New Fund Requests
LEAN Project

Controller’s Office
April 4, 2018
Today’s Objectives

• New fund request (NFR) process has manual steps and time consuming for the clients.

• Combining of duplicate tracking logs, creation of knowledge base article, introducing digital signature (project already in process), having the units take ownership of the NFR

• Our team worked as one cohesive unit, the LEAN methodology is a great tool however, there was a lot of information to process in a short period of time.
• **Yellow Belt Team Members**
  • Rachida Adamou Diawara, Fund Administrator Endowments
  • Alan Moskovic, Senior Finance Officer Endowments & Non-Research Restricted
  • Orsola Sasso, Supervisor Unrestricted Accounting

• **Sponsor**
  • Myriam Bensimon, Controller
• Controller’s Office consists of 11 individuals
  
  Main Responsibilities:
  Internal & External Reporting
  Bank Reconciliations
  Commodity Tax Compliance
  Fund administration (Unrestricted, Endowment, and non-research restricted)

• We receive approximately 450 New Fund Requests in 2017
• Currently (in the last 6 months) the opening of new funds can take up to 24 business days which impedes on the spending power ability of the clients (ie: Fund Financial Managers, Principal Investigator)

• We are targeting within the next three months to have in place improvements to dramatically reduce the cycle time for the new fund opening
## Problem Statement

### SIPOC

<table>
<thead>
<tr>
<th>Suppliers</th>
<th>Inputs</th>
<th>Process</th>
<th>Output(s)</th>
<th>Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>A: Faculty Financial Officer, Finance Service Team, Administrative Assistants, Administrative Officers, Professors / Principle Investigator</td>
<td>- Signed New Fund Request form - Guaranteeing Fund - CESA Approval - Memorandum of Agreement - Allocation Codes - Letters of intent; Funding source</td>
<td>- UF Supervisor receives NFR via internal mail or fund opening mailbox. - UF Supervisor date stamps the NFR and assigns tracking number for NFR. - UF Supervisor reads NFR and categorizes as UF, EF, or RF - UF Supervisor inputs the NFR into excel tracking sheet. - UF Supervisor triages the categorized NFR's to EF</td>
<td>- EF and RF triaged to SFO</td>
<td>- Senior Finance Officer (SFO)</td>
</tr>
<tr>
<td>B: Faculty Financial Officer, Finance Service Team, Administrative Assistants, Administrative Officers, Professors / Principle Investigator</td>
<td>- Signed NFR form - Guaranteeing Fund - Funding source - Letter of intent - Memorandum of Agreement</td>
<td>- UF Supervisor receives NFR via internal mail or fund opening mailbox. - UF Supervisor date stamps the NFR and assigns tracking number for NFR. - UF Supervisor reads NFR and categorizes as UF, EF, or RF - UF Supervisor inputs the NFR into excel tracking sheet. - UF Supervisor codes UF NFR's, assigns a number, a FADM code.</td>
<td>- UF coded NFR is given to the UF Banking</td>
<td>- UF Banking Staff</td>
</tr>
<tr>
<td>C: UF Banking Staff</td>
<td>- UF coded NFR is received</td>
<td>- Open the new fund in banner - Create a folder for the new fund request.</td>
<td>- New fund on Banner - New fund folder</td>
<td>- UF Fund Administrators</td>
</tr>
<tr>
<td>E: Supervisor UA</td>
<td>- Triaged EF &amp; RF new fund request</td>
<td>- Triaged new fund request is placed in the mail bin outside SFO's office. - SFO writes date received on top of the NFR. - NFR is inputted into EF/RF NFR tracking excel spreadsheet. - SFO verifies the NFR form for missing or incorrectly inputed information. - SFO verifies that the NFR has the required back-up documentation. - SFO follows up on missing information and documentation. - SFO edits the NFR - Coded NFR is given to the fund administrators to open the fund.</td>
<td>- Coded NFR</td>
<td>- Faculty Finance Officers - Finance Fund Managers - Financial Service Team Members - University Advancement - Fund Administrators</td>
</tr>
<tr>
<td>F: Senior Finance Officer</td>
<td>Coded NFR</td>
<td>- Fund Administrator (FA) reads the new fund request. - FA communicates with SFO if any information / documentation is missing. - FA opens the new fund on banner. - FA sends NFR opening memo - FA follows up on any questions from external parties</td>
<td>- New fund on Banner - New fund email / memo notification</td>
<td>- Fund Financial Managers - Faculty Finance Officers - University Advancement</td>
</tr>
</tbody>
</table>

