PROVIDING KEY RESOURCES
IN SUPPORT OF
THE PURSUIT OF EXCELLENCE

Administrative
Financial
Facilities

CASE WESTERN RESERVE UNIVERSITY
FINANCE & ADMINISTRATION
ANNUAL REPORT 2001 - 2002
The Division of Finance and Administration provides critical services that enhance the University’s overall mission through administrative, financial and facilities resources.
REPORT ON OPERATIONS -
FISCAL 2002 HIGHLIGHTS
FROM RHONDA GROSS

This past year presented extraordinary challenges and opportunities for the operations of the University. Effective leadership under Interim President James W. Wagner, later strengthened by the appointment of new President Edward M. Hundert, steered the University to stronger institutional achievements. Among the highlights of this year’s operations were positive net operating results, solid investment returns on endowments, significant facility improvements, affiliation agreements with area hospitals, progress on student life planning, and cost savings and service improvement initiatives.
The national tragedy of September 11, 2001, dampened this and other institutions’ prospects for charitable giving. Also, worldwide economic conditions reduced our interest income earned on fund balances that support operations. Despite these two elements, operations showed a surplus of $6.7 million, continuing the University’s thirty-year record of operating surpluses. Total operating revenues were $516 million, an increase of $16 million or 3.3% over the prior year. Support for research and training, including recovery of indirect costs, again constituted the largest source of income, 51% of the total. The University’s School of Medicine continues to be ranked among the top twenty in the nation in research awards from the National Institutes of Health. Overall University spending for research and training totaled $188 million. In addition, a stronger-than-expected enrollment in undergraduate and several professional programs resulted in an increase in tuition revenues, net of student aid, of $4 million, from $101 million in fiscal year 2001 to $105 million in 2002. The compounded rate of growth in revenues for the past five years was 3.8%, outpacing the average inflation rate of 2.3% for the same period.

CWRU continues to emphasize opportunities for cost savings in its administrative processes through investments in technology, teamwork, and efficiencies of operations. Total operating expenses were $509 million, an increase of $38 million or 8.0% over the prior year. Additional investments in technology, rising costs of health care, and additional payments to affiliated entities grew the operating expenses at a faster pace than the growth in operating revenues. The change in the market value of investments was largely responsible for the decline in non-operating revenues, which showed a net loss of $127 million. The reduction in the combined value of the pooled endowment assets and trust funds resulted in a decrease in the University’s net assets (the excess of assets over liabilities) of 5.5%, from $1.97 billion to $1.86 billion.

Due to the national investment climate, endowment funds at most universities will post negative returns, and CWRU is no exception. For fiscal 2001-02, CWRU’s pooled endowment return of -2.19% was about 6.48% better than the benchmark portfolio, which should place the University in the top quartile of university endowments. This is attributed to CWRU’s asset allocation policy and strong performances in real estate, international equities, and hedge funds. The market value of endowments, including funds held in trust by others, now stands at $1.35 billion.

Case Western Reserve University signed a 14-month affiliation agreement with University Hospitals of Cleveland earlier this year. Efforts are underway to establish a long-term agreement, which will form the foundation for more extensive collaboration in research, teaching, and patient care. Also, a landmark agreement was signed with the Cleveland Clinic Foundation in May to form the Cleveland Clinic Lerner College of Medicine within the CWRU School of Medicine. This agreement will bring together two leading health care and research institutions to train the next generation of clinical researchers.

Fiscal year 2001-2002 was significant for the present and future physical development of the campus. Work was
completed on one important new facility, work began on a major facility expansion, and planning continued on two others. In the early summer of this year, the Weatherhead School of Management moved into its historic new quarters, the Peter B. Lewis Building. The new building provides a distinctive and creative learning environment for management disciplines. The Harland Wood addition to the Medical School facility began this year. This $21 million project will be completed in the coming fiscal year and will add more research space for the basic sciences faculty in the Medical School.

The University instituted a campus-wide student life facilities planning process called the “New CWRU.” The process involves 115 faculty, staff, and students in eight project teams working together to plan for student-centered places and amenities to enhance the living and learning environment for our students. Our trustees approved the first phase of a multi-year project to move all undergraduates to the North Residential Village. The University is planning a 450-bed, apartment-style complex, complemented by the construction of a new parking garage. The “New CWRU” team is also working on the program for a new student center and enhanced retail facilities.

In addition to the projects for the main campus, planning for the recently acquired West Quad, the former Mount Sinai Medical Center, continued with significant intensity. A year-long planning process, conducted through focus groups and information-gathering discussions with campus and community leaders, culminated in a master plan for the new West Quad. Phase I of the plan, which calls for the demolition of two-thirds of the facility and renovation of the remaining buildings, was approved by the Board of Trustees. The University is in the process of selling the University West Building to Bioenterprise, Inc., a non-profit partnership of Case Western Reserve University, the Cleveland Clinic Foundation, and University Hospitals of Cleveland. This partnership was created to spur economic development through the creation of new biotechnology start-up companies.

