

**Office of Finance and Business
Compact Plan, 2007-2010**

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Compact Planning within the Office of Finance and Business at NC State builds upon the Investment Priorities of the University's Strategic Plan. NC State is distinguished by its achievements and contributions as well as its values and mission. The supporting mission of Finance and Business is to serve the NC State community through innovation and action in the development and management of the University's physical, financial, and human resources.

Planning Process

The Finance and Business three-year compact planning process identifies each division's individual priorities, focuses the Office's cross-functional and collective priorities, and provides a blueprint for the future at both levels. The *Finance and Business Compact Plan* is not a static document, but a management tool for continuous strategic thinking and shared responsibility. The plan transforms strategic planning from an academic exercise into a system for executing identified priorities and for measuring results. The plan aligns with budget goals, performance measures, and the Investment Priorities described in the University Strategic Plan.

One way to develop high quality staff – a strategic goal of the institution – is to involve leaders at all levels in long-term planning. To develop the compact plans for their individual divisions, Finance and Business Associate Vice Chancellors involved staff at all levels, providing a development opportunity for employees and managers to learn and demonstrate vision, innovation, and strategic thinking. The compact planning process thus reinforced the primary desired outcome of strategic planning: *Working hard toward long-term goals while striving for shorter-term results.*

Along with developing a faculty and staff of the highest quality (*Human Resources*), two additional Investment Priorities are at the center of the Office of Finance and Business mission: strengthening the University's core infrastructure (*Physical Resources*: Facilities, Centennial Campus, Environmental Health and Safety, Resource Management and Information Systems) and strengthening the University's resource base (*Financial Resources*: Treasurer's Office, Financial Services). The large scope of these functions resulted in a mass of information being collected during the assessment and analysis phases of the compact planning process.

An internal assessment of key findings from recent program reviews and evaluations, ongoing assessments, audit findings, and other special evaluations or consultations (e.g. PACE, risk analysis, faculty survey, training and program evaluations) was performed by each Associate Vice Chancellor – bringing focus to division-level strengths and challenges. Performance measures were identified. External trends and their implications for each division were assessed as an effort to forecast changes in

funding sources, technology, demographics, policies, risk, mandates, etc. that may have a significant effect on each division in the next three to five years.

Findings from internal assessments (strengths and challenges) and external assessments (trends and implications) for each division were then used by the Associate Vice Chancellors to perform an analysis of strengths, weaknesses, opportunities and threats that would help clarify their division goals and associated action items for 2007 through 2010.

Drawing on this in-depth analysis, the Finance and Business Senior Leadership Team worked together to identify the most critical and high-value elements from each division's goals and action items, narrowing the focus to the ten categories highlighted in the unified *Finance and Business Compact Plan* that follows.

As a guiding blueprint, this plan will be a "living document" that will evolve over time. The Office of Finance and Business will anticipate change rather than simply react to it, and will adapt strategy as necessary going forward. Changes within the University community, new developments within the State of North Carolina, technological changes, and the emergence of new challenges are triggers that will alter strategic priorities in the future. The *Finance and Business Compact Plan* will be reviewed at least annually and will always be subject to adjustment or amendment as the environment changes and Finance and Business responds to changing strengths, weaknesses, opportunities, and challenges.

With this document as a guide, The NC State Office of Finance and Business will be a strategy-focused organization that translates mission and vision into tangible and measurable objectives that are continually reviewed and updated.

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Office of Finance and Business Compact Plan, 2007-10

Assessment and Analysis

Key Findings from Recent Program Reviews and Evaluations

An *internal assessment* of key findings from recent program reviews and evaluations, ongoing assessments, audit findings, and other consultations throughout Finance and Business brings focus to the following primary strengths and challenges

Strengths

Capital Construction Activity – For the 2000 Higher Education Bond Program, cash flow outlays and construction project completions were accelerated, demonstrating on-time and on-budget delivery.

