Background

• Initiative began in 2008, to:
  – Address Process Improvements for Campuses Experiencing Audit Issues
  – Strengthen the Financial Control Environment
Elements of the Program

• Standards for Processes and Controls established

• Key Performance Indicators (KPIs) for Functional Areas
  – Monthly Reporting to GA of KPIs
  – Quarterly Reporting of KPIs by GA to Chancellors
Elements of the Program

• Annual Compliance Monitoring Visits by GA
  – 3 Year Rotation of Campuses
  – Compliance Checklist completed by Campus in advance
Elements of the Program

• Annual Business Compliance Scorecard = Performance Measure

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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</thead>
<tbody>
<tr>
<td>Audit</td>
<td>20%</td>
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<tr>
<td>Standards in Place</td>
<td>15%</td>
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<tr>
<td>Monitoring</td>
<td>30%</td>
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<tr>
<td>KPI Summary</td>
<td>35%</td>
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• Self-Assessment of Internal Controls over Financial Reporting
Standards Reflected many of UNCG’s Processes and Controls

• Wayne Jones – General Accounting and Capital Assets
• Lou Harrell – Contracts & Grants
• Deborah Tollefson – Financial Aid
• Todd Mitchell – Student Accounts
I. General Accounting Standards

• Bank Reconciliation
• Journal Entries
• Maintain Fund Accounts
• Maintain Daily Cash
• Month End Close
• Year End close
II. Contracts & Grants

- Account Setup
- Time and Effort Reporting
- Grant Management
  - Roles & Responsibilities / Checklists
  - Expenditure Approvals
  - Cost Sharing
  - Budget Management
  - Sub-Awards
  - Maintain Contract and Grant Files
- Billing & Drawdowns
- Reporting
- Account Closeout
III. Financial Aid

• Application
• Satisfactory Academic Progress
• Packaging
• Scholarships
• Loans
• Return of Title IV Funds
• General Management
• Reconciliation
IV. Student Accounts

• General Management
• Financial Aid Disbursements
• Third Party Payments
• Billing Procedures
• Processing Payments and Credits
• Past Due Accounts
• Refunds / Adjustments
• Reconciliation
• Emergency Loans
• Special Areas (Security, Tax Reporting, FERPA, etc.)
V. Capital Assets

- General Management – Equipment
- Initiation / Acquisition - Equipment
- Depreciation - Equipment
- Records Maintenance - Equipment
- Retirements / Disposals - Equipment
- General Management - Buildings
- Initiation / Acquisition - Buildings
- Depreciation - Buildings
- Records Maintenance - Buildings
- Retirements / Disposals - Buildings
## Standards and Key Performance Indicators

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Standards</th>
<th>Checklist</th>
<th>Visit</th>
<th>KPI's</th>
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<tbody>
<tr>
<td>I</td>
<td>General Accounting</td>
<td>264</td>
<td>99</td>
<td>11</td>
<td>3</td>
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<tr>
<td>II</td>
<td>Contracts &amp; Grants</td>
<td>151</td>
<td>52</td>
<td>4</td>
<td>14</td>
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<tr>
<td>III</td>
<td>Financial Aid</td>
<td>127</td>
<td>90</td>
<td>10</td>
<td>12</td>
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<tr>
<td>IV</td>
<td>Student Accounts</td>
<td>165</td>
<td>128</td>
<td>16</td>
<td>15</td>
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<tr>
<td>V</td>
<td>Capital Assets</td>
<td>309</td>
<td>93</td>
<td>12</td>
<td>3</td>
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<tr>
<td>VI</td>
<td>HR/Payroll</td>
<td>Under development</td>
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</tbody>
</table>

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Key Performance Indicators (KPIs) Examples

| I. | Number of Days to Reconcile Bank Accounts | 20 |
| II. | Timeliness of Time & Effort Certifications | 98% |
|     | Timeliness of Award Close-outs (% > 120 days) | 10% |
| III. | % of Pell Disbursements Reconciled | 98% |
| IV. | Current Term Collection Rate | 95% |
| V. | % of Capital Items Tagged | 98% |
General Accounting Business Compliance

Business Process Compliance Key Performance Indicators
December 2016 (Reported on January 20, 2017)

<table>
<thead>
<tr>
<th>ID#</th>
<th>General Accounting KPIs</th>
<th>Frequency</th>
<th>Goal</th>
<th>Green Range</th>
<th>Yellow Range</th>
<th>Red Range</th>
<th>UNCG</th>
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</thead>
<tbody>
<tr>
<td>GA01</td>
<td>Average # of Business Days to Reconcile Bank Accounts</td>
<td>Monthly</td>
<td>20</td>
<td>1-20</td>
<td>21-30</td>
<td>&gt;30</td>
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<tr>
<td>GA02</td>
<td>Average # of Business Days to Resolve Bank Account Reconciliation Discrepancies</td>
<td>Monthly</td>
<td>40</td>
<td>1-40</td>
<td>41-60</td>
<td>&gt;60</td>
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<tr>
<td>Ga03</td>
<td># of Business Days to Certify NCAS Balances</td>
<td>Monthly</td>
<td>10</td>
<td>1-10</td>
<td>11-15</td>
<td>&gt;15</td>
<td>4</td>
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</table>
General Accounting KPIs
UNCG Data

- # of Business Days to Certify NCAS Balances
- Goal Certify NCAS Balances
- Average # of Business Days to Resolve Bank Account Reconciliation Discrepancies
- Goal Resolution of Bank Discrepancies
- Average # of Business Days to Reconcile Bank Accounts
- Goal Bank Reconciliations
## Business Process Compliance

