Meeting Synopsis:

1. Call to order
2. Review of the minutes from November 5, 2020
3. Chair’s Updates
4. UW Club Discussion
5. Finance Transformation – Jason Kalivas, Chris Laws
6. Good of the order
7. Adjourn

1. Call to order

The meeting was called to order at 10:02 a.m.

2. Review of the minutes from November 5, 2020

Review of the minutes from November 5, 2020 was postponed until the council’s next meeting.

3. Chair’s Updates

Borys explained FCUFS member Bruce Balick has agreed to be the Council’s representative to the UW Environmental Stewardship Committee.

The Architectural Commission will meet next on December 14, 2020, and the primary agenda item concerns the interdisciplinary engineering building.

A “building readiness guidelines” website has now been published by UW Facilities. The website provides an overview of how the University is ensuring building readiness on the Seattle campus as faculty, staff and students return, and other information on UW building operations during the ongoing Covid-19 pandemic.

The design for the Health Sciences Education Building was shown. It was noted the construction site is coming along well.

The Historic Preservation page was shown on the UW website, which has information on various historic sites and buildings on campus.

4. UW Club Discussion
Kristine Kenney (University Landscape Architect) was present to share some information on the UW Club in advance of a committee beginning to meet in January (2021) to consider recommendations for the future of the building. The building is being nominated for landmark status. It is already listed on the National Register of Historic Places. A PowerPoint was used as part of the presentation (Exhibit 1).

Kenney explained there may be an opportunity to repurpose the UW Club and transform it into more of a restaurant. UW Housing and Food Services is producing a feasibility study that will assist the committee in evaluation of options for repurposing. It should be completed by the time the Committee begins meeting in January. She asked for comments from members on specific questions (Exhibit 1).

Among comments by the committee members were:

- the physical distance of the UW Club from his office made the time it took to get there a disincentive, even though it was a nice walk. The length of time to get served compounded the problem
- another member noted that the attendant-served food style never truly functioned, and thought that cafeteria style service would be better
- there is a great deal of nostalgia over the UW Club, and the walk to the space itself is pleasant
- there should be mobile order and pickup if food service remains one of the functions of the building;
- the recent menu at the UW Club was too expensive, and booking it is often too expensive (cheaper to book a hotel downtown).
- Several different ideas regarding models of food service were suggested; Proximity to the HUB might be used to overcome space limitations in the existing kitchen.

5. **Finance Transformation – Jason Kalivas, Chris Laws**

Jason Kalivas (Manager of Program Operations, UWFT Organizational Change Management) was present to share an update on the Finance Transformation program, its timeline, and related plans for shared services and regional hubs. He shared a PowerPoint as part of the presentation (Exhibit 2).

A slide on the UWFT Faculty Advisory Committee was shown. It was noted the Advisory Committee will have its membership potentially changed in the new calendar year.

A timeline slide was shared. Information was shared on the Configure and Prototype stage. Workday software is currently be reconfigured to take into account design changes for business processes previously defined in the Architect stage. Testing will occur after the Configure and Prototype stage is completed. February-March 2021 should see feedback from early testing. It was noted not all business processes at UW live in Workday currently, so other software must be integrated as part of this process.

Kalivas noted as part of the Configure and Prototype stage, it is not only software that is being configured. Shared Services models are also being developed with faculty and other stakeholders in
mind. The core question driving that analysis is where should finance work be performed. A slide was shared with information on the Shared Services aspect of the project. It was decided that a greater diversity of shared services would serve the campus population better than a single hub.

When this plan was forwarded for vetting to the Board of Deans and Chancellors and the Board of Regents, it was not well-received. Many deans did not want to relinquish autonomy over financial processes, or noted they already have existing shared service organizations for units under their purview. With this in mind, the Provost asked the directors to pivot the approach to the program, and alter it to give the decision to academic leaders to have a single hub that serves their school and/or college, or to group up with other UW entities with a shared services model.

It was noted four categories make up the criteria for united shared services work: capacity, competency, compliance, and operational sustainability. All 16 schools and colleges have stated they want their own single, unit-level shared environments that they manage themselves. Alternatively, many business offices or professional offices at UW are looking for additional help, and welcome a shared services model. After UWFT leaders have a chance to meet with all UW schools and colleges and make sure each would like to stand up their own shared service, there will be clearer plan for the program going forward (February-March 2021). A member of the Task Force has asked if the 15% efficiency target can really be reached with each school and/or college standing up their own shared service, and does this best serve the university overall.