To support new construction activities, CWRU completed a $100 million tax-exempt debt financing. The borrowing will finance Phase I of the residential village, the north campus parking garage, and the Harland Wood project, and will support ongoing major maintenance projects. The debt was issued using a combination of fixed and variable rate financing with an overall effective rate of 3.15%. The University maintained its AA+/Aa2 bond ratings from Standard and Poor’s and Moody’s, and received stable outlooks from both agencies.

CWRU’s financial strength and flexibility are enhanced by our commitment to reduce costs and improve services. Several new initiatives were put in place last year. The method for allocating central costs to the academic management centers and auxiliaries was reformed and significant shifts were made in the allocation of endowment investments to alternative investments, which resulted in the endowment return discussed above. Health benefits were examined and streamlined, resulting in a moderation of the increase in fringe benefits costs. Finally, in partnership with several leading providers of hardware and software, the University began an Integrated Technology Partnership.
(ITP) project to deliver cutting-edge network solutions to its students, faculty, staff, and affiliates. The ITP project began with the installation of a Gigabit Ethernet local area network and wireless technology for the Peter B. Lewis building last spring. The project is continuing with the installation of a Gigabit Ethernet network for the residence halls in the summer and the rest of the campus over the next year. Total cost of the project is $35.1 million, including hardware, installation, and maintenance. Also, an ERP (Enterprise Resource Planning) implementation team began vigorous work on identifying a vendor that will meet our ambitious plans to implement an integrated application support environment at CWRU.

Despite the overall economic downturn and the transition in its leadership, the University made significant achievements in 2002, building on its strength as a prominent research and teaching institution. As we look ahead, the University outlook is one of transformation into an even more vibrant and progressive institution. There is every reason to believe that the University’s reputation as a center of academic excellence and research will continue to grow.

**Rhonda I. Gross**  
Executive Vice President &  
Chief Operating Officer
THE ROLE OF
FINANCE & ADMINISTRATION

The primary role of the Division of Finance and Administration is to support the University’s overall mission of the pursuit of excellence in the preeminence in research and scholarship; distinction and effectiveness in education and value to society. This mission is carried out through the following themes:

- Learning
- Leadership
- Community
- Partnership

The Division of Finance and Administration roots its responsibilities in this foundation in three critical areas.

Administrative Resources
The Administrative area of the Division has primary responsibility for the recruitment and selection of the University's key asset, the people that comprise our community. It is these people who make up the administrative support units that provide opportunities for leadership across the campus. This is done in partnership with academic and research centers. The division strives to provide a positive working and learning environment that fosters creativity.

Financial Stewardship
The Financial area of the Division provides opportunities for learning through various workshops on campus. This allows employees to gain leadership and knowledge in financial management. These employees ensure that the required financial resources are available to support the broad range of programs that create partnerships with F&A and other management centers. This allows complex endeavors to take place in the University community.

Facilities Management & Planning
The Facilities Management and Planning area of the Division is responsible for creating partnerships across the campus and community so that the construction and maintenance of the University’s campus, which is the physical community, can support both learning and innovation through the leadership of this area of the division.

The Division of Finance and Administration will continue to enhance the University’s mission by providing the resources to better serve the campus community and beyond with the themes of learning, leadership, community & partnership as our foundation.
ACCOMPLISHMENTS FY 2001/02
ADMINISTRATIVE

Learning

- Human Resources initiated a Supervisory Newsletter with information, tips and announcements. All supervisors receive this valuable tool to better communicate with their staff. Three Editions are published yearly. In addition, Staff Development Seminars and Supervisory Briefing Sessions were created and presented monthly.

- Human Resources initiated a Customer Service program for Finance and Administration with periodic brown bag sessions, Supervisory Briefings, email broadcasts, etc. on elements of good customer service.

- Human Resources developed a “Positive Change Initiative” for the “Excellence in Leadership… A Foundation” program. Lessons from these programs can be implemented into the work environment.

- Human Resources held Quarterly Investor Workshops with investors on campus to educate employees. Procedures were updated based on EGTRRA (new tax law) changes, supporting literature was developed and system changes were implemented.

Leadership

- The Office of the Senior Vice President of Finance and Administration and Human Resources collaborated on key recruitment initiatives for critical positions on campus, including the Vice President for Information Services and the Vice President of Research and Technology Management.

- Human Resources successfully began implementation of the CHRIS Applicant Tracking system to expedite and improve the hiring process.
ACCOMPLISHMENTS FY 2001/02
ADMINISTRATIVE

Leadership

• CWRU’s Human Resources Department was recognized by the Midwest Region of the College and University Professional Association for Human Resources (CUPA-HR) with its 2002 Institutional Award of Excellence.

• Human Resources management staff presented at various CUPA regional and national meetings on the use of Appreciative Inquiry in human resource management.

• Risk Management and Insurance developed a plan to renew property coverage in FY 2002/03.

• The Office of Audit Services organized a seminar to educate the University on the risks of check fraud and identity theft to better protect our assets.

