



# Howard University

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*Financial Services  
Functional Commitments  
and  
Strategic Challenges*

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# Observations

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- ❑ **Duplication causes high cost** – finance functionality resides in many units and locations.
- ❑ **Small portfolios limit the talent pool** – small portfolios will only attract the less-skilled professional, an expanded portfolio will allow for greater opportunities for learning and professional growth.
- ❑ **Off-line, ad hoc finance reports leads to confusion** – often resulting in misinformation causing consternation and re-work, need to standardize reports and analyses.
- ❑ **Accountabilities are fuzzy** – HU vs. HUH vs. Schools and Colleges vs. Cabinet-Level Functions vs. Enterprise functions – need to clarify.
- ❑ **Transparency is spotty** – causing regular surprises, making forecasting and accountability more difficult than necessary.
- ❑ **Cash management is disjointed** - Howard is one entity and needs to manage cash from a consolidated perspective.
- ❑ **Capital management can be better controlled** – needs focus and control given the aggressive investment program .



# Service Level Commitments

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- Always** do the right thing – ethically, morally and legally
  - Provide **timely**, **accurate** and **relevant** information to the organization and external constituents.
  - Engage in **continuous process improvement** – eliminate waste in process and product
  - Anticipate** needs – a culture of surprise avoidance
  - Strive for **Excellence** – expect to be part of a Best-in-Class Finance Function
  - Deliver** on our promises
  - Communicate** with customers and constituents
  - Execute flawlessly on fundamentals – create and protect **functional credibility**
    - ✓ perfect the recurring processes and functional requirements - internal controls and asset stewardship, monthly close/quarterly close, account reconciliations, planning, budgeting & forecasting, cash management
  - Maintain an obvious **sense of urgency**
  - Think and act as an **enterprise function**
  - Be involved** operationally and strategically
  - Protect** the assets and financial reputation of Howard
  - Implement and monitor **sound accounting and financial controls**
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# Functional Challenges

## Strategic Mission

- ❑ **Enable effective, timely decision-making in support of Howard's strategic and operational objectives**
  - ✓ Partner with divisions and support functions
  - ✓ Provide information, analysis, insight and guidance
  - ✓ Recommend optimal financial asset/transactional structures
- ❑ **Consistently ensure effective financial stewardship**
  - ✓ Protect assets and maintain effective control structure
  - ✓ Produce accurate and complete public disclosures
  - ✓ Comply with laws and regulations
- ❑ **Continually optimize the cost of financial services**
  - ✓ Streamline, automate and improve processes
  - ✓ Balance effective service with appropriate cost

## Strategic Challenges

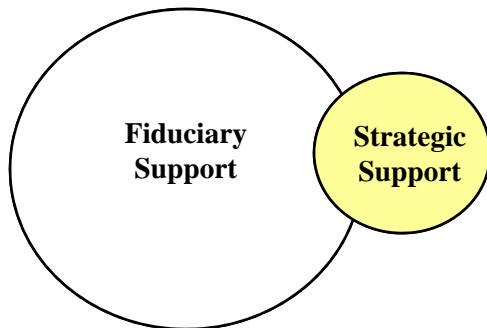
- ❑ **Howard's creditability is tarnished from the legacy of late reporting and poor accounting controls.**
- ❑ **Howard's business model is at risk due to lack of control around purchasing and obligation accountability.**
- ❑ **Howard's leadership is starving for more sophisticated financial support and analysis – in Schools, Colleges, hospital and administration.**
- ❑ **Howard's support cost structure is high compared to even average benchmarks – move deliberately to a proven efficiency model.**
- ❑ **Howard's external commitments are stringent and must be met without exception.**



# The Goal

## Current State

- ❑ Manual transactions processed throughout accounting and finance organization.
- ❑ Too much time correcting the mistakes of the decentralized finance personnel.
- ❑ Suboptimal systems, too much paper, too many hand-offs.
- ❑ Diffuse accountability and lack of ownership due to decentralization.
- ❑ Lack of transparency and suspect data.
- ❑ Most staff working on fiduciary support – very limited strategic support.



## Future State

- ❑ Automate ALL PROCESSES AND TRANSACTIONS.
- ❑ Daily cash close; monthly accrual close; reporting within days not months; full financials quarterly.
- ❑ Optimize utility of PeopleSoft and determine an appropriate reporting overlay.
- ❑ Centralized ownership, customer orientation and accountability for results (MUST meet all deadlines).
- ❑ Total transparency to data and analysis pushed out to users on a timely basis.
- ❑ Move to a strategic focus – two-third focused on fiduciary and one-third focused on strategic support

