As of December 2004
Quarter 2 - Fiscal Year 05

Grant and Contract Accounting Mission
As a professional accounting team, our mission is to provide support to the UW Research Community by proactively delivering consistent, accurate and timely financial products and services. We anticipate and creatively respond to the needs of our customers through collaboration and commitment to continuous improvement.

Management Accounting and Analysis Mission
Our mission is to craft a department that anticipates and is responsive to the costing and other informational needs of the campus community. Enhance services by collaboratively analyzing and developing data, methodologies, and policies to maximize flexibility for academic departments while complying with governmental regulations.

Key processes include:
Prompt New Award Setup, Accurate Reporting, Timely Invoicing, Full Compliance, Responsible Cash Management, Efficient Recharge Accounting Oversight, Comprehensive Develop and Negotiate Indirect Cost Rates (F&A)

For questions about this report, please contact:
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Prepared Date: 2/2/2005
Research Accounting and Analysis

National Benchmark

Post-award Administrative Costs as a % of Total Sponsored Project Costs
(Source: Preliminary data from Bearing Point survey, October 2003)

Efficiency

Hours Required to Manage One Budget, FY 1993-2003

2003 Dean's Report

2003 UW Support Services Assessment Report*
(Average represents Office Ratings from 2003 SSA
on a satisfaction scale rating of 1-5)

* A biennial assessment process administrative units.

New Budget Setup

Number of Days to Setup New Budgets in GCA only
GCA target = 1 day

RAA Operational Performance Dashboard - University of Washington

Vincent Lau
vlau@u.washington.edu
### Research Accounting and Analysis
#### Operational Performance Dashboard

