

MID-PHASE I PRESENTATION TO THE OVERSIGHT COMMITTEE

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TREASURY

- I. Team Plan; including
 - assignment of staff roles and responsibilities
 - identification of major milestones and target dates
 - notations of completed tasks
- II. Communication Strategy
- III. Process Definition Agreement for both
 - Overall process (1st tier)
 - Sub processes (2nd tier)
- IV. Client & Stakeholder Analysis
- V. Inventory of Processes
- VI. Process Hierarchy
- VII. Survey Cover Letter & Questions (and any available results)
- VIII. Focus group questions (and any available results)
- IX. Work Distribution Summary Spreadsheets (any available findings)
- X. Flowcharts with Value Add /Non Value Add identification

**Treasury Team Plan
BPR Phase I**

Activity	Performance indicator	Responsibility	Completed?
Establish team communication strategy			√
Initiate email contact	2/12/06	Chris	√
Regular updates to/from team	Ongoing	Team	
Conference calls scheduled weekly (Wed 11-12)	Ongoing	Chris	
Agendas for conference calls	1 day prior	Chris	
Minutes of conference calls	Within three days of call	Chris	
Complete Process definition agreements			√
1 st tier	3/24/06	Chris	√
2 nd tier	3/31/06	Ed, Carrie, Bob, LeAnn	√
Develop Team plan	3/24/06	Chris, Team	√
Complete Flowchart processes			√
Each campus's relevant actor will flowchart their own processes with review from the other experts	4/20 data collection and review	Bob, LeAnn, Ed, Carrie	√
	final flowcharts by 4/28	Bob, Ed	√
Complete Work Distribution Charts			√
Each campus's relevant actor will document their own distribution	4/28/06	Bob, LeAnn, Ed, Carrie	√
Others			√
Identify others	3/28/06	Bob, LeAnn, Ed, Carrie	√
Coordinated invite, reminder email	4/10/06	Chris	√
Completed	4/28/06	Chris	√
Complete Customer satisfaction	5/12/06		√
Identify clients, customers, stakeholders	3/1/06	Team	√
Determine need for surveys and focus groups	3/5/06	Team	√
No need, get approval from Jo	4/28/06	Chris	√
Conduct one-on-one interviews with few identified stakeholders	5/10/06	Rosemary	√
Develop interview questions	4/1/06	Team	√
Complete Value Added Analysis			√
Each campus's relevant actor will document their own processes	4/28/06	Bob, LeAnn, Ed, Carrie	√
Complete business continuity assessment form	5/26/06	Bob, LeAnn, Ed, Carrie	
Develop technology baseline	5/26/06	Bob, LeAnn, Ed, Carrie	

**Treasury Team Plan
BPR Phase I**

Activity	Performance indicator	Responsibility	Completed?
Existing technology			
Shadow systems and rationale			
Reporting capability			
Data availability			
Support services			
Compare and categorize processes: BPR, Modify, Stable	6/9/06	Team	
Write report/powerpoint for Executive Committee	6/23/06	Team	

Business Process Review Communications Strategy – Treasury March 2006

1. Objectives of the Project

The Treasury team is to review Treasury processes to determine where they could be improved.

2. Communications objectives, principles and key messages

The Treasury team's communication objective is to seek input from key Treasury constituents on all campuses and inform them of the Treasury team's work.