### Key Performance Indicators

**December 2016**

*(Reported on January 20, 2017)*

<table>
<thead>
<tr>
<th>ID#</th>
<th>General Accounting KPIs</th>
<th>Frequency</th>
<th>Goal</th>
<th>Green Range</th>
<th>Yellow Range</th>
<th>Red Range</th>
<th>UNCG</th>
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</thead>
<tbody>
<tr>
<td>CG01-A</td>
<td>Current Reporting Period for Time &amp; Effort (T&amp;E) Certification (i.e. Fall 2013, Spring 2014, Summer 2013, 1st Qtr FY 2014, 2nd Qtr FY 2014, November 2013, etc.)</td>
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<tr>
<td>CG01-B</td>
<td>Time and Effort (T&amp;E) Reports Due (# Due in the Month Being Reported + Outstanding Reports From Prior Reporting Period(s))</td>
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<tr>
<td>CG01-C</td>
<td>Timeliness of T&amp;E Certifications (# of Reports Received Within Established Timeframe)</td>
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<tr>
<td>CG01</td>
<td>Timeliness of T&amp;E Certifications (% Received Within Established Timeframe) - CALCULATED FIELD</td>
<td></td>
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<tr>
<td>CG-REC</td>
<td>Total Outstanding Contracts and Grants Receivables for the Reporting Period (in thousands)</td>
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<tr>
<td>CG03-A</td>
<td>Aging of Receivables ($ &gt; 60 and &lt; 90 Days) (in thousands)</td>
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<td></td>
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<tr>
<td>CG03</td>
<td>Aging of Receivables (% &gt; 60 and &lt; 90 Days) - CALCULATED FIELD</td>
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<tr>
<td>CG04-A</td>
<td>Aging of Receivables ($ &gt; 90 and &lt;120 Days) (in thousands)</td>
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<tr>
<td>CG04</td>
<td>Aging of Receivables (% &gt; 90 and &lt;120 Days) - CALCULATED FIELD</td>
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<tr>
<td>CG05-A</td>
<td>Aging of Receivables ($ &gt; 120 Days) (in thousands)</td>
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<tr>
<td>CG05</td>
<td>Aging of Receivables (% &gt; 120 Days) - CALCULATED FIELD</td>
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<tr>
<td>CG06-A</td>
<td>Timeliness of Award Closeout (# of Funds that are &gt;120 Days Past End Date and Still Open)</td>
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<tr>
<td>CG06-B</td>
<td>Timeliness of Award Closeout (Total # of Funds Open)</td>
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<tr>
<td>CG06</td>
<td>Timeliness of Award Closeout (% of Funds that are &gt;120 Days Past End Date and Still Open) - CALCULATED FIELD</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</table>

**Frequency:**
- **CG01**
  - Campus Reporting Cycle: Aug-Oct 2016
- **CG03, CG04, CG05, CG06**
  - Monthly

**Goal:**
- **CG01-C, CG01, CG02, CG03, CG04, CG05, CG06**
  - Monthly Until CG01 is 100%
- **CG05**
  - Monthly Until CG01 is 100%
- **CG01-A, CG01-B, CG-REC**
  - Monthly

**Green Range (<=98%)**:
- **CG01-C, CG01, CG02, CG03, CG04, CG05, CG06**
  - Monthly Until CG01 is 100%
- **CG05**
  - Monthly Until CG01 is 100%
- **CG01-A, CG01-B, CG-REC**
  - Monthly

**Yellow Range (90-97%)**:
- **CG01-C, CG01, CG02, CG03, CG04, CG05, CG06**
  - Monthly Until CG01 is 100%
- **CG05**
  - Monthly Until CG01 is 100%
- **CG01-A, CG01-B, CG-REC**
  - Monthly

**Red Range (<90%)**:
- **CG01-C, CG01, CG02, CG03, CG04, CG05, CG06**
  - Monthly Until CG01 is 100%
- **CG05**
  - Monthly Until CG01 is 100%
- **CG01-A, CG01-B, CG-REC**
  - Monthly

**UNCG**:
- **CG03**
  - Monthly $2,246
- **CG04**
  - Monthly $204
- **CG05**
  - Monthly $141
- **CG06**
  - Monthly $63
- **CG06**
  - Monthly $39
- **CG06**
  - Monthly $348
## UNC Business Compliance

<table>
<thead>
<tr>
<th>Category</th>
<th>UNCG</th>
<th>System Avg</th>
<th>UNCG</th>
<th>System Avg</th>
<th>UNCG</th>
<th>System Avg</th>
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</thead>
<tbody>
<tr>
<td>Financial Aid</td>
<td>100.00</td>
<td>99.17</td>
<td>93.10</td>
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<tr>
<td>Contracts &amp; Grants</td>
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<td>97.78</td>
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<tr>
<td>Capital Assets</td>
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<td>Student Accounts</td>
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<tr>
<td><strong>Total</strong></td>
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**Compliance Index Score**

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<th></th>
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<th>System Avg</th>
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<tbody>
<tr>
<td>Compliance Index Score</td>
<td>98.81</td>
<td>97.39</td>
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</table>
Self Assessment of Internal Controls over Financial Reporting

• Internal Control Officer = University Controller

• Internal Control Assessment committee includes Internal Auditor

• Certification by Chancellor and Vice Chancellor for Business Affairs