Central Utility Infrastructure – As a result of the Bond Program, NC State's central utility infrastructure has improved dramatically with the construction of central plants providing more reliable and efficient environmental controls.

Professional Recognitions – Finance and Business employs best-practice standards as recognized by the Association of Higher Education Facilities Officers, the Commission on Accreditation for Law Enforcement Agencies, and others.

Audit Findings – Annual State financial audits of foundations and affiliated entities and the bookstore, along with the University's core financial operations, have produced unqualified audit opinions with no management findings.

Proactive Risk Reduction – Finance and Business strives to continuously reduce the exposure of students, faculty, and staff to risks and hazards, as well as protect the University from financial exposures. Through extensive planning, training, evaluation, and compliance with rapidly increasing regulations, efforts are ongoing to ameliorate potential risks.

E-Commerce – NC State is taking full advantage of multiple opportunities to build a more efficient and effective operation by implementing electronic systems for procurement and banking.

Centennial Campus Partnerships – The Centennial Campus Development Office, in cooperation with the Centennial Campus Partnership Office, continues to successfully manage private and public sector development and real estate opportunities on Centennial Campus and Centennial Biomedical Campus.

Challenges

Debt Portfolio Management – The complexity of NC State’s debt portfolio has increased substantially in the last 10 years. Future pressures on debt capacity were highlighted in a recent consultant review.

Endowment Performance and Growth – Based on peer comparison data, the University’s endowment market value is lower than peers and the last strategic push of the capital campaign will be to increase the endowment size. Based on 3-5-year returns, endowment returns for the NC State Investment Fund have matched the benchmark but are lower than peers in the overall rankings due to larger endowments being able to use less liquid assets earlier in their investment program.

Human Resources Flexibility – The State Personnel Act does not allow Finance and Business – or the rest of the institution - the flexibility needed for optimal efficiency and effectiveness in meeting the needs of NC State. This challenge is driving President Bowles’ PACE initiative to study & propose new Human Resources flexibility for the UNC system.

Regulatory Compliance – Ever-increasing and changing governmental mandates controlling environmental issues, homeland security, information technology security and others must be incorporated into business processes and applications as specified and required.

Performance (Dashboard) Measures

The following are performance measures used to monitor the performance of critical processes within the Office of Finance and Business:

- Audit findings
- Number of noncompliance issues with regulatory standards
- Accident rates and safety statistics
- Number of complaints and commendations
- Occupancy rates, space utilization, ground leases, and new construction
- Endowment assets, investment performance, bookstore and licensing distributions, comparison to public university medians, real property gifts received
- Resource Growth (Appropriated, Indirect Cost, Non-State)
- Customer service surveys, peer comparisons, pay analysis, recruitment statistics, training evaluations
- IT system availability / downtime
- Operating Cost Reduction

Forecast

Findings from an **external assessment** reveal the following changes, trends, and influences outside the division that are likely to have a significant impact on the Office of Finance and Business over the next three to five years:

Presidents Advisory Committee on Efficiency and Effectiveness (PACE) - The UNC-system-wide PACE study has established a mandate for continuous improvement in the delivery of services with an emphasis on efficiency and effectiveness. Improvements will be assessed not only by customer satisfaction, but also in terms of dollars reallocated from enabling to core functions. Recommendations have been made that will require legislative, process and other changes that will impact all campuses. There is an expectation by the President that PACE be used as an ongoing catalyst for change within the University.

Reorganization of IT Function – University information technology functions will be re-aligned to operate under a Chief Information Officer (CIO). University-wide oversight and coordination mechanisms will be implemented to promote the coherence, effectiveness, and efficiency of information technology at NC State. The Office of Finance and Business will need to adequately represent the requirements for administrative computing.

