

Block 5/6 Project: Banner Finance Enhanced Fund and Org Transaction Security

Charge

Recommendation 5 of the college's Strategic Plan emphasizes building an inclusive community, helping each person develop as a professional and sustaining workplace excellence that will advance our goals while also making CC one of the best places in the nation to work. Part of being an excellent workplace means to be efficient and effective in our daily operations. This block project will focus on finding new ways of creating efficiencies within our financial transaction posting process by exploring how the college might improve the processes and/or use of the Banner Finance module to ensure that financial transactions initiated by a user are posted only after verifying the fund and/or org codes being charged as well as ensuring that the charges are authorized by the appropriate fund managers. The team exploring this efficiency opportunity should feel free to examine workflow processes, Banner Finance module use and functionality, as well as post-transactional review options to reach the ultimate goal of having financial transactions recorded properly with appropriate approval for the fund code and/or org code.

Project Members

Justin Weis, Chair, Associate Director of Residential Life
Gerri Anne Reed, MAT Staff Assistant
Sharon Neely, Academic Assistant Lead, Environmental Sciences
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Liz Scherckenbach, Systems Programmer/Analyst, ITS

The Block V/VI Project team's goal is to help CC record financial transactions properly with appropriate approval for the fund code and/or organization code by examining workflow processes, Banner Finance module use and functionality, and post-transactional review options.

Summary:

The project team explored several areas of concern. We found the current journal entry (JE) process to be paper intensive and subject to invalid Fund, Organization, Account, Program, Activity, and Location (FOAPAL) usage and discussed the possibilities of automating that process. We explored the possibility of enabling the Banner Approval process for various document entry forms including journal entries, encumbrances, purchase orders (POs), requisitions, change orders and invoice/credit memos. We reached out to others on campus to learn how incorporating required training, reporting, and communication could improve valid, more efficient use of FOAPALs between and within organizations. Our recommendations follow and will refer to attachments reporting our reasoning.

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*This project team focused on finding new ways of creating efficiencies within CC's financial transaction posting process.*

### Long-term Recommendation

The project team recommends Colorado College pursue an alternative, automated, sustainable, more efficient approach than what is in place for its current journal entry (JE) process. This would not only address inaccurate use of FOAPALs but cut down on the amount of paper documentation generated. If financial transaction requests could be automated at the source and include an approval step when the requestor is not the approving authority (similar to Concur and P-card), efficiency would be created while cutting down on paperwork generation. Based on the current work load and staffing levels in both ITS and Finance & Administration, as well as the depth of knowledge needed, outsourcing the design and development of this solution should be considered. Review Attachment 1 (p. 3) for full report.

### Short-term Recommendation

The project team recommends a separate block project team consisting of Human Resources (HR) and Finance & Administration Office staff along with executive, administrative, and academic staff assistants from across campus to develop a Self-Service Banner (SSB) Training Workshop and peripheral supporting needs. It is this project team's agreement that providing consistent, ongoing training will help mitigate common mistakes, cutting down on the amount of correcting JEs the Finance & Administration Office processes annually. Review Attachment 2 (p. 4) for full report.

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This project team explored how the college might improve the processes and/or use of the Banner Finance module to ensure that financial transactions initiated by a user are posted only after verifying the fund and/or org codes being charged, and ensure that the charges are authorized by the appropriate fund managers.

The project team recommends that if the College explores Banner's available preauthorization/approval process, it do so initially with 2-3 departments to assess impact. The project team work on this topic realized that a lot of financial errors on campus are due to keying FOAPALs incorrectly. Although Banner has the ability to provide preauthorization/approval permissions, it seems preauthorizing charges would not create a more sustainable, efficient outcome and/or less mistakes, but rather this extra step would create additional work for all involved. Please review Attachment 3 (pp. 5-6) for full report.

NEXT STEPS – April 17, 2015

- 1) We are planning on inviting the campus to attend training sessions on Banner. Education and training can help minimize errors in account coding**
- 2) We are working on an on-boarding program for folks who have budget responsibilities in their job duties**
- 3) We are exploring ways to implement workflow processes in Banner that could also go a long way in helping to minimize errors.**

Attachment 1 – Automated Journal Entries

The current journal entry (JE) process is that JEs are produced in paper form and submitted to the Finance & Administration Office where they are keyed in by a member of the accounting team. The project team reviewed JEs submitted to the Finance & Administration Office last November, and found that the majority of the JEs submitted during that time were correcting JEs to fix the initial transaction which either had been mis-keyed, or simply misunderstood by the initiator.

The project team identified the need for a paperless and automated JE process and believes this would be the most effective, sustainable way of resolving common FOAPAL mistakes. If the initial transaction could be moved from a paper process to an electronic one with controls like those currently used in Concur and/or p-card reconciliations, this would make common mistakes less likely, and could include an approval requirement when appropriate. Our research has shown that keyed errors are very few in the areas of Concur and P-card by comparison to JEs.