Key messages are:

- What processes the Treasury team is reviewing
- How their department might be impacted
- How they can help
- Provide progress reports
- Make available recommendations and supporting evidence.
- Inform them of focus groups and surveys (if needed)
- Publish outcome of focus groups and surveys (if needed)

3. Key Audiences

	Campus Treasurers/ Controllers	CFOs	Oversight Committee	PCC	University Community	OCHE
Priority	High	High	High	High	Medium-high	Low
Knowledge	High level of knowledge	Medium level of awareness	Low level of awareness – if at all	Low level of awareness – if at all	Medium level of awareness, some high, some low	Low level of awareness – if at all
Need to know	Involved in process. Detailed progress reports.	Medium detail and organizational level progress and impacts	Organizational level progress and impacts	Organizational level progress and impacts	Organizational level progress and impacts	Organizational level progress and impacts
Frequency	As necessary	As necessary	1 st & 3 rd Wednesdays Exec presentation	Alternate Tuesdays	As necessary	As necessary

4 Target audience ranked by importance	Preferred/appropriate channel of communication
Campus Treasurers/ Controllers	Emails Phone Meetings
PCC	Regular meetings Newsletters, website Ad Hoc reports
Oversight Committee	Regular meetings Exec Presentations Newsletters, website Ad Hoc reports
CFOs	Meetings Newsletters, website Ad Hoc reports
University Community	Newsletters, website
OCHE	Ad Hoc reports

5. Achieving your objectives – working project plan			
Activity	Budget /resources	Deadline/timeframe	Success criteria
Internal communication			
Meeting agenda	Chris		Emailed day before
Meeting minutes	Chris		On shared drive
Website	Brian Driscoll	As required	Issued and on website
Executive presentations	PCC, Jo	As per plan & at CEO meetings	Issued and on website
Progress Reports	Team, PCC, University	As per plan	Issued and on website
Ad Hoc reports	Team, PCC, University	As required	Issued and on website
Emails	Chris, Team	As required	
Conference calls	VP A and F	As required	

6. Evaluating Success

Successful provision of communications and updates as per schedule

MSU Administration & Finance
Business Process Redesign

Process Definition Agreement

Team Leader (Name and phone #) Chris Fastnow 994-2870	Date 3/7/2006
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Process Name Treasury

Process Description Cash Management, Bonding, Other Debt Management, Endowment, Capital Funds
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<p>Process Objectives (What is the purpose of the process? What are the desired outcomes?)</p> <ul style="list-style-type: none"> -Manage cash to maximize investment income for the institution while providing cash necessary to satisfy institutional obligations; -Obtain revenue for financing capital projects and/or debt refunding; account for and manage revenue bond debt; and ensure compliance with bond covenants. -Obtain funds for campus projects when institutional funds are unavailable or insufficient for the purpose; -Invest and maintain proper records of endowment earnings, charges, and awards from the investment earnings without touching the endowed principal; -Obtain, monitor and report funds used for capital construction or renewal and replacement projects in the plant funds.

<p>Start of Process (Input)</p> <p>Regular triggers – e.g. daily cash balances, legislated annual reporting</p> <p>Ad Hoc Triggers – design phase of capital project, application for approval of debt</p>	<p>End of Process (Output)</p> <p>Fund disbursement, financial statements, entry of transaction into Banner, payoff of debt, payoff or refunding of bonds, completion of capital project and closure report</p>
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Department(s) Affected	Team Members	Phone #'s
Campus departments and programs		
Board of Regents	1. Bob Snyder	994-3345
OCHE	2. Ed Binkley	771-4307
Board of Investments	3. Carrie Molitor	265-4144
CFOs	4. LeAnn Anderson	657-1634
Office of Sponsored Programs (Bozeman)	5. Rosemary Walker	994-7529
Foundation (Bozeman)	6. Tom Stump	994-2661
Endowment Owners		
Financial Aid (Bozeman)		
State Architecture & Engineering Dept.		
Capital project sponsors		

Start Date 2/10/2006	Est. Completion Date 6/23/2006
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Signature of Team Leader _____ Date _____

MSU Administration & Finance
Business Process Redesign

Process Definition Agreement

Team Leader (Name and phone #) Chris Fastnow 994-2870	Date 3/7/2006
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Process Name Endowments

Process Description Manage certain endowment accounts

Process Objectives (What is the purpose of the process? What are the desired outcomes?) Invest and maintain proper records of endowment earnings, charges, and awards from the investment earnings without touching the endowed principal