Environmental Sustainability and Energy Demands - As energy demands and the necessity to conserve energy escalate along with the demand for environmental sustainability, a more aggressive approach will be required. The volatility and continued disproportionate price increases in the world energy markets will introduce significant pressure and unpredictability on the budget. In addition, air quality regulatory activity in an area with an increasingly dense population may introduce significant constraints on carrying out business as usual. Enrollment growth and increased research output may require investments that are disproportionate to historical trends without introducing innovative programmatic changes.

Construction Cost Escalation – The cost of capital has not been linear and is exceeding inflation. The industrialization of China and the third world, coupled with transportation costs and trade policies, has had a huge and near-immediate impact on the cost of construction, with double-digit increases in 2004 and 2005.

Availability of High-Quality Personnel – The United States demographic future over the next 20 years anticipates significant labor market pressures, particularly as baby boomers retire and create a scarcity of skilled and knowledge workers. A tightening of national immigration policy could limit the availability of service workers and laborers as well, which will create competition to attract and retain employees needed at all levels of the institution.

Campus Emergency and Communication Response - Emerging nationwide safety and security concerns on college campuses and elsewhere will call for the further coordination of campus-wide emergency planning and refinement of systems intended

to notify members of the NC State community in the event of an imminent threat such as active shooter, weather emergency, train derailment, HazMat incident, or other emergency conditions.

Private and Public Sector Development of Centennial Campuses – Synergistic relationships between government entities, the private sector, and the University’s intellectual assets has tremendous potential to benefit the University, state, and nation by providing an environment that facilitates research and teaching innovations. In turn, the growth of Centennial Campus will impact all functions of the Treasurer’s Division, requiring new accounting and cash management services as well as more complex leasing, financial reporting and debt financing. Overall lease activities will increase and borrowing to fund construction will occur. Pressures will mount to fund new infrastructure, meet tenant facility and amenity demands, monitor golf course construction and operations, and engage in future development.

Community Engagement – The revitalization of Hillsborough Street will likely produce multiple opportunities to buy, sell, option or lease land for development ranging from University-occupied facilities; assigning optioned land for private development; land purchases for expansion; land sales to accommodate City improvements and land-leases of University assets for public / private development. Accelerating real estate prices in downtown Raleigh will be a factor.

Strategic Marketing and Capital Campaign Relationship – National campus competitiveness depends upon enhancing national reputations, increasing private fundraising and growing endowments. Enhanced stewardship, growth in planned giving, complexity of real estate giving, donor attention on investment returns, the hiring of a new Vice Chancellor for University Advancement and challenges in funding fundraising activities are trends impacting the Office of Finance and Business.

Technology Infrastructure – Technology is increasingly central to NC State’s imminence and effectiveness. Research, instruction, extension, finance, human resources, administration, and other pursuits all rely heavily on dynamic technology requiring a robust, sustainable technology infrastructure. There is increasing need to proactively protect the University’s data resources from security threats and comply with ever-increasing security policies and regulations.

Goals & Action Items for 2007- 2010

In view of the findings from internal and external assessments, the performance measures used to monitor critical processes within the Office of Finance and Business, and emerging trends and implications; ten overarching goals that are aligned with the University’s Investment Priorities have been established for the next three years. Following each goal are measurable action items that will move Finance and Business closer to that particular goal during the 2007-2010 planning period.

Goals 1-7 that follow are central to the mission of Finance and Business and aligned with the Investment Priority of strengthening the University's core infrastructure.

GOAL 1 – Campus Emergency Response, Safety and Security

The Office of Finance and Business will *integrate* campus emergency response, safety and security activities, and related planning into a unified management framework for responding to situations that may threaten the health and safety of the University community or disrupt its programs and operations. Emergency, safety, and security planning will address:

Preparedness – organization, training, tabletop exercises, supplies and equipment, emergency alert and communication systems, evacuation plans, reduction of exposure to risks and hazards, key control, ID and card access systems, building security

Response – protocols for securing emergency services, incident command, emergency operations center, shelter in place, protecting vital information, reporting, notification, public information

Recovery – plan deactivation, plan reassessment, cost recovery, business continuity, documentation

The outcome of this effort will be enhanced campus safety and security, along with ongoing preparedness for a coordinated emergency response encompassing all actions to protect life safety, secure the University's critical infrastructure, information systems and facilities, and resume the teaching and research functions.

