

Drake University
Business and Finance Strategic Plan
FY04 through FY08

Revised May 2005

The Business and Finance Mission:

To provide **stewardship** of all University resources, **support** for the core mission, and **service** to students, employees, donors, and the broader Drake community in a timely and professional manner

The Business and Finance Vision:

Each B&F unit will be the “best in class”, operating with the highest standards of integrity and professionalism.

The five central goals of the Business and Finance division are:

- To enhance the long-term financial health of Drake University
- To ensure that resource allocation (financial, physical and human) is aligned with the University’s strategic priorities
- To provide a competitive and safe physical environment
- To facilitate and monitor a competitive salary and benefit package for all faculty and staff
- To mitigate institutional risk & preserve University assets

These goals are repeating themes throughout the Business and Finance Strategic Plan. The Business and Finance Plan, however, is structured to correspond with the five major goals identified in the University’s Strategic Plan.

The Business and Finance Strategic Plan is structured to correspond to the five goals identified in the University's strategic plan.

Goal I: Ensure the excellence, currency, and appropriateness of the Drake Experience

B&F Objective: Develop a culture of service, strategic thinking, ethical behavior and life-long learning among all B&F employees

- Research and adopt professional “best practices”
 - Develop unit aspirant lists—*by Jan. 2006*
- Commit to and assess individual employee training annually
- Model friendly problem-solving behavior
 - Create a “who-to-call” list for B&F; distribute to the campus—*by fall 2005*
 - Survey service results for each unit at least every other year—*beginning spring 2006*
- Implement modified Sarbanes-Oxley Act—*done spring 2004*

B&F Objective: Oversee creation of updated Campus Master Plan to direct the University's future physical improvement and ensure a competitive physical/learning environment

- Identify short and long-term priorities for improvement—*done spring 2005*
- Develop a 3 to 5 year funding plan for the top 5 or 6 priorities—*done spring 2005*
- Develop an ongoing facilities/grounds advisory group of staff and students to monitor campus appearance—*begin fall 2005*
- Conduct a space utilization study; develop plan, including policies & procedures, for efficient use of campus facilities—*spring 2005*
- Develop a residence hall renovation plan—*complete by May 2006*

B&F Objective: Create a safe and secure environment for students and employees

- Develop lighting standards—*done fall 2004*
- Develop standards & create prioritized plan for signage & campus maps—*by Jan. 2006*

- Plan to add 2 emergency phones each year until campus has adequate coverage-- *beginning fall 2004*
- Develop parking & traffic plan
 - Work with City to add stoplights on University & other critical locations—*summer 2005*
 - Work with developer on parking garage—*fall 2005*
- Security personnel training—*update annually*
- Coordination with DSM police & neighborhood
- Compliance
 - OSHA
 - EPA/Hazardous Waste
 - ADA
 - All other regulatory issues/agencies

B&F Objective: Develop funding initiatives for deferred maintenance and priority capital projects as outlined in the campus master plan

- Develop 3 Year Capital Budget—*begun spring 2005*
- Develop 5 Year Debt Plan---*done spring 2005*
- Explore cooperative ventures with private business
 - Explore housing partnerships-- *by 5/31/06*
- Assist in assigning fundraising priorities
- Assign budgeted “surplus” target to fund deferred maintenance—*work with BOT during FY06*
- Leverage large unrestricted estate gifts
 - Wheatley \$3M—*spring 2005*
 - Pewick \$750k—*spring 2005*

B&F Objective: Recommend organizational and process improvement changes to improve the efficiency and cost effectiveness of all campus operations

- As part of the annual budget process—*ongoing*
- Revise and expand accounting policies & procedures on the web—*complete by May 2006*
- Develop plan for ongoing program review of a minimum of 2 administrative programs each year—*summer 2006*
 - Require selected programs to zero-base budget
- Review campus administrative structure for redundancy
- Establish preferred vendor relationships to simplify purchasing process & save costs—*by Jan. 2007*

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Goal II: Improve and sustain the financial health of the University

B&F Objective: Achieve the following financial performance indicators annually (as measured at the end of each fiscal year)

- Balance the operating budget & meet surplus targets
- Increase net assets
- Create positive cash flow
- Meet or exceed all debt covenants
- Meet or exceed investment benchmarks
- Receive an unqualified audit opinion

B&F Objective: Continue to benchmark key indicators annually with peer and aspirant groups to ensure that Drake's operations model "best practices"

- Financial ratios (investment, budget, balance sheet)
- Compensation levels (salary & benefits)
- Staffing levels by NACUBO classification
- Human Resources Ratios & initiatives
- Facilities/Deferred Maintenance Ratios
- Security Crime Statistics
- Food/Catering operations

