



Fiscal Services FY10 Annual Report

Fiscal Services is a team of accountants, analysts, buyers, cashiers, customer service representatives, technicians and warehouse workers who support and maintain the financial infrastructure at the university. We seek to safeguard the university's assets and reputation by ensuring compliance with fiscal regulations and other requirements of the Commonwealth and the federal government. In addition, we seek to provide the university community with excellent customer service through timely, reliable and efficient financial policies, procedures, and guidance.

Assessment of Institutional Performance

These are the financial measures that the State Council of Higher Education uses to annually assess and certify institutional performance. Financial benefits provided to each institution are evaluated in light of the university's performance on these and other education-related and administrative management measures.

Performance Measure	Reported Performance
An unqualified audit opinion from the Auditor of Public Accounts	An unqualified opinion was issued.
No significant audit deficiencies attested to by the Auditor of Public Accounts	State Auditor reported no material weaknesses in internal controls over financial reporting and no instances of noncompliance or other matters required to be reported under Governmental Auditing Standards.
Substantial compliance with all financial reporting standards approved by the State Comptroller	State Comptroller's office reported substantial compliance with financial reporting directive.
Substantial attainment of accounts receivable standards approved by the State Comptroller, including, but not limited to any standards for outstanding receivables and bad debt <ul style="list-style-type: none"> a. A past due rate of 10% or less on all receivables regardless of fund, excluding Perkins b. A past due rate of 10% or less on federal student loans (Perkins Default Rate) 	<ul style="list-style-type: none"> a. Past due rate = 7.68% b. Perkins Default Rate (as of June 30, 2010) = 8.31%
Substantial attainment (90% of payments and dollars in compliance) of accounts payable standards. The standard, Prompt Pay, requires vendors to be paid within 30 days of receipt of invoice or goods or services.	99.37% of payments in compliance; 99.39% of dollars in compliance.
Complete no less than 75% of all non-exempt purchase transactions through the Commonwealth's enterprise-wide Internet procurement system (eVA) and make no less than 75% of dollar purchases from vendors and suppliers who are registered with eVA	95% of total orders processed through eVA; 98.7% of the total dollars issued to eVA registered vendors

Employee Recognition

Three fiscal services employees were recognized for their contributions to the university.

Bob Bussjaeger, Financial Reporting Director received an Outstanding Achievement Award.

Bob leads the nearly year-round preparation of university's financial statements. The university keeps its books in Banner using the cash basis of accounting, but reporting for the state and university's financial statements are on the accrual basis. In addition, the state reports the university's activity in a different way than we do on our financial statements. More than 100 adjustments are required, supported by numerous spreadsheets and calculations, many of which are very complex and literally require days to build. Significant project planning is necessary and overtime during the peak preparation period is required. Keen attention to detail, ability to detect inconsistencies, and skill in interpreting accounting pronouncements are some of the keys to financial statements that stand the test of an audit. Bob has produced results in this area that are exemplary. Bob approaches his work with calm precision. He is thorough and exacting. All along, however, he sees the big picture, giving the executive summary instead of telling you how the watch was made.

Kim Dight, Director, Special Projects received an Outstanding Achievement Award. Kim has made countless contributions toward improving Fiscal Services' processes, controls, and communications. Kim was the primary author of the University's Financial Code of Ethics, she worked with Human Resources to develop an interactive training program and co-taught numerous training sessions for hundreds of faculty and staff members over the past 3 years. Kim was the primary author and driver behind updating the Recharge Rate policy. She works closely with departments as they develop work papers to support the costs they charge other units and federal sponsors. The process is working very well as a result of Kim's ideas and efforts. Kim identified the need to update Fiscal Services' web site, facilitated a focus group composed of departmental representatives, and re-designed the site to utilize standard templates, create more consistency and provide more information to users. Kim brings a best practices, big picture perspective to the division that is practical and customer service oriented.

