

DIVISION OF FINANCIAL AFFAIRS

Five-Year Strategic Plan
2019-2023

Division of Financial Affairs

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Executive Overview

The Division of Financial Affairs (DFA) supports Cornell University's missions, priorities, and initiatives by establishing policies, processes, and systems that promote careful and responsible management and protection of Cornell's financial resources. This financial stewardship role positions DFA to contribute significantly to Cornell's financial health by achieving compliance with laws and regulations through sound accounting and business practices, implementing proper internal controls, providing the data and systems used in analysis and processing to make better decisions, and educating individuals responsible for financial transactions to allow them to do their jobs. These contributions are accomplished by creating collaborative partnerships with all areas of the university and other stakeholders such as vendors.

Our Goals

This plan outlines the strategic initiatives we in DFA will undertake over a five-year period to accomplish the following goals:

- Realize continuous improvements in fiscal management activities.
- Establish new and reinforce existing stewardship-enhancing policies and procedures.
- Create and nurture active partnerships with and among academic and central administrative units.
- Launch improvements to communications, customer services, and training to help the Cornell community comply with requirements.

Our Priorities

We will accomplish these goals by focusing strategically on improving DFA's services and by challenging ourselves and others to assess and improve internal processes to free up resources needed to achieve Cornell's initiatives.

The following priorities will guide our efforts to implement our strategic and tactical initiatives over the next five years.

Implement a university-wide internal control framework.

The internal control framework emphasizes implementing strategies that tighten controls around financial transactions that crosscut or transcend unit, college, or department boundaries. Internal control plans must be implemented in each unit to maintain the highest standards of ethical conduct, transparency, and accountability; address issues of risk and materiality; and realize efficiencies.

Use data and analytics in all decision-making efforts.

Placing special emphasis on consistently integrating data and analytics into our decision-making will help us achieve continuous, data-driven improvements and create a strong foundation for all of our initiatives.

Enhance customer service to and collaboration with all organizations throughout the university.

Dynamic relationships between DFA and its customers in units and central administration are important and critical to the success of all our initiatives, as well as to Cornell's success as administrator and steward of its resources. In all efforts that affect the Cornell community, we will consider our customers' needs and draw them into our decision-making.

Our Initiatives

Six strategic initiatives support our goals and priorities.

Strategic Initiative 1: DFA's Internal Control Plan

We will use Lean Six Sigma (LSS) principles to implement an internal control plan guided by a risk and materiality assessment. DFA's plan, with its tools, templates, and best practices, will guide units in implementing their own plans.

Strategic Initiative 2: Unit-Specific Internal Control Plans

Each campus unit will implement an internal control plan, guided by risk and materiality assessments, based on DFA's plan and using LSS principles.

Strategic Initiative 3: Technology and Analytics Integration

We will organize DFA and establish practices so that technology use and data analysis are central to our planning and decision-making.

Strategic Initiative 4: Center of Excellence for Training

We will establish a center to provide the skills and tools necessary to help Cornell staff members perform their daily financial activities and implementing new internal control strategies.

Strategic Initiative 5: Procurement Reimagining

We will form a cross-functional team to analyze data and implement strategies to simplify the procure-to-pay process while providing appropriate stewardship and control mechanisms.

Strategic Initiative 6: One Cornell

We will collaborate with Weill Cornell Medicine and Cornell Tech in support of the presidential priority of being One Cornell.

Plan Implementation

Implementing this plan requires DFA departments to outline their own tactical strategies and initiatives for accomplishing these strategic goals. To achieve a positive and measurable impact on financial management practices for all of Cornell, these strategies include performing risk assessments in close cooperation with each department's

customers. Before a complete risk assessment can be completed, departments must do the following:

- Gain complete understanding of what services are being provided currently.
- Clearly define roles and responsibilities between DFA and the customers we serve.
- Evaluating completed process maps and narratives using LSS principles to determine efficiencies while maintaining a culture of compliance.

Risk assessments focus on improving cost effectiveness and compliance. This vital analysis of noncompliance risk can be accomplished by identifying high-risk versus low-risk transactions. This analysis informs what procedures and policies to enact to ensure proper audit compliance and informs the internal control implementation process.

Governance

In furtherance of the One Cornell presidential priority, we will work closely with our customers to govern this plan's implementation. Much of the academic decision-making must occur at the college or departmental level.

Goals of Governance

- Ensure a robust consultative process, with involvement from those who are affected, when central administration decisions have significant impact on departments, colleges, or other units.
- Promote and expect the highest standards of ethical conduct of all members of the university community, especially from those in positions of leadership or authority, whose decisions have significant impact on others.

