Minutes
Meeting of the NYU Financial Task Force (TF)
June 3, 2008

The meeting took place at 10:00 in the Dean’s Conference Room on the 11th floor of the Henry Kaufman Management Center, 44 west 4th Street.

Task Force members attending were: Thomas Cooley, Ellen Axelrod, Dall Forsythe, Gerald Rosenfeld, Joseph Giovannelli, Randall Say, Marie Gayle, and Leslie Brown. Attending as staff to the Task Force was Samantha Green.

Mr. Cooley presented a two part matrix consolidating issues outlined by four of the schools in their issues and recommendations lists. The first part cross references improvement actions with relevant areas (topics) and the second part lists policy issues to be addressed.

**Actions**
- Improve Communications
- Improve Processes
- Improve Turnaround time
- Policy Transparency
- On Line Workflow
- Provide Reporting and Analysis
- Ability to Drill Down to Detail on Related Systems

**Topics (areas to apply actions to)**
- FAME-BRIO-Hyperion
- Payroll
- Capital Projects
- Support
- Accounts Payable

**Policy Issues Matrix**
- Overhead Cost Allocations
- New Business Disincentives
- Budget Process
- Risk Assessment
- Accounts Payable and Grants

In addition, a third page listed certain data and information to be provided by staff.

There was significant discussion regarding overhead cost allocations, and Mr. Cooley noted this would be the first of the policy topics that the group would cover (next meeting). Mr. Cooley requested ten year historical cost data to be available for this discussion.
Regarding Risk Assessment (from Policy Issues Matrix), Mr. Cooley explained “Relative Health of NYU Balance Sheet” (detail listed in the matrix): Risks derived through balance sheet analysis can drive budget rule changes which the schools are subject to, however, indications of balance sheet health/strength is not available to the schools. Also, Central Administration may not take into consideration the individual schools’ balance sheet risk when considering NYU consolidated balance sheet risk.

Ms. Gayle provided a list of ITS suggestions (these items were NOT incorporated into Mr. Cooley’s matrix).

Ms. Green presented Mr. Dorph’s list of “Financial Task Force Low Hanging Fruit for Analysis”. These items were identified by Mr. Dorph as areas for his staff to begin work on and report to the Task Force (TF) as analysis is developed and progress is made. The items listed were:

1. Payroll – elimination of unnecessary payroll cycles/outsourcing
2. Review of banking fees
3. Structure/staffing of Bursar operations
4. Process improvement in post-award grant activities
5. Process improvement/restructuring in gift processing and accounting
6. Review of foreign exchange
7. Monetization of real estate
8. Financial system implementation/process/training/information flow

The group expressed interest in seeing data on #1, payroll – elimination of unnecessary payroll cycles/outsourcing. They requested to see data/cost analysis on outsourcing of payroll processing and data/info on our manual payroll entry. Mr. Dilorenzo said that SCPS had developed their own automated payroll entry system; he and others in the group opined that it is a very efficient and effective system and has resulted in great time savings. The group agreed the SCPS model should be looked at to see if it may apply to other schools and units.

Regarding #4, the group acknowledged this area as more complex than low hanging fruit, with some issues difficult to address. There was extended discussion of the issues of both pre-award and post-award grants administration, and concern that issues for both sides be worked out together. Mr. Rosenfeld said that, since research is one area NYU is planning to have significant future growth in, it should be set up to run efficiently, and the TF should look to some other universities as benchmarks for the processes and organization of grants administration.

Mr. Cooley suggested that a sub-group be created to consider possibilities for monetization of real estate (#7), and said that they would first need to see an inventory of assets.

Regarding #8, Mr. Cooley requested to see for the next meeting a timeline for systems upgrades/rollouts.
Ms. Axelrod suggested an additional area as low hanging fruit – that of monthly journal entries to charge certain regular expenses from central business areas to the schools. These are not posted with consistent timing, resulting in skewed monthly reports for schools. Ms. Green agreed to look into the source of the entries and will provide data for the next meeting.

Mr. Cooley said he would talk to some of the Deans about what they would hope to see come out of the Task Force.

Recap of Data and Info to be Provided for next meeting:

1. Obtain grants administration process and organization data on two universities (choose universities with strong schools such as University of PA and University of Chicago) to compare to NYU grants administration
2. Provide data and cost analysis for outsourcing payroll processing
3. Provide data/cost analysis for reducing the number of monthly pay periods from four to one
4. Provide data/info on current manual payroll entry and the SCPS automated model
5. Timeline of systems upgrades/rollouts
6. Provide ten years historical data on costs as % of revenue for:
   - Admin overhead expenses
   - Physical plant
   - Capital expenditures

The next meeting is scheduled for Wed, July 2nd at 4:00.