Joy Sobieralski, Financial Reporting Manager received an Outstanding Achievement Award. Joy is a gifted CPA with a passion for the numbers and an extraordinary work ethic. Her ability to grasp complex accounting matters and generate an incredible volume of highly accurate work product is an asset to the General Accounting department and the university as a whole. Joy's ability to leverage her audit experience to the benefit of the ARMICS program has been outstanding. She was the author of our testing work plans and developed a creative approach to documenting a required enterprise wide risk assessment in the first year of the program. Joy used her technical knowledge and abilities to greatly improve the way we pull data from the inventory system we use to account for our buildings, equipment and other assets. These numbers are a material part of our financial statements, and accuracy is critical to maintaining our status as a decentralized state agency. Preparing the university's annual financial statements is where Joy's professional talents shine brightest. Her work papers are thoughtfully developed in a manner that boils down the noise generated by the sheer volume of data involved.

The Controller's Office

Fiscal Services is responsible for oversight of the financial systems, policies and procedures that impact each administrative and academic unit throughout the university. As a university, our financial structure is mature in its development, and so with these difficult economic times our primary focus over the last several years has been on both increasing efficiency and improving customer service. As you read on, you will learn about the individual efforts of the departments in this area. For example, Accounts Payable has provided customer service training for a number of its staff, and has implemented an award program to recognize quality service. The Student Accounts Office installed a self-service payment station outside of the Cash Office to offer expedited check processing and on-site credit card payment access to students and parents.

In addition to providing Fiscal Services oversight, the Controller's Office directs the state internal controls certification effort and new policy development.

ARMICS

Agency Risk Management and Internal Controls Standards (ARMICS) is a directive from the Commonwealth that requires certification of internal controls over significant financial transactions. The Directive was handed down in fiscal year 2008. For the first year, the ARMICS team was composed of six individuals in Fiscal Services; the team identified the university departments to review. The Directive included survey instruments for both agency level and process/transactional level review. Surveys were completed by identified departments and reviewed by the team; testing was shared between the ARMICS team and Internal Audit. One member of the team developed a risk control matrix for each unit. The matrix identified risks and then described the controls in place to address each risk. Each risk element was classified according to its likelihood and impact, and the associated control was evaluated for its objective, activity, type and frequency. These matrices became an integral part of our work moving forward.

Our ARMICS work has certainly matured over the years. Units have been added to the ARMICS review, including contract administration of outsourced activities, Intercollegiate Athletics and Patriot Computers. In addition, each unit has developed strengths, weaknesses, opportunities and threats (SWOT) analysis and a plan to address the weaknesses and threats identified. Key controls were identified from the risk control matrices and those became the basis for testing. Survey and testing cycles have been developed; we continue to partner with Internal Audit and Management Services for testing. A part time position, Director of Internal Controls, was created and filled and allowed the team to evolve into a four person working group that meets weekly while the other three individuals who had been on the original team serve in an advisory capacity, providing consultation on a quarterly basis.

Each year we have provided reasonable assurance that internal controls over the recording of financial transactions in the Commonwealth's General Ledger and stewardship over the Commonwealth's assets are operating effectively; compliance with the University's financial

reporting requirements and applicable laws and regulations is in place. While no significant weaknesses have been found in the design or operation of the internal controls; we have reported insignificant internal control weaknesses. Where insignificant weaknesses have been identified, we have made changes to policy or procedure when necessary; we retest each of these findings until they are cleared. While a lot of work, ARMICS has been a worthwhile endeavor and has prompted us to examine and improve many areas.

Red Flags

Effective May 1, 2009, the Board of Visitors approved the initial Identity Theft Prevention Program that was implemented pursuant to the Federal Trade Commission's Red Flags Rule under section 114 and 315 of the Fair and Accurate Credit Transactions Act, which amended the Fair Credit Reporting Act. The Red Flags Rule requires creditors and financial institutions to address the risk of identity theft. Under the rule, entities that have "covered accounts" must develop and implement written identity theft prevention programs to help identify, detect, and respond to patterns, practices, or specific activities that could indicate identity theft. The purpose of the Program is to detect identity theft attempts and stop identity thieves from using someone else's identifying information at the university to commit fraud.

