

# Department of Business Administration Faculty Expense Tracking [UIUC]

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## Business Case

The Department of Business Administration, within the College of Business on the Urbana campus, currently tracks non-personnel expenses using an Excel spreadsheet. Department staff maintain the spreadsheet as expenses are incurred throughout the fiscal year and reconcile the entered transactions using monthly statements from the Office of Business and Financial Services (OBFS). Faculty are able to review transactions and view their current balances using a custom-developed tool. While the tool has increased visibility of their allocations in recent years, issues with accurate, up-to-date, and timely information still exist. The information maintenance process is time consuming and manually intensive for staff and prone to inaccuracies (i.e., missing transactions or transactions assigned or allocated to the wrong individual, area, or program). Overspending due to lack of knowledge and visibility still occurs. Furthermore, faculty are unable to see a complete picture, as the tool does not show them any area- or group-level funds they may have available.

## Goal

Improve the quality of the non-personnel expense tracking process, ensuring that faculty can obtain an accurate, up-to-date balance that reflects their complete and verified transaction history (i.e., all transactions are present and accounted for) for the fiscal year.

## Approach

Mapped the cash flow process for faculty expenses. Interviewed faculty representatives to identify issues. Discussed issues and causes with BA staff. Viewed demonstration of College of Law and “MyFi” expense tracking systems. Identified opportunities for improvement and brainstormed potential solutions. Developed transition action plan to prioritize potential solutions, assign owners to tasks, and establish a timeline.

## Outcome

Identified 8 short-term recommendations, expected to result in easier access to more timely information for staff and faculty, reduction in negative balances, and improved communication of policies and expectations. Recommended development of a training program for new faculty orientation. Recommended development of carryover policy to reduce faculty concern over the loss of unspent funds. Implementation of a new financial reporting tool is expected in the spring of 2016.

## Key Findings

- **The online viewer usually results in system errors and does not work most of the time**
- **Some faculty unaware they can check their balance online**
- **Some faculty keep their own spreadsheet since grant funds also need to be tracked**
- **Faculty feel it is not a big deal to go into deficit**
- **High turnover in Business Office has previously resulted in issues with accuracy, completeness, and timeliness**
- **There is a sharp increase in requests by faculty for balance information, purchases, and reimbursements from Business Office near the end of the fiscal year, resulting in delays**
- **"Pending" items do not show up on statement**

## Short-term Improvement Recommendations

- 1. Provide training on Travel Expense Management (TEM) system, "Viewer" (or future software) to new faculty members during orientation**  
*Provides faculty convenient access to timely information and reduces end of year requests for information. The online viewer, in particular, supports pending or upcoming items that the Business Office is or will be processing.*
- 2. Create policy to carry forward balance of up to \$500 for those who do not go into deficit each fiscal year and disallow use of "special funds" for expenses spanning Fiscal Years, no overages (case-by-case exceptions)**  
*Reduces end of year spending down of funds, eases Business Office's June workload, and discourages deficits.*
- 3. Setup new financial organization structure/index code for area leaders to use for tracking**  
*Allows expenses to be assigned to a unique financial account code for each area so that area leaders can utilize reporting tools to track expenses, including grant expenses, based on timely official enterprise data.*
- 4. Send fiscal year end email to all faculty members with deficits or expenses spanning fiscal years and include snapshot of each person's discretionary balance**  
*Provides faculty with more timely information and proactive notification of account balances to support improved expense planning and reduce deficits.*
- 5. Require each faculty member to sign off (via email or physical signature) on their balance at the beginning of each quarter**  
*Fosters awareness and accountability and proactively identifies and corrects errors.*
- 6. Work with the Office for Information Management (OIM) to fix errors with online viewer**  
*Eliminates a common issue which prevents faculty from relying upon the online system to track expenses.*
- 7. Implement financial reporting tool: College of Law system, MyFi**  
*Provides faculty with a more robust, convenient, and better supported system to track expenses, including grant expenses, using timely and official enterprise data.*
- 8. Communicate future changes to discretionary spending at the annual faculty retreat**  
*Ensures that all faculty have necessary information, especially about policy changes, to plan expenses, access the information they need, and reduce confusion.*

## Implementation of Recommended Improvements

Short term recommendations are currently being implemented with most activities scheduled for completion in August 2015. Implementation of a new financial reporting tool is expected by December 2015. All activities are scheduled for completion by April 2016.