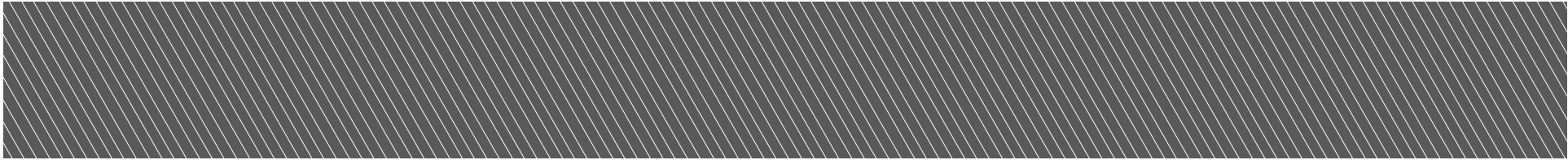




Senior Vice President for Business Services Status Meeting

February 26, 2013



Welcome and Announcements

AGENDA

- Staff Introductions and Updates
- Internal Audit: Working Together to Achieve Stewardship
- Business Services Mission, Vision and Values
- Trimester/Expanded Summer Session Models
- On the Horizon

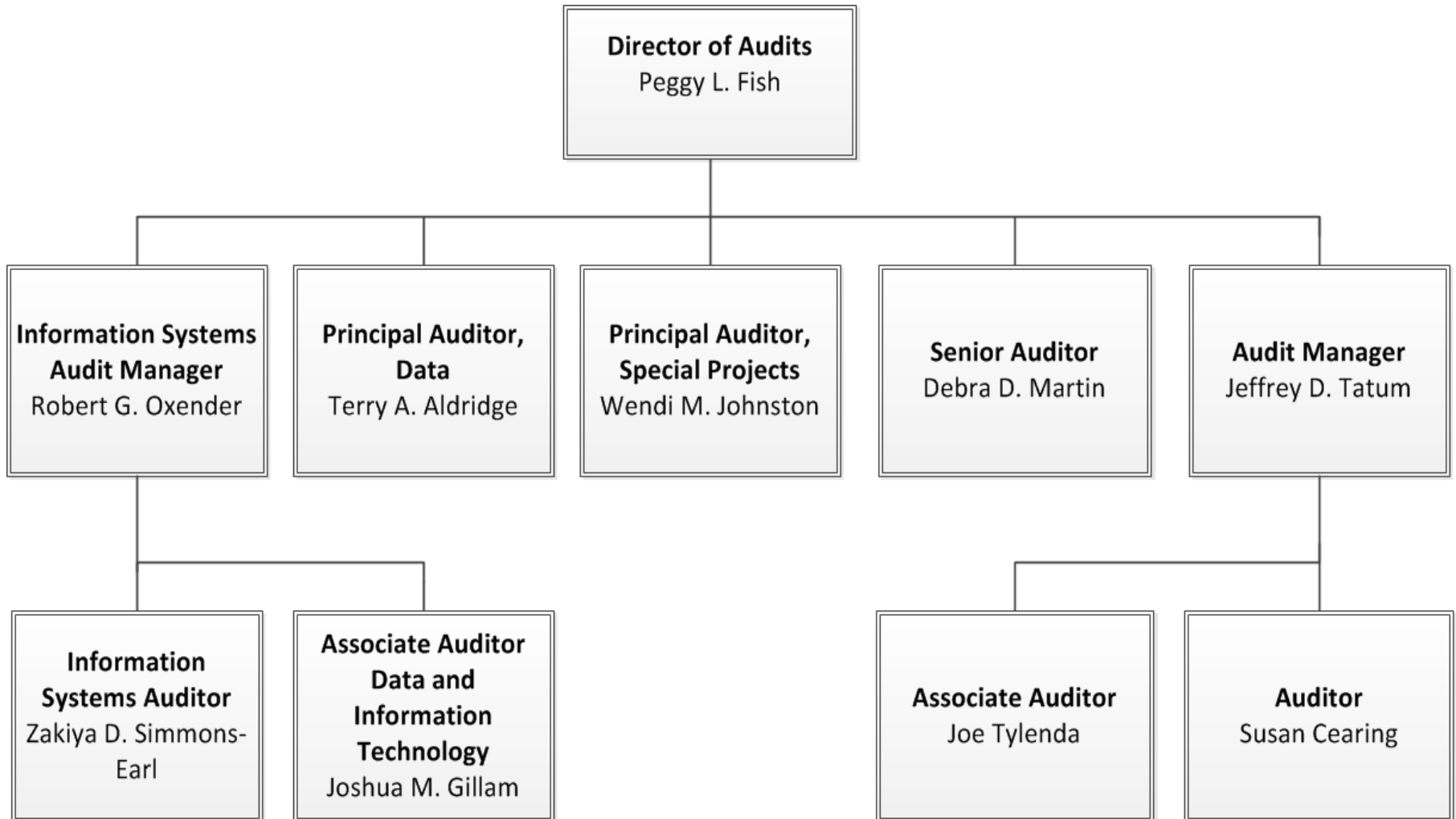
Staff Introductions and Updates

- New staff hired since Sept 2012
- Administrative and Professional Staff Advisory Committee (APSAC)