**Process starts:** Clients external to financial services submits a NFR.  
**Process ends:** New Fund is Opened in Banner
# Problem Statement

**SIPOC**

## New Fund Request Process for Endowment and Restricted Funds

<table>
<thead>
<tr>
<th>SUPPLIERS</th>
<th>PROCESS</th>
<th>OUTPUT ($)</th>
</tr>
</thead>
</table>
| Faculty Financial Officers  
Finance Service Team  
Administrative Assistants  
Administrative Officers  
Professors / Principal Investigators | Record request  
Review request for completeness and accuracy  
Code Request  
Assign fund number  
Create fund in Banner  
Notify requestor | Fund Administrator notifies by email the various stakeholders |

<table>
<thead>
<tr>
<th>INPUTS</th>
<th>CLIENTS</th>
</tr>
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<tbody>
<tr>
<td>Receipt of signed NFR</td>
<td>Various individuals within the McGill community that are in a Finance, Administrator or Academic role</td>
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</table>

<table>
<thead>
<tr>
<th>INCLUDED</th>
<th>EXCLUDED</th>
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</thead>
<tbody>
<tr>
<td>Endowment and Restricted Fund</td>
<td>Unrestricted Funds</td>
</tr>
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</table>
Capture the voice of the client by:

- On-line survey (100 responses)
- Interviews via telephone
Voice of Client (VOC)

• Survey Results: identified the following key findings:

What is your biggest challenge when requesting a new fund?

- Turnaround Time: 30%
- Communication: 29%
- Complexity of the NFR Form: 25%
- Clarity of the NFR Process: 16%
• Conducted telephone interviews (FFO’s, FST’s & AO’s)
  • What are your needs or expectations?
    • Too slow, quicker turn-around time
    • Would like to see a 5-10 business day turn around

• What comes to mind about the new fund request process?
  • More interactive, attaching pdf files, electronic/digital signatures,
  • Electronic approvals (ex: MINERVA queues)
  • Process complex as many stakeholders involved (ex: missing allocation code)
• The team members validated what the outside community voiced regarding lead time by reviewing our internal tracking log from February 2017 to July 2017

• Restricted NFR requirements creates increased delays in fund openings. The key causes contributing to the delay include:
  • Missing CESA approvals (stakeholders don’t know if it is required)
  • Missing MOA’s
  • Missing allocation codes (available in the “push report”)

• Restricted and Unrestricted delays can be contributed to:
  • Incorrectly completed NFR forms
  • Stakeholders not making use of NFR forms checklist
• Our Internal tracking log was used to measure our start to finish lead time for opening a new fund.

• The data revealed that it can take between 3 to 24 business days to open a new fund.

• We identified a big disparity between the time to open Unrestricted vs Restricted funds
  • Average cycle time for Unrestricted Funds is 3 days
  • Average cycle time for Restricted Funds is 18 days
Voice of Process (VOP)

New Fund Request Received
- Triage: 2 days
- Coding EFG and FR1: 18 days
- Open in Banner: 2 - 3 days
- DWH refresh: 1 day
- Memo Notification sent to Stakeholder

BOTTLENECKS
- Lag Time to Coding
- Information Missing

Key Points
- Turn around time between 3 - 24 business days
- Average time unrestricted funds is 3 business days
- Average time restricted funds is 18 business days
Problem Statement
Opening a new fund can take up to 24 business days.

