WACUBO

Rising to the Challenge

2023 WACUBO ANNUAL CONFERENCE

Introductions

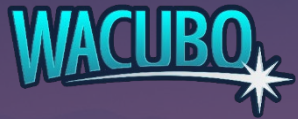# University snapshots

The University of Arizona

- Stan Park – Senior Manager, Treasury Operations

- 20 colleges, 150+ majors

- Enrollment: Undergraduate: 36,503 Graduate: 10,429

- ERP System: Kuali (2011) - transitioning to Oracle Fusion 2024

- Accounting: Public, Non-profit, GASB, Fund Accounting

- AR model: Decentralized, exploring transition to centralized

- Bank Account Structure Domestic: Main concentration account, ZBA accounts and stand-alone accounts

Stanford University

- Lori Snow - Director, Cash Management & Operations

- 7 Schools, 2 Hospitals, 78 Departments

- Enrollment: Undergraduate: 8,049 Graduate: 10,236

- ERP System (2011): Oracle (Hosted 12c); PeopleSoft

- Accounting: Private, Non-profit, FASB, Fund Accounting

- AR Model: Decentralized, multiple systems (Oracle, NetSuite, Transact, Flywire, etc.)

- Bank Account Structure Domestic: Main concentration account, sub & ZBA accounts and stand-alone accounts
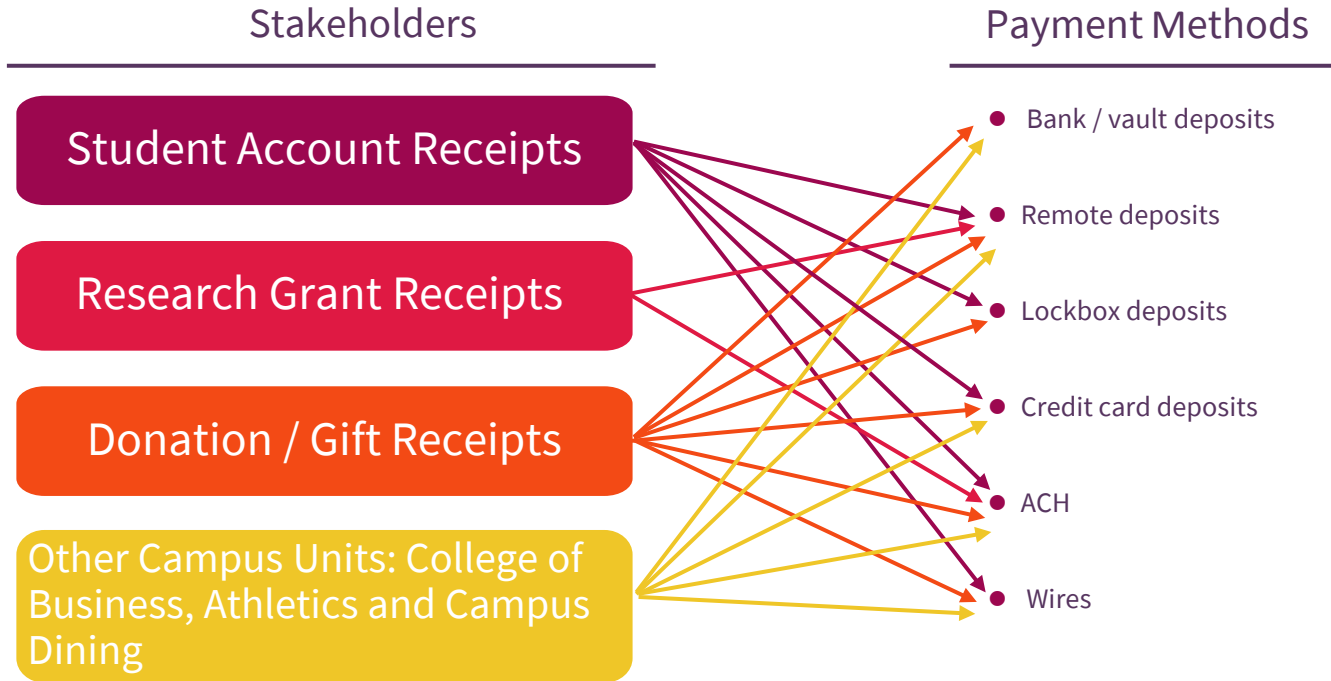
A University is like a City

Commingled transaction challenge:

Stakeholders

Student Account Receipts

Research Grant Receipts

Donation / Gift Receipts

Other Campus Units: College of Business, Athletics and Campus Dining

Payment Methods

- Bank / vault deposits
- Remote deposits
- Lockbox deposits
- Credit card deposits
- ACH
- Wires

Understanding and driving change

Philosophy

- Level-set and embrace university mission
- Have an institutional mindset – the university existed before our time and will continue to endure long after we're gone
- Engage all stakeholders, large and small
- Data, data, data – collection as much information as possible

Accounts receivables campus survey

46 Colleges or Units Responded

Key Themes:
- Difficulty claiming ACH/Wires
- Difficulty Tracking / Aging invoices
- Dual work is being done to track AR in helper systems
- Lack of process standardization within Colleges or Units
- Reconciling can be tedious and a manual process

Software Used to Calculate or Generate Billing Documentation or Invoices

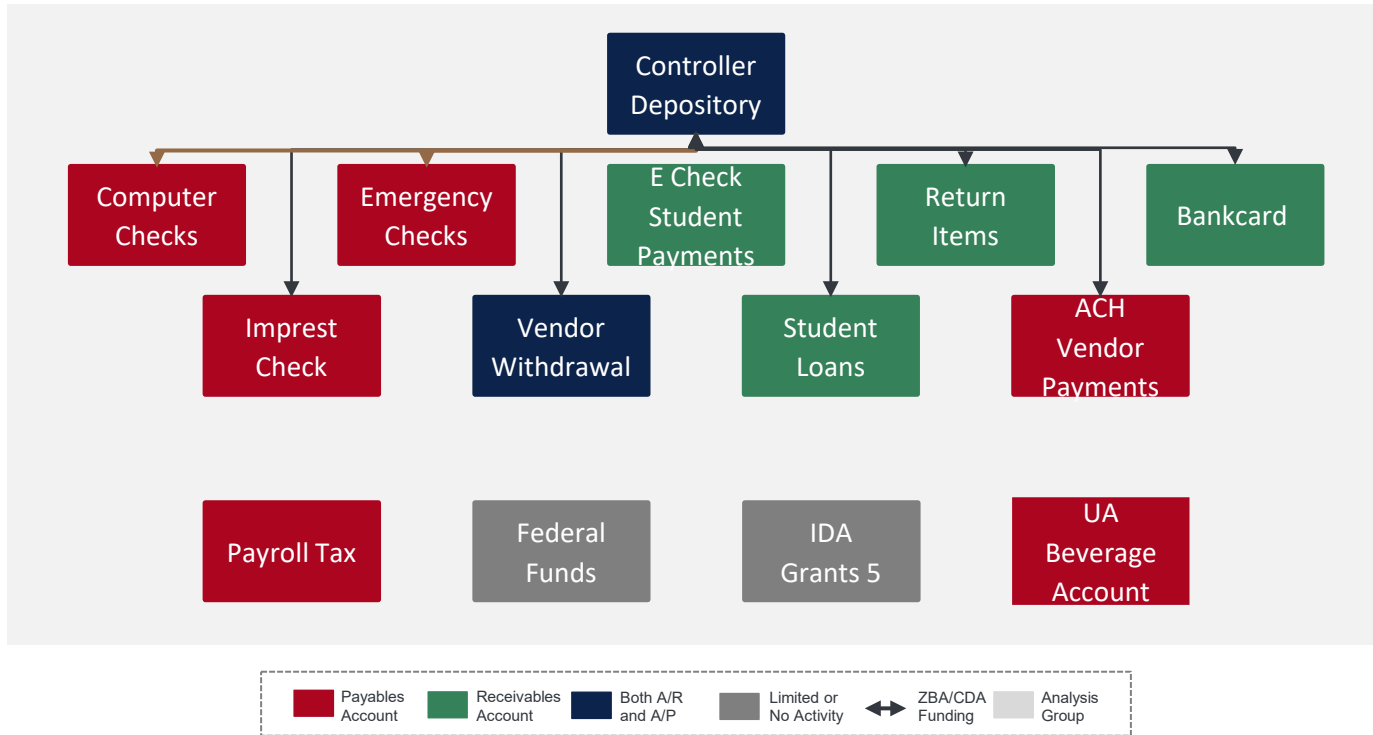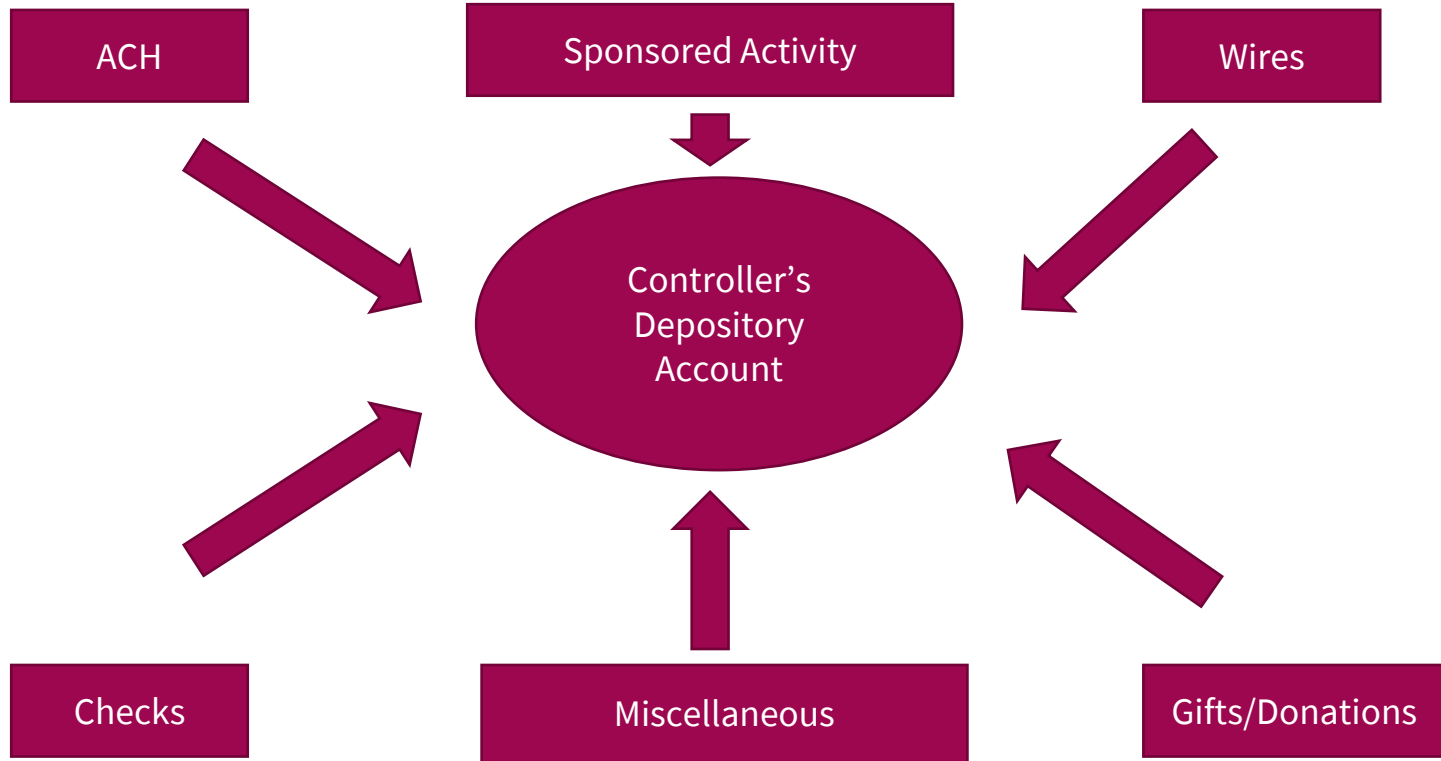|	
● Excel (or other spreadsheet)	28
● Word (or other word processor)	7
● Access (or other database)	4
● QuickBooks (or other accountin...	3
● Other	17