Start of Process (Input) Regular triggers – e.g. daily cash balances	End of Process (Output) Fund disbursement, financial statements
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Department(s) Affected	Team Members	Phone #'s
MSU Foundation Endowment owners Financial Aid	1. Bob Snyder 2. Ed Binkley 3. Carrie Molitor 4. LeAnn Anderson 5. Rosemary Walker 6. Tom Stump	994-3345 771-4307 265-4144 657-1634 994-7529 994-2661

Start Date 2/10/2006	Est. Completion Date 5/17/2006
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Signature of Team Leader _____ Date _____

MSU Administration & Finance
Business Process Redesign

Process Definition Agreement

Treasury Function

Team Leader (Name and phone #) Chris Fastnow 994-2870	Date 3/23/2006
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Process Name Other Debt Management

Process Description Obtain funds for campus projects when institutional funds are unavailable or insufficient for the purpose.

Process Objectives (What is the purpose of the process? What are the desired outcomes?) Obtaining funds when institutional funds are unavailable or insufficient.
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Start of Process (Input) Application for approval of debt	End of Process (Output) Payoff of debt
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Department(s) Affected	Team Members	Phone #'s
Campus departments and programs, Board of Regents OCHE Board of Investments CFOs Office of Sponsored Programs (Bozeman) Foundation (Bozeman) Financial Aid (Bozeman)	1. Bob Snyder 2. Ed Binkley 3. Carrie Molitor 4. LeAnn Anderson 5. Rosemary Walker 6. Tom Stump	994-3345 771-4307 265-4144 657-1634 994-7529 994-2661

Start Date 2/10/2006	Est. Completion Date 5/17/2006
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Signature of Team Leader _____ Date _____

MSU Administration & Finance
Business Process Redesign

Process Definition Agreement

Team Leader (Name and phone #) Chris Fastnow 994-2870	Date 3/31/06
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Process Name Bonded Indebtedness
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Process Description To research, issue and record revenue bond debt to finance capital projects or refund prior debt; to ensure compliance with bond covenants by monitoring funding, transfers and reporting requirements; to issue and record debt repayments through term; and to issue annual audit reports.
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Process Objectives (What is the purpose of the process? What are the desired outcomes?) To obtain revenue for financing capital projects and/or debt refunding; to account for and manage revenue bond debt; and to ensure compliance with bond covenants.
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Start of Process (Input) Research and issuance of bonds	End of Process (Output) Payoff or refunding of bonds
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Department(s) Affected	Team Members	Phone #'s
Campus departments and programs	1. Bob Snyder	994-3345
Board of Regents	2. Ed Binkley	771-4307
OCHE	3. Carrie Molitor	265-4144
Bonding Agencies	4. LeAnn Anderson	657-1634
CFOS	5. Rosemary Walker	994-7529
Bank Trustees	6. Tom Stump	994-2661
Auditors		

Start Date 2/10/06	Est. Completion Date 5/17/06
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Signature of Team Leader _____ Date _____

MSU Administration & Finance
Business Process Redesign

Process Definition Agreement

Team Leader (Name and phone #) Chris Fastnow	Date 3/31/06
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Process Name Capital funding

<p>Process Description</p> <p>To identify funding sources for capital projects; to obtain necessary approvals and authorizations; to transfer funds from institutional accounts or deposit funds from debt instruments; to monitor and record expenses; to report balances and close funds when project completed.</p>
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<p>Process Objectives (What is the purpose of the process? What are the desired outcomes?)</p> <p>To obtain, monitor and report funds used for capital construction or renewal and replacement projects in the plant funds.</p>

Start of Process (Input) Design phase of project	End of Process (Output) Completion of project and closure report
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Department(s) Affected	Team Members	Phone #'s
Campus departments and programs	1. Bob Snyder	994-3345
Board of Regents	2. Ed Binkley	771-4307
OCHE	3. Carrie Molitor	265-4144
State Architecture & Engineering Dept.	4. LeAnn Anderson	657-1634
Project sponsors	5. Rosemary Walker	994-7529
	6. Tom Stump	994-2661