Action Items for Goal 1:

(1.A) Campus Communication and Emergency Alert Systems

Purpose and Description: A network of safety sirens and communications links will be established across campus to warn and inform students, faculty, and staff in the event of an emergency or disaster. A web-based Public Information and Emergency Response System (PIER) will be implemented, providing tools for rapid communication campus-wide in the event of an emergency.

Justification and Intended Impact: PIER is an internet communications control center that is available from anywhere and remains available even when local systems have failed, making it possible to communicate effectively with students, faculty, and staff during widespread emergencies such as hurricanes, flooding, and pandemic events. Using PIER in tandem with safety sirens and other communications links, NC State's emergency response team will be able to quickly distribute information and instructions as well as collaborate on key messages and receive information from other sources such as weather and traffic.

(1.B) Integrated Safety and Security Strategy

Purpose and Description: Cross-functional working committees will evaluate additional safety and security planning needs, including closed circuit television systems, card access systems, building security standards, key control standards, and a comprehensive campus-wide building security program. An integrated facilities safety and security organization and funding plan will be developed.

Justification and Intended Impact: Revisions to existing organizational structures, policies, procedures, and protocols may be needed to enhance campus safety and security. Additional equipment, supplies, vendor services, training needs may be identified.

GOAL 2 - Information Technology

The Office of Finance and Business will *realign* and *enhance* administrative information technology services in support of:

- A strategic approach toward the IT function at NC State;
- Reducing duplication, inconsistency, and incompatibility;
- Improving protection of data resources from security threats
- Delivering greater resource utilization and flexibility; and
- Building upon existing administrative infrastructures to meet current and future requirements.

The outcome of this effort will be improved customer service, more efficient and effective IT operations, and further strengthening of NC State's institutional eminence.

Action Items for Goal 2:

(2.A) IT Resilience and Security Enhancements

Purpose and Description: A regulatory-compliant IT resilience strategy will be designed and implemented to incorporate IT resiliency, business continuity, and disaster recovery. Additional personnel, hardware, and software resources will be required.

Justification and Intended Impact: IT resiliency initiatives will create improved readiness for rapid response to unforeseen disruptions and enhanced protection of administrative systems and information.

(2.B) Student Information System

Purpose and Description: Legacy student systems will be replaced with integrated models. Related initiatives will include upgrading the Administrative Portal, replacing the aging security access system, and implementing a system monitoring solution. Admissions and Financial Aid modules will be implemented at a later date and after the implementation of version 8.9 of the software. There is a sincere interest in working closely with our colleagues at UNC-CH on subsequent upgrades of the student system implementation and, in particular, the Admissions and Financial Aid modules.

Justification and Intended Impact: The replacement of out-of-date, unilaterally-functioning student systems with more current integrated models and the upgrading of related systems will result in more efficient and effective operations as well as improved customer service.

(2.C) E-Commerce & Strategic Purchasing

Purpose and Description: Electronic purchasing, billing, banking, and vendor payment systems will be implemented, providing campus customers with the ability to place online orders for commonly-purchased items from preferred vendors and streamlining transactions for greater efficiency and effectiveness.

Justification and Intended Impact: E-procurement will facilitate the negotiation of significant volume discounts from preferred vendors, decreasing the number of relatively expensive paper-based purchasing transactions, which will result in significant annual savings. E-commerce and strategic purchasing initiatives will provide multiple opportunities for building more efficient operations and cutting costs.

(2.D) University Directory Linked to HR System

Purpose and Description: Faculty and staff listings in the University Directory will be converted from a stand-alone system to a system that pulls authoritative employee information directly from the HR system.