Accounts Receivables Campus Survey

"A functioning AR system that lets us record payments owed on all our fund sources but also lets us apply those payments to the fund sources without having to generate separate Cash Receipt documents would be great."

"We currently use QuickBooks to invoice, age and track our receivables. It takes many extra steps to create, track and view invoices and accounts receivable. Having it all within the same system would save a lot of time and be more efficient."

Current account schematic | The University of Arizona

Current structure for incoming payments

ACH

Sponsored Activity

Wires

Controller's Depository Account

Checks

Miscellaneous

Gifts/Donations

How we find payments

Proposed account structure (receivables)

Concentration Account (New)

Sweep / Investment

ZBA

Check Deposit | Student Receipts | Grant Receipts | Credit Card (Bankcard) | Incoming Electronic Receipts | Donations | Student Loans
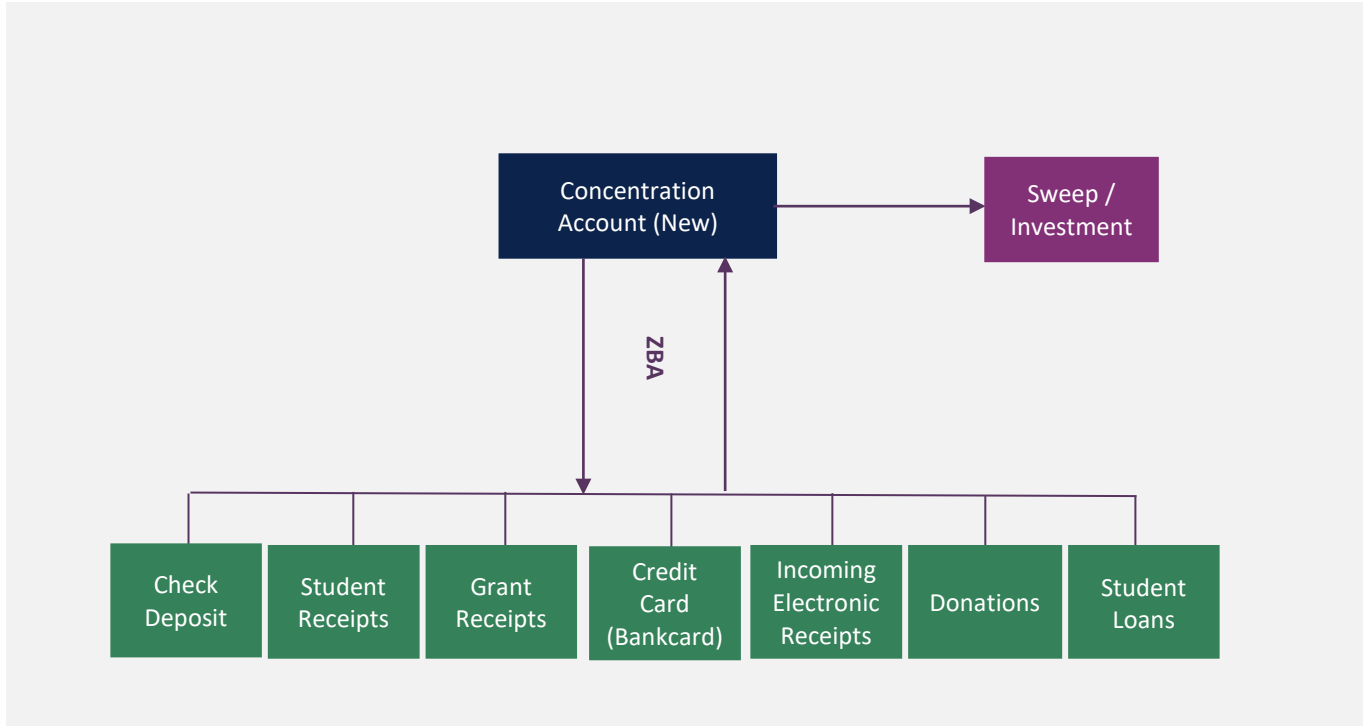
Enhances efficiency

Improves accuracy

Facilitates informed decision-making

Supports future automation

Virtual Reference Number solution

Incoming credits	Collection point	Receivables management	Information delivery

Payments from your customers

Wires

ACH

Electronic payments →

Virtual Reference Number Solution routing engine

Virtual Reference Number is associated with the corresponding DDA

Automated routing to client DDA →

Automated posting to your designated DDA

Reports show reference number for easier reconciliation of funds

← **Data transmission** →

Bank Portal

Host-to-Host

Receivables Platform

ERP

- With a Virtual Reference Number, the remitter customer uses the assigned number when making payments to your bank account
- Unique reference numbers are captured in your transaction reports

Leverage the data from bank transaction record

Leverage data mapping tools
- ERP
- Treasury Workstation
- Online banking tool (Mapping incl. HTH)
- Data reference tool

Automate manual processes
- Facilitate notification of receipt of funds
- Assignment of treasury categories for cash forecasting
- General ledger entries for more timely and accurate posting
- Streamline bank account reconciliation

Next steps

✓ **Continued engagement**

Analyze impacts to current and future systems

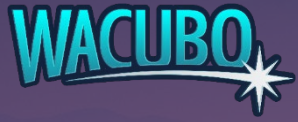**Pilot/test case for Virtual Reference Number (VRN)**

Change management

WACUBO

Stanford University Experience

Cash & check deposits and Student Financial Portal (SFP) replacement project

Campus Community

About 600 SFP users with credentials representing 1,000+ department depositors made up of:

- Mobile and desktop app check depositors (~40%)
- Lockbox users - General Lockbox implemented due to COVID lockdown in 2020 (~30%)
- Branch cash and check depositors (~30%)

Recording Deposits (Background)

SFP was the online tool that enabled schools and departments to record cash and check receipt deposit information which helped to automate the booking and reporting of deposits transmitted from the bank.

