

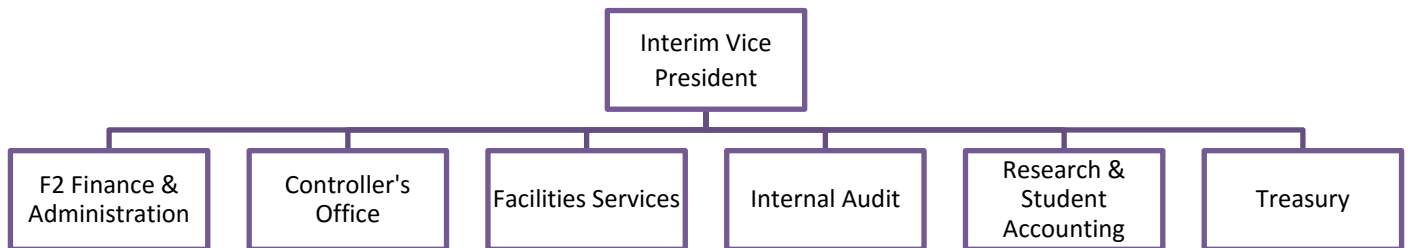
Administrative Unit Name: Finance & Facilities

Please complete this Word document and the accompanying Excel workbook (both of which were provided to your unit via email), and submit them to the Office of Planning & Budgeting (OPB) on or before **Friday, November 18**. Please email your materials to [Becka Johnson Poppe](#).

1. In the **“Planned Expenditures”** tab of the Excel workbook, please provide the following information for each functional area of your unit: ¹
 - a) A description of how the functional area **contributes to the University’s missions** (research, service and teaching) and the risks the University would face if this work were no longer funded;² and
 - b) Provide information regarding your unit’s **projected FTEs and planned expenditures for FY17 and FY18**:
 - i) Expenditure estimates should be broken down by:
 - *Fund type*: permanent ABB funds (i.e. GOF and DOF, excluding carryover) and, if applicable, funds derived from self-sustaining efforts, grants and contracts, philanthropy, and other sources.
 - *Expenditure type*: salaries and benefits, goods and services, contractual services, travel, and other.
 - ii) Please describe any assumptions you are making in your response, such as those related to the availability of state or federal funding or projections based on the first complete month of expenditures in FY17, etc. Also, please explain the “other” category, if you put expenses into that column.

For guidance, please see the example posted at the [FY18 Budget Development webpage](#).

See attached Excel document



Notes:

1. University of Washington Investment Management Company (UWINCO) is included in this budget package, but reports directly to the university President.
2. The Executive Director, Health Sciences Administration has a matrix reporting to the F2 Interim Vice President and UW Provost, and is part of F2’s executive leadership team.

¹ “Functional area” is most easily described as a level of granularity that reflects your unit’s org chart and is reconcilable to your unit’s organization code structure. However, if this results in an unwieldy number of “functional areas” for your unit (i.e. more than 7 or 8), please note this in your materials and provide a more manageable level of granularity. As a general guideline, we anticipate 3-7 functional areas per unit.

² Please refer the following document for more information about the [University’s Sustainable Academic Business Plan \(SABP\) goals and top institutional risks](#).

2. A number of variables (e.g. the outcome of the 2017 legislative session) will heavily influence the availability of funds for FY18 merit increases. Despite these unknowns, planning for compensation increases has no doubt begun already. Units should plan to receive less funding than may be necessary to implement the full average merit increases for GOF- and DOF-funded positions. **Please tell us how your unit plans to deploy existing resources, establish new revenue streams (if applicable), and/or pursue additional efficiencies to support merit increases in FY18.** *Please respond in 300 words or fewer.*
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GOF/DOF funding supports the core services F2 provides to the campus. Permanent operating funds are extremely limited and continue to be impacted by increasing internal and external costs. Additional unfunded salary increases will lead to increased compliance risk and deterioration of service to the campus.

To address these challenges, F2 units are redeploying existing resources to support FY18 merit increases including:

- Absorbing any merit shortfall within current operating expenditures.
- Allocating funds received based on performance. Any shortfall between actual amount awarded and central funding received will be funded out of carryover funds, or if no carryover funds, by reducing staff.
- Using temporary funds to backfill reduced staffing and cover workload.

3. In spring 2015, Provost Baldasty initiated the **Transforming Administration Program (TAP)**, which encompasses all central administrative units and focuses on fulfilling the need for greater collaboration, clearer priorities, increased accountability, and elimination of unnecessary bureaucracy and redundancies.

Please answer the following questions:

- A. **What are 3-5 new things that your unit is doing this fiscal year to align with the [TAP principles for central administrative units](#) and to create and enhance a culture of service? Please respond within a 300-word bulleted list and please be specific.**

Engaging People

Finance & Facilities has developed a culture where every employee is empowered to be a problem-solver and innovator. Using Lean principles across the organization, F2 aligns with TAP principles by fostering and supporting the active and meaningful involvement from every staff member through open and honest communication, encouragement to identify problems and seek solutions, recognizing and celebrating success, and learning from failure.

Realizing Efficiency and Effectiveness

Despite decreased funding and increased work volumes, F2 units continue to seek innovative solutions to streamline efficiencies and increase effectiveness:

- In 2016, F2 initiated departmental reorganizations in Transportation Services, Procurement Services, Financial Accounting and Travel that are, and will continue to improve operational efficiency.
- Payroll will move to the Integrated Service Center in support of HRPM.
- Facilities Services Small Projects TAP Team identified service improvements to cut costs and delivery time by 10% for small construction projects (projects < \$100K) needed by campus customers.
- Management Accounting & Analysis (MAA) is moving from an annual to a biennial review of recharge center rates and improving tools available to departments to assist them in the rate submittal process. MAA reviews an average of 75 recharge center rate proposals annually and units spend a significant amount of time compiling data for their rate plans. This change will significantly reduce administrative burden while ensuring proper internal controls and improving efficiencies for customers and stakeholders.