Start Date 2/10/06	Est. Completion Date 5/17/06
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Signature of Team Leader _____ Date _____

MSU Administration & Finance
Business Process Redesign

Process Definition Agreement

Treasury Function

Team Leader (Name and phone #) Chris Fastnow 994-2870	Date 3/23/2006
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Process Name Cash Management

Process Description Managing cash for maximum earnings.
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Process Objectives (What is the purpose of the process? What are the desired outcomes?) Manage cash to maximize investment income for the institution while providing cash necessary to satisfy institutional obligations;

Start of Process (Input) Regular trigger – daily cash balances	End of Process (Output) Entry of transaction to Banner system
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Department(s) Affected	Team Members	Phone #'s
Campus departments and programs, Board of Regents OCHE Board of Investments CFOs Office of Sponsored Programs (Bozeman) Foundation (Bozeman) Financial Aid (Bozeman)	1. Bob Snyder 2. Ed Binkley 3. Carrie Molitor 4. LeAnn Anderson 5. Rosemary Walker 6. Tom Stump	994-3345 771-4307 265-4144 657-1634 994-7529 994-2661

Start Date 2/10/2006	Est. Completion Date 5/17/2006
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Signature of Team Leader _____ Date _____

Business Process Name: Treasury
 March 24, 2006

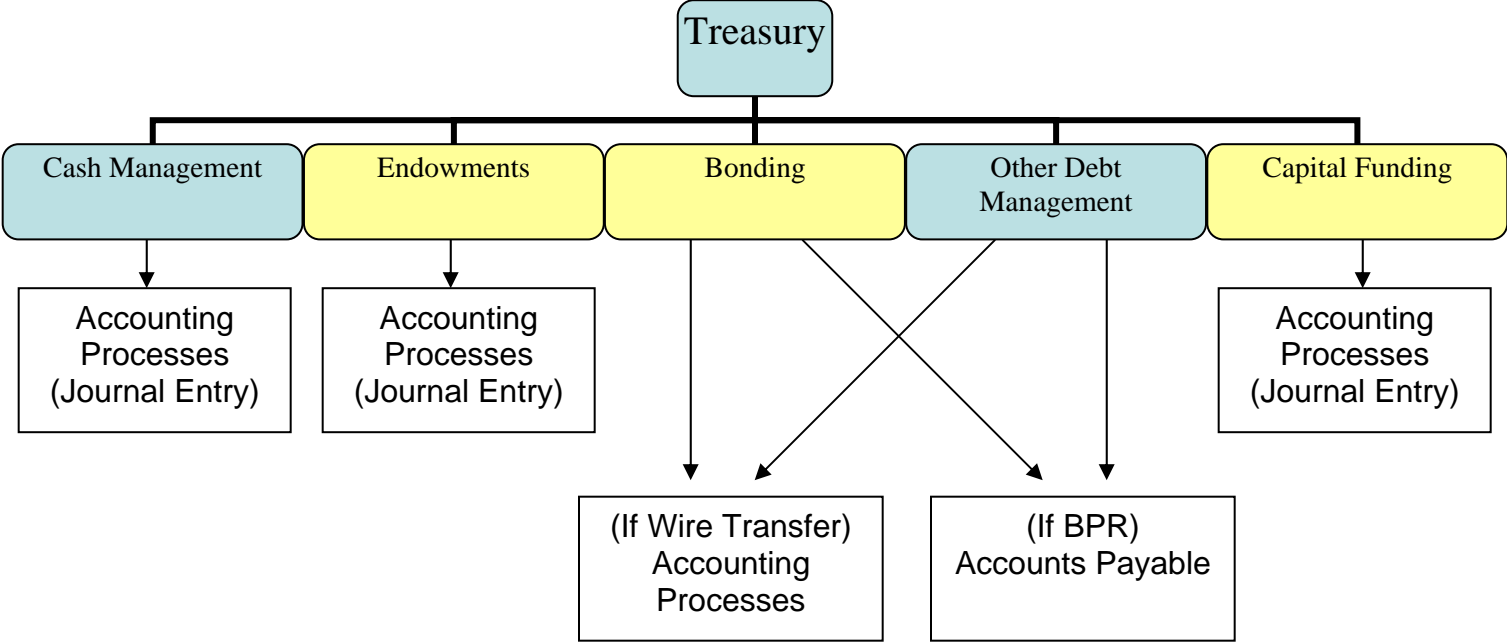
Client/Stakeholder/Constituent	Product or Service Provided	Comments
Holder of a positive fund balance	Maximize investment earnings	
Board of Investments	Information, reconciliation, financial statements	
Department bookkeepers	Billing, reconciliation, crediting, financial statements	
Bonding agencies	Bond reports	
Auxiliaries (Bozeman)	Account balances, investment earnings, financial statements	
OCHE, Pam Joehler	Inter-entity loans, reporting on loans, financial statements	
CFOs	Inter-entity loans, reporting on loans, financial statements	
Controller(s)	Inter-entity loans, reporting on loans, financial statements	
Sponsored Programs (Bozeman)	Inter-entity loans, reporting on loans, financial statements	
Federal government (IRS), unrelated business units, campuses	UBI reports	
Physical Plant/A and E	Plant funds management, financial statements	
Banks	Monthly financial statements, bond payments, loan payments	
State approval agencies	Auditor verifications, financial statements	
Auditors		
IRS		

