



MONASH University

The Finance shared services model at Monash. The sequel - *A collaborative approach to managing the effects of change.*



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Some statistics on Monash University

- 6 campuses in the State of Victoria (in Australia)
 - Clayton and Caulfield are the two largest campuses in established suburban areas
 - Parkville campus is an inner-city campus (Pharmacy)
 - Peninsula and Berwick are outer-suburban campuses in population growth areas
 - Gippsland campus is a regional campus
- 4 significant locations outside Australia
 - India (IITB-Monash Research Academy)
 - South Africa (campus in Johannesburg)
 - Italy (Prato Centre)
 - Malaysia (joint venture with Sunway group)
- Opening a graduate research school in China (partnering with a Chinese University)

Some statistics on Monash University (2012 data)

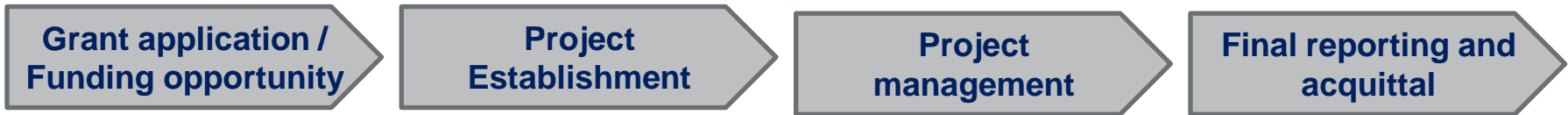
- 63,068 students (49672 EFTSL)
- 8,165 staff (FTE)
 - 3,533 Academic
 - 4,596 Professional staff (includes research professional)
- Revenue of \$1.9 billion
- Research, consulting and other R & R supported income (included above) over \$500 million
- Assets \$4.2 billion

The new shared services structure

- 3 of the core administrative services moved to the shared services arrangement on 31st January 2011
- HR, IT and Finance
- Finance was split into 3 areas:
 - Financial Budgeting and Planning – looking after the more central overall budgets
 - Purchasing to Payment – looking after the purchasing of goods and services
 - Research and Revenue Accounting Services – looking after the revenue coming into the university via the hubs and a central team.

Who are R & R and what do we do?

- Research and Revenue Accounting Services is a team of around 60 FTE consisting of specialised dedicated finance professionals with a reporting line to the VP Finance. We are situated in various locations around the university's campuses, as well as the 2 major hospital sites in Melbourne, the Alfred and Monash Medical Centre
- There are 3 distinct hubs:
 - Central Portfolios
 - Non lab based
 - Lab Based (Faculties of Medicine, Science, Engineering and Pharmacy)
 - There is also a central team supporting revenue, higher level ARC and NHMRC reporting, and process improvements
- The teams are located at the “coal face” and are easily accessible to research groups
- Research and Revenue Accounting Services were set up to manage individual projects - we look after all funding that is not main stream teaching income



Research Financial Management support

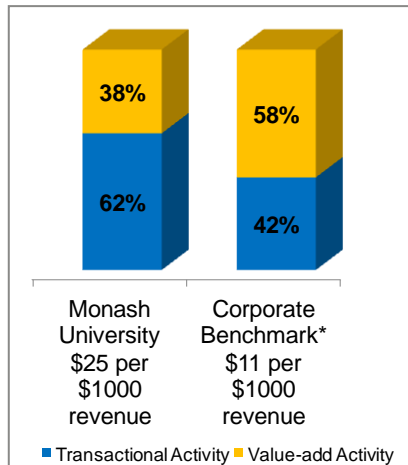
Project costing
Advice for pricing & budgets
Financial advice for project establishment
Support for risk assessment
Assessment of debtor viability

Establish project budgets and funds
Capture of contract information related to finances:
- budget
- invoice milestones
- tax classification
- sharing arrangements

Project financial management reporting
Project forecasting (across life of project)
Invoicing at project milestones (& mgmt of milestone changes)