B&F Objective: With the approval of the BOT, develop a 2% "bottom-line surplus" policy (i.e., require that the year-end "change in net assets from operating activities" should equal 2% of total operating revenues)—*approved by BOT Jan. 2005*

- Phase in the surplus requirement beginning with approximately .5% in FY06 and increasing the bottom-line target by approximately .5% each year until achieving 2% no later than FY09
- Allocate the achieved surplus between quasi endowment and deferred maintenance annually as approved by the BOT

B&F Objective: Develop a new 4 Year Budget Model (for FY06-09) which clearly links resource allocation to the University's strategic priorities—*done April 2005*

- Create a 5 Year Debt Plan—*done spring 2005*
- Develop a 5 Year Endowment Projection—*done FY04*
- Develop a 3 Year Salary Plan
 - Consider shifting salary increases to September/October to link with enrollment objectives and permit budget flexibility—*by FY08*
- Develop an annual contingency budget—*done--ongoing*
- Use flexible budgets as possible—*done for FY05 & FY06*
- Monitor progress annually compared to plan

B&F Objective: Create incentives to encourage new revenue generation, creative budget reallocation, and budget savings

- Implement Strategic Improvement Plans—*done FY05*
- Consider use of Responsibility Centered Budgeting where appropriate—*begin Law in FY06*
- Increase revenue producing use of the physical plant via meeting services—*begun FY05*
- Develop revenue improvement financial guidelines for colleges/schools and auxiliary operations—*for FY07*

B&F Objective: Accelerate student accounts receivable collection

- Research peer & aspirant collection policies—*by Jan. 2006*
- Create and communicate new, tougher collection policies for *Fall 2006*
- Establish target for improvement of a/r as % of billings & % of bad debt—*summer 2005*

B&F Objective: Create a culture of fiscal accountability and transparency

- Share budget manager results with the campus community and the BOT—*beginning fall 2005 for FY05 results*
- Develop written budgetary policies, communicate and enforce—*done summer 2004 for FY05 budget; fall 2005 for FY06 budget*
- Develop consequences for budgetary irresponsibility—*implement during FY06*

- Provide more detailed budgets for internal reporting purposes—*begin in FY06*
- Consider models for RCB (responsibility centered budgeting)—*beginning in FY06 & phased in as appropriate*

B&F Objective: Improve internal control and reduce institutional risk

- Implement Internal Audit Function—*begun Fall 2004*
- Assist Audit Committee in developing policies & procedures related to internal audit—*begun spring 2005*
- Implement NACUBO Sarbanes-Oxley provisions—*done June 2004*
- Reduce decentralized cash collection by 50% (from estimated \$1.3 million)
 - Phased in approach over 2 years—*beginning summer 2005*
- Develop pre- and post- grant award policies and procedures—*begun in FY05 to be completed in FY06*
- Conduct a tax audit (Deloitte)—*by Dec. 2005*
- Schedule workshops with Drake's tax advisor for Athletics and Institutional Advancement & possibly SAC—*summer 2005*
- Schedule workshops for SAC re various risk management topics—*begin summer 2005*
- Develop written internal accounting policies
 - Document daily/monthly processes—*beginning summer 2005 with completion Jan. 2007*
- Educate and manage compliance with all federal and state regulations (including Title IV, OSHA, FLSA, EPA, etc.)
 - Initiate regular training programs on a rotational schedule
- Monitor insurance coverage for savings opportunities
 - Reduce University exposure for student athletes—*done spring 2005; next steps in FY06*
 - Reduce Worker's Compensation exposures—*begun 2005*
- Develop term schedule for all University contracts—*during FY06*
 - Assign accountable staff to each contract
- Develop criteria (with Provost) to be used for grant applications (minimums and maximums; standards re F&A)—*during FY06*
- Reduce FAS 106 liability (retiree benefits)—*done FY05*
- Facilitate opportunities to move non-mission related activities from Drake—*begun FY05; completion targeted for FY07*

- Consider outsourcing counseling center and revamped health center contract—*summer & fall 2005*
- Reduce liability exposure with respect to vehicles—*during FY06*
 - Substitute car allowances for leases
 - Shift courtesy vehicles to employee lease vs. University lease
- Examine possibility of requiring all students to provide proof of health insurance coverage—*by fall 2006*
- Develop records retention policy—*done FY05*
 - Determine (with Cabinet discussion) the official loci for various types of documents—*by May 2006*

The Business and Finance Strategic Plan is structured to correspond to the five goals identified in the University's strategic plan.