MSU A&F Business Process Review

Treasury Team
 Process & Process Document Inventories
 Campus: Bozeman
 Date: 3-22-06

Business Process (Main Heading)	Process 2nd Tier	Sub Process 3rd Tier	Documents used or Produced In Process	Client(s) Process Serves
Treasury	Cash Management	Buy	Cash Balances, Listing of STIP Investments, EFT Documents, Xfeed	Direct: campus departments and programs Indirect: Bd of Regents, Bd of Investments, OCHE
		Sell	Cash Balances, Listing of STIP Investments, EFT Documents, Xfeed	Direct: campus departments and programs Indirect: Bd of Regents, Bd of Investments, OCHE
		Disburse	Yield Factors, EOM Xfeed, Shareholder Account statement, Monthly Cash Balance Summary, Fund Investment Efficiency Summary	Recipients of the interest earnings. Each campus may have a different directive.
	Bonded indebtedness	Issuance	Bond reports, Moody's ratings	Direct: campuses Indirect: state
		Compliance w/ bond covenants	Bond reports	Bond agencies, Bank trustees, Auditors
		Repayment/funding sources	Silo chart	
		Monitoring OLP	OLP Detail summary	
		Reporting	R_Fund	
	Other Debt Management	Intercap loans	Bank invoices, Xfeed JV, EFT	Direct: campus departments and programs Indirect: Bd of Regents, Bd of Investments, OCHE
		Interentity loans	Interentity JV, Daily Cash Balances Summary	Bozeman - OSP, VP Admin and Finance and Pam Joehler.
		Capital Leases	Bank invoices, Xfeed JV, EFT	Various lending agencies
		Notes Payable	Bank invoices, Xfeed JV, EFT	Various lending agencies, foundations
	Endowments		Foundation report, Endowment/Scholarship/Foundation summary report	Direct: MSU Foundation, Endowment owners, Financial Aid, award recipients.
	Capital funding		PPA network sheet, Xfeed JV, Source & Application of Funds	Direct: Project sponsors and recipients, A&E Indirect: Financial statement readers