Delivering Value

- Leaders in Treasury and the Controller's Office are collaborating with OPB and Financial Transformation leadership to develop a strategic financial forecasting model that supports decision-making related to resource allocation and use for the Provost and President.
- Treasury, F2 Administration, Investments, Controller's Office, Financial Accounting, Research & Student Accounting, DATAGroup, and OPB have been collaborating since November 2015 to research data related to overall cash for the University, and are working to develop processes and systems to forecast and manage revenues, expenditures and liquidity.

B. How can your unit collaborate with other units (academic and administrative units outside of your own) to be more effective and reduce costs?

Finance & Facilities units continue to work with campus customers and central partners to identify opportunities to reduce campus administrative burden and implement associated process changes. Some examples of this work include:

- Deferred Maintenance Budget Plan - FS is partnering with Capital Projects, Intercollegiate Athletics, Housing & Food Services and UWMC to identify facility deficiencies—both at capital and operational levels—across the entire Seattle campus, in order to build a robust multi-year capital deferred maintenance budget request and associated process.
- Building Coordinator Program – FS is re-engaging campus building coordinators (about 150) for an educational forum on working and interfacing with Facilities operations personnel. Building Coordinators are focal points for security, safety, facilities and project coordination within their buildings. Facilities will provide them with training in FS processes so that they can more efficiently triage tenant requests, track work orders, and quickly adapt to new procedures.
- Student Financial Processes - Student Fiscal Services is collaborating with Professional & Continuing Education, Housing & Food Services, Office of University Registrar, Graduate Schools, UWIT, Tacoma and Bothell campuses, and academic departments to streamline billing, aid disbursement and collection processes, and enrollment confirmation deposit processes.
- Financial Fraud & Ethics Hotline – Internal Audit (IA) partnered with UW Medicine Compliance, Human Resources, Intercollegiate Athletics, Risk Services, EH&S, Office of the Ombudsman, Office of Research, and UW Bothell and Tacoma to develop and launch the Financial Fraud & Ethics Hotline in July 2016. IA will continue to collaborate with these stakeholders to raise awareness across the UW, monitor hotline activity and assess potential recommendations.
- IRS Regulations - The University is required to adhere to IRS regulations relating to measuring and managing private use in buildings financed with tax-exempt debt. The Treasury Office has worked to clarify these guidelines over the past year, and will work with campus partners (including building occupants, Office of Sponsored Research, School of Medicine, Capital Planning and Budgeting, and Co-Motion) to ensure these guidelines are understood and appropriately measured in the upcoming year.
- Reduce Tax Burden - The Tax Office continues to work with Procurement Services and campus units to identify opportunities to reduce tax burden on the UW, while at the same time ensuring compliance with state, federal and international regulations.
- Streamline Procurement Systems - Procurement Services (PS) is pursuing collaboration with campus units to optimize efficiencies and eliminate redundant functionality through increased integration with the ARIBA electronic procurement system.

4. Please describe **your unit's emerging or changing personnel needs**—prompted by changes that either your unit or the institution is facing—and **what your unit will do to meet these needs without creating new FTE positions** (e.g. redeploying FTE among other functional areas). *Please respond in 300 words or fewer.*

At your unit's meeting with the Provost, **please be prepared to discuss your unit's succession planning activities.**

F2 faces increasing scrutiny and compliance risks in areas such as grant and contract management, student debt collections, auditing functions and the deferred maintenance of UW facilities. F2 staff are faced with growing workloads with the promise of increased volumes in the future and continued reliance on doing more with less. Resources continue to decrease and have been reallocated across unit lines as a result of process improvements (Lean) and other streamlining activities. Additionally, as the work force continues to age, the growing challenges of recruiting a trained and ready cost effective labor force within a competitive Seattle market is daunting.

Many F2 units have a sustained history of reallocating existing staff to meet new or emerging needs while maintaining the highest levels of service. However, there are areas where the growth of F2's responsibilities continues to outpace its ability to meet service needs with current staffing levels.

F2's strategy to meet increasing institutional needs in the coming fiscal year includes the following:

- The Controller's Office is designing a program to provide resources and guidance for units seeking to establish revenue generating activities with external customers. Similar to the Global Operations Support model, this program will provide a central point of contact and a streamlined process for campus customers, while reducing potential and significant risk to the UW.
- Facilities Services is maximizing its Training Academy to internally develop the trades and managerial leadership skills of its existing workforce.
- Grant & Contract Accounting (GCA) is facing sponsors who want a higher level of reporting and transparency, and campus customers who want access to information and resources in real-time. To provide that higher level of service, GCA is focusing on automating manual processes and recruiting staff with advanced problem-solving and communication skills.
- The Controller's Office is developing a more comprehensive and coordinated financial management awareness and training program collaborating with key subject matter experts across business lines.

5. **Please identify any significant obstacles or challenges** that your unit faces, other than resource constraints. Please plan to discuss these with the Provost. If applicable, please summarize any operational risks that, from your perspective, the UW must work to mitigate over time. *Please respond in 300 words or fewer.*
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Facilities Services

As a result of the operating budget reductions through FY13, the erosion to campus facilities and infrastructure is the most critical challenge. There are considerable risks associated with increased deferred maintenance, including the resulting safety and operational issues from facilities degradation, impacts to the academic/research and administrative areas, and future student and faculty recruitment.

Research and Student Accounting

The current financial and student information technology systems do not adequately support research and student accounting processes in today's increasingly complex environment. The university's legacy system creates increasing challenges to keeping pace with the evolution in processes, compliance regulations, and systems being implemented by external sponsors and regulatory agencies. Improvements needed include:

- Modern student, financial, receivable and payable systems;
- A comprehensive fixed asset and inventory tracking system that integrates with the financial systems and allows customers access to real time data;
- Space functionalization solution to integrate space inventory data, fixed asset data, and tax exempt bond data;
- Tools for data analytics to provide quality data for decision making.

Internal Audit

Because of the growth of UW Medicine and branch campuses (Bothell, Tacoma, Spokane, Leone, Rome, GIX), as well as increased focus on compliance with ever changing Federal grant regulations, the UW is facing new and increasing risks that must be addressed and mitigated. This puts increased pressure on Internal Audit to conduct more audits. In addition, the UW has aging IT systems that need to be replaced. As new systems are implemented, IA will need to participate in the implementation. We currently lack auditors with needed IT or large scale systems implementation experience to manage these increased risks.