Community

• Many areas of Finance and Administration directly supported the planning for enhancement of student life through the development of the “new CWRU” student life planning initiative. This includes the North Residential Village, new student center, Main Street, and the College Town development.

• Campus Services, and in particular Protective Services, mobilized a comprehensive response to the 9/11 tragedy. This included deployment of security personnel and services as required by the campus community. Procedures were also established to provide an effective response to the Anthrax situation that followed closely after 9/11.

• Protective Services continued to maintain a low rate of serious crime through the deployment of patrol staff and the application of available technology. Serious crimes against persons were reduced from seven the previous year to one in 2001-2002.
ACCOMPLISHMENTS FY 2001/02
ADMINISTRATIVE

Community

- **Human Resources** completed a total review of CWRU Policies and Procedures that incorporated a more positive approach. These changes were presented at various staff and supervisor meetings.

- **Human Resources** completed a total review of all present staff job descriptions to ensure that all positions are correctly entered and documented in the CompWise system.

- **Human Resources** developed, bid and implemented a short term disability benefit for all CWRU staff employees. In addition, pension plan documents that ensure compliance with current federal laws were also put into place with the assistance of the University Attorney.

- **Human Resources** organized and coordinated the first CWRU Heritage and Cultural Celebration in addition to their ever popular “Party on the Quad” to bring all staff together to celebrate community and diversity.

- Working in partnership with RTA and Student Affairs, **Parking Operations, Maintenance & Transportation** successfully implemented the RTA U-Pass program and distributed RTA passes to all eligible undergraduate students.

- **Printing Services** developed a broader range of services specifically geared toward improving student services.

- **Material Support** continued to offer one-on-one information sessions with management centers and departments. This offering has proven to be very successful and not only informative for the users but for us as well, as we gain a better understanding of customer needs. Examples this year included the Mail Center meeting with MSASS on mail and delivery services, Accounts Payable meeting with the Arts & Sciences Department Administrator Group to discuss the year-end close, our Purchasing Manager serving as a liaison at monthly SOM Administrator Forum meetings, and a Purchasing representative introducing the new preferred lab supply program to the SOM Administrator’s Forum.
ACCOMPLISHMENTS FY 2001/02
ADMINISTRATIVE

Community

• Material Support introduced internet ordering for our primary lab supplier. This will greatly facilitate the ordering process for the researchers.

• The Controller’s Office implemented new time and attendance reporting procedures for central administration to bring the University into compliance with the Fair Labor Standards Act.

• Members of the Division of Finance and Administration are very active in both the internal and external CWRU community. For example, we are members of Staff Advisory Committee, African-American Faculty and Staff Organization, as well as Junior Achievement and the Community Service Committee.

Partnership

• The Division supported the work toward completion of affiliation agreements between CWRU and partner hospitals. A one-year agreement with University Hospitals Health System has been signed and negotiations for longer term agreements are underway. Also, a landmark agreement was signed with the Cleveland Clinic Foundation to form the Cleveland Clinic Lerner College of Medicine within the CWRU School of Medicine.

• All areas of Finance and Administration developed customer service statements. F&A enhanced and implemented various customer service initiatives and educational opportunities to better serve internal and external customers.

• Human Resources evaluated and reviewed medical benefits in light of substantial medical premium increases and planned design changes to curtail rising costs.
ACCOMPLISHMENTS FY 2001/02
ADMINISTRATIVE

Partnership

• **Human Resources** implemented a web-based Flexible Benefits Enrollment System completed in partnership with Administrative Information Services. The new System improved access for all employees across campus and resulted in many favorable comments.

• **Human Resources** completed a case study evaluation of the present Spherion “on-site” temporary service.

• **Human Resources** worked with Student Affairs to “smooth out” the employment process for temporary staff hired for the summer programs.

• **Human Resources** worked with William Mercer to develop a detailed request for proposal on employee health insurance and distributed same to numerous carriers. In addition, a benchmarking analysis of CWRU benefit plans was completed to ensure competitiveness with other University Ten institutions and local employers.

• **Human Resources** and Student Affairs partnered to offer the “Seven Habits of Highly Effective People” seminar to faculty and staff. This has been a very popular program and fills easily.

• **Human Resources** assisted the Controller’s Office in the initiation of centralized Time and Attendance reports for all central administration non-exempt staff.

• **Printing Services** developed and issued an RFP for offset printing support and finalized a new 3-year contract with the selected vendor to ensure effective pricing for standard press products such as letterhead and business cards.

• **Finance and Administration**, working with community leadership, formed the Supplier Diversity Initiative Council to identify barriers for doing business at CWRU and to create opportunities for minority and women owned businesses.

• **The Department of Material Support** regularly engages in information sharing with our peer institutions in the
ACCOMPLISHMENTS FY 2001/02
ADMINISTRATIVE

**Partnership**

Cleveland Community. We are a member of the Northern Ohio Minority Business Council (NOMBC) and received permission this year to link to their vendor database through the MS web site to allow members of the campus community who are involved in purchasing decisions to access a current listing of certified minority vendors. We will complete this in FY 02/03 and will be the first member to do so.

