

# *University of North Carolina Efficiency Review Update*

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*BOG Committee on Budget & Finance*



*September 13, 2012*

# ***UNC-GA and OSBM***

## ***Collaborative Efficiency Review***

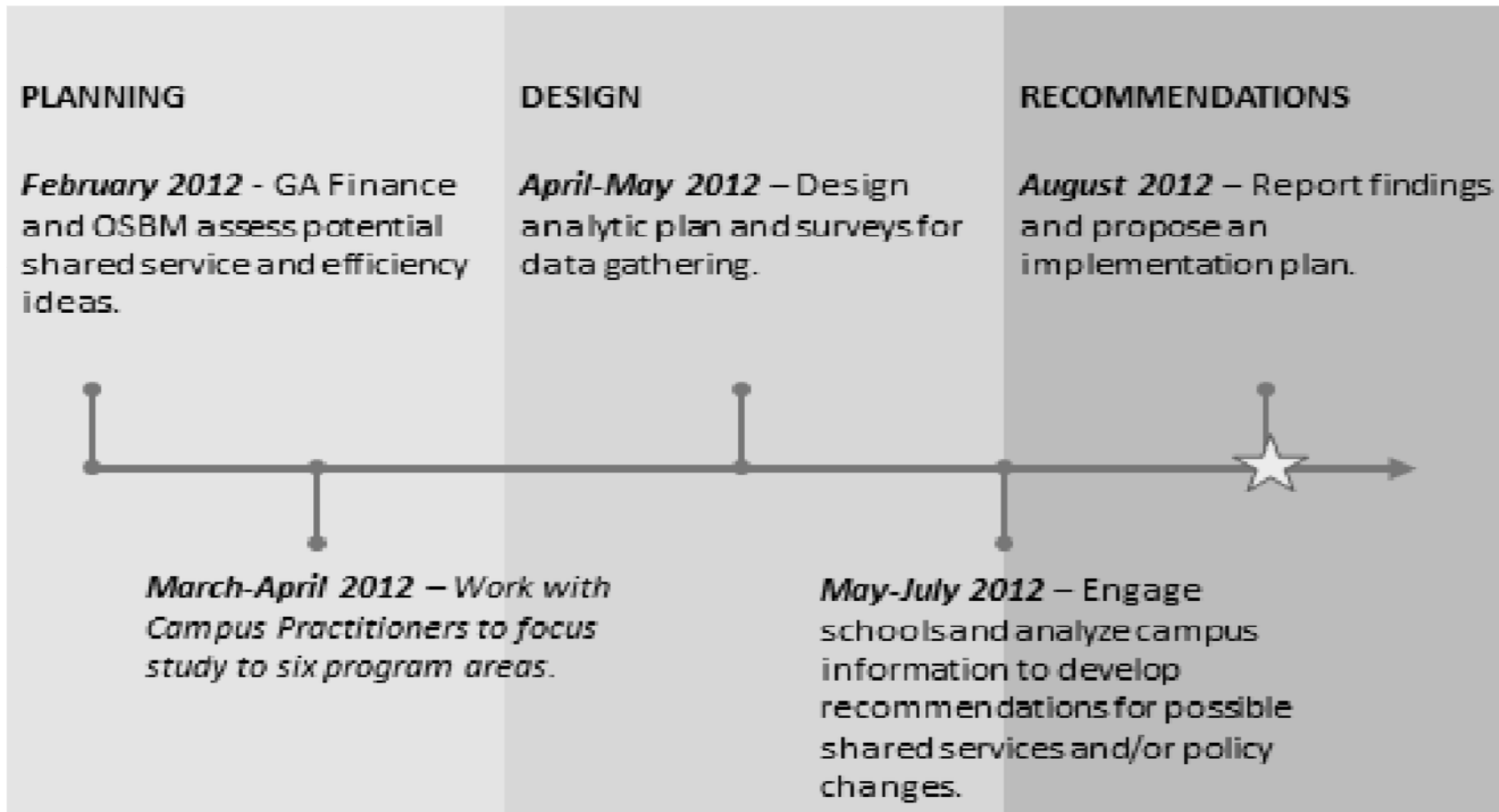
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- **Identify potential shared services and efficiency measures in the following areas:**
  - **Residency Verification**
  - **Internal Audit**
  - **Advancement**
  - **E-Journals**
  - **Travel**
  - **Procurement Services**



# *Efficiency Review Timeline*

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# ***Residency Verification - Recommendation***

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- **Establish a centralized residency classification service to:**
  - **Eliminate the 26% of duplicate classifications performed each year**
  - **Reduce the 5%–13% of inconsistently made classifications each year**
  - **Reduce staff burden (freeing time for other priorities)**
  - **Simplify and standardize process**
  - **Potentially serve the NC Community College System**



# ***Internal Audit – Shared Services***

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- **Establish a centralized Shared Services Center to serve ECSU, FSU, NCCU, UNCA, UNCP, UNCSA, WCU, WSSU, NCSSM, and UNC-GA by providing:**
  - **Internal Audit Services**
  - **Continuity During Transitions**
  - **Career Growth Opportunities**
  - **Resource Allocation Flexibility**
  - **Work Product Standardization**



# *Advancement – Shared Services*

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- **Establish a Shared Service Center to provide additional capacity for the pursuit of major gifts and planned giving**
- **Establish preferred vendor agreements to improve service and lower costs:**
  - **Financial institution services**
  - **Education and marketing of planned giving**
  - **Prospect screening and rating tools**
  - **Direct mail services, phonathon services, and website/social media services**



# *Other Efficiency Recommendations*

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## ■ E-Journals

- Share usage and pricing information between institutions to enable cost savings through better contract negotiation

## ■ Travel

- Reimburse authorized employee travel at the IRS business standard mileage rate to reduce reliance on more expensive state-owned vehicles

## ■ Procurement

- Expand current use of e-procurement tools, system-wide technology licensing agreements, and work with state purchasing to streamline co-sourcing regulation



# ***UNC-GA/OSBM Study***

## ***Efficiency Estimates***

Program Area	Type of Efficiency	Cumulative Savings in Year after Implementation		
		Year 1	Year 3	Year 5
Internal Audit	Savings	1%	5%	10%
Residency Verification	Burden Reduction (hours)	7,500	22,500	37,500
Procurement	Savings	\$812,035	\$2,436,105	\$4,060,175
Travel	Savings	\$31,000	\$248,000	\$697,500
E-Journals	% Cost Avoidance*	No Change	4%	8%
Advancement	% Gift Increase	1%	2%	5%

*\* Cost avoidance is the inflation adjusted difference between e-journal prices and UNC e-journal expenditures.*



# *UNC-GA/OSBM Study*

## *Next Steps*

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### **Shared Services**

- **Establish implementation teams with campus subject matter experts to create shared service centers for:**
  - **Residency Verification – Fall 2013**
  - **Internal Audit – Summer 2013**
  - **University Advancement – Summer 2013**



# *UNC-GA/OSBM Study*

## *Next Steps*

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### **Other Efficiencies**

#### **■ E-Journals**

- **Create information sharing framework among campus library procurement professionals – Fall 2012**

#### **■ Travel**

- **Secure OSBM travel exception to enable a lower cost business travel option – Fall 2012**

#### **■ Procurement**

- **Work with State Purchasing Office to review regulations that may hinder co-sourcing and shared procurement services – Spring 2013**