Justification and Intended Impact: Linking staff listings in the University Directory with information contained within the HR system will result in greater efficiency in publishing and improved accuracy for better customer service and greater utility for a variety of institutional tracking and reporting purposes.

GOAL 3 - Energy Management & Sustainability

The Office of Finance and Business will:

- *Implement* and *monitor* ongoing comprehensive energy management activities to reduce consumption and cut costs; and
- *Expand* the sustainability program across the University to teach sustainable concepts to students and demonstrate sustainable practices in all aspects of campus operations, purchasing, design, construction, and planning.

As a result of this strategic effort associated with PACE and other initiatives, the University will be a better steward of natural resources while maintaining a quality campus environment.

Action Items for Goal 3:

(3.A) Energy Management Program

Purpose and Description: In order to achieve currently committed energy reduction goals, plan for growth, and implement long-term energy savings strategies, a comprehensive Energy Management Program will be implemented that includes additional staffing, an enterprise-based financial structure, and a revolving fund for

energy management projects. Management activities will occur in the following five areas of focus: Data Management, Supply Management, Facilities Standards, Equipment Efficiency, and Campus Integration.

Justification and Intended Impact: Implementation of the Energy Management Program will assist in meeting NC State's long-term goal of reducing energy consumption, adjusted for growth, by 20%. This reduction will fulfill a campus PACE initiative and will uphold a commitment made to the State of North Carolina to reduce energy on a per-square-foot basis, adjusted for weather, by 4% over a ten-year period beginning in FY 2002-03. Success in meeting the established goals for energy management on campus is dependent upon a more aggressive approach that necessitates additional funding support.

(3.B) Sustainability Program

Purpose and Description: An Office of Campus Sustainability will be established to guide and sponsor campus programs, establish policy, and develop strategic and tactical plans for the following nine areas of concentration identified in the Sustainability Assessment: buildings, community and culture, curriculum and research, energy, land use, materials management, transportation, waste reduction and recycling, and water. An annual report will be published showcasing NC State's leadership role in promoting environmental technology, sustainable stewardship, and environmental leadership across the state.

Justification and Intended Impact: Executive Order 156 directs state agencies to preserve natural resources, conserve energy, eliminate waste and emissions, and lessen overall environmental impact. An expanded Sustainability Program will achieve compliance with this directive and the Board of Trustees' commitment to sustainability, as well as complement College of Natural Resources programs.

GOAL 4 - Facilities Planning

The Office of Finance and Business will employ a variety of tools in facilities planning to continuously *measure* productivity, efficiency, and sustainability; *compare* against internally-developed standards, external benchmarks, and regulatory requirements; and *adjust* performance as indicated in order to maintain high quality facilities.

As strengthening the University's core infrastructure is the primary responsibility of the Facilities Division, these ongoing service and process improvements will further fortify the foundation upon which the University functions.

Action Items for Goal 4:

(4.A) Planning Quality Facilities

Purpose and Description: Updates of the Physical Master Plan, University Space Plans, Six-Year Capital Plan and the student life planning effort will guide the Office of Finance and Business in providing high quality facilities for students, faculty, and staff.

Justification and Intended Impact: A focused assessment of learning spaces will provide for more efficient and effective operations and an improved campus experience.

(4.B) Facilities Condition Assessment

Purpose and Description: Information about the condition of campus buildings, building systems, and infrastructure will be collected, stored, and managed electronically in order to determine the appropriate levels of repair and replacement (R&R) capital funding needed and increase the allocation.

Justification and Intended Impact: SCO FCAP deficiency levels have been falling in recent years. In response, electronically-maintained data will be used to provide input to the SCO FCAP every three years, justify formal FCAP assessments by SCO, aid in achieving the full service life of buildings, generate work orders for maintenance, and contribute to informed budget decisions.

GOAL 5 - Regulatory Compliance

The Office of Finance and Business will *strengthen* regulatory compliance with the myriad of applicable federal and state directives, mandates, and standards.