A committee was established to ensure compliance with the Red Flags Rule. The Committee is chaired by the Controller, who serves as the Program Administrator. Members of the committee include representatives from Auxiliary Enterprises, Human Resources and Payroll, Information Technology Unit Security, Office of Admissions, Office of Financial Aid, Office of the Registrar, and Office of Student Accounts. Other members may be appointed by the Program Administrator.

During the first year of implementation, the Identity Theft Prevention Committee met twice to establish a procedural document for implementing the Identify Theft Prevention Program. The procedural document is designed to identify relevant red flags and incorporate them into the Program; detect red flags that are part of the Program; respond appropriately to any red flags that are detected; and ensure the Program is updated periodically to address changing risks. An annual training program will be developed and administered at the department level and will be required for all employees who process personal identifying information associated with covered accounts.

Fiscal Policy and Communications

Fiscal Policy and Communications provides support to Mason faculty, staff and students who are involved with fiscal processes. Support is provided through formal group training, individual assistance, procedure manuals, quick guides, checklists and other aids.

Training

The department offers more than a dozen workshops ranging from Fiscal Basics, which provides a general overview of all university fiscal policies and procedures, to specific policies such as purchasing, equipment stewardship, travel, and food and beverage expenditures. Other workshops cover understanding the financial systems and reports that are generated. In FY10, almost 800 individuals attended more than 100 sessions that were offered. Feedback is always positive. Here are some examples of the comments:

Instructor has great teaching style- both informative and encouraging. He pinpoints all of the usual eVa stumbling points. Has very good sense of when material gets overwhelming, stops for explanations. I was dreading attending this class... Now when the time comes for other levels of fiscal training, I will happily attend.

The class was taught in an excellent and comprehensive manner. Felt as if I was prepared for eVA and P-Card purchases.

I will be responsible for reconciling many budgets, and tracking payments, and I will need Banner to do these things. Now I know how to get at the information.

The training was very relaxed, friendly, and provided applicable sample cases for our purchasing situations.

In addition to providing standard training of fiscal policies and systems, the policy and communications department provides the necessary training that arises when there is a major reorganization or restructuring that occurs. For example, on January 1, 2010, the Office of Housing and Residence Life transitioned from contractor status to an internal Mason department. Staff required training and guidance related to purchasing, food and beverage and travel regulations as well as eVA and the Travel Request System. In addition, staff established a P-Card program for Resident Advisors (RAs) to replace the former petty cash model. The P-Card program enhances internal controls.

The department also facilitated establishment of fiscal transaction processes and communications related to the new Mason Inn. Training focused on ensuring State regulations are observed and establishing correct invoice processing. The department wrote procedures and developed forms to assist other university departments in utilizing the Mason Inn for conferences and events; detailed guidance is provided on forms required for securing meeting rooms, sleeping rooms and meals. Collaboration with Purchasing, Accounts Payable, and Mason Inn management is ongoing to ensure the conferencing and events needs of Mason departments and associated administrative processing are served in a timely and efficient manner.

Ongoing Process Enhancements

Fiscal Policy and Communications is responsible for programming specifications of the Travel Request System. In order to make the system more user-friendly, the department modified or updated several components. For example, the system now accommodates the use of activity codes, primarily used on sponsored funds accounting. Adding activity codes saves principal investigators and grants administrators time in matching travel to a specific grant. Another enhancement was the elimination of the requirement to input lodging arrival and departure times. This saves the users time in entering travel requests and eliminates errors when the arrival and departure times were entered incorrectly, which happened fairly frequently. The updates were completed with no downtime or errors in the production environment.

The department is responsible for communicating all fiscal policies and procedures to university departments. One tool the department uses to communicate to the university community is the Fiscal Services web site. This year, the department assumed responsibility for day-to-day maintenance after the site was redesigned. Changes are frequent, particularly in Purchasing where new bids are posted on a regular basis. The Fiscal Training Manager quickly trained himself on using Dreamweaver to maintain the site, and the department has taken on the task without additional resources.