Controller

Outdated financial and student systems continues to be the primary barrier to providing effective and timely financial support services to UW. Additionally, we constantly face new and changing compliance regulations. Every year we delay our systems upgrades makes integrating these changes riskier and more difficult.

6. Please **update the carryover usage plan you submitted as part of last year's budget development process**. To do so, please complete the **"Updated Carryover Usage Plan" tab** of the Excel workbook. Please note:

- Your worksheet is pre-populated with the carryover usage plan you submitted last year, new estimated carryover totals, and new reserve figures.³
- Please provide updated numbers under "Updated Plan" (Columns H-K).
- If you have new line items, please add rows, as needed.
- For any major updates, please provide a brief description of the change (Column L).

Please note, although cost allocations for the HR/Payroll Modernization Program won't be available until the new system goes live, units are encouraged to incorporate the original allocations (from the HR/Payroll Cost Allocation plan) into their carryover spending plans. For units that made prepayments, all funds have been held in reserve, and will be applied to your future cost allocations.

If you would like to describe any items from the worksheet in greater detail, please use the space below. For **additional guidance**, please see the example posted at the [FY18 Budget Development webpage](#).

If your unit has a **deficit** instead of a carryover, please confirm that you have an updated deficit mitigation plan in place with OPB. If you do not, please explain why.

[See attached Excel document](#)

³ As a reminder, carryover balances are calculated at the end of each biennium and can only be *estimated* mid-biennium.

7. For FY18, the Provost will be deploying *permanent* Provost Reinvestment Funds (PRF) primarily, if not exclusively, to cover compensation increases. Thus, **units are asked to limit PRF requests to temporary funding needed to address critical compliance and/or high institutional priority needs.**⁴

If your unit has a PRF request that fits within these strict parameters, please describe it in the “**PRF Request**” tab of the Excel workbook. Please also indicate what you are willing to commit as a match for PRF support.

[See attached Excel document](#)

⁴ Please refer to the University’s [Sustainable Academic Business Plan](#) for more information about top institutional goals.

FY17 & FY18 Planned Expenditures - Administrative Units

Please use the fields below to provide information for **each functional area** of your unit. “Functional area” is most easily described as a level of granularity that reflects your unit’s org chart and is reconcilable to your unit’s organization code structure. However, if this results in an unwieldy number of “functional areas” for your unit (i.e. more than 7 or 8), please provide a more manageable level of granularity. As a general guideline, we anticipate 3-7 functional areas per unit.

For guidance, please see the example posted at the FY18 Budget Development webpage: <http://opb.washington.edu/fy18-unit-budget-development>

BT = Budget Type OC = Object Code

Finance & Facilities (F2) Total

Finance & Facilities (F2) supports the core mission of the University of Washington through the strategic management and collaborative stewardship of the institution’s human, financial and physical resources. F2 is the largest central administration organization at the UW, comprised of six primary business units, 25 departments, and 1,250 FTE. In FY17, annual fiscal expenditures are projected to be over \$188 million.

FISCAL YEAR 2017						
Fund Source	FTE	Projected Expenditures (in \$)				
		Salaries & Benefits	Goods & Services (OC: 03, 05, 06)	Contractual Services	Travel (OC: 04)	Other (OC: 08-21)
GOF/DOF, excluding carryover (BT 01)	857.8	\$ 70,949,618	\$ 21,250,936	\$ 446,375	\$ 1,112,305	\$ (31,289,070)
Fixed Cost	50.0	\$ 4,648,842	\$ 51,777,383	\$ 397,490	\$ 150,350	\$ (12,173,023)
Self-Sustaining Funds (BT 10, 11)	325.8	\$ 24,974,007	\$ 51,856,965	\$ 476,833	\$ 775,724	\$ (4,068,543)
Grants & Contracts (BT 05)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Philanthropy, or Gifts & Discretionary (BT 06)	19.8	\$ 6,336,758	\$ 443,196	\$ 270,800	\$ 200,000	\$ -
Total	1,253.4	\$ 106,909,224	\$ 125,328,480	\$ 1,591,498	\$ 2,238,378	\$ (47,530,636)

FISCAL YEAR 2018						
Fund Source	FTE	Planned Expenditures (in \$)				
		Salaries & Benefits	Goods & Services (OC: 03, 05, 06)	Contractual Services	Travel (OC: 04)	Other (OC: 08-21)
GOF/DOF, excluding carryover (BT 01)	858.6	\$ 73,629,015	\$ 20,949,404	\$ 564,431	\$ 1,159,027	\$ (32,149,104)
Fixed Cost	50.0	\$ 4,767,387	\$ 47,515,663	\$ 461,158	\$ 154,860	\$ (11,053,368)
Self-Sustaining Funds (BT 10, 11)	325.8	\$ 25,913,490	\$ 50,461,055	\$ 438,161	\$ 798,538	\$ (4,281,004)

Grants & Contracts (BT 05)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Philanthropy, or Gifts & Discretionary (BT 06)	19.8	\$ 6,829,793	\$ 455,861	\$ 275,200	\$ 205,000	\$ -
Total	1,254.2	\$ 111,139,684	\$ 119,381,983	\$ 1,738,951	\$ 2,317,425	\$ (47,483,476)

Notes:

Fixed cost separated from GOF/DOF for convenience.

ILP Budget 27-0001 (budget type: 56, Debt Service) added to Self-Sustaining Funds.

University of Washington Investment Management Company (UWINCO) is included in this budget package, but reports directly to the university President.

Office of the VP for Finance & Facilities and F2 Administration

The Vice President for Finance & Facilities provides the leadership and vision necessary to oversee the integrated financial strategies and physical resources that advance the University's mission. The VP is a key member of the executive leadership team and works closely with the President and Provost in planning and policy making for the University. This role is essential to the overall management and direction of the University's financial and business planning and operations.