As a result of this effort, the University will reduce potential liabilities surrounding noncompliance with laws pertaining to finance, employment, immigration, homeland security, government funding, investments, gifts, and others.

Action Items for Goal 5:

(5.B) Environmental Protection Agency (EPA) Audit

Purpose and Description: A comprehensive institution-wide audit will be conducted as part of the EPA's program on Incentives for Self-Policing: Discovery, Disclosure, Correction and Prevention of Violations. A formal management system will be implemented to ensure ongoing compliance.

Justification and Intended Impact: Demonstrated compliance with all requisite conditions will qualify NC State for protection against civil penalties.

GOAL 6 - Centennial Campus Development

The Office of Finance and Business will *facilitate* research and teaching partnerships by planning and executing Centennial Campus Development.

The environment created by strategic development on Centennial Campus optimally benefits partnerships and synergistic relationships amongst government, the private sector, and the University's intellectual assets. The outcome of these efforts is to promote economic development in North Carolina by significantly advancing the educational, research, and extension mission of NC State.

Action Items for Goal 6:

(6.A) Amenities

Purpose and Description: A variety of recreational and dining facilities will be constructed on Centennial Campus, including a golf course, fishing pier, greenways, an additional Port City Java and a dining facility.

Justification and Intended Impact: NC State is one of only 16 schools in the nation accredited by the PGA of America to offer a Bachelor of Science degree in Professional Golf Management (PGM). PGM students will learn how to combine best practices for managing the business of golf with the best stewardship of natural resources. The golf course will provide a living laboratory for the teaching of golf course professionals and will be a boost to the turf grass program. The golf course should differentiate Centennial Campus from other venues in the minds of potential partners.

(6.B) MeadWestvaco Expansion

Purpose and Description: In order to multiply the relationships between NC State and MeadWestvaco, the Office of Finance and Business will facilitate the doubling of MeadWestvaco space currently occupied in the Corporate Research I Building to approximately 125,000 square feet.

Justification and Intended Impact: MeadWestvaco is currently engaged in active innovation with the College of Textiles, the College of Management and the College of Natural Resources among others. More space will allow more research.

(6.C) Residential Units

Purpose and Description: An additional 2,653 student residential units will be built on Centennial Campus, including North Shore and new R2 apartments.

Justification and Intended Impact: - Maximum viability of the mixed-use environment for Centennial Campus will not be realized until these residential units are constructed.

(6.D) Leased Space on Centennial Biomedical Campus

Purpose and Description: A Flexible Laboratory Building of approximately 45,000 square feet will be constructed on the Centennial Biomedical Campus, including 10,000 square feet of upfit for use by the College of Veterinary Medicine.

Justification and Intended Impact: Currently there is no laboratory space for lease on Centennial Biomedical Campus. This new construction will permit the development of in situ partnership opportunities.

(6.E) Conference Center and Hotel Solicitation

Purpose and Description: Following the start of golf course construction, the Office of Finance and Business will research available options for a Conference Center and Hotel and, based on other development opportunities, prepare to develop a business plan for project implementation.

Justification and Intended Impact: A hotel/conference center will extend the infrastructure of Centennial Campus to expand its use and support optimal further development, as well as provide a necessary amenity for the convenience of visitors.

GOAL 7 – Auxiliary and Business Enterprises

The Office of Finance and Business will *participate* in collaborative efforts with other UNC institutions, the City of Raleigh, the Hillsborough Street Partnership and others to improve efficiency and effectiveness, leverage expertise, and proactively promote University interests.

Action Items for Goal 7:

(7.A) Textbook Programs

Purpose and Description: In response to directives resulting from the system-wide PACE study, a guaranteed textbook buyback program will be implemented, the number of textbook adoptions will be increased, and large store expertise will be leveraged.

