

UW and State Agency Lean Partnership



**Financial
Management
Advisory
Council**

**August 28,
2014**

8/28/14

**Executive Sponsors: Susan Camber – UW and
Wendy Korthius-Smith - Governor's Office**

<p>Project Leads: Lily Gebrenegus – UW Amy Ferris – DOH</p> <p>Facilitators: LuAnn Stokke and Doug Merrill - UW</p>	<p>Participants: University of Washington Dept. of Commerce Dept. of Ecology Dept. of Social and Health Services Dept. of Transportation Life Sciences Discovery Fund Dept. of Health</p>
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Background

- UW Finance and Facilities is over four years into its Lean journey.
- State agencies provide grant and contract funding to UW, which frequently includes passing through federal funding to UW researchers.
- About 75-80% of all UW contract invoices are auto-generated
- The remainder 20-25% are manually generated and a significant number involve State Agency funding.
- Manually generated invoices can result in:
 - Invoices are not being delivered according to Agencies' contract requirements.
 - Invoices can be past due.
 - Not include required documentation or be inaccurate.
 - Too much labor time is being spent by the University of Washington to collect/prepare documentation to support invoices and for Washington State Agencies to process the payments.

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Scope of Project

The team focused on the process from the time the contract requirements are communicated until the payments are processed and monitored.



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Project Goals

1. Increase percentage of compliant and accurate invoices (first-pass yield) by 50%.
2. Reduce invoice processing time by 50%.
3. Reduce rework by 50%.

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Current State Map



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Summary of Current State Map

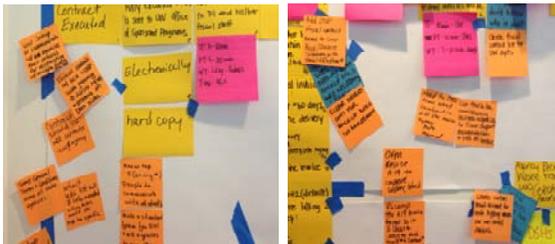
- **Number of Process Steps: 107-124** (depending on Agency)
- **Process Times**
 - Touch Time: 13 -36 labor-days
 - Process Time: 33.7-181.1 labor-days
 - Wait Time : 231-450.4 labor-days
- **Complete Accurate Correct : 50-100%**
 - 50% at time invoice received at agency and 50% at fiscal year-end close
- **Rework Loops: 18**

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Issues and Ideas for Improvements

- **49 Issues/Pain Points (blue notes)**
- **74 Ideas for Improvement (orange notes)**



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Examples of Ideas for Improvements

- Initial consultation at contract development stage
- Agency making needs transparent
- “Cheat-sheet” for documentation
- Identifying all the players
- Potentially accepting electronic signatures on invoices
- UW—develop roles/responsibilities for Principal Investigators (PI), Office of Sponsored Programs (OSP), and Grant Contract and Accounting (GCA)
- Fiscal Year/Biennium Close—clearly identify process

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Vision for the Future



- Transparent and clear process and requirements.
- One system for uploading and accessing required information.

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Key Process Improvement Opportunities

- Team addressed all 74 ideas for improvements
 - Identified where in the process they fell, and what problem it addressed
 - Categorized them in “buckets” and eliminated duplicates
 - Identified some Just-Do-Its

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Categories of Improvement Ideas

<ul style="list-style-type: none"> • Contract Development <ul style="list-style-type: none"> ➢ Initial Consultation ➢ Electronic Signatures • Communication <ul style="list-style-type: none"> ➢ Fiscal Year/Biennium Close Timeline ➢ Escalation Protocol • Training <ul style="list-style-type: none"> ➢ Cross Training ➢ Performance-based contracting 	<ul style="list-style-type: none"> • Checklists and Forms <ul style="list-style-type: none"> ➢ Contact list ➢ Back up documentation • Information Technology <ul style="list-style-type: none"> ➢ UW system ability ➢ Tracking system ➢ Statewide contract system
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Just Do Its

For UW:

- GCA send one "final" invoice at closeout. Revise Final if needed.
- Agency Access to view UW System (GrantTracker)
- UW process for accounting and tracking multiple fund sources
- Only one copy of invoice
- UW to provide information on difference between invoice types (manual vs. auto)
- Update GCA website more often

For State Agencies:

- Specific e-mail accounts at each Agency for invoices to be sent

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Team Process

- Established teams and team lead for each category
- Each team held weekly meetings
- Project Leads held weekly meetings
- All Team Leads met weekly with Project Leads to stay updated on entire team progress
- Established a SharePoint site as visual control board
- Every 30 days held a Step Back meeting with entire workgroup.

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Accomplishments

- ✓ Standard Fiscal year/ Biennium close timeline
- ✓ Contract key information and contact sheet
- ✓ Escalation Protocol/Process
- ✓ Glossary of Terms
- ✓ Standard information for contract invoice form (A19)
- ✓ Access to UW Grant Tracker system
- ✓ Information on what initiates an auto-generated vs manually generated contract invoice
- ✓ Draft Communication and Procedure Plan
- ✓ More up to date information on UW Grant Contract and Accounting website
- ✓ Metrics tracking
- ✓ Central email accounts at state agencies for contract invoice submission from UW



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Lessons Learned

- Great appreciation for what UW does and what other State Agencies do in this process.
- When staff selected for projects, be clear on expectations (90 day implementation after Project Launch Event)
- Complete as many of the logistics as possible on the last day of the Project Launch Event for the next 90 days (teams, team leads, meeting schedules, etc).
- Regular check in critical for momentum of project follow-up.
- Challenge with group from all different locations and cities.
- Team members support for team leads to share in responsibilities.
- SharePoint has been extremely helpful in this project.
- Research your system capabilities as you may be surprised at what your system can do.
- Don't be afraid to reach out and share!
- Lots of opportunity—invoicing and contracting is a common function across Agencies: can we globally address improvements?

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Next Steps

Over the next 90 days:

- ✓ Review in some agencies back-up documentation required with contract invoice.
- ✓ Finalize information and steps for "Initial Consult" and "Contract Development".
- ✓ Begin discussions about feasibility of consolidated contract approach to DOH and UW contracts.

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Questions?

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