F2 Finance & Administration (F2A), under the guidance and direction of the Vice President, serves as the main fiscal and administrative contact between the VP and other university departments. F2A provides financial and administrative leadership across the F2 organization, and is responsible for managing VP resources, budgeting, financial reporting, data analytics and human resources. F2A is responsible for organization-wide administrative functions including communications, space planning, compliance, and systems access. Additionally, F2A manages major enterprise projects delegated to the VP.

FISCAL YEAR 2017						
Fund Source	FTE	Projected Expenditures (in \$)				
		Salaries & Benefits	Goods & Services (OC: 03, 05, 06)	Contractual Services	Travel (OC: 04)	Other (OC: 08-21)
GOF/DOF, excluding carryover (BT 01)	6.5	\$ 1,275,773	\$ 407,632	\$ -	\$ -	\$ -
Fixed Cost	-	\$ -	\$ 71,500	\$ -	\$ -	\$ -
Self-Sustaining Funds (BT 10, 11)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Grants & Contracts (BT 05)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Philanthropy, or Gifts & Discretionary (BT 06)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Total	6.5	\$ 1,275,773	\$ 479,132	\$ -	\$ -	\$ -

FISCAL YEAR 2018						
Fund Source	FTE	Planned Expenditures (in \$)				
		Salaries & Benefits	Goods & Services (OC: 03, 05, 06)	Contractual Services	Travel (OC: 04)	Other (OC: 08-21)
GOF/DOF, excluding carryover (BT 01)	6.5	\$ 1,287,794	\$ 44,700	\$ -	\$ -	\$ -
Fixed Cost	-	\$ -	\$ 72,900	\$ -	\$ -	\$ -
Self-Sustaining Funds (BT 10, 11)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Grants & Contracts (BT 05)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Philanthropy, or Gifts & Discretionary (BT 06)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Total	6.5	\$ 1,287,794	\$ 117,600	\$ -	\$ -	\$ -

Notes:

Fixed cost separated from GOF/DOF for convenience.

Controller

The Controller's Office is responsible for assuring the financial integrity of the University through the oversight and management of Financial Accounting, Procurement Services, Tax Office, DATA Group, Payroll, Travel, Records Management, Global Operations Support and Creative Communications.

The Controller's Office supports critical institutional accounting and business functions and ensures compliance with federal, state, local and international requirements.

- Centralized Procurement Services ensures that the more than \$1 billion in goods and services acquisitions made by university departments annually meet all state and federal compliance requirements.
- Financial Accounting ensures that the UW can demonstrate auditable results in compliance with standard governmental reporting regulations. This reporting is critical to both internal and external stakeholders such as investors, rating services and regulators. Financial Accounting is also responsible for maintaining compliance with Payment Card Industry requirements (for all UW credit card activities).

The Controller's area manages enterprise-level risks and provides more efficient mechanisms, tied to industry best practices, than would be realized if these operations were decentralized.

Notes: GOF/DOF includes Fixed Cost Budgets
The "Other" includes cost transfers, largely in Creative Communication's "Postage Expense" budget.

FISCAL YEAR 2017						
Fund Source	FTE	Projected Expenditures (in \$)				
		Salaries & Benefits	Goods & Services (OC: 03, 05, 06)	Contractual Services	Travel (OC: 04)	Other (OC: 08-21)
GOF/DOF, excluding carryover (BT 01)	127.7	\$ 12,322,897	\$ 3,962,131	\$ 55,231	\$ 161,478	\$ (3,348,822)
Self-Sustaining Funds (BT 10, 11)	52.4	\$ 3,752,038	\$ 7,379,206	\$ 3,557	\$ 25,200	\$ 13,500
Grants & Contracts (BT 05)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Philanthropy, or Gifts & Discretionary (BT 06)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Total	180.2	\$ 16,074,935	\$ 11,341,337	\$ 58,788	\$ 186,678	\$ (3,335,322)

FISCAL YEAR 2018						
Fund Source	FTE	Planned Expenditures (in \$)				
		Salaries & Benefits	Goods & Services (OC: 03, 05, 06)	Contractual Services	Travel (OC: 04)	Other (OC: 08-21)
GOF/DOF, excluding carryover (BT 01)	127.7	\$ 13,314,511	\$ 3,971,565	\$ 55,431	\$ 163,535	\$ (3,370,648)
Self-Sustaining Funds (BT 10, 11)	52.4	\$ 3,873,841	\$ 7,208,902	\$ 3,557	\$ 25,200	\$ 13,500
Grants & Contracts (BT 05)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Philanthropy, or Gifts & Discretionary (BT 06)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Total	180.2	\$ 17,188,352	\$ 11,180,467	\$ 58,988	\$ 188,735	\$ (3,357,148)

Notes:

Fixed cost separated from GOF/DOF for convenience.

Facilities Services (FS)

Facilities Services includes eight departments which operate, maintain, and support the University's physical plant, campus engineering, utilities, building and ground maintenance and operations, custodial support, recycling and solid waste, emergency management, transportation services and administrative support.

- Campus Engineering provides professional engineering support for design review for construction and renovation of university facilities.
- Campus Operations maintains and operates critical building systems including fire/life safety systems, elevator systems, building environmental systems and controls, and other operational systems.
- Facilities Maintenance operates and maintains the building systems, interior spaces and building exteriors.
- Grounds Management maintains the network of roads and pathways along with caring for and maintaining the campus landscape.
- Custodial Services oversee the quality of UW spaces and places by systematically ensuring that campus interior environments are clean, sanitary, ready to use and aesthetically pleasing.
- UW Emergency Management is responsible for developing and implementing institution-wide programs and projects that promote disaster planning, training, mitigation, response, prevention and recovery for all-hazards.
- Transportation Services provides innovative and sustainable transportation solutions.
- Finance and Business Services manages all FS finances, grants, minor capital and energy conservation programs, materials management and information systems.

The continued operation, maintenance and management of the University's facilities and infrastructure is vital and fundamental to fulfilling the institutional missions and business objectives.