 - Professional Development Grants – March 1 deadline
 - Business Services Representatives
 - Current member term ends in May
 - Taking applications for new three year term



***Internal Audit:
Working Together
to Achieve Stewardship***

Internal Audit



Audit Objectives

- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations
- Safeguarding of assets
- Compliance with laws, regulations, and contracts

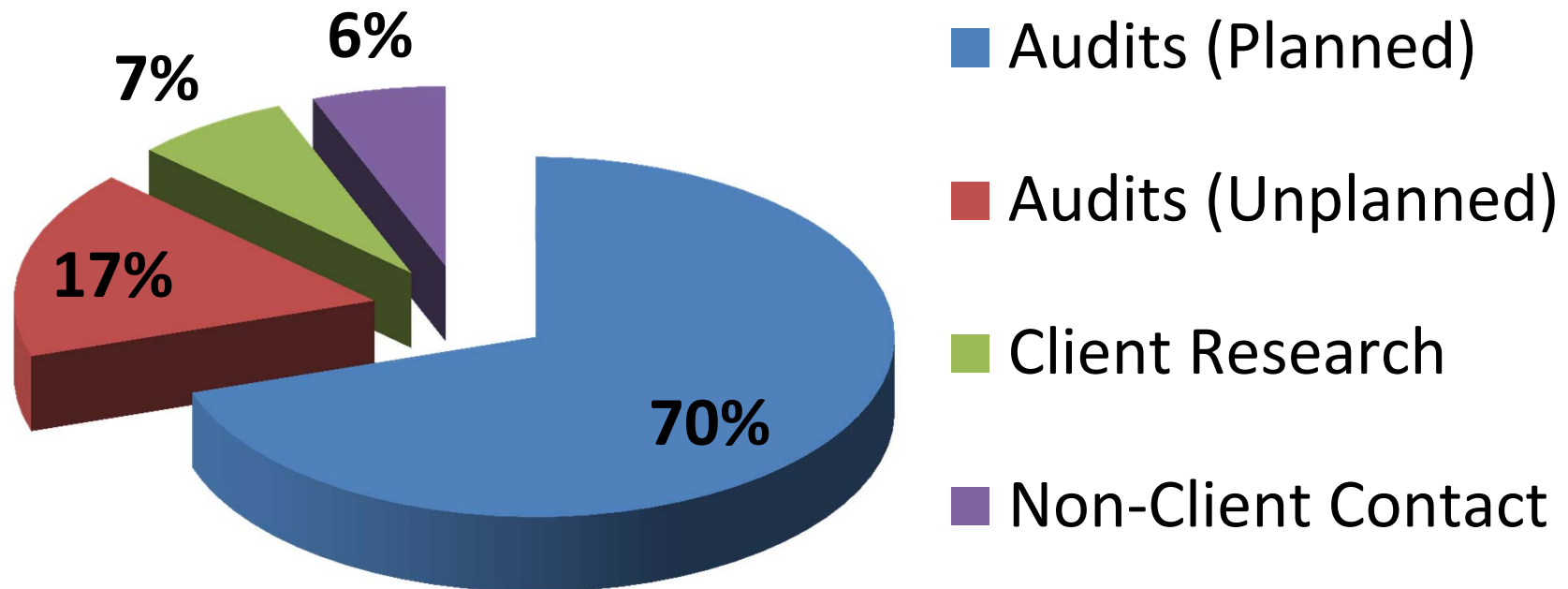
Audit Plan Development

Risk drivers:

- New Technologies
- Strategic Changes
- Data Integrity & Security
- Unexpected Operating Results
- Research & Intellectual Property
- Major Changes in Operations or Systems
- Human Resources
- Potential Risk of Financial Loss
- Size & Complexity of Operations
- Major Changes in Programs, Controls, or Staff
- Increased Regulatory Scrutiny & Accountability
- Operations Subject to a High Level of Public Scrutiny

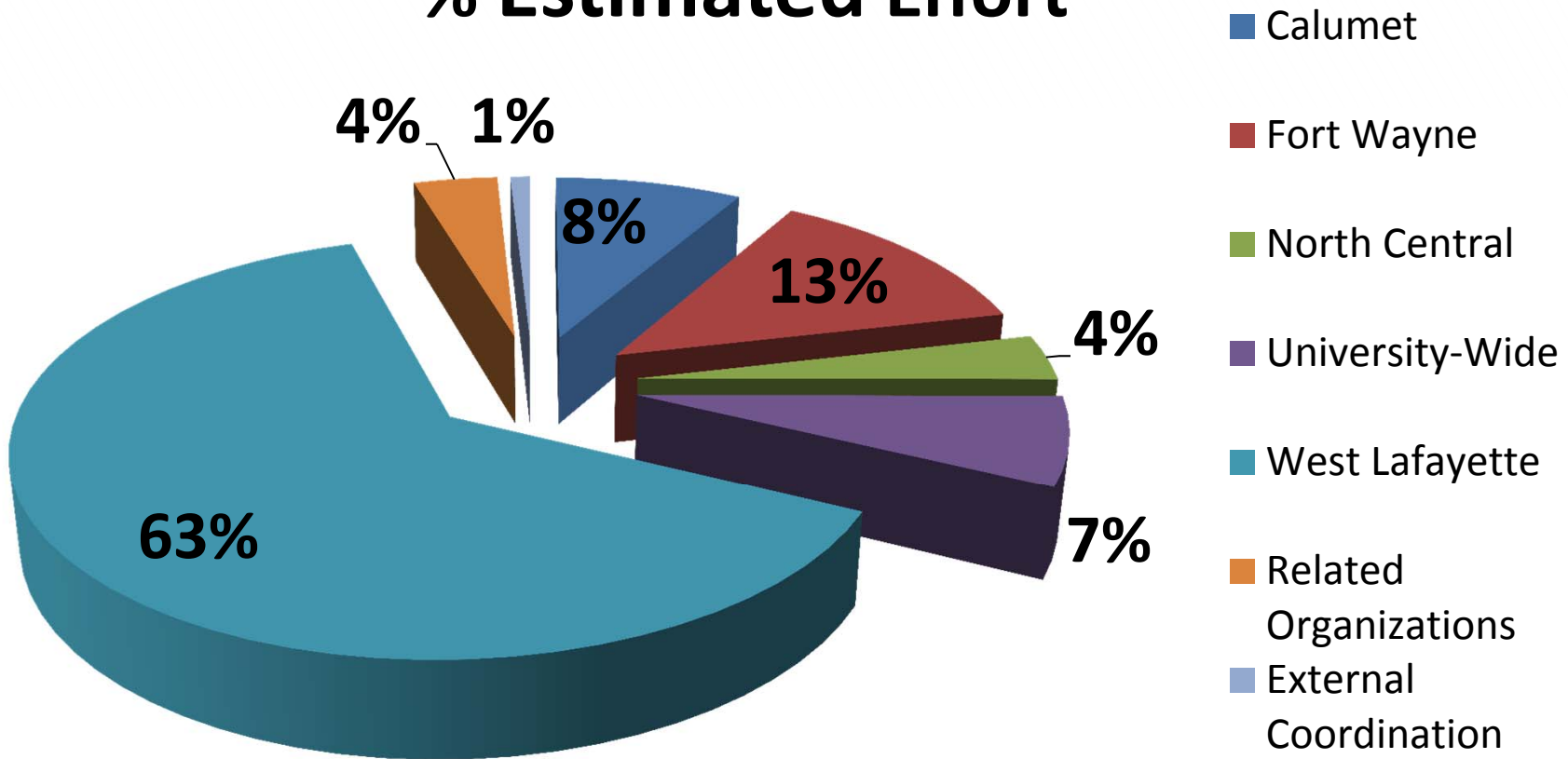
Planned Allocation of Audit Resources

% Estimated Effort



Planned Hours by Campus/Area

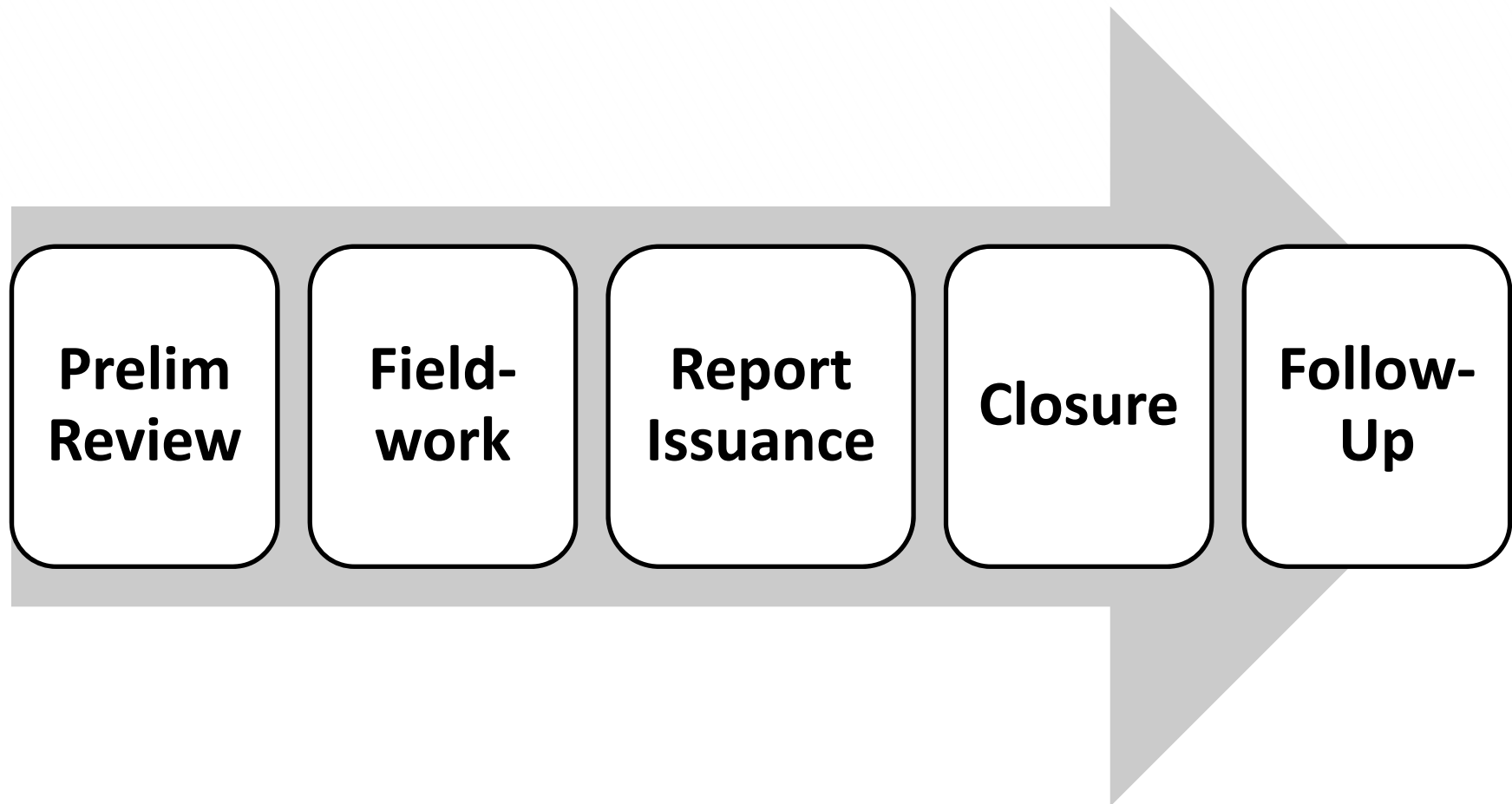
% Estimated Effort



Planned Audit by ERM Categories

ERM Category	%
Information Technology	43%
Financial	13%
Academic and Student	12%
Regulatory	10%
Safety and Facilities	8%
Human Resources	5%
Athletics	5%
Research	3%
Engagement	1%
Total	100%

Internal Audit Process



Working Together to Achieve Stewardship

Internal Audit is available to answer questions and for outreach or education.

Please contact us:

- Website www.purdue.edu/ia/ for staff contact information
- Anonymous hotline
866 818-2620
www.purdue.edu/hotline

Our Culture

Back to the Basics

Business Services Mission

Business Services partners with the campus community to support learning, discovery, and engagement by delivering quality business and financial services, and efficiently and effectively providing stewardship of the University's resources.

Business Services Vision

