iNtegrate 2 Business Process Redesign: Business Process Recommendations

Treasury Management

May 31, 2013
Business Process

Recommendations: Introduction
Recommendations for a redesigned workflow and supporting materials for each of the sub-processes reviewed as part of the iNtegrate 2 BPR project are detailed in the following section. Each sub-process section includes the following:

- **Process Overview**: A summary narrative of key process steps within the sub-process.


- **Key Process Changes**: For those steps within the Future States that represent primary changes (for one or more NSHE institutions), an explanation, and justification as necessary, for the process change is highlighted.

- **Alternative Process Options**: Process Options not recommended in the future state flow are highlighted along with a justification of why this option is NOT recommended or incorporated in the process.

- **Policy Change Requirements**: Instances when either institutional or NSHE policy need to be developed or revised in order to facilitate the recommended process are noted, including recommendations for policy content.

- **Implementation Challenges**: When elements of the recommended future state process were questioned during workshops or noted as significant areas where implementation would be difficult, further discussion and justification is provided along with examples of institutions also utilizing the recommended process.

  - The examples provided are individual institutions utilizing these recommended practices. NSHE represents a diverse set of 8 institutions and the system office presenting limitations in identifying a comparable system or organization that has broadly implemented “best practice” or recommended processes.

- **Technology Requirements**: Elements of a required technology to enable the process are listed by process step.

- **Reporting Requirements**: Reports, metrics and data points required to monitor and control the process are listed.

- **NSHE Feedback**: Index of comments/feedback provided by NSHE institutions and the Huron response, as needed.
Each sub-process section incorporates some fundamental concepts that should be understood in order to fully consider the recommendations and supporting content.

- **Recommendations versus Current State:**
  - These process recommendations represent Huron’s recommendations for a future state business process and are not intended to comment on the current state processes across NSHE.
  - Some process elements may already be the practice of some or all NSHE institutions.

- **Business Process Swimlanes (horizontal bands):**
  - The business process focuses on the process steps and the work accomplished in these steps and not the process owners/work locations. Therefore, the developed flows include general swim-lanes that are not role/location specific, such as Accounts Payable Administration, Travel Administration, Research Administration, etc.
  - Flows do include required roles like Vendor, faculty/employee/Investigator, etc. but they do not highlight Administrative Assistant, Vice President of X, etc. The recommended process steps can be applied universally and the steps can be aligned in whatever roles/units are appropriate by institution.
Each sub-process section incorporates some fundamental concepts that should be understood in order to fully consider the recommendations and supporting content.

- **Existing Supplemental Systems:**
  - Some NSHE institutions have implemented different “systems” or technologies that are supplemental to the Human Resources or Finance Administration Systems. These process flows assume the existing technologies are integrated into the Future State Business Process.

- **Out of Scope Systems:**
  - Some process flows incorporate Non-Human Resource/Finance Systems that are out of scope for iNtegrate 2 (i.e. a Pre-Award “tracking system”). However, in order to be in line with best practice elements, these out-of-scope technologies were incorporated into the recommended processes.
Business Process Recommendations: Treasury Management
Treasury Management: Daily Cash Management

**PROCESS OVERVIEW**

Daily Cash Management is the sub-process by which institution account funding needs are met on a daily basis.

- An institution identifies the need for an EFT payment and initiates the payment via the Treasury Workstation module.
- Bank of America receives notification and processes the payment.
- After the initiating institution reviews the payment, it is sent to the recipient and Treasury Administration is automatically notified via workflow in the Treasury Workstation.
- Treasury Administration determines the appropriate fund source for the payment and transfers funds accordingly.
- Nightly, Bank of America sweeps institution accounts into NSHE’s consolidated account.
Daily Cash Management

**Institution**
- **Start**
- 1. Initiate EFT payment in Treasury Workstation
- 2. Send funds to payee
- 3. Review EFT payments
- 4. System notifies Treasury Administration of EFT activity
- 5. Determine appropriate fund source for payment
- 6. Nightly, sweep institution account balances into consolidated account
- **Stop**

**Bank of America**

**Treasury Administration**
The following table outlines the major process changes (NSHE-wide) incorporated into the recommended process.

<table>
<thead>
<tr>
<th>Process Flow Title:</th>
<th>Process Step(s):</th>
<th>Explanation and Change Justification:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily Cash Management</td>
<td>4</td>
<td>Key Process Change Treasury Administration is notified automatically of all EFT payments via workflow in Treasury Workstation</td>
</tr>
<tr>
<td>Daily Cash Management</td>
<td>5</td>
<td>Key Process Change To facilitate clear accounting and simpler payment trails, we recommend that a separate depository account be established for the system office so System funds are not comingled with UNR funds.</td>
</tr>
</tbody>
</table>
The following table lists the system technology requirements necessary to support the recommended process.

<table>
<thead>
<tr>
<th>Process Flow Title:</th>
<th>Process Step(s):</th>
<th>Technology Requirement:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily Cash Management</td>
<td>1</td>
<td>EFTs will be initiated via the Treasury Workstation module of the financial system</td>
</tr>
</tbody>
</table>
The following table lists the reporting requirements and data points that must be captured to support the recommended process.

<table>
<thead>
<tr>
<th>Process Flow Title:</th>
<th>Reporting Requirement:</th>
<th>Data Points/Metrics:</th>
</tr>
</thead>
</table>
| Daily Cash Management Payments by institution | | • Institution  
• Payment amount  
• Payment date  
• Recipient  
• Fund source |
Business Process
Recommendations: NSHE
Feedback
The following table outlines the NSHE feedback and commentary, as well as Huron response when applicable.

<table>
<thead>
<tr>
<th>Sub-Process/Topical Area</th>
<th>Institution</th>
<th>Comments/Feedback</th>
<th>Huron Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>NSHE</td>
<td>This page indicates Treasury Workstation is a module of the financial system. This is not very clear in the workflow or earlier in the document, but I think important in terms of expectation that this activity is occurring within the financial system (or at least directly interfaced with the financial system) so there is not a separate system requiring duplicate entry, otherwise not sure how this is different from what we have now using the bank’s online banking application.</td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>DRI</td>
<td>The implementation of a Treasury Workstation and establishing a separate depository to account for the system office appears to be good ideas.</td>
<td></td>
</tr>
</tbody>
</table>