Fiscal policy changes, either initiated internally or handed down from the state, need to be communicated to the university community. The department is effective in communicating changes through the web site, eFiles, e-mail lists, Fiscal Topics forums, in-person training, and through good campus relations. This year, the university decided to establish an exclusive office supply contract with The Supply Room Companies. This contract resulted in a six figure annual financial benefit to the university, which was especially important in light of significant state budget cuts. The department assisted with communicating the decision, advertised and hosted vendor fairs and developed FAQs to ease the transition. Change is often hard on individuals; the Fiscal Policy and Communications staff is sensitive to the difficulty that change often brings and goes above and beyond to allay fears and assist the university community when changes do occur.

In addition to specific communication around new policies or procedures, the department continues to offer walk-in assistance for those needing one-on-one help. Sessions are held weekly on the Fairfax campus and monthly at Arlington and Prince William; they continue to be a constructive way to offer individual assistance. And, staff frequently assists individuals over the phone or via email. New this year is the ability to control an individual computer remotely in order to assist end-users in completing a transaction. BomGar is the software that enables this; it is typically used in IT support centers but the training staff has found it a particularly useful and efficient tool in assisting departmental end-users with eVA and travel processing.

Student Accounts Office

The Student Accounts Office is responsible for student billing, accounts receivable processing, collections and managing the cash office where both students and departmental payments are received and processed.

Customer Service

Improving customer service is an ongoing goal of the Student Accounts Office. Relocation of the office to a new building, co-locating the office with Financial Aid and Registrar, was a major step forward in service to students. The move took place just as the Fall semester was ramping up. Due to effective security, adequate space, a focus on customer service, and significant planning, there was minimal service disruption.

The department welcomed a new Cash Office and ALM Manager. Leveraging a well-established and successful operation, he improved collection exception processing with a corresponding increase of successful payment agreements, streamlined Cash Office processes with dedicated staff windows, and decreased wait times for students, parents and staff. The Cash Office also acquired and installed self-service payment stations outside of the Cash Office to offer expedited check processing and on-site credit card payment access to students and parents.

Increasing Efficiency and Controls

The Student Accounts Office continues to seek ways to improve both efficiency of operations and strengthen its internal controls. Successful communication efforts led to increased electronic check use, with a decrease of in-person, mail and credit card use. This resulted in reduced risk of lost payments and fraud, and reduced wait times for service. The office also eliminated paper processing of semester payment plans by developing and implementing an online deferred payment option.

George Mason is proud of its entrepreneurial spirit. As a result, new programs are constantly being developed, many times with unique enrollment or payment options. The Student Accounts Office developed or improved processes for these non-standard programs, such as GWU-Mason Medical Education Program, International Access and Bridge programs, Fairfax High School Math, and others. Another example where the office sought standardization to improve efficiency is with CEHD Teach for America contract courses. The courses, formerly administered by CEHD staff, were integrated into Banner accounts receivable fee assessment under Student Accounts' oversight, increasing financial controls and allowing Financial Aid to pay for tuition charges before refunds are provided.

Post 9/11 GI Bill

Congress passed the Post-9/11 GI Bill in 2008, and the benefits were made available August 1, 2009. The program was designed to cover tuition expenses for veterans up to the cost of the most expensive public university in their state of residence. The Department of Veterans Affairs pays that money directly to an institution instead of to the student, contrary to what it had done under previous laws.

The Student Accounts Office continued to develop and improve the Post-9/11 GI Bill payment process at Mason, which is manual and complex, and requires cross functional coordination between the Registrar's Office and Student Accounts Office. Student-veterans expressed satisfaction with service provided to them by Mason during local Town Halls and in focus group sessions sponsored by the American Council on Education (ACE) and conducted by the nonprofit research group RAND Corporation.

Accounts Payable, Central Receiving and Purchasing

Accounts Payable is responsible for processing all vendor payments, either by check or electronic payment, to meet Commonwealth of Virginia requirements which stipulate that payments are made 30 days after receipt of invoice or goods or services. Purchasing delivers value-added customer support for the purchase of required products and services from appropriate sources of supply. Central Receiving receives goods for the university, expedites the inspection and delivery of those goods to university departments, and manages the surplus property program.