Questions

A member asked for clarification on the impact to colleges under the deans’ desired model. It was noted that they would need to have employees dedicated to transactional work (cost transfers, generating invoices).

A member noted this issue of school/college versus shared hub is also present in IT infrastructure. Units normally have at least one local FTE to manage their unique IT processes and needs. This point was agreed, and it was noted the university needs to shift to a month-end close for fiscal processes. Others close on an annual or even biennial basis, and do not realize deficits in their budgets, overspending, or other issues until well after the fact. It was noted there is a tension there.

6. Good of the order

It was noted six months would be a good timeframe for Jason joining again.

7. Adjourn

The meeting was adjourned at 11:30 a.m.

Minutes by Joey Burgess, Assistant to the Secretary, jmbg@uw.edu

Present:

**Faculty Code Section 21-61 A:** Ann Marie Borys (chair), Ashley Emery, Bill Erdly, Andy Hoofnagle, Sandeep Vaidya

**Faculty Code Section 21-61 B:** Matt Weatherford, Bruce Balick, Alena Wolotira
**Guests:** Kristine Kenney, Jason Kalivas

**Absent:**

*Faculty Code Section 21-61 A:* Gundula Proksch

*Faculty Code Section 21-61 C:* Lou Cariello

**Exhibits**

Exhibit 1 – UW Club
Exhibit 2 – FCUFS 20201203
**UW Club: some things to consider**
11. 22. 2020

These thoughts and observations are based on my awareness of the reaction last spring in the AAUP listserv and some exchanges with faculty members of the Department of Architecture.

I’m offering them as food for thought in advance of a discussion of a council position on Dec. 3.

**As background:**
The building is listed on the National Register of Historic Places
UW owns the land, and the building was owned by a 501c3
It was built in 1960, designed by a faculty member in collaboration with an alum

**Principal rooms:**
Upper level: dining room with exceptional view to Lake Washington, lounge/sitting room, kitchen, lobby, outdoor courtyard
Lower level: meeting/lecture room, bar

The building was closed last winter after a decade-long (or longer) struggle by its board to keep it afloat financially. The kitchen was inadequate and badly in need of more space, and the building does not meet accessibility standards. There is no elevator. Renovation of the building was too big of a hurdle for continuation of use as a club operated by a non-profit.

There is a committee that will be convened by UW Facilities in Winter quarter to study the issues in depth and to make recommendations to the administration. At this point, we have been asked to provide that committee some thoughts on these two questions—very "blue sky":

1. What will attract faculty to the ‘facility’?
2. How can we conceive of the building in a community way as a shared resource?

**Some observations to consider:**

Many faculty expressed the wish that the building could continue to serve UW in the way that it always has—a lunch time dining room that was suitable for hosting guests to courses, faculty candidates, or other "business" and friendly lunches. There was a benefit of running into colleagues from different parts of campus there. To attract faculty to use it, it was suggested to eliminate membership fees. This was also regarded as a move to increase equity. However, it must be noted that membership fees were a necessary component to financial viability in the past.
The overwhelming response has been to hope for a use or combination of uses that still allows events to be held there—faculty events and possibly student events. It is a nicely sized space with a wonderful view. Though the kitchen was deemed inadequate to the kind of food service that has been traditionally offered daily, events can be supported by catering services. It can be imagined that some daytime uses could still allow for evening or weekend events to be scheduled without conflict, but it does not seem like a promising place to start.

There are two possible ways that a viable use could be identified: self-sustaining (able to pay the utility and maintenance costs for the space on top of their own operations); or central administration supported function.

Starting from the perspective that this is a premier asset, what would the central administration want to "showcase?" A current need is a welcome center (location not ideal, but the payoff of showcasing the view is pretty appealing). A possible reach would be a Center for Race and Equity, one of the president's key initiatives as well as a social crisis in 2020. It suits the 60's optimism of the architecture.

Another suitable use of the space would be additional gallery space or a special collections library space. Could the Henry sustain an annex? Or could several programs on campus collaboratively support gallery space that they then use intermittently (like the Rome Center).

Lastly, is there an academic use that would benefit from greater visibility? I think of the Simpson Center for Humanities, but there may be others as well. Or could it be used for instructional space similar to the collaborative spaces in Odegaard—special layout and equipment to promote pedagogical innovation, and applied for on a quarterly basis.