- The Department of Material Support began preparation for a Supplier Diversity Fair to be held at the University in the fall. Primary activities will include vendor product and service presentations and a breakout lunch session to match key University representatives with specific vendors based on product groupings.

- A “Doing Business with CWRU” publication draft was started by Material Support that, when finalized, will be put on our Purchasing web site for access by any vendor seeking to do business with the University. This publication will also be available in hard copy for specialty functions/trade fairs.

- Material Support hosted a Bio-Conference in cooperation with Fisher Scientific as our preferred laboratory supplier featuring 65 vendor exhibits and 11 technical seminars. This program reached out to our research community to both increase awareness of services available and to offer educational programs.

- The Department of Material Support routinely communicates with our peer institutions through the National Association of Educational Buyer’s listserv and the College and University Mail Association’s listserv to share information, learn how others are providing different services and to benchmark against best practices.

- The Mail Center worked with the Payroll Department to provide a convenient mail drop outside of University West. This provides departments a flexible means to drop off payroll documents on a 24/7 basis.

- The Controller’s Office assisted in conducting a space inventory for the first time in 4 years. A host of complications were resolved in securing accurate information from departments.
Learning

- *Audit Services* organized a seminar to educate the University on the risks of check fraud and identity theft to better protect our assets.

- *The Office of Audit Services* provided a well-rounded student internship to support the University’s commitment of learning through experience.

- *The Controller’s Office* in cooperation with other departments within the *Division of Finance and Administration*, hosted a number of procedural workshops designed to help familiarize campus administrators with current policies and procedures.

Leadership

- The *Treasurer’s Office* pooled endowment outperformed benchmark by 648bp (6.48%) and the combined endowment outperformed benchmark by 523bp (5.23%) resulting in first quartile performance within the Cambridge Associates/NACUBO endowment universe. This represents an incremental return of $68 million on the combined endowment.

- The *Treasurer’s Office* proactively managed the CWRU debt structure. This lowered the cost of capital by 40 bp saving $850,000. In addition, LTEP (long term investment program) was implemented to better invest CWRU’s long-term capital.

- In order to diversify the endowment equity exposure, the *Treasurer’s Office* increased the migration to alternative assets allocations from 13% on 6/30/01 to 16.8% on 6/30/02.

- *Construction Administration* developed an efficient, collaborative system with Plant Services, Purchasing, Accounts Payable, and the Controller’s Office to successfully meet the CP2000 spend-down deadline for Tranche 1 of the OHEFC Commercial Paper financing program.
ACCOMPLISHMENTS FY 2001/02
FINANCIAL

• *Endowment Accounting* developed and implemented a procedure to recognize any unrelated business income generated by any of the limited partnerships in the University’s endowment fund.

• *The Controller’s Office* utilized redesigned space and equipment inventory systems in order to more effectively support the indirect cost proposal submission.

• *The Controller’s Office* implemented new procedures to ensure that operating and instructional/department research costs are properly categorized in the financial system for the indirect cost proposal submission.

• *The Controller’s Office* received acknowledgement from the Department of Health and Human Services for low default rates on student loans.

• *The Controller’s Office* has setup more convenient payment options for students and parents to keep unpaid tuition accounts to a minimum.

• *The Controller’s Office* initiated the Student Financial Services Committee to improve student financial services on campus. The committee will focus on student invoicing and on-line payment processing in the coming year.

Community

• *Material Support* administers a Procurement Card program in which over 230 cards were used to complete approximately $3.1 million in purchases this fiscal year. The PCard allowed the purchasing process to be streamlined for small dollar purchases which, in turn, reduced the number of transactions processed through *Accounts Payable*. CWRU is receiving more discounts on orders because payment is immediate. The University now makes only one payment to the bank, rather than thousands to outside vendors.
ACCOMPLISHMENTS FY 2001/02
FINANCIAL

• Material Support recommended and received approval to change the University’s default payment terms from 45 days to 30 days effective October 1, 2002. This will greatly enhance our vendor relations.

• The Controller’s Office increased the utilization of direct deposit by University employees. More than 70% of employees now have their checks deposited electronically.

Partnership

• Many areas of Finance and Administration participated in the completion of the budget process reform including a new capital budgeting process.

• Many areas of Finance and Administration prepared and assisted in a major presentation to rating agencies in FY02 with the objective of communicating the CWRU Master Plan and capital requirements. CWRU maintained its current credit rating AA/AA2 and $100 million of fixed and variable rate bonds were placed in the market in mid-May.

• Risk Management and Insurance replaced the medical professional liability program with CNA from St. Paul within budget projection.

• Equipment Accounting completed a wall to wall inventory of the University’s capital assets in cooperation with the user departments. This important inventory is conducted to comply with government regulations and ensure the accountability of our capital assets.