Customer Service

Considerable time and attention have been given to improving customer service in Accounts Payable. The Assistant Director solicited the help of the Human Resources Training Department, who customized and trained the AP staff in the following classes:

- The Internal Customer
- Dealing with Irate customers (telephone skills, etc)
- FISH Philosophy
- Professionalism at Work
- Time Management

In order to recognize the positive results of the training, Accounts Payable implemented an Out of Control Award, to be awarded each month for an individual who made a valuable contribution to the Accounts Payable department through exceptional problem solving skills. Nominations may be received from faculty, staff, vendors and co-workers; in addition, employees may nominate themselves. The winner receives four hours of recognition leave. Another indicator of the success of the customer training has been the increase in percentage of prompt pay to over 98%. This means that 98% of the university's vendors receive their payments within 30 days of receipt of goods or services.

One AP staff member received an Accredited Payables Specialist (APS) designation indicating a combination of education and experience in the field, as well as proof of AP expertise by passing a comprehensive exam. The certification is administered by The Accounts Payable Network and the Institute of Management and Administration, and their selected agents, to those who: meet the eligibility requirements for admission to the examination as set forth in the certification handbook; successfully complete the examination; and maintain continuing professional education standards. The categories tested on the exam are: internal controls; process functions; vendor file and vendor relations; technology; tax and regulatory and travel and entertainment. Additional staff members will be certified as budget permits.

User Support

An ongoing effort of Purchasing and Accounts Payable has been to provide departments with better tools. One tool is the Procurement Pipeline Data Mart (PPDM), structured data from Banner that facilitates data mining, reporting and decision making. There has been a phased approach to user access over the past couple of years. In FY10, all Banner Finance users were

granted access to the PPDM. The PPDM enables users to better monitor their budgets and to build custom reports for their area. Another tool recently implemented with significant work from the FAST team was electronic bill pay for Dominion Virginia Power. Accounts Payable continues to seek departments interested in distributed payables processing and vendors that are candidates for electronic bill pay.

Purchasing and Accounts Payable are reaching out to the university community to promote these tools to assist departments and to engage in conversation to improve efficiency and customer service. The first scheduled meeting of the Purchasing and Accounts Payable Advisory Council was held at the end of the fiscal year; nine council members and three ex-officio members were in attendance. Topics covered included processing issues, resources, and communication.

SWaM

The SWaM initiative is an affirmative outreach program tasked with implementing purchasing practices that foster increased procurement opportunities for Small, Woman, and Minority-owned businesses. Outlined in Executive Order # 33, the primary focus of the program is to educate the SWaM business community to the value of certification with the Department of Minority Business Enterprise (DMBE) and encourage them to include SWaM certification as a necessary component of their businesses plan.

The global economic recession continues to negatively affect higher education discretionary spend amounts as budgets shrink nation-wide. New construction at state agencies peaked in 2009 and this year saw a decrease in the amount of available funding for new buildings. Despite this environment, SWaM procurement this fiscal year exceeded the Commonwealth’s statewide goal of 40%; with woman-owned business spend increasing by 60%.

	SMALL Business Enterprise Dollars	WOMEN Business Enterprise Dollars	MINORITY Business Enterprise Dollars	SBE%	WBE%	MBE%
FY10	\$51,398,601	\$29,190,591	\$16,094,327	25.7%	14.6%	8.0%
FY09	\$66,429,548	\$18,210,368	\$20,043,275	32.37%	3.77%	9.77%
FY08	\$26,813,873	\$5,537,819	\$10,559,487	21.18%	4.37%	8.34%

General Accounting

General Accounting is responsible for maintaining the general ledger and daily interfaces with CARS, producing the university's annual financial statements and tri-annual Facilities and Administrative Cost proposal to the federal government, and maintaining the accounting records for fixed assets. Managing the university's financial transactions and developing required financial reports requires an abundant amount of daily, weekly, monthly and annual tasks be completed. Although this does not leave a lot of time for project work, staff concentrates on continuous improvement.

FY09 Financial Statements

FY09 financial statements are prepared in FY10. There are three financial statements presented: the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows.