Assessment

To assess institutional progress toward our objectives during this plan's implementation, we will generate and track a core set of metrics. The implementation activities of this plan and results achieved will be assessed with emphasis on the following:

- Using multiple measures for a given objective or priority.
- Combining quantitative metric with qualitative indicators.
- Minimizing time devoted to acquiring and assessing key performance indicators.

DFA Department Strategic Plans

2019-2023

This plan requires that each DFA department outline its tactical strategies and initiatives for accomplishing the division's as well as the department's strategic goals.

Accounting

University Accounting at Cornell helps units manage financial accounts, process transactions, and comply with accounting policies and procedures.

Our Goals

- Provide timely and accurate responses to campus stakeholders inquiries.
- Capture efficiency gains to build deeper financial analysis for executive management.
- Continue to complete annual audit and reporting requirements on deadline without findings.
- Better integrate data analytics and technology to allow significantly more oversight of known issues in material transaction cycles (i.e., educational revenue).
- Continuously update accounting knowledge and communicate as needed to key stakeholders.
- Capture efficiencies gained in Advanced Financial Accounting and Reporting (AFAR) to allocate significantly more resources to campus outreach and training efforts.
- Design tutorials or white papers on best practices for working with large data sets to achieve accurate, easily understandable, auditable work papers.

Our Priorities

- Implement revenue recognition and not-for-profit reporting standards in fiscal year 2019 and lease standards in fiscal year 2020.
- Establish and monitor staff commitment to 24-hour response times.
- Monitor restricted gifts with ACL software.

- Conduct process mapping to find potential efficiencies.
- Contribute increasingly high-quality content to Center for Training Excellence.
- Continue to work with Financial Information Services (FIS) to explore post-transaction analysis of key transactions or types.
- Automate audit-cycle project management with Microsoft Project.

Our Initiatives

Accounting will participate and have responsibilities in all of DFA's strategic initiatives, serving in many capacities, including advisory. Department initiatives include the following:

- Conduct a risk analysis and internal-control planning as part of the unit-specific internal control plan, most importantly around internal controls over financial reporting.
- Envision and develop data analytics and technology for current and future processes, to maximize control while minimizing reliance on manual interventions.
- Develop accounting-related content for the Center for Training Excellence.
- Strengthen the relationship with the Weill Cornell Medicine finance team to enable greater accuracy, timeliness, and efficiency in the consolidated closing process and other matters impacting both accounting teams.

Communications

Communications supports the internal and external communication needs for the division, including providing expertise and advice in strategic communications, university branding, writing, editing, and web site development, employing usability and accessibility best practices.

Our Goals

- Improve the division's image and its customers' experiences by providing accessible, useful, relevant information at the right time using the right vehicles.
- Develop communication strategies that help improve morale within the division and inform and instruct external audiences.
- Provide systems of measurement to monitor success.

Our Priorities

- Support division and department initiatives to promote quality and consistency in communications.
- Obtain the training necessary to stay abreast of new best practices in communications, web development, and project management.
- Employ usability and accessibility principles to improve the experience for DFA's customers on its website and in all of its communications.

Our Initiatives

Communications will participate and have responsibilities in all of DFA's strategic initiatives, serving in many capacities, including advisory. Department initiatives include the following:

- Lend communications expertise to all DFA projects and initiatives.
- Monitor and support finance policy reviews and support policy and procedure development.
- Initiate and manage a full website redesign project.
- Develop and implement communications plans supporting DFA's brand model.
- Improve the accessibility of and the user's experience with all DFA communications.

Financial Information Services

The Financial Information Services (FIS) team provides support for financial initiatives; administers and supports the Quali Financial System (KFS), OBIEE dashboards, and other financial tools; and delivers financial data for internal and external reporting needs. The Information Delivery and Analysis team is part of FIS and provides guidance on analyzing and reporting on general ledger transactions as well as monitoring accounting practices for invested funds, restricted gifts and unrestricted funds, investment accounting, and other general accounting areas. The reporting team also provides access to data for the university's annual audited financial statements.

Our Goals

- Build a roadmap and support plan for financial applications.
- Identify and evaluate viable technological solutions to increase efficiencies at all levels.
- Leverage expertise within FIS and DFA to enhance analytic capabilities and provide data for improved decision-making.
- Improve efficiencies to ensure better compliance in financial reporting and integrate technology in all DFA processes.

Our Priorities

- Validate data and resolve problems rapidly across all financial applications.
- Provide key performance indicators to measure initiative performance against division goals.
- Complete the Concur travel solution implementation to campus and deploy a support infrastructure.
- Improve integrations between campus financial applications and systems.
- Deliver continuous system upgrades with minimal user impact.