**As of December 2004**

**Quarter 2 - Fiscal Year 05**

<table>
<thead>
<tr>
<th>Process / Measure</th>
<th>Current Output Measure</th>
<th>Target</th>
<th>Gap (Target-Output)</th>
<th>Process / Measure</th>
<th>Current Output Measure</th>
<th>Target</th>
<th>Gap (Target-Output)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer Perspective</strong></td>
<td></td>
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<td></td>
<td><strong>Financial Perspective</strong></td>
<td></td>
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</tr>
<tr>
<td>1) NEW BUDGETS</td>
<td>Average number of days from receipt of award in OSP to notification of budget number received by Principal Investigator from GCA. * †</td>
<td>13.2 days (Dec 04)</td>
<td>12 days</td>
<td>1.2 days</td>
<td>10) BILLING</td>
<td>Cumulative grant expenditures not invoiced. (Measure to be updated Feb05 using new receivables info)</td>
<td>$5.4M (Oct 04)</td>
</tr>
<tr>
<td>2) CUSTOMER SATISFACTION</td>
<td>2003 Dean's Report (UW SSA Report). Measures university support services based on value/importance of service and effectiveness of service.</td>
<td>Above UW Average (2003)</td>
<td>UW average</td>
<td>No gap</td>
<td>11) AGED RECEIVABLES</td>
<td>Percent of aged receivables outstanding more than 150 days overdue. † (Measure to be updated Feb05 using new receivables info)</td>
<td>18.8% (Nov 04)</td>
</tr>
<tr>
<td>3) RTE</td>
<td>Number of days to process Request to Transfer Expenditures (RTEs) submitted by departments to GCA. †</td>
<td>2.6 days (Dec 04)</td>
<td>4.0 days</td>
<td>No gap</td>
<td>12) TOTAL UNCOLLECTED</td>
<td>A combination of billing (#10) and aged receivables (#11). The amount of award dollars owing to the university. * (Measure to be updated Feb05 using new receivables info)</td>
<td>$31.1M (Oct 04)</td>
</tr>
<tr>
<td>4) CLOSINGS</td>
<td>Percent of budgets expired more than 150 days and not closed. †</td>
<td>32.5% (Dec 04)</td>
<td>20.0%</td>
<td>12.5%</td>
<td>13) DHHS</td>
<td>Potential liability from DHHS Awards that are closing Sept 30/2005</td>
<td>$2.4M 10/01/04</td>
</tr>
<tr>
<td>5) RECHARGE CENTERS</td>
<td>Average number of MAA days + Combined MAA / Dept days to prepare, review, and approve proposals. Three targets for three levels of rate complexity.</td>
<td>All within target (Qtr 2-05)</td>
<td>See graph</td>
<td>No gap</td>
<td>14) F&amp;A INDIRECT COST</td>
<td>Percent of dollar increase from year to year (fiscal) for indirect-cost recovery. Rolling 5-year average.*</td>
<td>9.9% (Qtr 2-05)</td>
</tr>
<tr>
<td><strong>Internal Business Process Perspective</strong></td>
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<td><strong>Learning and Growth Perspective</strong></td>
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<tr>
<td>6) CASH APPLIED</td>
<td>Percent of cash applied to budgets. * Future measure will display 12 month rolling average. (Measure to be updated Feb05 using new receivables info)</td>
<td>11 days (Dec04)</td>
<td>15 days</td>
<td>No gap</td>
<td>15) STAFF SATISFACTION</td>
<td>2003 Highly Satisfied Employees</td>
<td>55% (2003)</td>
</tr>
<tr>
<td>7) FSR's</td>
<td>Percent of final (and interim) Financial Status Reports (FSRs) completed within 90 days of budget expiration. †</td>
<td>64.7% (Dec 04)</td>
<td>85.0%</td>
<td>20.3%</td>
<td>16) CULTURE &amp; DIVERSITY</td>
<td>2003 Culture - Diversity</td>
<td>77% (2003)</td>
</tr>
<tr>
<td>8) FEC's</td>
<td>Faculty Effort Certificates (FECs) overdue. †</td>
<td>5.8% (Qtr1 - 05)</td>
<td>3.0%</td>
<td>2.8%</td>
<td>17) TRAINING &amp; KNOWLEDGE</td>
<td>2003 Training &amp; Knowledge</td>
<td>77% (2003)</td>
</tr>
<tr>
<td>9) COST SHARE</td>
<td>Number of budgets expired more than 90 days with unmet cost sharing. *†</td>
<td>44.3 (Dec 04)</td>
<td>30 budgets</td>
<td>14.3</td>
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* Measure is on FM Dashboard.
† Rolling 12-month average; all days are calendar days
(1) NEW BUDGETS

**Number of Days to Setup New Budgets in OSP & GCA**
Receipt of Award at OSP to P.I. Notification by GCA, 12 month Rolling Average = 13.2 Days

![Graph showing number of days to setup new budgets in OSP & GCA.](image)

**Number of Days to Setup New Budgets in GCA only**
OSP Days (Receipt of NEA* from GCS to PI Notification by GCA) Target = 1 Day

![Graph showing number of days to setup new budgets in GCA only.](image)

**Number of New Budgets**

![Graph showing number of new budgets.](image)

Target adjustment in April 03 & October 03 are respectively due to addition of new FTE and prioritization of workload.

NEA = “Notice to Establish Account”. The NEA originates from Grant & Contract Services (GCS) to the New Accounts section of GCA.
2003 Support services assessment report represents the comments/findings from interviews with Deans and key administrative support.
(3) REQUEST TO TRANSFER EXPENDITURES - RTE

Number of Days to Process RTEs
(12 Month Rolling Average = 2.6 Days)

Note: March 2002, implemented $250 materiality threshold for total deficits or total cash.
(4) CLOSINGS

Percent of Budgets Expired More Than 150 Days and Not Closed
(12 Month Combined Rolling Average = 32.5%)

Number of Budgets Expired More Than 150 Days and Not Closed
(Target = 1250 Budgets)
(5) RECHARGE CENTERS

Average Number of Days to Prepare, Review and Approve Recharge Center Proposals

Number of proposals
The number of proposals approved is numerically expressed at the top of each column.

Number of rates within each proposal
The number of rates is not expressed numerically expressed in this graph; instead it is captured in the overall complexity of the proposal.