FISCAL YEAR 2017						
Fund Source	FTE	Projected Expenditures (in \$)				
		Salaries & Benefits	Goods & Services (OC: 03, 05, 06)	Contractual Services	Travel (OC: 04)	Other (OC: 08-21)
GOF/DOF, excluding carryover (BT 01)	613.5	\$ 45,778,348	\$ 15,733,559	\$ 186,144	\$ 885,992	\$ (27,940,248)
Fixed Cost	48.0	\$ 4,492,038	\$ 51,112,061	\$ 6,270	\$ 150,350	\$ (12,173,023)
Self-Sustaining Funds (BT 10, 11)	251.9	\$ 17,792,211	\$ 43,973,393	\$ 149,276	\$ 711,979	\$ (4,082,043)
Grants & Contracts (BT 05)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Philanthropy, or Gifts & Discretionary (BT 06)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Total	913.4	\$ 68,062,596	\$ 110,819,012	\$ 341,690	\$ 1,748,320	\$ (44,195,314)

FISCAL YEAR 2018						
Fund Source	FTE	Planned Expenditures (in \$)				
		Salaries & Benefits	Goods & Services (OC: 03, 05, 06)	Contractual Services	Travel (OC: 04)	Other (OC: 08-21)
GOF/DOF, excluding carryover (BT 01)	614.3	\$ 46,928,599	\$ 16,205,565	\$ 97,000	\$ 912,572	\$ (28,778,456)
Fixed Cost	48.0	\$ 4,605,622	\$ 46,996,373	\$ 6,458	\$ 154,860	\$ (11,053,368)
Self-Sustaining Funds (BT 10, 11)	251.9	\$ 18,332,099	\$ 42,747,453	\$ 153,755	\$ 733,338	\$ (4,294,504)
Grants & Contracts (BT 05)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Philanthropy, or Gifts & Discretionary (BT 06)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Total	914.2	\$ 69,866,319	\$ 105,949,391	\$ 257,213	\$ 1,800,770	\$ (44,126,328)

Notes:

Fixed cost separated from GOF/DOF for convenience.

Internal Audit (IA)

The mission of Internal Audit (IA) is to assist the Board of Regents and the University in its oversight, management and operating responsibilities. This is achieved by providing independent assurance, consulting and education services to the University community.

IA services add value by improving the control, risk management and governance processes to help the University achieve its business objectives.

FISCAL YEAR 2017						
Fund Source	FTE	Projected Expenditures (in \$)				
		Salaries & Benefits	Goods & Services (OC: 03, 05, 06)	Contractual Services	Travel (OC: 04)	Other (OC: 08-21)
GOF/DOF, excluding carryover (BT 01)	13.3	\$ 1,671,429	\$ 97,193	\$ -	\$ 25,995	\$ -
Fixed Cost	-	\$ -	\$ 555,822	\$ 391,220	\$ -	\$ -
Self-Sustaining Funds (BT 10, 11)	6.0	\$ 789,610	\$ 26,577	\$ -	\$ 8,545	\$ -
Grants & Contracts (BT 05)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Philanthropy, or Gifts & Discretionary (BT 06)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Total	19.3	\$ 2,461,039	\$ 679,592	\$ 391,220	\$ 34,540	\$ -

FISCAL YEAR 2018						
Fund Source	FTE	Planned Expenditures (in \$)				
		Salaries & Benefits	Goods & Services (OC: 03, 05, 06)	Contractual Services	Travel (OC: 04)	Other (OC: 08-21)
GOF/DOF, excluding carryover (BT 01)	13.3	\$ 1,877,464	\$ 98,500	\$ -	\$ 36,000	\$ -
Fixed Cost	-	\$ -	\$ 408,390	\$ 454,700	\$ -	\$ -
Self-Sustaining Funds (BT 10, 11)	6.0	\$ 821,207	\$ 27,500	\$ -	\$ 9,000	\$ -
Grants & Contracts (BT 05)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Philanthropy, or Gifts & Discretionary (BT 06)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Total	19.3	\$ 2,698,671	\$ 534,390	\$ 454,700	\$ 45,000	\$ -

Notes:

Change in salary/benefits between years due to addition of new IT Audit Manager 1/1/17, and .5 FTE Sr. Auditor 2/1/16.

Change in goods & services (03) due to SAO audit fees, which we have no control over.

Change in contractual services (02) due to KPMG audit fees. In FY16 paid for part of fees incurred in FY15, but not paid until FY16.

Increase from FY17 to FY18 based on new contract amounts.

Fixed cost separated from GOF/DOF for convenience.

Research & Student Accounting (RSA)

Research & Student Accounting (RSA) is composed of four areas which provide critical consolidated services that create efficiencies and mitigate risk to the University's research community and student financial programs.

- Grant & Contract Accounting (GCA) sets up all UW research budgets and ensures centralized financial compliance, which is critical for timely expenditure reimbursements and financial reporting.
- Management Accounting & Analysis (MAA) is responsible for the UW Facilities and Administrative (F&A) rate proposal process and for negotiating the UW's F&A rate with the federal government.
- The Equipment Inventory Office (EIO) is responsible for compliance tracking, reporting and depreciation analysis for 27,500 UW equipment assets valued at \$847 million (as of 07/1/2016). EIO operates the OASIS system, which is the fixed asset system that maintains all the University's fixed asset data.
- Student Fiscal Services (SFS) serves UW students through processing gross tuition and fees of \$1.3 billion and disbursing \$836 million in financial aid and scholarships (academic year 2015/2016). SFS also manages third party scholarships and sponsored student billings, and serves as the University's central cashier processing departmental deposits, providing central support for department invoice receivables, collection of student loans and past due tuition, and overseeing the student tax reporting process.