The Statement of Net Assets presents the assets, liabilities and net assets of the university as of the end of the fiscal year; its purpose is to present readers a fiscal snapshot of George Mason. The university's financial position remained strong at the end of the fiscal year 2009. Total assets were \$1.136 billion and net assets (total assets less liabilities of \$695 million) amounted to \$441 million; the university's net asset position increased by \$43 million.

In FY09 current assets were \$16.4 million lower than current liabilities. This decline in current assets relative to current liabilities is to be expected given the substantial and ongoing construction program, and the resulting large increase in capital assets and related payables. Nonetheless, current assets still cover 3.2 months of total operating expenses, including depreciation, which is almost unchanged from last year's 3.3 months of coverage. This coverage is a ratio commonly used by regulators and accreditation agencies in evaluating the university's financial strength.

The purpose of the Statement of Revenues, Expenses and Changes in Net Assets is to present the university's operating revenues, expenses incurred and all other revenues, expenses, gains and losses for the fiscal year. Operating revenue, consisting mostly of tuition and fees, grants and contracts, and auxiliary enterprises, increased by \$39.3 million, or 11%, over the prior year. Student tuition and fees, net of scholarship allowances, increased by \$17.1 million, or 10%, over the prior year. Most of this growth is attributable to tuition rate increases at all levels and out-of-state and premium tuition revenue generated for law and graduate programs. Grants and contracts revenue increased by \$11.9 million, or 13%, over the prior year. This change is a result of increased focus by academic units to grow sponsored funding including increasing the number of research faculty, bringing in faculty with existing research programs, and increasing the number of proposal submissions. Auxiliary revenue increased by \$10.3 million, or 10%, primarily due to increased student enrollment, an increase in the number of students housed on campus, and increased utilization of on campus facilities and programs.

The Statement of Cash Flows presents information about the cash activity of the institution during the year. The university generates 75% of its operating cash through its educational, research and service programs, with the remainder being provided in the form of appropriations from the Commonwealth of Virginia. All three statements taken together indicate that the university's financial position is strong.

Equipment Tracking

The Equipment Inventory team of General Accounting is responsible for ensuring that central equipment records are properly maintained and for taking the annual inventories with the assistance of departmental personnel. Departments are responsible for managing and safeguarding all equipment assigned to the department. Each department chair or director designates an employee as equipment liaison; this individual participates in training in order to assist with annual inventory. Equipment records are maintained in TraQ, a fixed assets database. In the past, General Accounting sent paper copies of inventory reports to all departments during inventory. This year, they developed macros in order to create the reports in Excel and e-mail them to departmental equipment liaisons rather than sending the paper copies. This is very helpful because liaisons can manipulate the data, making the reports more useful.

When TraQ was recently upgraded, it included a web based version that departmental equipment liaisons can access. In this version (TraQ Express), they can pull reports to review their inventory list and even update room and building information. Annual equipment liaison training now includes instruction on TraQ Express. As a result, many more departments are using the web version and review their inventory more than just annually. These changes provide stronger controls and improved customer service related to equipment. Fixed assets are a material part of our financial statements, and accuracy is critical to maintaining our status as a decentralized state agency.

Decentralized Journal Voucher Processing

Another way General Accounting has provided departments more control over their fiduciary responsibilities is by allowing unit end-users to process journal vouchers (JV) online. The effort began in FY09 and continues to expand. This year, five units were given the security and training to process JVs electronically. Security is established by the FAST team in close consultation with the department. Once established, the Director of Accounting Operations trains the individuals in the department who are processing journal vouchers; he also responds to departmental inquiries as implementation begins.

Feedback from the departments utilizing electronic JV processing has been very positive; they like being in control of the processing and entries are posted more quickly and with fewer data entry errors. It has helped General Accounting stay on top of the increasing volume of processing that comes with the growth the university is experiencing.

Reduction in Banking Services Fees

The university's banking services contract with Wachovia expired in FY10 and as a result there was an RFP for services issued. The combination of the size of the university account balances and the state of the banking industry resulted in a very competitive process. Wachovia Bank won the contract and retained the university's business. The new contract includes an increase in the earnings credit on account balances and a reduction in fees. The result is a savings of approximately \$35,000 this year and \$25,000 in subsequent years of the five year contract.