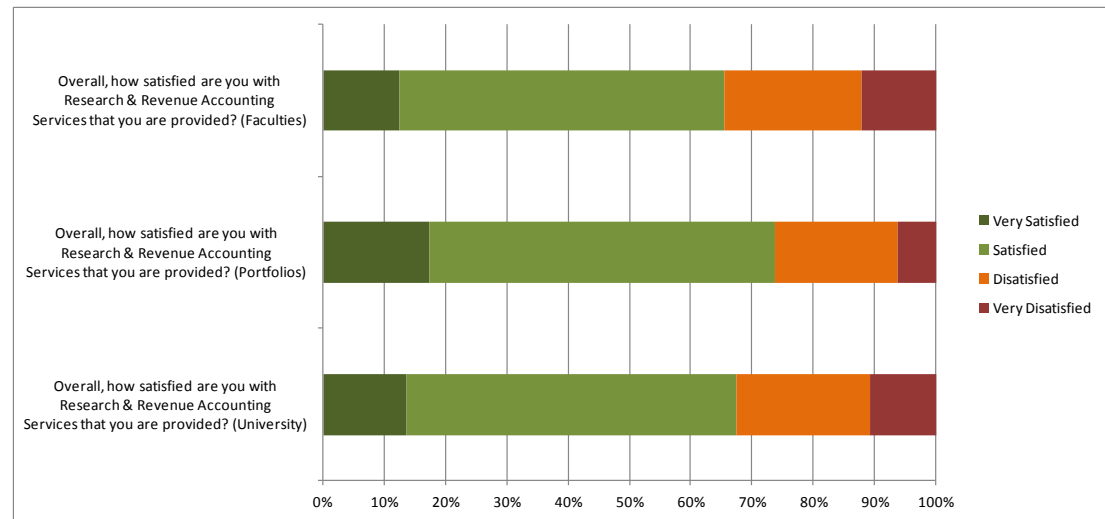
Final acquittals
Audit and sign off
Review of finance information to improve costing and budgets for the future

Measuring our performance



Monash University
 \$25 per \$1000 revenue

Corporate Benchmark*
 \$11 per \$1000 revenue



	FTE	\$
Current model cost of Finance across University ¹	332	\$50.18M
Estimated 2011 cost of finance across University within new service delivery model ²	271	\$41.9M
Savings³	18.3%	16.5%

¹ Extrapolated from Finance Activity Survey May 2009 and adjusted to reflect management responsibilities and non-included finance activity
² Based on estimated FTE within finance portfolio and estimated FTE in faculty based finance roles
³ Savings will be measured using the Professional Staff Census as baseline data on an ongoing basis



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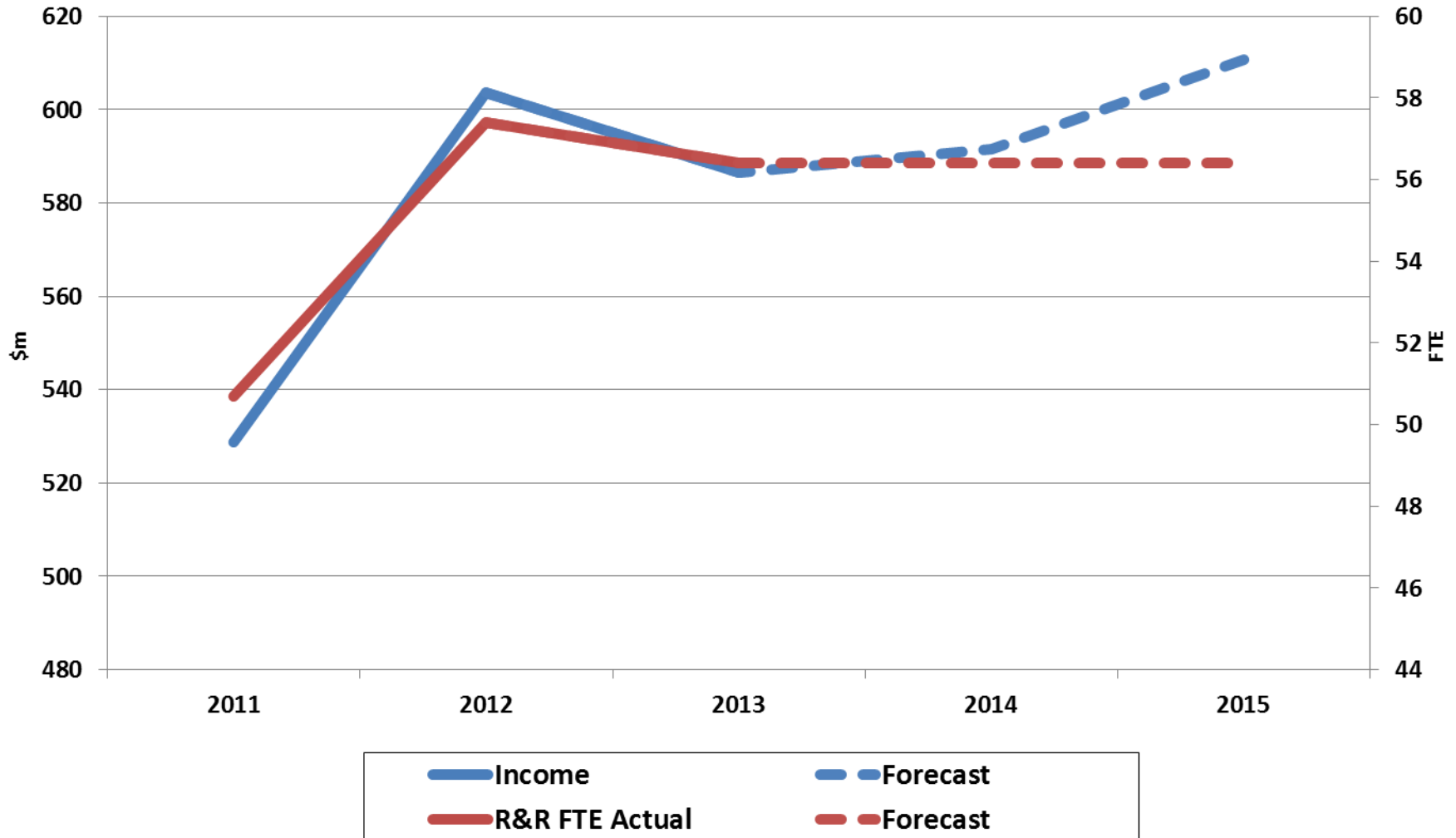
2013 – Where to from here?