Justification and Intended Impact: For the system-wide bookstore initiatives, efforts should result in lower textbook costs and improved bookstore operations without affecting net income or scholarship distributions. At the campus level, ongoing efforts to improve efficiency and effectiveness will result in a continuation of high-quality service delivery without adding significant levels of personnel.

(7.B) Hillsborough Street Redevelopment

Purpose and Description: NC State will participate in a collaborative effort with the City of Raleigh, Hillsborough Street Partnership, businesses, residents, and others to redevelop Hillsborough Street.

Justification and Intended Impact: Positive and proactive University interests in the local Raleigh community are essential to enhance the student experience, maintain collaborative “town and gown” relationships, provide appropriately for space needs, and maximize engagement at every level of planning. NC State’s role will differ dependent upon the nature of each project, but in all cases failure to appropriately interact with community leaders will potentially jeopardize the University’s standing in the community, negatively impact relationships, lessen the students’ college experience, and hurt student recruitment efforts.

GOAL 8 - Fiscal Stewardship

In order to carry out the Investment Priority of strengthening the University’s resource base, the Office of Finance and Business will *enhance* fiscal stewardship by focusing on active debt portfolio management, endowment reporting and performance, system upgrades, strategic real estate transactions, and strategic business decisions. Multiple opportunities for building more efficient operations, cutting costs, avoiding costs, and negotiating advantageous purchasing will be identified and acted upon. This Investment Priority is also central to the stated mission of Finance and Business.

These activities will ensure that the strong financial integrity of NC State is maintained.

(8.A) Financial Audits

Purpose and Description: The Office of Finance and Business will continue the refinement of internal controls and work with auditors to ensure clean audit opinions. Audits will be prepared in a timely manner, and will result in unqualified audit opinions and no major audit findings. All University deadlines will be met for data included in the University's Comprehensive Annual Financial Report (CAFR).

Justification and Intended Impact: Strong internal fiscal controls will ensure the maintenance of consistent performance and result in clean audits. The achievement of unqualified opinions will avoid potential funding losses, adverse effects on donor relations, unprofitable operational activities, or negative public perceptions.

(8.B) Debt Portfolio Management

Purpose and Description: The best mix of debt financing options, diversification, and portfolio risk management will be determined.

Justification and Intended Impact: Ongoing monitoring of internal and external market factors by the Treasurer's Office provides information to proactively plan for future debt issues and opportunities for saving resources through debt payoffs, refunding or other vehicles. Long-term planning assists in maximizing limited resources. Compliance ensures preservation of tax-exempt status and desired credit rating level. Achievement results in lower capital costs.

(8.C) Ongoing Monitoring and Evaluation of Manager of Managers Investment Model and Performance

Purpose and Description: The Treasurer's Office will evaluate the ability of SEI Global Institutional Solutions to effectively communicate and proactively deliver new ideas and products, keep abreast of economic developments that may affect NCSIF, and ensure that managers within each asset class are monitored and held accountable for performance.

Justification and Intended Impact: Growth of the endowment size is important relative to bond ratings, comparisons to peers, and providing additional funds to support the University. The ability to attract NC State endowments, not in NCSIF, will be enhanced with strong performance.

(8.D) Indirect Cost Proposal (Facilities and Administration)

Purpose and Description: An indirect cost proposal will be prepared and negotiated in an effort to maintain or improve the already-negotiated rate of 49% for 2009-2010. Affected entities will receive an information sheet that details the important indirect cost components that the University community needs to be aware of when making individual decisions.

Justification and Intended Impact: Making adjustments in the way day-to-day business is conducted, including incorporating indirect cost strategies in space decisions at both

the College and University levels, will improve NC State's indirect cost negotiating position.

Goals nine and ten that follow support the Finance and Business mission of developing and managing the University's human resources, and also support the University's Investment Priority of developing a faculty and staff of the highest quality.

GOAL 9 - Employee Support

The Office of Finance and Business will provide an exemplary level of employee support focused on developing and rewarding highly qualified staff in an environment that values diversity, teamwork, training, and ethical leadership.