Classifying the complexity of rates is a subjective determination based on:

- How many internal rates are in the proposal?
- Has the reviewer worked on the proposal before?
- Is this a new or established center?
- Are there significant changes from prior approved proposal?
- Has the person preparing the proposal worked on it previously?
- Is this a University-wide center?
(6) CASH APPLIED (Modified)

Previously, this measure displayed the percentage of cash applied. A more effective measure is the number of days to apply cash (effective July 2004). During October 2004 – November 2004, GCA developed an automated and comprehensive methodology in measuring cash. December 2004 represents the first month of this methodology. In the future, we plan to measure our target using a 12 month average.
(7) FINANCIAL STATUS REPORTS - FSR

**Percent of Financial Status Reports Completed by Sponsor Due Date**

(12 Month Rolling Average = 64.7%)

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<tbody>
<tr>
<td>54%</td>
<td>54%</td>
<td>58%</td>
<td>65%</td>
<td>75%</td>
<td>77%</td>
<td>89%</td>
<td>80%</td>
<td>63%</td>
<td>65%</td>
<td>72%</td>
<td>90%</td>
<td>60%</td>
<td>70%</td>
<td>69%</td>
<td>65%</td>
<td>62%</td>
<td>53%</td>
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<td>52%</td>
<td>51%</td>
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Target = 85%

**Federal and Non-Federal FSRs Completed by Sponsor Due Date**

**Letter of Credit & Non-Letter of Credit FSRs Completed by Sponsor Due Date**
(8) FACULTY EFFORT CERTIFICATION - FEC

% of Faculty Effort Certification Forms (FECs) overdue
(12 Month Rolling Average = 5.8%)

Note: Measurements for an academic quarter will not be available until the end of the following quarter (a 3 month lag).

For example: FY05-Q1 (September 2004) data will be available at end of FY05-Q2 (approximately January 2005)
(9) COST SHARE

Number of expired budgets with unmet cost share greater than 90 days.
12 Month Rolling Average = 44.3

Unmet Cost Share for the Month of December 2004

Target (30 budgets)

Note: Cost share includes committed and mandatory.
Effective November 2004, total dollars replaced total number of unmet cost share.

RAA Operational Performance Dashboard - University of Washington

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# (10) BILLING

## Billing -- July 2004

<table>
<thead>
<tr>
<th></th>
<th>Expenditures</th>
<th>Billed</th>
<th>Difference</th>
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<tbody>
<tr>
<td><strong>Scheduled Payment Budgets</strong></td>
<td>$164,525,165</td>
<td>$251,939,613</td>
<td>$87,414,448</td>
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<tr>
<td><strong>Scheduled Invoice Budgets</strong></td>
<td>$266,955,656</td>
<td>$267,469,930</td>
<td>$514,274</td>
</tr>
<tr>
<td><strong>Cost Reimbursable and Fixed Price Budgets</strong></td>
<td>$415,214,795</td>
<td>$408,990,536</td>
<td>$(6,224,259)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$846,695,616</td>
<td>$928,400,079</td>
<td>$81,704,463</td>
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</tbody>
</table>

### Unbilled Cost Reimbursable Expenditures

- **Deficits, $1,224,466**
- **Avg. Advance, $1,000,000**
- **Other Billing Freq., $0**
- **Net Unbilled, $5,397,306**

### Annual Lost Interest on Cost Reimbursable Expenditures

- **Annual Lost Interest on Unbilled Portion:**
  - 12 month rolling average: 
    - $6,998,340
    - 5%
    - $349,917

- **Annual Lost Interest on Current Month Billing:**
  - (if accounts billed 10 days faster each month): 
    - $6,982,643
    - 5%
    - $114,783

**Grand Total -- Lost Interest**: $464,700
(cont’d) BILLING

Grant Expenditures Not Invoiced (cumulative)