2009 Facilities and Administrative Rate Proposal

In the spring of 2010 the university submitted its triennial Facilities and Administrative rate proposal and projections for the FY09 base year to our cognizant agency, Office of Naval Research (ONR). The proposal was audited by the Defense Contract Audit Agency (DCAA) during the summer of 2010, but the final audit report has not been issued. ONR granted provisional rates for FY11 that represent an increase of more than 10 percent over the previously negotiated rates, due primarily to growth in research space and campus-wide infrastructure.

Cash Handling and Credit Card Security

General Accounting works with departments that accept cash and credit card payments in return for goods and services. The procedures surrounding this cash handling activity must include adequate internal controls, and require advance approval by the Controller. In the ever changing world of E-commerce, we have been able to review an increasing variety of proposed credit card payment systems to ensure internal control standards are met and assets are properly safeguarded, while allowing departments to improve their customer service and gain efficiencies by using these new online credit card systems. We have also kept pace with changes in the PCI credit card security standards (Payment Card Industry - Data Security Standards), and continue to work closely with ITU to implement these standards for the university.

Finance Administrative Systems Team (FAST)

FAST supports Fiscal Services and its customers by automating processes, improving existing systems, and developing controls and reports that make the financial operations of the university more accurate and efficient. In addition, FAST provides Banner system access and monitors security. FAST applies a combination of functional and technical resources to analyze day-to-day functional needs and generate technology solutions, bridging the language and knowledge gap between accountants and the ITU. In addition, FAST is responsible for initial testing of all Banner upgrades and provides support to all Fiscal Services departments for Banner and related applications.

Electronic Bill Pay

Utility payments are a significant expense. The university has more than 80 accounts with Dominion Virginia Power alone; while there is a main electric meter for the Fairfax campus a number of buildings are separately metered. Energy Management staff use an energy efficiency software (ECAP) to monitor utility usage throughout the university. A couple of years ago, distributed accounts payable processing was implemented in Facilities. This provided Energy Management staff more control over invoice processing and reduced data entry in Accounts Payable. This year a FAST analyst took the process one step further. Now information from ECAP is uploaded into Banner and an application programming interface (API) is employed to automate the creation of invoices in Banner. The automation greatly reduced staff time spent on data entry. In addition, we implemented electronic bill pay, which allows Facilities to upload charges from Dominion directly into ECAP. Prior to electronic bill pay and the API programming for Banner, Energy Management was entering Dominion bills into both ECAP and Banner. Now data entry is eliminated from both systems; it is a much more efficient way for Energy Management to process and track invoices.

Organization Changes Workflow

A Banner organization is a unique identifier for a university unit that is responsible for financial activity captured within the code. Organization codes are arranged in a hierarchy to allow for summary level reporting. At a growing and dynamic university, there is often the need to create new organizations, change organization names, move organizations within the hierarchy and inactivate organizations. A couple of years ago, creating new organizations was implemented in workflow, a tool that automates and electronically routes business processes. This year, requests to change the titles of and inactivate organizations were addressed. Inactivation of an organization is often problematic since there are a number of Banner jobs that run and include the organization; for example, job records and purchase order encumbrances. An application was developed to search an organization code in Banner and report those areas of activity that need to be reviewed and/or corrected prior to inactivation. As items are corrected, they no longer display in the application. The program can run multiple times for an organization until all areas have been addressed; it is run a final time prior to inactivation to ensure all Banner references have been cleared. The next phase of this project will be to trigger the inactivate organization workflow.

Efficiency

PIDM is the tag in Banner Finance that identifies a vendor. Often multiple PIDMs for the same vendor are inadvertently created in the system. Duplicates cause errors in vendor history records and require high level staff to spend significant time to correct; the issue multiplies as time passes and transactions accumulate on multiple records. A tool was created by FAST that allows Accounts Payable personnel who enter new vendors to search Banner to ensure they will not be creating a duplicate. A control report to find new duplicates is run automatically every Monday and sent to an Accounts Payable supervisor who fixes the duplicates.