If the work of these units were no longer funded, the University would face significant risks in critical areas:

- Cash: Significant revenue from tuition, and reimbursement from loans and scholarships and grant expenditures would be at risk. Combined, these functions contribute more than \$2.5 billion per year.
- Compliance: Risk of not complying with sponsor requirements includes loss of future funding, penalties and fines, and potential loss of

FISCAL YEAR 2017						
Fund Source	FTE	Projected Expenditures (in \$)				
		Salaries & Benefits	Goods & Services (OC: 03, 05, 06)	Contractual Services	Travel (OC: 04)	Other (OC: 08-21)
GOF/DOF, excluding carryover (BT 01)	96.8	\$ 9,901,171	\$ 1,050,421	\$ 205,000	\$ 38,840	\$ -
Fixed Cost	2.0	\$ 156,804	\$ 38,000	\$ -	\$ -	\$ -
Self-Sustaining Funds (BT 10, 11)	-	\$ -	\$ 15,000	\$ 51,000	\$ -	\$ -
Grants & Contracts (BT 05)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Philanthropy, or Gifts & Discretionary (BT 06)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Total	98.8	\$ 10,057,975	\$ 1,103,421	\$ 256,000	\$ 38,840	\$ -

FISCAL YEAR 2018						
Fund Source	FTE	Planned Expenditures (in \$)				
		Salaries & Benefits	Goods & Services (OC: 03, 05, 06)	Contractual Services	Travel (OC: 04)	Other (OC: 08-21)
GOF/DOF, excluding carryover (BT 01)	96.8	\$ 10,220,647	\$ 629,074	\$ 412,000	\$ 46,920	\$ -
Fixed Cost	2.0	\$ 161,765	\$ 38,000	\$ -	\$ -	\$ -
Self-Sustaining Funds (BT 10, 11)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Grants & Contracts (BT 05)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Philanthropy, or Gifts & Discretionary (BT 06)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Total	98.8	\$ 10,382,412	\$ 667,074	\$ 412,000	\$ 46,920	\$ -

Notes:

Fixed cost separated from GOF/DOF for convenience.

Treasury

The Treasury office oversees investment accounting, endowment reporting, and the distribution of funds to campus from the University's Consolidated Endowment Fund and the Invested Funds (or operating funds). Treasury facilitates access to the capital markets and allows the UW to obtain low interest rates and favorable bond terms through active debt management and the Internal Lending Program (ILP). Treasury partners with the Advancement office to support endowed gifts which supply permanent capital and an ongoing stream of current earnings to the University.

Treasury plays a critical role in supporting the University's missions by ensuring the institution optimizes capital structure and long term investments, liquidity and working capital, and financial risk management.

FISCAL YEAR 2017						
Fund Source	FTE	Projected Expenditures (in \$)				
		Salaries & Benefits	Goods & Services (OC: 03, 05, 06)	Contractual Services	Travel (OC: 04)	Other (OC: 08-21)
GOF/DOF, excluding carryover (BT 01)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Cost	-	\$ -	\$ -	\$ -	\$ -	\$ -
Self-Sustaining Funds (BT 10, 11)	15.5	\$ 2,640,148	\$ 462,790	\$ 273,000	\$ 30,000	\$ -
Grants & Contracts (BT 05)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Philanthropy, or Gifts & Discretionary (BT 06)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Total	15.5	\$ 2,640,148	\$ 462,790	\$ 273,000	\$ 30,000	\$ -

FISCAL YEAR 2018						
Fund Source	FTE	Planned Expenditures (in \$)				
		Salaries & Benefits	Goods & Services (OC: 03, 05, 06)	Contractual Services	Travel (OC: 04)	Other (OC: 08-21)
GOF/DOF, excluding carryover (BT 01)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Cost	-	\$ -	\$ -	\$ -	\$ -	\$ -
Self-Sustaining Funds (BT 10, 11)	15.5	\$ 2,886,343	\$ 477,199	\$ 280,850	\$ 31,000	\$ -
Grants & Contracts (BT 05)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Philanthropy, or Gifts & Discretionary (BT 06)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Total	15.5	\$ 2,886,343	\$ 477,199	\$ 280,850	\$ 31,000	\$ -

Notes:

ILP Budget 27-0001 (budget type: 56, Debt Service) added to Self-Sustaining Funds.

University of Washington Investment Management Company (UWINCO)

UWINCO manages the University's Consolidated Endowment Fund (CEF) and Invested Funds (IF) which distributed over \$185 million to campus in FY2016. The CEF, consisting of over 4,000 University endowments, provides a steady stream of income to support individual scholarships, professorships and chairs, academic programs, and research. The operating funds meet the day-to-day financial obligations and earn an investment return in excess of money market funds. These pools are managed by a 20-member portfolio management and operations team. The team is led by a Chief Investment Officer (CIO) who is appointed by the Board of Regents, with the University of Washington Investment Management Company Board (UWINCO Board) advising both the Regents and the CIO. The team's activities range from investment research, manager due diligence, on-going monitoring, and reporting of consolidated portfolio investment performance and positioning. Investment Operations works closely with Treasury Operations which oversees investment accounting, endowment reporting, and the distribution of funds to campus.

Managing the CEF and IF requires long-term vision and strategic planning to meet the challenges of increasingly complex capital markets. UW's investment management has been cost effective. If internal investment management expenses were no longer funded, the alternatives would be to either outsource investment management at a higher cost or have a passively invested portfolio that would generate lower risk-adjusted

FISCAL YEAR 2017						
Fund Source	FTE	Projected Expenditures (in \$)				
		Salaries & Benefits	Goods & Services (OC: 03, 05, 06)	Contractual Services	Travel (OC: 04)	Other (OC: 08-21)
GOF/DOF, excluding carryover (BT 01)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Cost	-	\$ -	\$ -	\$ -	\$ -	\$ -
Self-Sustaining Funds (BT 10, 11)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Grants & Contracts (BT 05)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Philanthropy, or Gifts & Discretionary (BT 06)	19.8	\$ 6,336,758	\$ 443,196	\$ 270,800	\$ 200,000	\$ -
Total	19.8	\$ 6,336,758	\$ 443,196	\$ 270,800	\$ 200,000	\$ -

FISCAL YEAR 2018						
Fund Source	FTE	Planned Expenditures (in \$)				
		Salaries & Benefits	Goods & Services (OC: 03, 05, 06)	Contractual Services	Travel (OC: 04)	Other (OC: 08-21)
GOF/DOF, excluding carryover (BT 01)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Cost	-	\$ -	\$ -	\$ -	\$ -	\$ -
Self-Sustaining Funds (BT 10, 11)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Grants & Contracts (BT 05)	-	\$ -	\$ -	\$ -	\$ -	\$ -
Philanthropy, or Gifts & Discretionary (BT 06)	19.8	\$ 6,829,793	\$ 455,861	\$ 275,200	\$ 205,000	\$ -
Total	19.8	\$ 6,829,793	\$ 455,861	\$ 275,200	\$ 205,000	\$ -

Notes:

University of Washington Investment Management Company (UWINCO) is included in this budget package, but reports directly to the university President.

