Statewide and Multi-Campus Department Level Financial Management

Presented by Jennifer Redmond, CRA, University of Alaska Anchorage Assistant Director of Office of Sponsored Programs
A little about me.....
3 Stages of Creating A Financial Management System: S.I.P.

1. STRATEGIZING
2. IMPLEMENTING
3. PROSPERING
OPTIMAL OUTCOMES

★ COMPLIANCE & CONSISTENCY
★ BUILT-IN INTERNAL CONTROLS
★ REDUCED ADMINISTRATIVE BURDEN
★ OPEN & CLEAR COMMUNICATION
★ TRANSPARENCY
★ PROGRAMMATIC GROWTH & TEAMWORK
★ SPENDING OUT, BECAUSE YOUR PROGRAM IS ACTIVE!
STRATEGIZING

Identifying the variables and Optimal Outcomes
STRATEGIZING: KEY ELEMENTS OF FMS

What is the best Financial Structure?

Who is part of your Team?

Where do we need to build Department Capacities?
Strategy Element: Financial Structure

BUILD AROUND NEEDS

NOA, Proposal, Kickoff Meeting
Strategy Element: Financial Structure

BUILD AROUND PROGRAM & FINANCIAL NEEDS

- Proposal
Strategy Element: Financial Structure

BUILD AROUND PROGRAM & FINANCIAL NEEDS

- Kickoff Meetings
FINANCIAL STRUCTURE - SUMMARY

HOW TO CREATE A FINANCIAL STRUCTURE?
Strategize Element: Creating the Team

STEPS TO THE DREAM TEAM

- IDENTIFYING POINT OF CONTACT (POC)
- DEFINING POC’s ROLE
- EVALUATING POC
Strategize Element: Creating the Team

IDENTIFYING POINT OF CONTACT (POC)

Characteristics

★ **Unsung Hero:** They are always the person that faculty goes to for help with anything administrative related (Procurement, HR, Travel, etc)

★ **Experienced and/or Growth Mindset:** this is ideal but not always the case

★ **Trustworthy**

★ **Open & Honest Communicator**
Strategize Element: Creating the Team

DEFINING POC’s ROLE

Responsibilities

★ TRANSACTIONAL OR MANAGERIAL: This will depend on your program. I find that it’s mostly transactional with some small reporting elements. This is also ideal for the department and the POC lessening the burden.
Strategize Element: Creating the Team

EVALUATING POC

What do they know and what can you help them with?

★ RESEARCH ADMINISTRATION EXPERIENCE & INSTITUTIONAL EXPERIENCE:
  ○ linkedin
  ○ Reputation
  ○ Ask their supervisor what duties they are familiar with
Strategize Element: Department Capacities

EVALUATE CURRENT PROCESS AND ABILITY TO LEARN NEW PROCESSES

- POC Department’s **current** processes (HR, Procurement, travel, grant administration)

- What **new** processes or training is needed?
Strategize Element: Department Capacities

Evaluation of POC Department’s current processes (HR, Procurement, travel, grant administration)

Do the current processes...

★ MINIMIZE RISK OF UNALLOWABLE EXPENDITURES
★ MINIMIZE ADMINISTRATIVE BURDEN
Strategize Element: Department Capacity

HOW IS RISK MITIGATED?

What **internal controls** do they follow for procurement, human resources, and travel activities? Is there risk of **fraud**?

GAAP Principles for Internal Control Procedures

- Segregation of Duties
- Access (Locks, passwords etc.)
- Authorization (who has authority)
- Record Keeping
- Verification

**Fraud Triangle**: Pressure, Opportunity, Rationalization
Strategize Element: Department Capacities

What new processes will you need departments to follow in order for your program to be successful?

Support the department in efficiency and compliance by creating processes to-

★ MINIMIZING RISK OF UNALLOWABLE EXPENDITURES
★ MINIMIZE ADMINISTRATIVE BURDEN
Strategize Element: Department Capacities

NEW PROCESS EXAMPLE: MINIMIZING RISK OF UNALLOWABLE EXPENDITURES
Strategize Element: Department Capacities

**NEW PROCESS EXAMPLE: MINIMIZE ADMINISTRATIVE BURDEN**

Taking away barriers through streamlining documentation and workflows as much as possible through IT Automation.
Strategize Element: Department Capacities

CASE STUDY - MINIMIZING ADMINISTRATIVE BURDEN

AK INBRE: By implementing an agreed upon award letter, and using Google Drive tools & DocuSign, we increased our capacity 100 fold to support research in the state.