Faculty who have attended events in the building—academic receptions as well as life events such as weddings and memorial services—are strongly interesting in maintaining this function.
UW FINANCE TRANSFORMATION UPDATE

Faculty Council for University Facilities and Services

December 2020
**IMPLEMENTATION TIMELINE**

- **PLAN** 2 months
- **ARCHITECT** 7 months
- **CONFIGURE & PROTOTYPE** 9 months
- **TEST** 9 months
- **DEPLOY** 3 months

**JAN 2020**
- **PLAN**
- **ARCHITECT**
- **CONFIGURE & PROTOTYPE**
- **TEST**
- **DEPLOY**

**JUL 2022**
- **END-USER TRAINING**
- **PAYROLL PARALLEL TESTING**
- **TRAIN-THE-TRAINER**
- **USER ACCEPTANCE TESTING (UAT)**
- **END-2-END TESTING**

**PROCESS DESIGN WORKSHOPS**
**CONFIRMATION SESSIONS**
**SYSTEMS DISPOSITION DECISIONS**
**CHANGE CHAMPIONS**
**PROCESS TRANSFORMATION TEAMS AND USER TASK GROUPS**

**WE ARE HERE**

**CONFIRMATION SESSIONS**

**END-2-END TESTING**

**USER ACCEPTANCE TESTING (UAT)**

**END-USER TRAINING**

**PAYROLL PARALLEL TESTING**

**TRAIN-THE-TRAINER**
WHAT’S HAPPENING WITH SHARED SERVICES?
WHERE SHOULD FINANCE WORK BE PERFORMED?

**Unit Level Finance Work**

Processes that are unique or specific to an individual unit

<table>
<thead>
<tr>
<th>Location</th>
<th>Definition</th>
<th>Example of Activities</th>
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</table>
| Enterprise Wide (EW) | Process can be shared by all of UW                                      | • Enterprise consolidation  
• Enterprise policy and procedures  
• Travel and Expense Compliance  
• Maintenance of Master Data (e.g. vendor master, customer master, foundation data model) |
| Org-wide (OW)   | Process can be shared by all of UWA or UWM, but not across both organizations | • Cash Application and Collections (Misc. AR)  
• Org-level close and financial statements |
| Regional Hub (RH) | Process can be shared at a Regional Level via a hub (serving more than one major organization/major unit)  
(e.g. across multiple schools/colleges, administrative units, auxiliary units and/or campuses. For larger schools and colleges this could be across multiple depts/divisions) | • Initial point of contact for units for finance and supply chain questions  
• Transaction processing (e.g. purchase orders, travel & expenses entry, invoice generation)  
• Post award grants management analysis and reporting |
FOR THE SAKE OF COMPLIANCE, STANDARDIZATION, AND EFFICIENCY
SOME WORK MUST SHIFT SPACE

Regional Hub Activity Breakdown by Skillset

Finance / Accounting Skillset

- **Record to Report:**
  - Process Journals
  - Non-PO Invoice Processing
  - PO Processing
  - Manage Requisitions
- **Grant Award to Close:**
  - Perform Cost Transfers / JEs
  - Award Closeout Reconciliation
  - Analysis / Review of Grant Reports / Forecast
  - Effort Reporting Review

Customer Billing Skillset

- **Customer Req:**
  - Generate Invoice (Internal & External)
- **Grant Award to Close:**
  - Clinical Trial Invoicing

Sourcing / Procurement Skillset

- **Source & Contract Mgmt.:**
  - Manage Supplier Contracts* (Low Risk, Low Dollar)
  - Monitor & Manage Contracts
  - Manage Sourcing Event (Low Risk, Low Dollar)
  - Travel & Expense
    - Travel and Expense Compliance
    - Accounts Payable
      - Non-PO Invoice Processing
      - PO Processing
      - Manage Requisitions
- **Accounts Payable:**
  - Non-PO Invoice Processing
- **Travel & Expense:**
  - Travel & Expense Compliance
- **Purchase:**
  - PO Processing
  - Manage Requisitions

Sample Unit / Entity Activity (Local)

- **Purchase:**
  - Process Receipt of Materials and Services
  - Requisitioning
  - Spend Strategy & Planning
  - Perform Demand Planning
  - Perform Inventory Planning
  - Travel & Expense
  - Travel and Expense Data Entry

*Low Risk, Low $
THE ORIGINAL PLAN: A NUMBER OF REGIONAL HUBS, SERVING BASED ON AFFINITY AND DISTRIBUTING EFFORT

Enterprise-wide (EW)
- Research & Compliance Operations
- Office of Planning & Budgeting
- Student Fiscal Services
- Internal Audit
- Treasury
- Finance Policy, Mgmt. & MDM COA) and Enterprise Consolidation
- Procurement (Policy)
- Capital Projects
- Facilities