Paper checks and cash were deposited to Bank #1 and entered into the SFP system to capture the accounting code associated with the receiving school and department. SFP would transmit a file that eventually was uploaded to Oracle Financial System.

Financial Stewardship

While all individuals involved in financial transactions play an important role in stewarding university funds, department depositors play a critical role in ensuring the university's funds are deposited both timely and appropriately.

In efforts to continuously improve the processes and systems that make up the Stanford financial ecosystem, enhancements to how cash and checks are deposited have been and will continue to be made.

Cash & check project progression

Semi-Automated Process

Current Workflow

SFP and Email to SFS → Deposit to LockBox, Bank #1 Mobile App, Branch deposit → Other processing

Manual Process

Interim Workflow

Email to Treasurer's Office (same email address) → Deposit to LockBox, Bank #1 Mobile App, Branch deposit → Other processing

Fully Automated or Self Service

Future Workflow

No email or notification required → Bank #2 Mobile App, Branch deposit –claim Unidentified receipts → Oracle Financials processing

Cash and check deposit transition

What Changed?

- Cash and check deposit management **moved from the University Payments Office (UPO)/Student Financial Services (SFS) to the Office of the Treasurer (OOT)** within Financial Management Services (FMS).

- This change **relieves the UPO/SFS team of a** university-wide **shared service** business function more typically managed by FMS.

- Cash management **communications are now managed by OOT/FMS through Fingate** (intranet), and **Slack channels,** eliminating the shared email box.

- The **Student Financial Portal agreement** along with SFS support for deposited cash and checks **terminated** at 11:59 p.m. on November 23, 2022.

What Did Not Change?

- **Electronic options** will be available and encouraged, such as wire, ACH, e-commerce sites, and a mobile app option.

- **Bank #1** will be maintained for physical branch deposits but will not be the preferred option.

- To ensure departments do not lose track of their funds, they will continue to check the **Unidentified Receipts database** to claim deposits.

Cash and check deposit benefits

User Benefits

A secure mobile solution that will combine two steps - depositing a check and capturing the accounting code