• The Office of Audit Services saved $90,000 in audit fees by assisting the external accounting firm with their annual audits.
ACCOMPLISHMENTS FY 2001/02
FINANCIAL

Partnership

- The Office of Audit Services recouped $30,000 in past check fraud cases.

- The Office of Audit Services saved affiliated entities $50,000 in audit fees by internally performing the audit work instead of an outside firm.

- The Office of Audit Services worked with Accounts Payable to recommend ways to prevent improper billings and duplicate invoices.

- The Office of Audit Services completed a University-wide risk assessment with the assistance and cooperation of various campus departments.

- The Controller’s Office worked in collaboration with University Hospitals to improve miscellaneous receivables collection by producing detailed monthly billings rather than quarterly statements, resulting in more timely payment of invoices and faster problem resolution. The miscellaneous receivables for MetroHealth Medical Center will be setup similarly in the coming fiscal year.

- The Controller’s Office worked in collaboration with AIS to improve report distribution and month-end processing. Most daily and monthly reports used by the office are now received electronically. Monthly expense statements and other common reports are now generated faster and sorted and delivered directly to the management centers from central operations.

- The Controller’s Office worked in collaboration with AIS to make salary information available in PeopleSoft, giving the campus electronic access to salary reports.

- Grants Accounting issued a record number of Financial Status Reports this year while meeting submission deadlines on virtually all federal reports.

- The Controller’s Office worked closely with AIS to develop new standards for all new interfaces for the general ledger system to begin the elimination of dual charts of accounts.
ACCOMPLISHMENTS FY 2001/02

FACILITIES

Learning

• The Department of Occupational and Environmental Safety developed Emergency Response Plans for chemical, radioactive and biohazard responses. These plans were shared with Protective Services and the Cleveland Fire Department for critical input and coordinated implementation in FY 2002/03.

• Plant Services presented a Staff Development Seminar on “Conserving Energy at Home and Work”. The initial presentation was delivered in October, with additional sessions held for members of the Controller’s Office staff and the School of Engineering staff. The seminar was co-created by staff and student energy interns.

• On-line retraining programs (Formaldehyde, Bloodborne, Benzene, Respirator, Radiation) were developed by the Department of Occupational and Environmental Safety to simplify access to training and to improve efficiency of training for Faculty, Staff and students.

Leadership

• The Offices of Facilities & Operations and Campus Planning were successfully integrated to create the Office of Campus Planning & Operations to assume the leadership role in the Campus Master Plan.

• Construction Administration initiated monthly Project Manager meetings with Plant Services and later expanded to all individuals involved with construction projects (now totaling 29 people in 10 departments) for the purpose of sharing information, construction updates, coordination of projects, and problem identification and resolution.
ACCOMPLISHMENTS FY 2001/02
FACILITIES

- *Construction Administration* successfully implemented a plan to manage CWRUnet faceplate MARCs and project installations in a timely, cost effective manner.

- *The Department of Occupational and Environmental Safety* implemented a performance-based system of hood inspections that allows for the assessment of the safe operation of this primary safety engineering system in all laboratories. Three hundred hoods were certified using the new ASHRAE Program protocol. At 300 hoods per year, on a rotating basis, this program will be fully implemented for all fume hoods by the end of FY 2004. The fume hood program avoids costly hood replacements based on arbitrary velocity standards and provides a true index of operational safety for all fume hoods.

- *Protective Services* implemented the new Lenel access control system and began conversion of facilities. This new installation provides the platform to integrate with other systems, including CCTV, to improve the overall level of security on campus.

- *Custodial Services* successfully completed the recruitment of a new Assistant Director and initiated the reorganization of the custodial management team to provide an effective structure for sustained program improvement. A budget provision for a training manager was received as part of the budget process for the upcoming FY.
ACCOMPLISHMENTS FY 2001/02

FACILITIES

Community

- *Facilities Management & Operations* developed a master plan for the use of the former Mt. Sinai Hospital, which included cost savings and revenue enhancing initiatives for the interim operation of this facility.

- *Facilities Management & Operations* completed the architectural selection process for the North Residential Village. Goody, Clancy & Associates were chosen for Phase I.

- *Auxiliary Services* completed the conversion of the food service contract and coordinated new concepts and changes to significantly improve all aspects of the campus dining program.

- *The Office of Facilities and Operations* participated in negotiations for sale of University West.

- *Auxiliary Services* improved summer programming on campus by coordinating and implementing the “Picnics on the Quad” summer program with other University representatives and introduced an ice cream cart, all of which met with positive results and feedback.

- *Real Estate and Property Management* completed electrical upgrades to apartment buildings.

- *Real Estate and Property Management* continued to attain 100% occupancy of all apartments during the academic year.
ACCOMPLISHMENTS FY 2001/02
FACILITIES

**Partnership**

- *All areas of Finance and Administration* worked in conjunction with the Peter B. Lewis occupancy committee to develop and implement occupancy and operational plans for the facility, to achieve a successful opening. As part of the budget process for FY02/03, emphasis was given to providing adequate staffing and funding to maintain and secure this highly visible building.