Org-wide (OW)
- UWA Org-wide Procurement / SC
- UWA Org-wide Finance

Regional Hub (RH)
1. College of Arts & Sciences Hub
- College of Arts & Sciences

2. School of Med Hub
- School of Medicine

3. Health Sciences Hub
- School of Dentistry
- School of Pharmacy
- School of Nursing
- Health Sciences Admin
- School of Public Health
- School of Social Work

4. Professional Schools Hub
- School of Law
- College of Built Environments
- Evans School of Public Policy
- College of Education
- The Information School
- Foster School of Business
- Continuum College

5. Colleges of Eng & Env Hub
- College of Engineering
- College of the Environment

6-7. Central Admin Hub (President / Provost)
- President
- Provost
- Research (includes APL)
- Innovation Strategy
- UW Information Technology
- Human Resources
- Undergrad Academic Affairs
- Academic & Student Affairs
- Finance
- Advancement
- External Affairs
- Student Life
- Graduate School
- Minority Affairs & Diversity
- Global Affairs
- Digital Initiatives & UW Libraries

7-8. Further Discussion Required
- UW Bothell
- UW Tacoma
- Housing & Food Services
- Intercollegiate Athletics
- Facilities Services
- Continuum College

Local Unit Finance / Supply Chain Presence Remains for Site Support (Local Transaction Processing) and Business Partnering (Budgeting & Reporting)

*UWM Procurement also provides services to Valley Medical Center
** Further discussion is required to determine what would fall in UWM vs. SoM
*** Further discussion is required due to state of transition
THE PROVOST REQUESTED A PIVOT IN APPROACH

Unit (especially school and college) choice, as demonstrated by meeting set criteria, in what shared environment to have:

1. Single, unit-level shared environment
2. Join other units and create a mutual shared environment
3. Be served by a ‘central shared environment’
<table>
<thead>
<tr>
<th>Category</th>
<th>Criteria</th>
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<tbody>
<tr>
<td><strong>1. Capacity</strong></td>
<td><strong>a) Unit Shared Services Team:</strong> Unit consolidate shared activities* and associated FTEs across each department/programs into a unit level shared environment, ideally in the Finance and Admin organization of the Dean’s office.</td>
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<td><strong>b) Cost Neutral Stand-up:</strong> Shared service responsibilities completed within existing unit resources. Units start planning in FY21 for training (FT to provide), position review and change of duties/scope to ensure that units resources are redeployed by go-live.</td>
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<td><strong>c) Have redundancy and avoid single points of failure:</strong> unit has a coverage model that has appropriate redundancy and avoids single points of failure.</td>
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<td><strong>2. Competency</strong></td>
<td><strong>a) Process Expertise:</strong> Unit FTE resources have adequate financial and procurement competencies/skills (e.g. accrual accounting, operational journal updates)</td>
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<td><strong>b) Workday Expertise:</strong> ‘shared environment’ resources have an affinity for technology and learning new things. They will spend most of their time in Workday and they have sufficient Workday expertise to effectively execute transactions by go-live. Over time, efficiencies expected to be improved over todays current state.</td>
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<td><strong>3. Compliance</strong></td>
<td><strong>a) Policy Knowledge:</strong> Understanding of University and external policies to ensure Workday Finance and Procurement transactions are executed in a compliant manner. Knowledge of current regulatory requirements (local, state, federal) for grants and procurements is aligned with roles performed by central admin functions.</td>
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<td><strong>b) Security Role Concentration:</strong> Ensure that only unit hub FTEs have security roles to process transactions slated for the hub level of shared</td>
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<td><strong>c) Internal Controls:</strong> Unit has sufficient resources to ensure internal controls over financial transactions (segregation of duties).</td>
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<td><strong>4. Operational Sustainability</strong></td>
<td><strong>a) Standard Tools:</strong> Commitment to the use of standard tools (e.g. Workday, ServiceNow) to route Finance and Procurement transactions for review/processing</td>
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<td><strong>b) Continuous Improvement:</strong> Investment and ability to continuously improve activity in a shared environment as processes in the Workday platform change and mature</td>
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STAFFING GUIDELINES

The Sweet Spot

- Expertise
- 75% of time spent in WD
- Separation of Duty
- Limit those with security roles
- Enable redundancy, backup