- Tracking became transparent and accurate programmatically and fiscally
- Unauthorized/non compliant purchases were eliminated
- Bottlenecks disappeared
- Ultimately we increased capacity for research activities. This was shown through our reduced remaining balance. We only had 2% or less remaining balance for the past few years of our $4 million dollar per year grant.
Delegation of Authority  
(smaller projects/activities)

Britteny Howell  
bmhowell2@alaska.edu  
Application Submission Date: 02/12/2019 11:45:33

Dear Britteny Howell:

On behalf of Alaska INBRE, I am pleased to inform you that the ________________ awarded you a travel award based on your recent application.

<table>
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<th>Travel Dates</th>
<th>Destination</th>
<th>Funding (fund/org)</th>
<th>Dollar Amount Awarded</th>
<th>Travel Activity</th>
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<td>UAF Museum of the North</td>
<td></td>
<td></td>
<td>Conference</td>
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Additional Award Terms:

This award letter is your approval to expend the funds awarded and travel to the destination noted. **No additional approvals are required from AK INBRE.** Follow your departmental procedures for preparing and processing your travel. If you are a researcher with the University of Alaska, please provide this award letter to your travel administrator as backup to your AT and ER. INBRE may request a copy of the authorization of travel (AT) and expense report (ER) at any time.

**Award Terms**
- Follow the federal regulation Fly America Act, NIH travel policies, UA institutional, campus, and departmental travel rules and policies.
- Submit a trip report (available on the [INBRE website](https://inbre.alaska.edu)) with a relevant photo to [ua-ak.inbre@alaska.edu](mailto:ua-ak.inbre@alaska.edu) **15 days after travel completion.** Once we receive the report, you will be eligible for future Alaska INBRE funding. This report and any photos submitted constitute permission for use in Alaska INBRE and University of Alaska outreach efforts including publications and websites.
- Correctly cite Alaska INBRE in any publication, presentation, or other communications please use the following language: *Research reported in this publication was supported by an Institutional Development Award (iDeA) from the National Institute of...*
OPTIMAL FINANCIAL SYSTEM STRATEGY

LOGICAL FINANCIAL STRUCTURE

- Meets Financial and Programmatic Needs

DREAM TEAM

- Defined Roles & Support Network

INCREASING CAPACITIES

- Streamlining processes and increasing compliance
IMPLEMENT

Creating teamwork...
IMPLEMENTATION: Outreach and Operation

OUTREACH: First impressions are everything and communication is key to the success

OPERATION: Effectively communicate with your network often, because they are helping your program be a success.
IMPLEMENTATION: Outreach

OUTREACH APPROACH

- Creating a TEAM Environment
IMPLEMENTATION: Outreach

YOUR ROLE - Leading without authority (teacher, mentor, student)

FORBES: 3 Critical Skills for Leading without Authority

“The goal of leadership without authority is to get others to willingly cooperate and engage, rather than following directives because you’re the boss.”
IMPLEMENTATION: Operation

OPERATION

- Communicate clearly, consistently and often
- LEAD BY EXAMPLE!
INTERNAL OUTCOMES

- Committed, excited, responsive team that you are leading by their choice
- Building capacity, connection, and relationships with your peers and cross the state.

EXTERNAL OUTCOMES (Funding Agency)

- Shared best business practices and research administration leads to efficiency, expertise, and increased capacity for research at each department you work with - the dream team making it happen.
PROSPERING

POST AWARD, AUDITING, ADAPTING, KEEPING SHARP
PROSPERING

POST AWARD ADMINISTRATION - Monthly reporting & annual reporting & budget set up,

AUDITING - Stay on top of your network!

ADAPTING - The best way to stay in compliance while your program is growing is to adapt and grow the financial structure before the programmatic growth occurs.

Stay Sharp! - Stay on top of innovation, changes, and best business practices and so that you can grow and stay one step ahead as much as you can. Although there is always going to be surprises....
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How to Create your Statewide Department Level Financial Management System

STAGE 1 Strategizing

STAGE 2 Implementing

STAGE 3 Prospering