Millions

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<tbody>
<tr>
<td>Net Unbilled</td>
<td>$8.8</td>
<td>$9.2</td>
<td>$9.9</td>
<td>$12.1</td>
<td>$12.2</td>
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<td>$16.8</td>
<td>$17.3</td>
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<tr>
<td>Target</td>
<td>$6.1</td>
<td>$6.8</td>
<td>$6.1</td>
<td>$6.7</td>
<td>$6.8</td>
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Monthly Billing versus Monthly Expenditures

Millions

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<tbody>
<tr>
<td>Expenditures</td>
<td>$9.0</td>
<td>$4.0</td>
<td>$6.8</td>
<td>$6.1</td>
<td>$6.7</td>
<td>$6.8</td>
<td>$7.4</td>
<td>$7.0</td>
<td>$7.6</td>
<td>$8.9</td>
<td>$7.1</td>
<td>$6.4</td>
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<tr>
<td>Billing</td>
<td>$9.4</td>
<td>$6.1</td>
<td>$6.8</td>
<td>$6.1</td>
<td>$6.7</td>
<td>$6.8</td>
<td>$7.4</td>
<td>$7.0</td>
<td>$7.6</td>
<td>$8.9</td>
<td>$7.1</td>
<td>$6.4</td>
</tr>
</tbody>
</table>

* Expenditures = Current monthly billing + change in cumulative unbilled

Billing data for November 2004 pending.
(11) AGED RECEIVABLES

Outstanding Aged Receivables

Outstanding Aged Receivables
(Rolling 12-month average)

% of Total $ outstanding
Over 150 Days
21%

% of Total $ outstanding
91-150 days
11%

% of Total $ outstanding
1-90 days
68%

Outstanding Aged Receivables More Than 150 Days Old

Percent of Aged Receivables Outstanding More Than 150 Days Old
(Rolling 12 month average = 18.8%)
(12) TOTAL UNCOLLECTED

33M target = [combination of two targets] and one estimate.
33M = [2M (unbilled) + 5M (aged > 150 days)] + 26M (12 mos. Average, Jul 02 – Jun 03, aged < 150 days)

Billing data for November 2004 pending.
DHHS Historical Writeoffs

UW Financial Risk for September 30th Deadline

Risk = budgets that will de-obligate on Sept 30 where UW Award > NIH Payment Management System
Potential Liability from DHHS Awards that are Closing in the Next 3 Years
(Potential Liability Expressed as a Percentage)

- FY04-Q2: 29% 0.59%
- FY04-Q3: 27% 0.29%
- FY04-Q4: 27% 0.23%
- FY05-Q1: 1% 0.20%

Percentage Based on Number of Budgets: □
Percentage Based on Award Dollars: ■

Potential Liability from DHHS Awards that are Closing in the Next 3 Years
(Potential Liability Expressed in Dollars)

- FY04-Q2: $11.7 Million
- FY04-Q3: $5.9 Million
- FY04-Q4: $4.7 Million
- FY05-Q1: $4.4 Million

Millions

* Number inside the bar graph = number of grants and contracts where UW award > PMS award
Prior to FY05-Q1, number inside the bar graph = number of budgets where UW award >> PMS award

Target = $5 Million
(14) FACILITIES & ADMINISTRATION (INDIRECT) COSTS

Percent of Dollar Increase from Quarter-to-Quarter for Indirect Cost Revenues
(Rolling 5 yr Average 9.9%)

Dollar figure at top of column represents an annualized total that includes the last four quarters.
(15) EMPLOYEE SATISFACTION

Overall Highly Satisfied Staff

Source: 2003 RAA Employee Survey
Overall satisfaction of highly satisfied staff.

UWFM 2003: 53%
RAA 2001: 66%
RAA 2003: 55%

Target = 42%
(16) CULTURE AND DIVERSITY

Source: 2003 RAA Employee Survey
I believe that making this organization more diverse will make the organization better overall.
(17) TRAINING AND KNOWLEDGE

Training - Knowledge

Source: 2003 RAA Employee Survey
I have the training I need to create and share knowledge