

# Decisions on Financial Services Administration

March 10, 2017

## Overview of the Decisions

The *nEXT Generation* project includes assessments of administrative operations, including financial activities and services. Recently, consultants from Huron completed an assessment of Cooperative Extension financial services functions such as financial planning, reporting, accounts payable, accounts receivable, and processing travel expenses.

The Executive Sponsors and the Chancellor approved the recommendation to reorganize the [central Cooperative Extension Office of Budget & Fiscal Operations](#) (BFO), led by former Assistant Dean Daniel Malacara (who recently left for another university), and other fiscal activities that are currently distributed throughout the Program Areas, Regional Offices, and administrative units within Cooperative Extension, into the new Office of Financial Services (OFS).

The Office of Financial Services will be dedicated to serving Cooperative Extension only, and coordinate its efforts with the [UW-Extension Business Services Department](#) and the [UW-Extension Budget Office](#). OFS will be led by a Director of Financial Services, who will report directly to the Dean or his designee, and be supported by a larger team than the current Office of Budget & Fiscal Operations. OFS will dedicate staff to support each of the future organizing units (e.g., both geographic and programmatic), and will be responsible for overseeing and managing the following financial activities for Cooperative Extension:

- **Budgeting & Financial Planning:** Building and maintaining budgets, forecasts, and financial plans for Cooperative Extension leadership and the future organizing units for all fund types, including extramural sources;
- **Financial Reporting:** Developing regular and ad-hoc reports (e.g. budget versus actuals, fund balances) for Cooperative Extension leadership and the future organizing units;
- **Travel & Expense Reimbursement:** Processing travel and other expenses and supporting staff in the reimbursement processes;
- **Accounts Payable:** Paying bills and invoices;
- **Accounts Receivable:** Billing, sending invoices, and collecting payment for services rendered;
- **Procurement:** Purchasing for facilities, goods and services through means like P-Cards, Purchase Orders, and Requests for Proposal (RFPs).

## Rationale for the Decisions

Past project work identified the need to improve administrative efficiencies:

- The Integration Work Group (IWG) recognizes administrative support as a fundamental component of Cooperative Extension's design in its [Guiding Principles](#), and one that needs to support the mission and purpose driven components of the organization through effective, efficient, and streamlined functions;
- The [initial nine Work Group's Gap Analysis](#) included three common themes related to this decision:
  - Clarify administrative roles and responsibilities and consistently evaluate and improve the effectiveness of administrative services, like financial services;

- Streamline administrative support functions and processes in order to reduce the amount of time that educators, specialists, and leadership spend on administrative tasks and functions; and
- Increase accountability by consistently collect data to improve programs development efforts

The current Office of Budget & Fiscal Operations has four full-time staff devoted to financial services and support, and there are over 50 individuals spread across Program Areas, Regional Offices, and administrative units within Cooperative Extension devoting almost 20 - 25 FTE to financial services and support. For most of these distributed individuals, financial activities are a small percentage of their duties. Given the distributed nature of these financial services, many units have developed their own “shadow” financial tracking systems.

We anticipate that there will be savings through the consolidation of financial support services throughout the organization (20-25 FTE spread across the organization). These savings will not be calculated until further design of the organization takes place. This includes determining how many staff will work in the office under the new Director and how they align to the new *nEXT Generation* organizational structure.

Consolidating the financial services functions into the Office of Financial Services will allow Cooperative Extension to standardize and streamline processes, provide a higher level of expertise, reduce the overall effort expended on financial support, and eliminate duplicative “shadow” systems.

## **Next Steps**

In the coming weeks, we will begin the recruitment process for the Director of Financial Services, open to internal and external candidates. Until that time, Mark Dorn, Associate Vice Chancellor of Administrative and Financial Services, will continue leading Cooperative Extension’s Office of Budget & Fiscal Operations on an interim basis.

Once this Director is hired, she or he will begin building the team within the Office of Financial Services and establishing the necessary policies, procedures, and tools to effectively meet the needs of Cooperative Extension leadership, faculty, and staff. This includes crafting a specific plan for tasks that will be completed by staff in the new Office of Financial Services and those that will continued to be carried out by staff in other units. This implementation will take many months to develop and complete. The first step is hiring a director for the new office.

As we work toward implementing these recommendations, please continue to work with your colleagues in the Office of Budget & Fiscal Operations and across Cooperative Extension who currently support your financial activities.

Sincerely,

Executive Sponsors of the *nEXT Generation* project

Aaron Brower

**Provost & Vice Chancellor**  
*University of Wisconsin-Extension*

Karl Martin  
**Dean & Director**  
*Cooperative Extension, University of Wisconsin-Extension*

Steve Wildeck  
**Vice Chancellor for Administrative & Financial Services**  
*University of Wisconsin Colleges & University of Wisconsin-Extension*