Goal III: Recruit and retain faculty and staff of the highest quality

B&F Objective: Improve Drake salaries to meet or exceed the 60th percentile of peer institutions *by FY09*

- Develop 3 Year Salary plan—*begun spring 2005*
- Establish clear benchmarks to track progress
- Survey market every other year (e.g., even numbered FY)
- Compare against various peer & aspirant institutions
- Measure and communicate progress annually to BOT & campus community
- Establish clear, written guidelines for salary administration—*begun spring 2005*
- Review & revise (as needed) performance evaluation instrument—*annually*

B&F Objective: Ensure that campus-wide salary increases/bonuses are based upon merit; linked to performance and tied to the University's strategic goals & objectives

- Work with Provost on results—*annually during summer & fall*
- Consider revised pay structure relative to employee performance goals (e.g. 40/60 weighting or bonus only)

B&F Objective: Ensure that Drake's employee benefits are fair and competitive when compared to the benefits offered by peer & aspirant institutions

- Survey and communicate results at least every other year—*beginning FY06*
- Adjust benefits as needed (if financially able)

B&F Objective: Create learning and development opportunities (with funding) for all employees

- Implement a phased-in learning & development budget target per employee (beginning with \$1000 per exempt; \$500 per nonexempt) to achieve \$2000 per exempt and \$1000 per nonexempt *by FY08*
- Create on-campus learning & development programs—*begun in FY05*

- Monitor use of learning & development funds to ensure that funds are used consistently and effectively (IT software may assist)
- Create learning & development opportunities within B&F to ensure cross-training & succession planning

B&F Objective: Consolidate faculty/staff recruitment process & all related HR processes *by FY08*

- HR to conduct staff recruitment screening *by FY07*
- HR to provide additional support for faculty search committees—*beginning FY06*

B&F Objective: Become an “employer of choice”

- Develop a safe, community-friendly work environment for all employees
- Develop communication message to convey benefits of being a Drake University employee—*begin FY06*
- Develop vehicles for fostering individual development and professional planning
- Orientation programs for new employees; refreshers for others—*begun FY05*
- Administrative sabbatical opportunities—*done FY05*
- Flex time
- New models for employment
- Learning & Development programs—*begun FY05*
- Work/life programs—*begin FY06*

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Goal IV: Ensure that Drake students, faculty and staff are able to function effectively as member of diverse local, national and global communities

B&F Objective: Create a hospitable environment for diversity (for employees and students)

- Provide dietary options to accommodate various religious and/or cultural differences--*done*
- Provide free ESL training for non-English speaking employees—*done FY05*
- Translate critical training materials in the native language of employees—*begun FY05 in Facilities & Food*
- Identify translation resources to assist with potential Security or other concerns—*during FY06*
- Review campus signage for additional/second language options—*during FY06*
- Provide universal language signage in critical public areas—*by Fy07*
- Establish and fund a prioritized capital list for ADA accommodations—*update during FY06*
- Develop a mentoring program for new staff/faculty—*by FY07*
- Provide manager and employee awareness training re diversity matters—*at least every other year*
- Track applicants to better monitor results of recruitment techniques—*begin FY06*
- Create an enhanced recruitment effort for diverse administrative/staff candidates—*HR FY06*

B&F Objective: Ensure that a diverse applicant pool is developed for every open position within B&F

- B&F Diversity Plan—*done in FY05*

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Goal V: Improve relationships and communications with University's key constituencies (students, faculty, staff, parents; boards; alumni; prospective students and their parents; friends; community; state; nation)

B&F Objective: Ensure an open, transparent work environment

- Create opportunities for employees to better understand the business operations of the University (and to enhance the analytical and creative intelligence of other University community members)
 - Annual budget town meetings
 - Campus master plan open sessions/email comments—*FY05*
 - Parking issues—*begun in FY05*
- Create opportunities for employees to discuss significant work-policy changes
- Provide all-employee (BOT) e-mail updates regarding the B&F activities/operations at least every other month—*begun in FY05*
- Provide regular HR updates on benefits, policy changes, etc.--*ongoing*
- Provide construction updates biweekly during capital projects—*ongoing since FY03*
- Conduct service satisfaction surveys (students and employees) for each B&F operating unit at least every other year—*Food, facilities are annual; security has website; Student Accounts in FY06 & Accounting during FY07; Payroll & Grants--future*

B&F Objective: Implement a minimum B&F standard for email and phonemail responses—*beginning summer 2005*

- Minimum 48 hours for email & phone
- Continually update phonemail message to cover absences
- Use automated e-mail response when away from the office
- Develop a work-order fulfillment standard—*summer 2005*

B&F Goal VI: Model stewardship over University resources, financial, physical and personnel

B&F Objective: Ensure that resource allocation (financial, physical and human) is aligned with the University's strategic priorities

- Develop and Communicate a standardized Budget Process
- Assist with Fundraising Priorities and Restriction definitions
- Recommend organizational change to make better/more strategic use of limited human resources
- Demonstrate link between University's strategic plan and budget—*begun for FY06 budget*
- Focus on energy conservation and recycling where possible
- Consider "green" approach to facility construction
- Develop and monitor benchmarks with aspirants