- *The Customer Service Department* enhanced the relationship with Housing and Residence Life by conducting regular walkthroughs of residence halls to identify and address facility related concerns. The department also built a strong relationship with the Department of Conferences and Special Events to ease their burden of facility requirements for special events.

- *Plant Services* collaborated with Johnson Controls and the Federal and Ohio EPA’s to co-sponsor and host the “Buildings for a Livable Future” symposium in Thwing Center in February. More than 100 architects, engineers, and educators from Northeast Ohio were in attendance.

- *Plant Services* collaborated with various academic and student life departments to enhance the undergraduate experience.

- *Parking Operations, Maintenance & Transportation* completed an assessment of the Mt. Sinai garage and developed a plan to make required improvements in order to have the structure available for use within the general parking allocation, to serve the specific needs of the Mt. Sinai facility or to support lease arrangements with other institutions.
GOALS FY 2002/03

Learning

Assure that compensation, benefit, performance management, and recognition programs advance CWRU’s strategic goals and continually train and develop CWRU’s people to enable them to learn, grow, and serve CWRU more creatively and effectively.

• Continue to analyze and examine both employee compensation and benefits in order to ensure that the University maintains a competitive position in its efforts to provide for the continuous recruitment and retention of a highly qualified and motivated work force.

• Continue to provide employees the opportunity for personal growth and education with the intended purpose of continuous improvement in the management, productivity, and professional performance of the work force.

• Improve overall level of security on campus by increasing staffing and applying new monitoring technology to reduce the actual level of serious crimes on campus.

• Re-evaluate and update the University Emergency Response Plan and address post 9/11 concerns regarding response capability.
GOALS FY 2002/03

Leadership

ENHANCE THE UNIVERSITY’S FINANCIAL STRENGTH THROUGH PRUDENT AND EFFECTIVE MANAGEMENT OF ASSETS AND LIABILITIES, AND THROUGH DEPLOYMENT OF COST EFFECTIVE PRACTICES.

• Work toward affiliation agreements between CWRU and partner hospitals that will maximize the potential of all institutions.

• Evaluate potential benefits of establishing a separate real estate function and recommend alternative organizational structures to maximize the University’s return on real estate investment.

• Provide cost-effective capital structure to finance CWRU capital projects.

• Optimize the investment of CWRU Operating Funds and perform analysis of working capital and other long-term capital requirements and propose redeployment of CWRU Operating Funds.

• Manage rating agency relationships.

• Optimize investment return for endowment and other long-term investments.

• Begin process to review each area within Finance and Administration to ensure that the Division provides appropriate services to meet the University’s needs. The first areas to be reviewed will be Purchasing, Accounts Payable and Facilities.

• Begin developing an effective Facilities and Administrative rate proposal to be submitted by December 31, 2003.

• Reduce energy/utility consumption over the next five years, while improving the indoor environment for learning and research.

• Continue to seek methods to offer cost effective health insurance and maintain annual increases for employees and the institution below the national average.

• Exploit the use of technology to improve effectiveness and efficiency in the delivery of all central services.

• Support the Supplier Diversity Initiative.
GOALS FY 2002/03

Community

ENHANCE PLANNING AND MAINTENANCE OF FACILITIES, BUILDING SYSTEMS AND CAMPUS INFRASTRUCTURE.

- Assume leadership role in the Campus Master Plan by effectively integrating the Campus Planning function into the Department of Facilities Management & Operations.

- Implement Phase I of the West Quad project and develop a master plan for the facility.

- Continue development of the utility infrastructure master plan consistent with the Campus Master Plan to provide adequate capacity, redundancy and reliability.

- Provide campus planning and facilities management programs to support University and management center initiatives.

- Implement comprehensive support services program at the Peter B. Lewis Building commensurate with the high profile nature of the facility.

- Complete the financial plan and support completion of the feasibility study and overall design of the new lot 46 parking structure. Develop interim parking plans and reassignment plans for completed facility for the New North Campus and West Quad.
GOALS FY 2002/03

Community

ENHANCE THE QUALITY OF STUDENT LIFE THROUGH CAMPUS BASED AND RETAIL PROGRAMS AND THROUGH USER-FRIENDLY ADMINISTRATIVE AND FACILITIES SERVICES.

- Focus on planning for facilities for student life and begin detailed design for the North Residential Village-Phase I, College Town, University Commons, Center for Structural Biology and possibly a new Chemical Engineering building.

- Continue analysis and examination of plans for development of Student Center in Thwing.

- Work with University Circle Incorporated in planning for retail development in the Ford/Euclid area.

- Acquire and/or partner with neighboring institutions to jointly develop real estate in University Circle in support of University educational and student life initiatives.

- Implement changes in student meal plan structure and continue to develop additional food concepts and venues in order to improve overall satisfaction with the dining program. Expand the CWRUcard program to support the implementation of dining service initiatives and improve convenience for students.