Treasury Process Hierarchy



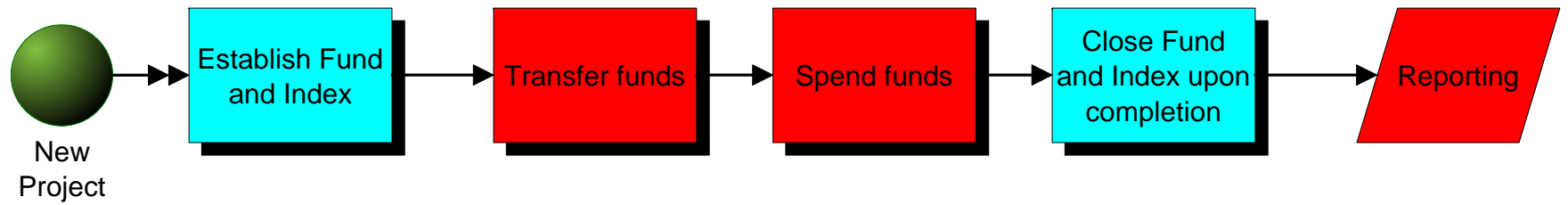
Great Falls – Cash Management and Other Debt Management only at this time
Other campuses – all processes

Treasury WDC Spreadsheet Analysis

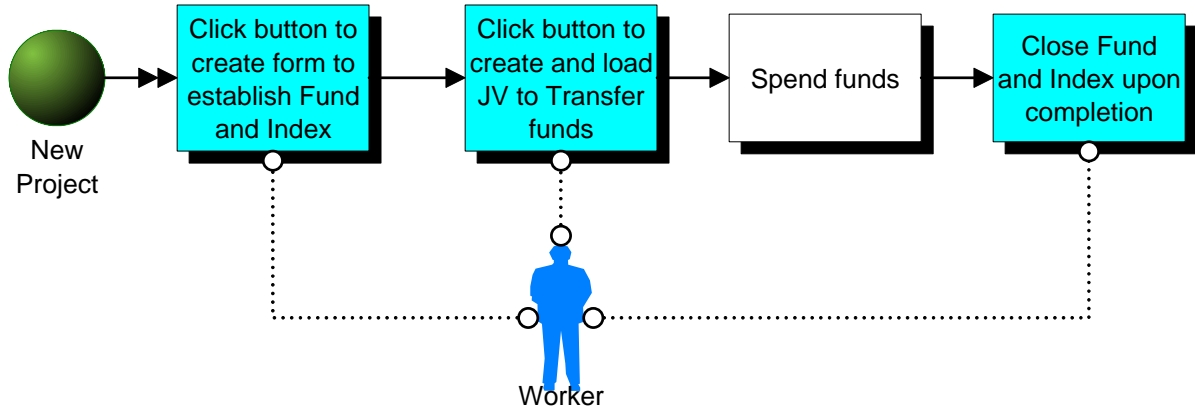
	Billings		Bozeman		Great Falls			Havre			Treasur	9	% total	Head	Fragmentation
	Heather Halverson	LeAnn Anderson	Bob Snyder	Laura Humberger	Mary Ellen Baukol	Ed Binkley	Deby Gunter	Carrie Molitor	Chris Wendland	FTE Staff		time	Total Cost	Count	Ratio
	Accountant	Controller	Dir of Capital Programs	AVP Finance Services	Asst Dean	Controller	Budget/Purch Off.	Controller	Accountant						
Salaries	\$31,216	\$64,794	\$55,125	\$104,000	\$74,967	\$53,993	\$34,960	\$52,268	\$30,840						
FTE	1	1	1	1	1	1	1	1	1						
FTE equivalent salary	\$31,216	\$64,794	\$55,125	\$104,000	\$74,967	\$53,993	\$34,960	\$52,268	\$30,840	\$0	\$0				