Unit Shared Environment Transactions

**Purchasing**
- Manage Requisitions
- Manage Sourcing Event
- Manage Supplier Contracts
- PO Processing
- T&E Compliance

**Grant Award to Close**
- Perform Cost Transfers/JEs
- Award Closeout Reconciliation
- Effort Reporting Review

**Misc. A/R**
- Create External Invoices
- Perform Invoice Adjustments

**Record to Report**
- Process Journals
- Month/Year End Close
**SCHEDULE**

**Preparation**
- Oct 13: Mark, Kim, Margaret and Sarah H. preview meeting
- Oct 15: Questionnaire and Supporting Material Prep
- Oct 19: Admin Council – preview approach
- Oct 21: Assessment email and supporting materials sent out
- Oct 22: Sponsors meeting – preview approach

**Completion - Initial Evaluation**
- Oct 22-Nov 5: • Response window for ‘3 digit’ orgs
- Nov 6: Submission deadline

**Iteration/Follow-on**
- Nov 9-Nov 20: • Assessment review sessions
  • Unit iteration (as needed)
  • Analysis: Op Model Org Design

**Outcomes and Comms**
- Mid-Dec: Decision and Communication

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**Exhibit 2**
QUESTIONNAIRE REVIEW PROCESS - GOALS AND KEY INPUTS

Our goals for the Questionnaire Review Process (QRP) are:

▪ Provide quantitative and qualitative data
▪ Ensure the ‘voice of the unit’ is brought forward without requiring the execs to read every questionnaire.
▪ Enable a review process that is efficient and effective
▪ Focus more time on reviewing questionnaires where the ‘best’ answer isn’t immediately clear
▪ Enable an ‘iterative’ process that facilitates clarification, discussion, etc.

Key inputs to the review process are:

▪ Hackett data for transaction numbers, # of people performing, full time equivalent calculation, peer benchmarking
▪ Unit size data (total FTEs, FTEs doing Fin/Proc/Grants work, # of depts, # of faculty, etc.)
▪ Questionnaire responses
▪ Reference: Unit specific Hackett Output – on the Change Network
CRITERIA MODEL REVIEW HIGH-LEVEL TIMELINE

### Key Items

#### Criteria Based Questionnaire Launch and Unit Input
- Questionnaire launch and response submission
- Process deep-dive sessions and office hours
- Follow-up with units that have not responded

#### Response Consolidation and Leadership Discussions
- Review and aggregate unit responses
- Discuss outputs with UWFT core team (Op Model team with Design Leads)
- Identify where unit outreach is required (further info)
- Prepare material for UW leadership discussion
- Criteria survey responses reviewed with leadership (Including Margaret Shepherd, Kim Dinh, Brian McCartan, Mark Richards, and others)

### Configure & Prototype

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<thead>
<tr>
<th>Key Items</th>
<th>October</th>
<th>November</th>
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<tr>
<td>Criteria Based Questionnaire Launch and Unit Input</td>
<td>Launch (10/22)</td>
<td>Close (11/10)</td>
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<tr>
<td>Response Consolidation and Leadership Discussions</td>
<td>Dev. Template (10/30)</td>
<td>UWFT Leadership Review of Responses (11/16)</td>
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- Additional Info Gathered from Units (11/19)
- Send UW Leadership Pre-read (11/17)
- UW Review of Criteria Questionnaire Results (11/19 & 11/20)

- Unit Responses Due
**CRITERIA MODEL – ENGAGEMENT FOLLOWING RESPONSE EVALUATION**

<table>
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<tr>
<th>Key Items</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
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<tr>
<td>UWFT engagement with units that want to be own ‘Shared Environment’:</td>
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<td>▪ Determine strategy for engagement with units that elect to own ‘shared environment’</td>
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<td>▪ Communication to applicable units</td>
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<td>Operating Model refinement with units that want to be part of a ‘Central’ Shared Service:</td>
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<td>▪ Conduct ‘Get Messy’ sessions to gather sizing data (FTE needed and FTE provided)</td>
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<td>▪ Strategic discussions on how to ‘cluster’ these units</td>
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<td>▪ Develop engagement sequencing timeline</td>
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**We Are Here**

**Configure & Prototype**

- **UW Review of Criteria Questionnaire Results (11/19 & 11/20)**
- **Strategy for Units with own ‘Shared Environment’ (1/8)**
- **Unit Communication (1/15)**
- **FTE and Sizing Estimates**
- **Unit Clustering Approach (2/8)**
- **Engagement Timeline (2/22)**

**Exhibit 2**