Our Initiatives

FIS will participate and have responsibilities in all of DFA's strategic initiatives, including providing system, data analytics, and reporting support, with specific impact on the following:

- Strategic Initiative 3: Organize DFA and establish practices so that technology and data analysis are central to all planning and decision-making. FIS will create synergies and efficiencies in supporting financial applications and building data analytic skills in the division.

Other initiatives include the following:

- Review DFA Applications: Conduct assessments on and prioritize DFA's financial applications to determine their efficacy and whether they should be kept, upgraded, replaced, or retired. FIS will prioritize the list according to current functionality needs and risks to current support. FIS will also identify funding sources and budget over multiple fiscal years.

- Implement a New Travel Program: Provide policies, practices, processes, and systems that support Cornell personnel traveling on university business to ensure that they are safe, have sufficient tools and information to help them comply with policy, and receive reimbursements quickly and accurately.
- Provide KFS Metrics: Working with BSC directors, provide a method for collecting and evaluating metrics generated from KFS transactions to help in evaluating transaction accuracy and identifying potential efficiencies.

Financial Operations

The Financial Operations team oversees all activities relating to supporting financial management across campus, including the internal control implementation process. The University Business Service Center (UBSC) falls under the Financial Operations umbrella, as will the Center of Excellence for Training, once established.

Our Goals

- Continually improve DFA's financial policies, procedures, and practices.
- Provide the training customers need to achieve their work duties successfully.
- Integrate technology and data analytics in all decision-making and planning activities.

Our Priorities

- Complete initial UBSC process mapping by February 28, 2019.
- Lead the Internal Control Committee established in 2018 to develop the Financial Internal Controls policy, which provides a framework for developing an effective internal control environment.
- Help internal control subcommittees develop unit-specific Internal Control Plan (ICP) frameworks, involving creating a standardized set of tools and templates that will help ease administrative burden on individual units implementing ICPs.
- Collaborate with Procurement to apply Lean Six Sigma (LSS) principles to increase capacity among UBSC staff members by streamlining procurement-related processes.
- Identify the first two units to implement unit-specific ICPs, guiding them through the process using the tools and templates developed during DFA's implementation.

- Identify current UBSC staff members with the potential skills, abilities, and desires to assist with internal control initiatives.
- Use opportunities to identify external employees with the skills and abilities to lead internal control initiatives.
- Develop a unit management representation letter for use with the fiscal year 2019 external audit process.
- Continue to keep university stakeholders informed and raise their awareness of the internal control initiative.

Our Initiatives

Financial Operations will participate and have responsibilities in all of DFA's strategic initiatives, serving in many capacities, including advisory, with specific impact on the following:

- Strategic Initiative 1: DFA's Internal Control Plan. Use LSS principles to implement an ICP guided by a risk and materiality assessment. DFA's plan, with its tools, templates, and best practices, will guide units in implementing their own plans.
- Strategic Initiative 2: Unit-Specific Internal Control Plans. Help campus units to implement an ICP, guided by risk and materiality assessments, based on DFA's plan, and using LSS principles.
- Strategic Initiative 4: Center of Excellence for Training. Establish a center to provide the skills and tools necessary to help Cornell staff members perform their daily financial activities and implement new internal control strategies.

Other department initiative include:

- Train all DFA employees on LSS principles and use their knowledge and expertise to achieve the goal of continually improving financial policies, procedures and practices.
- Complete and implement DFA's ICP following a risk and materiality assessment.

Financial Research Administration

Financial Research Administration (FRA) includes the departments of Sponsored Financial Services (SFS) and Cost and Capital Assets. FRA leads the development of strategies to meet the financial requirements of sponsoring organizations and supported units

effectively and efficiently. SFS helps units, unit administrators, and grant/contract principal investigators with the business and financial aspects of sponsored projects and provides expertise in all aspects of administering sponsored grants and contracts to university units and sponsoring agencies. SFS also provides post-award financial administration of approved sponsored grants, contracts, and cooperative agreements on Cornell's behalf. Cost and Capital Assets manages the capital asset recording and reporting process and provides oversight of the calculation, submission, and audit defense of the facilities and administrative (F&A) cost rates based on the requirements outlined in Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) (referred to as Uniform Guidance).

Our Goals

- Incorporate new accounting standards.
- Prepare campus for the fiscal year 2020 F&A base year.
- Document processes and implement a formal internal control plan.
- Implement the technology necessary to meet mission-critical needs and use automated analysis whenever possible to allow redeployment of human resources.

Our Priorities

- Improve compliance activities by performing automated post-transaction reviews rather than involving the central office in every sponsored transaction.
- Maintain a compliant research program while realizing efficiencies that will reduce administrative costs and burden.