Updated Carryover Usage Plan - Administrative Units

Please use this template to provide an update on the carryover usage plan you submitted last year.

INSTRUCTIONS: Please do not change the numbers under "Previous Plan" (Columns C-F). Instead, please provide updated numbers under "Updated Plan" (Columns H-K). If you have new line items, please add rows, as needed. For any updates, please provide a brief description of the change (Column L). See the Word template for notes regarding HR/Payroll cost allocations. For additional guidance, please see the example posted at the FY18 Budget Development webpage: <http://opb.washington.edu/fy18-unit-budget-development>

	PREVIOUS PLAN (Do Not Update)				Carryover into FY16: \$ 16,295,501	UPDATED PLAN (Please Complete)				Est. Carryover into FY17: \$ 15,563,882 *
Unit: Finance & Facilities	Committed Year(s)	# of Years	Annual \$ Amount	Totals	Committed Year(s)	# of Years	Annual \$ Amount	Totals	Explanation of Changes/Updates	
Usage Categories and Descriptions										
Unit's Reserve (10% of permanent ABB budget)										
1. Unit Reserves	FY17	1	\$ 1,370,949	\$ 1,370,949	FY18	1	\$ 2,635,529	\$ 2,635,529		
	Total Unit's Reserve: \$ 1,370,949				Total Unit's Reserve: \$ 2,635,529					
Central Commitments										
1. F&A Proposal, ARRA, etc.	FY16	1	\$ 337,181	\$ 337,181	<i>e.g. FY17- FY19</i>	<i>e.g. 3</i>	\$ 106,508	\$ 106,508		
2. Student Intern Funding	FY16	1	\$ 100,000	\$ 100,000	FY17	1	\$ 35,383	\$ 35,383		
3. PRF Recapture for childcare	FY16	1	\$ 2,500,000	\$ 2,500,000			\$ -	\$ -		
<i>Add more lines as needed</i>				\$ -			\$ -	\$ -		
	Total Central Commitments: \$ 2,937,181				Total Central Commitments: \$ 141,891					
"Spending Plan" Permanent Costs & Other Projects										
A. Perm expenditures funded with temp funds										
1. Strategic Initiatives - Lean	FY16, FY17	2	\$ 727,728	\$ 1,455,455	FY17, FY18	2	\$ 771,683	\$ 1,543,365		
2. Temp Funded Positions	FY16, FY17	2	\$ 1,112,459	\$ 2,224,919	FY17, FY18	2	\$ 734,326	\$ 1,468,652	Some staff costs are included in B.5. below	
				\$ -						
B. Possible multi-year commitments										
1. Financial System Replacement Project	FY16, FY17	2	\$ 400,000	\$ 800,000	FY17, FY18	2	\$ 600,000	\$ 1,200,000	Increased cost based on HR/P	
2. HR/P - Ongoing System Support	FY16, FY18	10	\$ 390,000	\$ 3,900,000	FY17 +	10	\$ 370,000	\$ 3,700,000		
3. Sightlines & ADA Consulting	FY16, FY17	2	\$ 146,500	\$ 293,000			\$ -	\$ -		
4. HR/P - Debt & Provost Prepayment	FY16, FY17	2	\$ 350,000	\$ 700,000			\$ -	\$ -		
5. Ongoing operational Expenses	FY16, FY17	2	\$ 155,195	\$ 310,389	FY17, FY18	2	\$ 851,808	\$ 1,703,616	Reserves are carrying an increased	
6. Strategic Initiatives - Other	FY16, FY17	2	\$ 519,304	\$ 1,038,608	FY17, FY18	2	\$ 835,415	\$ 1,670,830		
				\$ -						
C. Immediate, current year use										
1. Deferred Maintenance/ Capital Investment	FY16	1	\$ 850,000	\$ 850,000	FY17	1	\$ 1,000,000	\$ 1,000,000		
2. Space & Equipment Upgrades	FY16	1	\$ 415,000	\$ 415,000	FY17	1	\$ 500,000	\$ 500,000		
				\$ -						
				\$ -						
				\$ -						
<i>Add more lines as needed</i>				\$ -						
	Total Permanent Costs & Other Projects: \$ 11,987,371				Total Permanent Costs & Other Projects: \$ 12,786,463					
	PRIOR PLAN TOTAL: \$ 16,295,501				UPDATED PLAN TOTAL: \$ 15,563,882 **					

* As a reminder, carryover balances are calculated at the end of each biennium and can only be *estimated* mid-biennium.

** Because carryover balances are estimated, and many of these priorities transcend multiple years, we do not expect this total to exactly match your unit's carryover total.

Provost Reinvestment Fund Request(s)

Please limit Provost Reinvestment Fund (PRF) requests to temporary support for issues of critical compliance and high institutional priority (such as enhancements to the faculty or student experience) and in consultation with faculty, staff and students. Please also indicate what you are willing to commit as a match for PRF support. Repeat the following fields as needed.