The project team recommends hiring a consultant to meet with members of the CC-Banner community (to include a sample of end users) to determine next steps in developing a new, automated, sustainable JE process.

The Ellucian-Live conference may provide some answers. Two members of the project team are attending the conference in April 2015. While there, they plan to learn whether there is an existing solution that will automate the JE process in Banner.

Attachment 2 – Training & Reporting Recommendations

Focusing on the need to create more efficiency regarding Banner processes, the project team recommends developing and nurturing three areas of improvement: Education, Responsibility, and Communication.

After reviewing new employee onboarding processes with Paul Schilli and Carla Quarrels in Human Resources (HR), the project team learned that training in Self-Service Banner (SSB) is not part of the onboarding process, and that this point is lamented by nearly 100% of new employees with budget responsibilities at CC. Paul indicated that HR expects individual departments and offices to train new employees in SSB due to the idiosyncratic nature each department/office may require. After speaking with several staff and administrative staff assistants it became apparent that the direction many receive from their direct supervisors regarding SSB training is to visit with someone in the Finance Office.

The project team believes more efficiency, less confusion, less mistakes, and more responsibility regarding best practices with SSB would be created by offering a required training for all new employees with budget responsibilities within 30 days of the employee receiving access to SSB.

The project team recommends that a new block project team consisting of HR and Finance & Administration Office staff and executive, administrative, and academic staff assistants develop initial and ongoing Banner training workshops geared toward a user-friendly, easily consumable format for new and existing employees. We see each training taking at least one-half of a full work day and would incorporate topics such as access to and maneuvering within Banner, clarifying acronym coding (e.g. FOAPAL), and querying real-time data reports, as well as learning all additional reporting options available such as Cognos and E-Print reports, etc. In addition to producing a user-friendly, regularly scheduled format for training, this block project team would help to identify potential “trainers” at the user-friendly level, produce a Banner Training Manual, and a new web page that would host the manual, any Banner and/or Finance end-user policies, and additional directions, “How Tos,” Best Practices, training videos, etc.

Attachment 3 – Preauthorization/Approval of Banner Charges

The project team spent the vast majority of its time discussing preauthorization/approval process capabilities in Banner and the effect this would have on end-users at CC. We agree preauthorization *could* reduce the number of incorrect FOAPALs used in inter-organizational charges but remain cautious that it will have an overall positive, more efficient and sustainable impact to CC-Banner processes. Our research gleaned that opening the available preauthorization/approval capabilities in Banner will not resolve this committee's charge of creating more efficiency for Banner users. The following is what we learned.

The College currently has the ability to enable preauthorization/approval processes in Banner. Once the approval process is enabled, *each line item of every JE document must be approved*. If any one line item is left unapproved or is denied, the entire document is in suspension until the item is corrected and/or approved. This would delay processing. Approvals can be directed based on the following accounting information:

- Chart of Accounts
- Fund or Fund Type (F)
- Organization (O)
- Account or Account Type (A)
- Program (P)
- Activity (A)
- Location (L)

An approval rule will need to be established for each and every organization and/or FOAPAL depending on the situation. The routing criteria determine which queue the system will use to route a document. Limits can be set to require approval by different personnel based on dollar amounts. After determining the initial routing queue, the system distributes the document to all the appropriate queues/levels necessary for final approval based on total document amount.

Approvals can be established such that if the person entering a JE is the defined approver, the approval is implicit. Most JE documents are entered by a single employee in the finance office. CC can use this to set up a default approval rule where, if the line item has no specific approval rule(s) set up for it, the approval can be implicit based on the Chart of Accounts.

Fund/Organizational managers would be able to opt out of the approval process, though the project team agrees this should not be allowed as the set up and maintenance efforts would outweigh any benefits.

An override approval can be established for each queue enabling the Finance & Administration Office to approve unapproved items. This would be additional work for the Finance department.

Additional notes:

- Prior to going live with preauthorizing all Banner charges the College should have a clear understanding and buy-in from personnel responsible for fund/organizational management, and should identify and work with a test group first
- Initial setup of the queue rules will require significant analysis and review
 - Approval queues will need to be identified and maintained
 - Queue rules will require thorough testing by multiple disciplines before going live
 - Queue rules will require maintenance as personnel responsibilities change
 - Native Banner (INB) training for approvers would need to be developed and maintained

Advantages:

- Each charge to every configured FOAPAL must be approved by the FOAPAL manager
- *May* identify mis-keyed FOAPALs which currently require extra time and research to correct
- Increased awareness to budget activity

Concerns:

- Processing will be held up for any unapproved line items.
- Every approving person will need to have access to INB and the document approval form
- Significant additional setup, maintenance, and override approval for Finance & ITS personnel
- FOAPAL managers may perceive this as additional work