New Challenges

- University budgets for administration are shrinking. We need to adapt by streamlining our processes
- Allow R&R to continue to meet our objectives, customer expectations and KPIs
- To better align R&Rs resources with volume, complexity and customer expectations
- Some increased specialisation to ensure service levels and standards are maintained and improved
- Maximised opportunities for succession planning and career development
- Our service has continued to evolve, and the structure needs to reflect this

Why these changes were made?

Income v R&R Staff FTE



What were the key changes?

- A new group was established called 'Receivables and Revenue Accounting Services' incorporating:
 - Corporate receivables
 - Bank reconciliation services
 - Revenue co-ordination
 - Transactional Accounting services
 - Generation of all customer invoices
 - Majority of internal recovery journals

What were the key changes?

- Preparation of financial acquittals and external financial reports was centralised into one team – as part of the Service hub supporting central divisions and portfolios
- Management of the Access reporting database is also performed by this team – based on advice and input from R&R staff in Service teams.
- Research Accounting Services now form part of this team as well

How the R&R teams will work together



Advantages:

- Specialisation – increased efficiency in handling volume transactions
 - Streamlined use of Access reporting database
 - Streamlined preparation of external financial acquittals
 - Streamlined collection processes with all revenue activity being managed in one team
- Broadened responsibilities – staff in the central teams cover all parts of the University and are not dedicated to particular faculties or schools
- Time freed for Senior Research & Revenue Accountants to focus on value added activities with Researchers
- Allows all staff opportunities for career development through functional diversity
- Allows for flexibility in resource management - based on workload and demand

Considerations

- Needed to maintain strong connections between teams
- Continue to remember we are all R&R and are the one team. Communication across R&R will be crucial!
- Consider rotations between areas to assist with staff development
- Existing communication channels remained in place— including face to face contact, phone and use of role email accounts.
- Moved to a single database for management of grants

Outcome

Positives

- Faster transactional processing
- Consistency in procedures
- Consistent text and presentation
- Minimal taxation coding errors
- Ability to manage staff leave without impacting KPIs
- Ability to manage unexpected high volume requests through better workload distributions



Challenges

- Keeping open communication between the central team and service hubs to ensure clients were maintained during transitional period.
- Managing staff expectation around staff development opportunities in transactionally based teams
- Minimising duplication and double handling of information

Questions?

- Contact:

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