The result of these efforts will be improved recruitment, retention, and job performance of NC State personnel.

Action Items for Goal 9:

(9.A) EPA Position Compensation Analysis

Purpose and Description: The Office of Finance and Business will lead a project to evaluate and develop compensation parameters for EPA non-faculty professional positions other than SAAOs.

Justification and Intended Impact: At present, the absence of compensation guidelines for EPA non-faculty positions makes it difficult to ascertain that similarly-situated positions are compensated equitably in the labor market, as well as comparably and defensibly across the institution. The lack of structure also creates institutional reporting challenges. Compensation guidelines will reduce the risk of institutional liability with regard to compensation practices. This project will involve participation by OEO and UPA as well as Finance and Business.

(9.B) Career Banding Completion

Purpose and Description: Career-banding initiatives will be implemented on the remaining 25% of SPA positions as permitted by the legislature and Office of State Personnel. 100% of the market salary average will be achieved for all banded positions.

Justification and Intended Impact: Full implementation of the State's career banding program will provide NC State with enhanced flexibility to determine staff compensation based on labor market and competencies demonstrated by the individual in the given position, creating efficiency by eliminating the need to manage both career-banding and traditional pay grade classification processes.

GOAL 10 - Customer Service

The Office of Finance and Business will *provide* a uniform level of customer service that meets or exceeds the needs and expectations of campus customers.

Action Items for Goal 10:

(10.A) One-Stop-Shop for New Employees

Purpose and Description: A “New to State” one-stop-shop will be developed and implemented to streamline campus new-hire activities.

Justification and Intended Impact: Activities such as new-hire employment set-up in the HR system, ID issuance, and parking permits will be consolidated into a combined central service unit that will enable departments to send their new employees to one place rather than many to get started in their employment relationship. The One-Stop-Shop will also help ensure the accuracy of data records within the HR System.

(10.B) Functional Enhancements to Human Resources System

Purpose and Description: The *Manage Faculty Events & Enterprise Learning* modules and other enhancements will be implemented in the HR System, including a safety training management system that correlates job function with safety training requirements.

Justification and Intended Impact: The *Manage Faculty Events* module of the HR System will enable faculty to track and report their annual activities – such as publications, professional accomplishments, advising and teaching duties – through the enterprise-wide data system that converges HR and Student Information. The *Enterprise Learning* module creates the capacity to track and coordinate internal campus training activities of employees, including HR training as well as OEO, EHS, Accounting, and Research training through a single integrated system.

Resources

Selected Recent Efficiency Improvements

The Office of Finance and Business has taken the following steps contributing to more efficient campus operations:

- Added 19 new/renovated buildings to campus web-based energy control system
- Negotiated major increases (2.5% for first and second years and 3% for third year) in University's indirect cost rate
- Initiated scanning efforts to reduce amount of paper used in campus offices
- Merged Copy Center and University Graphics to reduce administrative costs
- Performed extensive automated and manual setbacks over the extended winter break, significantly reducing energy usage and saving over \$300K
- Negotiated a new CATV contract resulting in 15% cost decrease
- Implemented 13 vendors in the "Marketplace," resulting in reduced processing costs and negotiated lower pricing; Increased cash rebates by \$509,624 over fiscal year 2006 with approximately \$200K in cash available for reallocation in 2007-08
- Fully implemented payroll direct deposit
- Reorganized cashiering and application of technology

Selected Future Efficiency Improvements

The Office of Finance and Business will continue the implementation of efficiency improvements campus-wide by participating in the following PACE initiatives:

- Reorganization of IT functions
- Review of promotional and public relations functions
- Management of utility costs
- Simplification of procurement
- Review of personnel functions
- Outsourcing employee wage information
- Consolidation of Annual Fund
- Transition to voice-over data
- Consolidation of shop space
- Student Information System
- Single calendaring and e-mail system
- Campus scanning projects
- Online new employee orientation