- In conjunction with student life planning initiatives, assist in developing plans for a new bookstore.
GOALS FY 2002/03

Partnership

EXAMINE METHODOLOGIES TO IMPROVE CUSTOMER SERVICE FROM ALL AREAS OF FINANCE AND ADMINISTRATION TO ALL CONSTITUENCIES BOTH INTERNAL AND EXTERNAL TO THE UNIVERSITY, WITH SPECIFIC FOCUS ON AREAS THAT WILL DIRECTLY IMPACT THE QUALITY OF STUDENT LIFE, INCLUDING THE DEVELOPMENT OF TRAINING OPPORTUNITIES TO ENHANCE THE DELIVERY OF CUSTOMER SERVICE.

- Enhance customer services through training workshops, management center meetings, staff empowerment and recognition, website enhancement and interdepartmental partnerships.

- Work with Information Technology Services (ITS) to assess readiness to implement ERP (enterprise resource planning) system.

- Continue the Finance and Administration Customer Service Initiatives through training, communications and forms of recognition. Expand the initiative to include other University divisions.

- Implement a Customer Satisfaction Survey process throughout Finance and Administration and correct any negative trends identified from feedback received.
THE DEPARTMENTS OF
FINANCE AND ADMINISTRATION

CONTROLLER’S OFFICE

The mission of the Office of the Controller is to provide financial services and in so doing, to contribute to the University’s operating efficiency. We strive to bring about constant improvements in the quality of our operations and to provide the highest possible level of customer service. We value our human diversity and strive for the highest ethical standards of professional conduct.

The Office is a support function providing financial reporting and accountability of all university and university-related funds, and is responsible for collection, disbursement and custody of these funds as well as the safeguarding of university assets. The Office provides a number of services, including: cashing (fee assessment and collection, and other cash collections); payroll; sponsored project management and reporting; financial aid disbursement for students and loan collection; accounting services for plant funds, endowment funds and auxiliary funds; and agency funds custodianship.

MATERIAL SUPPORT

The Department of Material Support, by name, suggests that we support the efforts of the University in learning and research initiatives and goals. Our primary goals are simple; to do our job well enough to support individuals in accomplishing their objectives and to continuously look for creative ways to perform our services more effectively. We can be involved, indirectly, in the success of each student program activity or every research project through one or more of our department’s units. Purchasing works with all management centers, departments, and facilities management with the goal of procuring goods and services cost effectively and within time line requirements. Maintaining community relationships with our vendors and independent contractors is of high priority to both Purchasing and Accounts Payable. Accounts Payable’s focus is to be timely and accurate in issuing payments to vendors and individuals with whom the University does business along with reimbursing faculty, staff, and students for expenses incurred when conducting business on behalf of the University. Domestic and international travel is critical for a research university of our stature and Travel Services works with university travelers in the areas of travel arrangements and policy compliance along with reimbursing traveler’s
expenses on a timely basis. Equipment Accounting plays a leadership role in tagging and tracking our capital assets to ensure compliance with government requirements. Communication is a critical success factor for all areas of the University. The efficient delivery of these communications both into and out of the University is a high priority to the Mail Center and we continuously strive to provide quality services for our customers’ various mailing needs. Equally important is the timely receiving and delivery of packages throughout our campus and to our partner organizations. Our Receiving and Delivery operation realizes that procuring goods for our customers is only successful when they reach the end users. Meetings are a key component to success at the University. The Campus Movers work with numerous departments throughout the year to set up meeting facilities along with moving and arranging office spaces and delivering specialty goods.

TREASURER'S OFFICE
The principal functions of the CWRU Treasurer’s Department are to manage the investments of the University’s endowment and operating funds and to manage the capital structure of the organization. In carrying out these roles we seek to achieve an optimal mix of investments and external debt commensurate with the income needs and risk tolerance of the organization. We formulate policies in these areas in concert with the CWRU Investment and Finance Committees.

CAMPUS PLANNING & OPERATIONS
The newly organized Department of Campus Planning and Operations was formally established July 1, 2002, consolidating responsibilities for campus planning and design, space management, facilities operations, project management and campus services under one umbrella. A clearly defined and structured Campus Planning & Operations function is imperative to guide the strategic physical growth of CWRU’s campus and provide the integrated services necessary to support the institution’s education, research and service missions in an efficient and cost effective manner.

CUSTOMER SERVICE
The Customer Service Center serves the CWRU community as the primary contact for all facility-related requests including building maintenance, grounds, custodial, pest control, elevator service, equipment disposal, and system shutdowns. The Service Center offers customers a “one-stop shop” that effectively coordinates departmental resources to
ensure highly responsive service and follow-up of routine activities and special events.

**PLANT SERVICES**
Plant services is comprised of Landscaping and Grounds, Vehicle Maintenance, Energy Management and Zone teams that maintain all areas of the campus. Plant Services’ empowered, self-directed teams enable staff to be highly responsive to customer needs, find creative solutions to problems, and maintain high morale. The freedom for staff to take ownership of their work has resulted in higher levels of productivity. The zoned maintenance architecture allows staff to develop stronger relationships with the students, faculty and staff they serve.