Our Initiatives

FRA will participate and have responsibilities in all DFA strategic initiatives, serving in many capacities, including advisory. Department initiatives include the following:

- Ensure that the internal control plan model reflects FRA's specific needs, including consistent treatment, and different measures of materiality associated with sponsored and federal activity.
- Collaborate with the Office of the Vice Provost for Research (OVPR) and others to incorporate internal control concepts in campus tools.

- Continue significant emphasis on training, including formalization of custom training.
- Explore metrics to identify the training needs of individuals, service centers, and units.
- Coordinate training with DFA and OVPR units.
- Maximize the potential of existing staff and continue SFS's representation at the national level.
- Facilitate intercampus collaborations along with OVPR and other vice provosts.
- Enhance ongoing interactions with Weill Cornell Medicine and Cornell Tech.

Payroll and Tax

University Payroll and University Tax is organized into three areas: Payroll Operations, Tax Reporting, and Campus Services. Payroll Operations provides timely and accurate processing of all payrolls and wage payments to Cornell employees, which includes withholding deductions. Tax Reporting is responsible for determining whether payments are taxable, reportable, or subject to withholding as well as for preparing the university's tax information and tax returns. Campus Services responds to tax and payroll customer inquiries; trains campus partners, Cornell faculty and staff members and students; and coordinates special payroll processes.

Our Goals

- Create manager positions and promote within.
- Realign positions for efficiency.
- Train and cross-train positions.
- Address succession planning for several planned retirements.
- Expose positions to next-level responsibility.

Our Priorities

- Engage third-party vendors to complete and submit tax forms.
- Ensure that all payments conform to federal and state labor laws.
- Exercise strong internal controls and efficient use of university resources.
- Collaborate with human resources to ensure that Workday is functional and compliant with payroll and tax laws.

- Identify adverse trends and deficiencies in payroll results and address them through individual or group training workshops for campus partners.
- Schedule periodic training for the campus community on new functionality and conduct refresher training as needed.

Our Initiatives

Payroll and Tax will participate and have responsibilities in all DFA strategic initiatives, serving in many capacities, including advisory. Department initiatives include the following:

- Implement a payroll pay card solution: A pay card (or payroll card) is a prepaid card that employers can use to pay employees. Each payday, the card is loaded with the employee's wages for that pay period. Employees can use the pay card like a debit card, or they can withdraw wages through an ATM, bank cashier, or purchase where they receive cash back. This solution would replace paper paychecks but would not impact direct deposit participants.

Procurement and Payment Services

Procurement and Payment Services (Procurement) is organized into three areas: Campus Services, Supplier Services, and Payment Services. Procurement provides the technology, training, and best practices for procurement and payment processing at Cornell to help units to efficiently make purchases that are cost-effective and beneficial for the university, the economy, and the environment. Procurement provides supplier registration, contract review, transaction management, accounts payable, credit card programs, and strategic sourcing services, as well as the technology used to process and analyze procurement and payment transactions.

Our Goals

- Integrate technology and improve existing technologies in all functions.
- Provide convenient, impactful training and training tools for campus customers.
- Rationalize Cornell's supplier base to consolidate suppliers.
- Conduct price audits and supplier reviews.
- Reduce the number of pricing agreements.

- Use data and analytics to find strategic sourcing opportunities.
- Lead projects to increase small, diverse, and sustainable business participation.

Our Priorities

- Find efficiencies to streamline processes using Lean Six Sigma principles.
- Integrate technology and data into all decision-making activities.
- Support Cornell's commitment to sustainability and diversity by encouraging spending with small, diverse, and local businesses.
- Collaborate with campus partners to increase compliance with procurement policies and best practices and identify performance indicators.
- Partner with suppliers and leverage Cornell's purchasing power to supply the best products and services at a reasonable price.

Our Initiatives

Procurement will have responsibilities and participate in all DFA strategic initiatives by implementing an internal control program for its department and providing system, data analytics, and advisory support, with specific impact on the following:

- Strategic Initiative 5: Procurement Reimagining. Procurement will form a cross-functional team to analyze data and implement strategies to simplify the procure-to-pay process while providing appropriate stewardship and control mechanisms. Through this initiative, Procurement will encourage business service centers and colleges and administrative units to adopt best practices, implement a contract management tool that will impact the payment process and change workflow and implement process improvements and cost reductions.

Other initiatives include the following:

- Eliminate check payments.
- Transition from pricing agreements to contracts where practical.
- Implement a contract management system.
- Consolidate suppliers (rationalize the supplier base).
- Implement electronic invoicing and ACH payments for all suppliers.
- Identify supplier candidates for e-SHOP participation.
- Collaborating with the Center of Excellence for Training to provide customer-focused training.