One Sentence Explanation:	<i>One FTE for post-award research compliance analysis to support and prioritize campus-wide financial compliance throughout the life of a grant or contract.</i>				
Requested PRF (per year):	\$	139,000			
Number of years needed:		<i>Ongoing</i>			
Starting In:		<i>FY18</i>			
Unit Match/Contribution:	<i>Can continue to fund in FM for another year pending availability of FM Temp funds, or request 50% permanent funding and continue to fund with 50% temp funding for now.</i>				
Full Explanation of Request:	<p><i>Federal audits are increasingly identifying lack of central oversight of financial activity as a significant contributor to audit findings on federal awards. In addition, federal auditors are beginning to use data analytics to review all transactions, rather than reviewing small samples. With nearly \$1.4 billion dollars in sponsored funding per year, the UW needs to be able to demonstrate that it has effective central oversight of financial activity. This position will:</i></p> <ul style="list-style-type: none"> <i>* Proactively produce reports using data analytics to identify high risk transactions;</i> <i>* Increase outreach on identified compliance trends and issues;</i> <i>* Improve compliance tools and information available to principal investigators and campus administrators with a focus on resolving compliance concerns and preventing future occurrences;</i> <i>* Monitor and interpret ever changing regulations; and</i> <i>* Provide increased guidance and just-in-time training on regulatory matters for campus.</i> <p><i>Compliance risk continues to grow as the University expands into diverse and complex sponsored funding arrangements. Multi-million-dollar audit findings at research institutions continue to generate headlines. For a research institution the size of the University of Washington, it is essential to have an adequate process in place to support and prioritize financial compliance throughout the life of a grant or contract.</i></p>				
Connection To Other Units:	<i>This position is responsible for coordination, collaboration, and support to all schools/colleges, departments, and centers who receive research funding, with an emphasize on federal research funding.</i>				
FTES and Expenditures	<i>In the table below, please outline what the TOTAL funds (requested PRF + unit match) would buy. Please add lines as needed.</i>				
Job Title	FTE	Total Yearly Cost	Amt covered by unit	Amt covered by PRF	
<i>Post-award Compliance Research Analyst</i>	<i>1</i>	<i>\$69,500</i>	<i>0%</i>	<i>50%</i>	<i>Currently funded from Reserves, seeking 50% funding beginning in FY18, permanent funding as possible.</i>
Other Expenditures		Total Yearly Cost	Amt covered by unit	Amt covered by PRF	
<i>0</i>	<i>n/a</i>	<i>\$0</i>	<i>0</i>	<i>0</i>	

One Sentence Explanation:	<i>Implement a hybrid physical equipment inventory solution by providing (loaning) bar code scanners to departments for them to do the scanning which will result in greater accuracy and efficiencies of the inventory.</i>				
Requested PRF (per year):	\$ 165,000				
Number of years needed:		<i>Ongoing</i>			
Starting In:		<i>FY18</i>			
Unit Match/Contribution:	<i>The Equipment Inventory Office commits 1 FTE (approximately \$75,000 including salary and benefits) per year.</i>				
Full Explanation of Request:	<p><i>Consideration is being given to a centralized equipment inventory process, an approach vetted with campus customers in collaboration with the Office of Research, which would result in tremendous time savings. Department equipment custodians would no longer need to physically identify and confirm the assets, as this function would be performed by the Equipment Inventory Office (EIO). For the most part, this would eliminate the need for administrators to:</i></p> <ul style="list-style-type: none"> <i>* Create, print and distribute inventory reports for each of their equipment custodians;</i> <i>* Independently verify the equipment custodian's work;</i> <i>* Compile the information into the formal paper inventory to return to EIO;</i> <i>* Track down items not found and update records for items disposed of or lost.</i> <p><i>This would allow campus departments to either reduce and/or redirect resources toward more critical department needs. With this funding, this work could be centralized for the Seattle and South Lake Union campuses.</i></p> <p><i>At this time, we propose to implement a hybrid solution by providing (loaning) bar code scanners to departments for them to do the scanning which will result in greater accuracy and efficiencies of the inventory. We would follow this up with a further assessment of the total centralized process as detailed above.</i></p>				
Connection To Other Units:	<i>This project would relieve the burden currently placed on department equipment custodians.</i>				
FTES and Expenditures	<i>In the table below, please outline what the TOTAL funds (requested PRF + unit match) would buy. Please add lines as needed.</i>				
Job Title	FTE	Total Yearly Cost	Amt covered by unit	Amt covered by PRF	
<i>Analyst</i>	<i>3</i>	<i>240,000</i>	<i>31%</i>	<i>69%</i>	<i>Note: Can only implement if permanent funds become available.</i>
Other Expenditures	<i>n/a</i>	Total Yearly Cost	Amt covered by unit	Amt covered by PRF	

One Sentence Explanation:	<i>Temp funding for F&A proposal preparation.</i>				
Requested PRF (per year):	<i>See table below</i>				
Number of years needed:	<i>FY17-FY20</i>				
Starting In:	<i>FY18</i>				
Unit Match/Contribution:	<i>N/A</i>				
Full Explanation of Request:	<i>Temp funding for F&A proposal preparation includes annual componentization and base year library utilization study (originally planned for FY17), 1.5 temp FTE, annual software costs, F&A advisory specialists for related quality checks and travel/supplies.</i>				
Connection To Other Units:	<i>Management Accounting & Analysis coordinates and collaborates with schools/colleges campus-wide and with central units including Capital & Space Planning, Planning & Budgeting, and the Office of Research. They coordinate the in-depth campus-wide research costing and space study required every 3-6 years by the Department of Health & Human Services, Cost Allocation Services to obtain the UW's F&A rates for federal research. The majority of the work, including all the work covered in this request, is performed cyclically as required to support the F&A study only.</i>				
FTES and Expenditures	<i>In the table below, please outline what the TOTAL funds (requested PRF + unit match) would buy. Please add lines as needed.</i>				
Job Title	FTE	Total Yearly Cost	Amt covered by unit	Amt covered by PRF	
	<i>0</i>	<i>0</i>	<i>0%</i>	<i>0</i>	
Other Expenditures		Total Yearly Cost	Amt covered by unit	Amt covered by PRF	
<i>Year 1 - FY17</i>	<i>n/a</i>	<i>\$290,000</i>	<i>0%</i>	<i>100%</i>	<i>FY17 funds have already been received</i>
<i>Year 2 - FY18</i>		<i>\$570,000</i>	<i>0%</i>	<i>100%</i>	<i>Includes \$170K deferred from Year 1 *</i>
<i>Year 3 - FY19</i>		<i>\$450,000</i>	<i>0%</i>	<i>100%</i>	
<i>Year 4 - FY20</i>		<i>\$300,000</i>	<i>0%</i>	<i>100%</i>	

*Library study deferred from FY17 to FY18 due to success in obtaining six-year F&A rate.