Ensure funds are directed to the correct dept G/L account in a timely manner

Depositor will no longer need to send an email to a central office

Eliminates the need to log into Student Financial Portal or manage credentials

Reduce or eliminate physical trips to the branch

Discontinue use of branch deposit slips

University Benefits

This is in support of an established university-wide strategic initiative that changes and improves how faculty and staff approach their work.
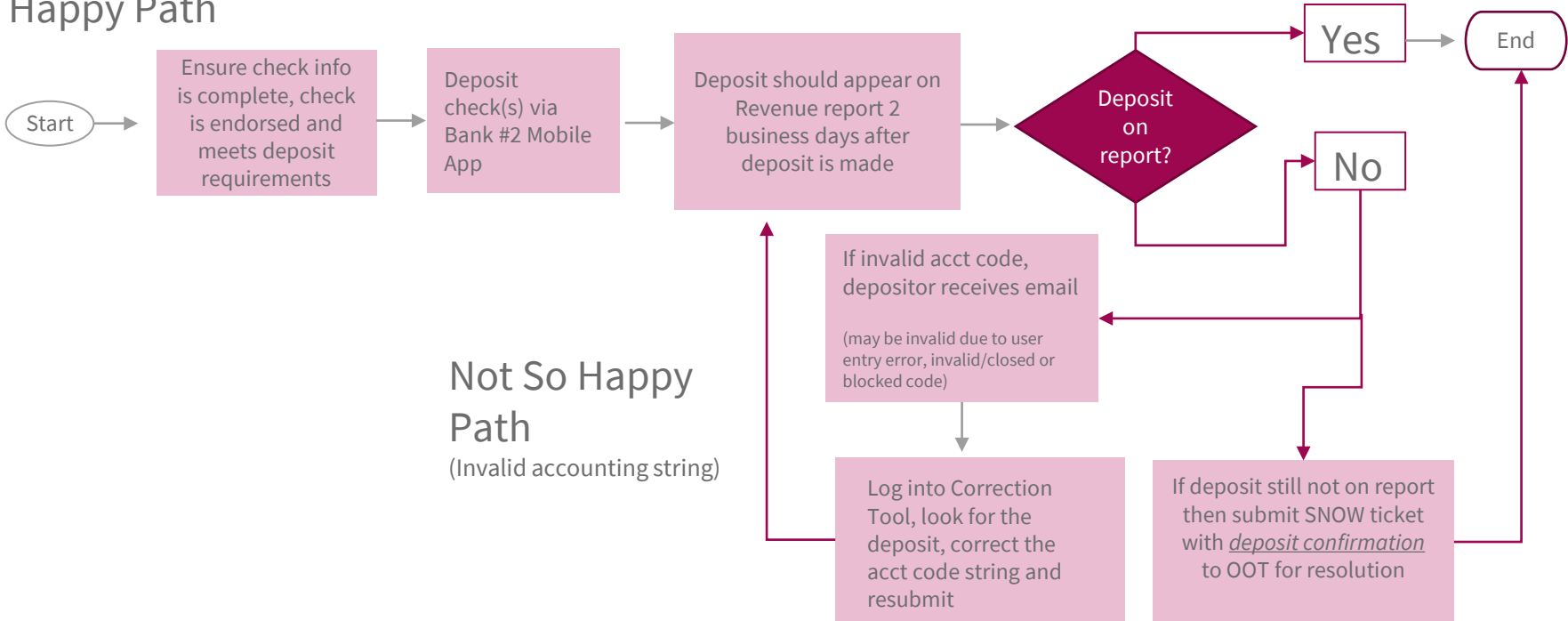
The Treasury Office implemented a more efficient, streamlined, self-service deposit process that involves fewer steps and eliminates central manual intervention. The backup process still uses the Unidentified Receipts website.

We anticipate:
- Faster check handling and processing
- Reduced receipt posting errors
- Minimal manual journal entries
- Replacement for in-person branch deposits

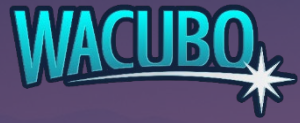# High level future state map (Mobile Deposit process)

Happy Path

Start → Ensure check info is complete, check is endorsed and meets deposit requirements → Deposit check(s) via Bank #2 Mobile App → Deposit should appear on Revenue report 2 business days after deposit is made → **Deposit on report?**

Yes → End

No

Not So Happy Path
(Invalid accounting string)

If invalid acct code, depositor receives email

(may be invalid due to user entry error, invalid/closed or blocked code)

Log into Correction Tool, look for the deposit, correct the acct code string and resubmit

If deposit still not on report then submit SNOW ticket with *deposit confirmation* to OOT for resolution
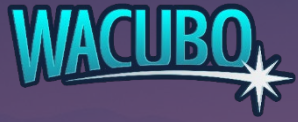
Departments/depositors

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Q & A

Appendix

EFT Receipts (ACH and wire) - Transaction Identifiers

Transaction Identifier: Virtual Reference Numbers

Colleges/Schools/Departments including:
- College of Agriculture & Life Sciences
- College of Applied Science & Technology
- College of Education
- College of Fine Arts
- Graduate College
- Honors College

Virtual Reference Numbers:

20000011179056
20000000012346
20000000012347
20000000012348
20000000012349
20000000012350

→ **EFT Receipts**

| 04/29/2022 | ACH VRN CREDIT | 22042927Q8_PwIN | 1186096040TC | 157.15 | 02:29 AM |
| 04/29/2022 | | | | | |

ORIG CO NAME:	University Payor
ORIG ID:	111111bb
ENTRY DESCR:	Apr Actvty
ENTRY CLASS:	CCD
TRACE NO:	071000286096040
ENTRY DATE:	220429
IND ID NO:	111111bb
IND NAME:	University
REMARK:	VXR/20000011179056
ORIG BANK:	TRUST BANK
GENERAL LEDGER:	111-11-111

BAI2 version of VRN:

16,165,15715,S,15715,0,0,1186096040TC,22042927Q8_PwIN/

88,ORIG CO NAME=UNIV PAYOR,ORIG ID=1261328194,ENTRY DESCR=Apr Actvty,ENTRY CLA

88,SS=CCD,TRACE NO=071000286096040,ENTRY DATE=220429,IND ID NO=2204bbbbb_PwIN,

88,IND NAME=University of Midwest,REMARK=VXR/20000011179056,ORIG BANK=HARRIS T

88,RUST BANK,GENERAL LEDGER=1111-11-111