1	Treasury																
2	Cash Management	8%	5%	5%	2%	0%	20%	4%	2%	0%			0.46	5.11%	\$ 42,536	9	19.57
3	Other Debt Management	0%	2%	5%	5%	0%	5%	0%	1%	5%			0.23	2.56%	\$ 14,016	9	39.13
4	Bonded indebtedness	0%	4%	5%	20%	0%	0%	0%	2%	0%			0.31	3.44%	\$ 6,393	9	29.03
5	Endowments	0%	0%	5%	2%	0%	0%	0%	1%	0%			0.075	0.83%	\$ 3,018	9	120.00
6	Capital funding	7%	2%	5%	10%	0%	0%	0%	1%	3%			0.275	3.06%	\$ 7,424	9	32.73
7	General Supervision and Management	0%	0%	5%	15%	3%	35%	0%	0%	0%			0.58	6.44%	\$ 60,303	9	15.52
8	Other Activities	85%	87%	70%	46%	97%	40%	96%	94%	92%			7.07	78.56%	\$ 368,473	9	1.27
9																0	
10	Total	1	1	1	1	1	1	1	1	1	0	0	9	100.00%	\$ 502,163	11	1.22

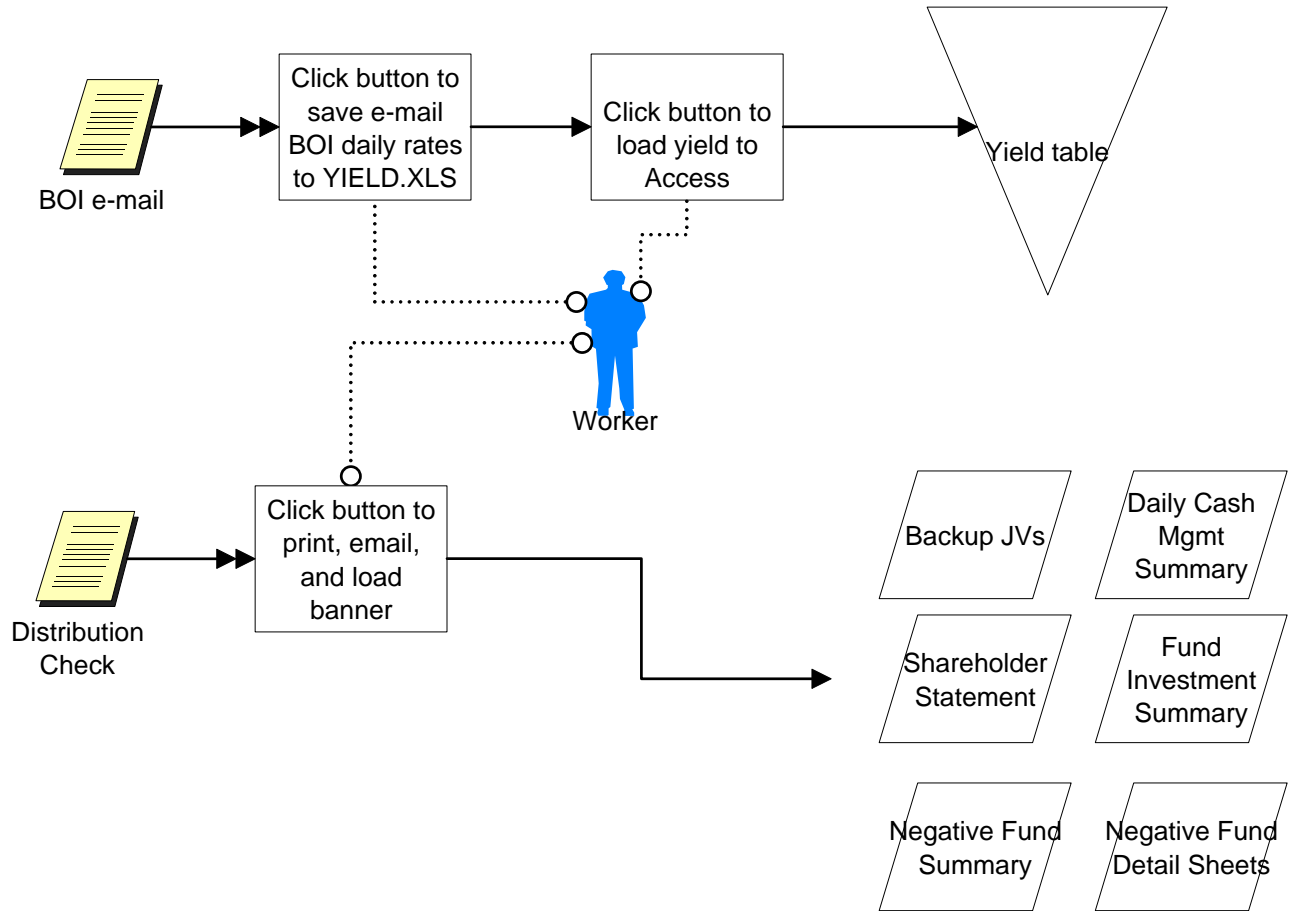
Billings Capital Projects



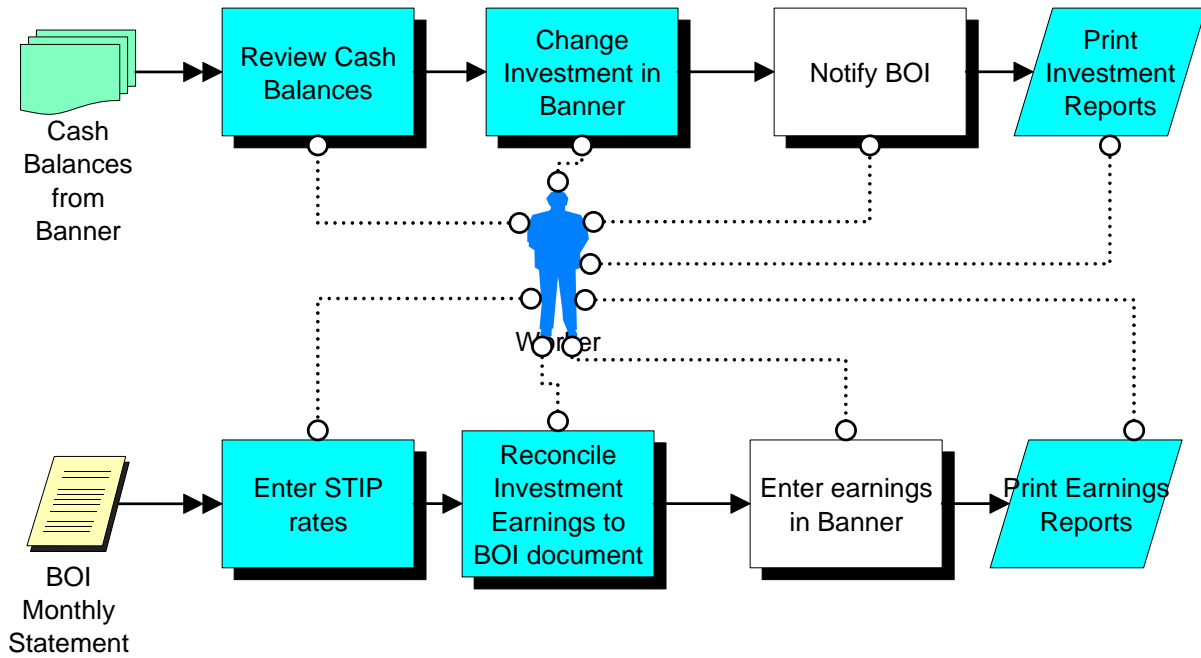
Bozeman Capital Projects



Bozeman Investment Earnings Distribution



Great Falls Cash Management Process



Northern Capital Projects

