways to communicate bid-law updates and standard policies for everyone spending or managing University funds.

To support this effort the Office of Procurement is working toward the following goals:

Provide a re-education of on-line requisition creation to facilitate a move toward on-line requisition authorization and approval. This would eliminate the current requirement of submitting a signed hard copy of the requisition to the Office of Procurement and expedite the purchase order creation process.

Update the Procurement Policy to better reflect current business practices.

Improved on the Procurement website to add the following enhancements:

It would be our desire to have short training videos for requisition creation and procurement policies. Short videos may be preferred to some as opposed to simply reading each policy. Videos can provide examples and explanations which may make policies easier to understand.

Add the ability to register on-line as a potential supplier.

Add secure links to supplier websites, active contracts and bid tabulations accessible any time anyone needs to locate preferred suppliers.

Gain additional local and regional contracts encouraging and growing the Universities local relationships.

Create an on-line means of managing surplus property. Internally communicating items no longer needed by one department but may be needed elsewhere on campus. Externally advertising and accepting bids for surplus property through an on-line auction process, if possible, providing a more organized method of capturing surplus across multiple departments, providing on-line public exposure to such property, and continually removing unneeded excess making all areas more efficient and organized.

Create the ability to systemically track contract terms. The goal would be to receive timely notifications for contract renewal and updates. This would assist in the resource planning process for larger contracts that require a lot of time and attention and the involvement of multiple departments. It would also provide an automated tool for the procurement team to notify departments who need to update annual bid lists in plenty of time for re-bid activity to occur.

7. Unit Recommendations

7.1 Recommendations for changes, which are within the control of the department, if appropriate.

Change is restricted by the governing powers of the State of Alabama and thus making departmental change options, areas of improvements. The Business Office, the Office of Procurement and the Office of Human Resources have outlined recommendations for improvements and change within section 6 of this document. In summary they are:

must relate directly to experience, as well as the move from Director to Executive Director. This structure would provide an opportunity to support more structured ownership for areas of University