Business Services aspires to be a high-performing organization nationally respected for its excellence in business and finance. Business Services strives to serve the campus community as a valued resource and strategic partner providing innovative, quality and cost effective business and financial services, while balancing risk and opportunity.

Core Values & Leadership Behaviors

- Customer Valued Quality Service
- Financial Stewardship and Accountability
- Continuous Improvement
- Collaboration
- Professional Growth and Development
- Respect and Diversity

Core Values & Leadership Behaviors

Customer Valued Quality Service

Anticipate, meet and facilitate the needs of the University community by providing timely, professional, and knowledgeable services.

Examples:

- Travel booking and reimbursement (Concur)
- Foreign student tuition payments (Western Union)

Core Values & Leadership Behaviors

Financial Stewardship and Accountability

Manage the University's resources responsibly, effectively, and efficiently with personal accountability and ethical conduct.

Examples:

- Strategic Sourcing - \$7M savings in FY 2012
- Distribution of General Funds Benefits Budget
- Tax Intercept Program – Expanded to all Regionals

Core Values & Leadership Behaviors

Continuous Improvement

Continually assess and proactively seek innovative ways to add value and improve operations and services.

Examples:

- Procurement Transformation – Ariba
- Enterprise Document Imaging – infrastructure for future process improvements
- Consolidating 15 University Residences Business Office locations into one Business Office Support Center
- Business process redesign to refund student credit balances

Core Values & Leadership Behaviors

Collaboration

Promote an environment with customers and colleagues that includes listening, learning, and the flexibility and willingness to consider creative solutions, and that seeks an acceptable level of risk to achieve opportunities and

Examples: common goals.

- Faculty Cluster Hire Program w/Provost Office and lead DFA's for 14 clusters supporting 75 new faculty hires from all colleges and the Libraries
- Hybrid Budget Model (Huron Phase II)
- Expanded usage of SAP-PSCD module at IPFW

Core Values & Leadership Behaviors

Professional Growth and Development

Provide an environment where staff members are actively mentored and encouraged to grow professionally and personally, are recognized for their achievements, and are given opportunities with greater exposure and

Examples: responsibility.

- On and off campus opportunities
 - BSTC's 2012 enrollment in all courses was over 4,200
 - 6th Annual Purdue Higher Ed Accounting Forum March 1st
 - Hot Topics in Research Administration
 - Launching Tomorrow's Leaders and Executive Masters
- Procurement Services "Ring the Bell Accomplishments"

Core Values & Leadership Behaviors

Respect and Diversity

Foster an inclusive community where all points of view and experience are valued and all people are treated with respect and courtesy.