Phase

Root Causes

People
- Conflicting priorities
- Many stakeholders: Everyone at each step needs to know their role
- Workload distribution: not one dedicated resource overseeing the whole process

Materials
- Lack of Training: New / Existing Employees - Use of wrong form
- No back-up resources
- Missing Information on NFR: MOA, Signatures
- Duplicate submissions of NFR
- Wrong Information: ID’s missing - Incorrect Information

System/ Process
- Decentralized Environment
- Lack of automation
- IT resources lacking to render process more efficient
- No digital forms: too much paper

Environment
- Communication: who to contact in FS’s
- No clear definitions: ex. Research vs Non-Research
- Disconnect between UA, Student Aid, Financial Services and Faculties - stakeholders are not informed about CESA

Lack of clear Rules & Guidelines
Revisit NFR forms:
- Checklist not in a good location
- Information on form not needed
- Signing authority not centralized
- Communicate to community
Prioritizing the Solution(s)

Analysis of Solution
Effort vs Impact

<table>
<thead>
<tr>
<th>Item</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Define Clear rules and guidelines (creation of KB Article)</td>
</tr>
<tr>
<td>2</td>
<td>Disapprove New Fund Request (NFR)</td>
</tr>
<tr>
<td>3</td>
<td>Revamp and merge the two tracking logs</td>
</tr>
<tr>
<td>4</td>
<td>Total automation (approval queues, including digital signatures)</td>
</tr>
<tr>
<td>5</td>
<td>Partial automation (digital signatures)</td>
</tr>
<tr>
<td>6</td>
<td>Triage option: Supervisor UA to give the NFR to EFG or FR1</td>
</tr>
<tr>
<td>7</td>
<td>Cross training (backup)</td>
</tr>
<tr>
<td>8</td>
<td>Feedback to repeat offenders (error tracking)</td>
</tr>
</tbody>
</table>

No Resources Required to Implement | Many Resources Required to Implement

High Benefit 100
90
80
70
60
50
40
30
20
10
No Benefit

Effort
Short-Term

• Merge internal tracking logs (Completed December 2017).
• Define clear rules and guidelines (Completed February 28, 2018).
• Update NFR forms to include required fields or drop down menu (March 23, 2018).
• Revamp the checklist to be more user friendly (March 23, 2018).
• Communicate new rules and guidelines to the McGill community at various information sessions ex: RAN Forum (April 6, 2018).
• Disseminate new rules and guidelines by publishing the updated new fund request forms on Financial Services website and sending a campus wide notification (April 2018).
• Reduce turn around time (KPI) by 20% by October 30, 2018 from 24 business days to 19 business days.
Long-Term

• Reduce turn around time (KPI) by an additional 20% by the end of FY19 from 19 business days to 15 business days

• Partial automation via digital/electronic signatures (BNS completed in 2017 - currently on the IT priority list)

• Ideally, total automation, a paperless process! Digital approval queues (similar to Minerva online approval) to further reduce turnaround time: Depending on IT resources

• Creating an internal new fund request standard operating procedure (SOP) in order to ensure cross training and standardize the new fund request process (December 2018).

• Ensuring continuity by cross-training employees to use the Standard Operating Procedures (SOP’s) to perform the new fund request process. (April 2019)
Monitoring and Control

- Monitor **turn around time (KPI)** on a quarterly basis (February 2018) through our tracking logs.
- Conduct a **customer satisfaction survey** (October 2018) to assess benefits gained from the new LEAN process and identify new opportunity for improvements.
- Targeting 80% conformance and the remaining 20% is dealt with on a case by case basis and will provide us the opportunity to enhance the process.
Lessons Learned

• Discovered that some individuals that are not part of the process should be!
  • Stakeholders are not only within the Faculties (FFO, FST, AA) but also within other units as well (ie. University Advancement, CESA committee).

• A lack of clarity and communication creates a complicated process for stakeholders.

• Gaining a better understanding of stakeholder needs helps to define a process.

• The LEAN methodology and tools can be used in other processes to create efficiencies.

• Team did not realize how long it actually takes to open a fund. One of the team members did not realize that there was two logs.
Recognition and Celebration