Student Accounts processes a course fee and exemption clearing journal voucher each month. The process to gather the data and upload it into Banner was happening manually and involved several individuals. A Banner process was created using JV API's to clear exemptions. Now one person in Student Accounts runs the process monthly; what used to take days of staff time now takes minutes.

Partnering Efforts at Mason

Fiscal Services partners with other departments and engenders continuous improvement for the university. Some efforts are ongoing, while others are a one-time project to address a specific need.

Ongoing efforts include:

- Working with the Director, Office of Sponsored Programs and the Director, International Tax, who both have dotted line reporting to the Controller. These relationships ensure fiscal oversight and support of two areas that are responsible for meeting critical federal compliance requirements.
- Serving on, and in some cases chairing, various committees and subcommittees for IT Governance efforts.
- Providing fiscal oversight for George Mason Intellectual Properties, Inc, a nonprofit corporation created to manage the protection and commercialization of the university's patents, copyrights, and know-how.
- Working closely with the Office of Budget and Planning each fiscal year-end to ensure the education and general appropriation from the state is properly spent.

Additional efforts include:

- The university began offering eligible graduate students free health insurance. Eligibility requirements are: the student is a full time student as defined by the University Catalog; supported by a tuition waiver or grant, and supported by a graduate assistantship of at least \$10,000 per academic year. Implementation of the policy required significant coordination between the Controller's Office, Human Resources and Payroll, Sponsored Programs, Registrar, and the Provost's Office in order to automate the eligibility requirements in Banner.
- Assisting the College of Science with rate development for the newly opened Biomedical Research Lab and assisted university management by projecting the impact of the large 100% research facility on indirect recoveries and analyzing potential lease options.
- Coordinated with HR and Payroll on the processing changes required for state mandated funding changes for the Virginia Retirement System.
- Worked with the Provost's Office to establish a bank in Korea and provide administrative support for the exploration of a GMU campus in Korea.

Administrative Policies and Procedures

The Controller chairs the Administrative Policies and Procedures committee which includes representatives from Fiscal Services, the Office of Budget and Planning, the Office of Sponsored Programs (OSP) and HR Payroll. The committee provides administrative guidance to academic and administrative units and improves the efficiency, reliability and service of administrative policies and procedures. Often, the committee is able to quickly respond to specific questions that require input from two or more administrative units. Frequently meetings are used to communicate and make decisions about new initiatives, programs and Banner administration. Each year the group coordinates fiscal year-end processes such as prior year reallocations, journal vouchers and the year-end roll itself.

FY10 accomplishments include:

- Implemented Banner 8.0 functionality, including efficiency improvements such as moving general encumbrances to Purchase Orders for OSP sub-contractors.
- Revised and created new recharge account codes, providing greater consistency and clarity.
- Realigned program codes to improve base budget adequacy statistics while complying with Financial Statement reporting requirements and Facilities and Administrative rate development.
- Changed the procedure for processing workers compensation checks so departments are awarded the credit.
- Made CARS (Commonwealth Accounting and Reporting System) and chart of account changes in order to meet American Recovery and Reinvestment Act (ARRA) reporting requirement. Developed a mechanism for Banner HR to pull data on job creation for OSP.
- Eliminated a form needed to process cost transfers for Federal grants. It used to require two forms and now there is only one.
- Revised payroll procedures to enable programming for payroll certification. Certification requires payroll to process adjustments on the pay period when the mistake occurs.
- Granted wider access to indirect distribution analysis reports that are useful for grant administration.
- Clarified practice for overpayments and created tracking tool that assists Budget, OSP and Payroll.
- Coordinated FEMA grants for 2010 snow storms. The process was begun outside of OSP; they were eventually notified and coordinated Budget and Payroll involvement in data gathering.
- Established procedures for departments to process mass salary actions.
- Established procedures and communication for increasing equipment capitalization from \$2,000 to \$5,000.

As we continue to improve efficiency and customer service, we welcome input from the university community on how we can better serve its needs.