Examples:

- Business Management Points to Ponder, Diversity Plan and Diversity Champions
- Increasing minority- and women-owned businesses as university suppliers



Trimester/Expanded Summer Session Models

SVPBS presentation to University Senate, October 15, 2012

Trimester Financial Model

Assumptions

- Summer undergraduate growth in credit hours to approximately 300,000 credit hours by 2022
- Fall / Spring enrollments decreased 5%
 - Allows for some R&R maintenance of facilities
 - Recognizes reduced instructional hours available in shorter Fall / Spring semesters
- Instruction costs derived using campus-level average instruction cost per credit hour (IPEDS data – salaries, benefits, supplies and services)
- Instruction indirect cost = 24.1% based on university cost study to cover facilities operations and maintenance, student services, and equipment depreciation
- Scholarships and grants costs based on current levels of institutional aid for the Fall / Spring semesters

Trimester Financial Model

Summary of Trimester Financial Model

(FY 2022 amounts / in millions)

	<u>Amount</u>	<u>% of Revenue</u>
Trimester Student Fee Revenue	\$ 208.5	
Trimester Instruction Direct Costs	\$ 114.4	54.9%
Trimester Instruction Indirect Costs	27.8	13.3%
Trimester Scholarships and Grants Costs	27.6	13.2%
Total Trimester Expenditures	<u>\$ 169.8</u>	<u>81.4%</u>
Available for Strategic Investment	\$ 38.7	18.6%

Background for Summer Sessions

- Office of the Provost has historically provided supplemental funding for summer.
- Before Summer 2008, colleges would submit a supplemental funding request to the Office of the Provost and each course would have to be approved.
- For Summer 2008 the summer funding model changed.
 - Greater management control to the colleges
 - Base level of credit hours established for each college
 - Incentive funding available for growth above base credit hours

Experience with Summer 2008 Model

- Only 1.1% growth in credit hours between 2007 and 2010.
- The college level base made it difficult for departments to determine the financial impact of new offerings.
- Incentive amounts were insufficient to cover instructional costs for most units.
- Not all course offerings were targeted to areas of student need.

Revisit the Model

- In January 2011, a committee was formed to review the summer session funding model and develop ways to achieve greater success with summer session.
- Associate deans, PEC and Office of the Provost representatives were included in the committee.
- This committee was later combined with the decadal funding group to work on an expanded summer plan and a potential transition to trimester.

New Summer Funding Model

Vetting Process

- Sought and received input from academic advisors and department heads.
- Iterative vetting with the associate deans and directors of financial affairs.
- Followed up with individual meetings with the deans to address college specific issues and opportunities.

New Funding Model

Guiding Principles

- Provide flexibility to the departments/colleges
- Fund at a level sufficient to incentivize
- Fund at a level sufficient to have faculty teach
- High level of transparency
- Ongoing review of funding model to ensure guiding principles are achieved

New Funding Model

- Adopted and in place for Summer 2013.
- Funding level for each college based upon:
 - Instructional cost based on college-specific data
 - Supply and expense allocation
 - Additional investment allocation
- Removal of the base; no minimum threshold to attain before funding received.
- Set program parameters:
 - Clearly define course cancellation dates
 - Guarantee offerings of a set of progression courses
- The summer funding model determines the level of dollars that flow to the college. Deans determine implementation within individual colleges.

Next Steps

Build Summer Demand

- One stop student website *www.purdue.edu/thinksummer*
- *Think Summer* postcards mailed to 24,000 students
- Emails sent to parents
- Advisors discussing summer plans with students
- Targeted emails sent to specific subset of students

Appointing two task forces to explore issues concerning:

- Academic year calendar
- Faculty contracts

Source: Continuing the Conversation, February 5, 2013 Provost Forum

See Trimester website

www.purdue.edu/provost/initiatives/trimester/

On the Horizon

- **Sequestration**
 - Purdue impact and planning efforts
- **Affordability and Efficiency**
 - Purdue System
 - Keeping degrees affordable and reducing administrative costs
- **Proposed OMB Uniform Guidance**
 - Cost principles, audit and administrative requirements for Federal awards