**CONSTRUCTION ADMINISTRATION**
The Office of Construction Administration and Project Management manages major construction projects and renovations from design through construction. All University construction contracts are generated and managed centrally through this office. Construction Administration also oversees CWRUnet moves, adds, repairs, and changes, as well as major project CWRUnet infrastructure design. On an ongoing basis, this office takes the lead in implementing contract and project delivery enhancements. Construction Administration updates and maintains the University’s 10-year Capital Renewal and Replacement program.

**OCCUPATIONAL AND ENVIRONMENTAL SAFETY**
The Department of Occupational and Environmental Safety promotes the health and safety of the Case Western Reserve University community and its environment. The Department:
- Provides services that support the University’s research and education mission while maintaining regulatory compliance.
- Informs and educates all in regulatory and safety concerns.
- Aspires to keep our programs relevant and pro-active in all safety affairs

**AUDIT SERVICES**
The Office of Audit Services is an independent assessment activity established to assist the University in the effective and efficient discharge of its responsibilities. To this end, the Audit Services’ mission is to strengthen the internal control environment by furnishing management and the Audit
Committee of the Board of Trustees with objective analyses, assessments, recommendations, counsel, and information concerning the activities reviewed and promoting effective control at a reasonable cost. The department is comprised of four auditors, a part time department assistant and a summer student intern.

**HUMAN RESOURCES**
The Human Resources Department is organized into five functional areas: Employment, Employee Relations, Employee Education and Development, Compensation and HR Information Support. The department is responsible for all areas of human resources administration for staff employees and benefits administration for faculty. The Department is unique in that some of its responsibilities are delegated to contractors for accomplishment, the most significant of which is temporary and contingency staffing. CWRU HR is now in its second year on a contractual relationship with Spherion. In addition, HR contracts with the Center for Families and Children for Employee Assistance Program coverage. The Benefits area works with fourteen different benefit companies, administrators and service companies and administers benefits for 4,255 employees plus another 600+ retirees and employees on non-paid leave.

**CAMPUS SERVICES**
Campus Services provides the University community with comprehensive, high quality services in a consistent manner. Public safety, security, cleanliness, and pleasurable dining are key priorities. The following are the components of the department:

- Protective Services, including security staffing and protective systems.
- Access & Auxiliary Services, including Food Service/Vending, Bookstore and Printing Services.
- Custodial Services
- Parking Operations and Transportation
COST SAVINGS AND REVENUE ENHANCEMENTS FY 2001/02

The Division of Finance and Administration continued to implement cost-saving measures throughout the year to maximize efficiency at a minimum cost to the University. The collaboration and cooperation between departments was instrumental in the realization of these savings. Continued efficiency and the diligent use of technology allowed the division to increase productivity without a significant budgetary impact.

In addition to increased productivity, many measurable cost-saving and revenue-enhancing practices resulted in a realized savings of more than $26 million to the University. Highlights from some of these programs are listed below:

- Negotiated changes in health care plans, saving $780,000.
- Realized a savings of $220,000 from the outsourcing of temporary employment services.
- Realized approximately $24 million* in savings in cooperation with other university departments, primarily through negotiated price agreements, volume discounts and competitive bidding practices.
  *includes $15 million rebate from Oracle® contract negotiated in conjunction with ITS.
- Recovered nearly $30,000 from check fraud cases.
- Reduced cost of borrowed capital by $0.6 million.
- The Operating Fund performance resulted in an estimated impact of $2.5 million in additional revenue.
- Realized nearly $300,000 in savings from energy and maintenance costs through the installation of energy efficient fixtures, irrigation metering, and equipment upgrades.
- Saved an estimated $100,000 by internalizing training related to chemical, biological and radiation safety practices.
- Negotiated price guarantees for property and medical professional liability insurance saving the University an estimated $100,000.
# Key Performance & Productivity Indicators for the Departments Within Finance & Administration 2001/2002

**Audit Services**
Audit Projects and Special Investigations 20

**Campus Services**
- **Security/Protective Services:**
  - Responses to Calls for Assistance 15,557
  - Physical Emergency Responses 34
  - Hours of Special Event Security Coverage 1,300
  - Criminal Investigations Performed 198
  - Security/Fire Systems Installed 13
  - Systems Related Service Calls 2,416

**Auxiliaries:**
- Board Plan Sales $5,711,406
- Retail And Catering Food Sales $2,777,896
- Printing Sales $1,321,682
- Printing Work Orders Completed 5,139
- Bookstore Sales $6,034,237

**Parking & Access Services**
- Parking Permits Processed 11,074
- ID’s Issued 8,051
- Keys Issued 2,555

**Custodial Services:**
- Net. sq. ft. cleaned daily 3,825,640
- Average net sq. ft. cleaned per FTE 26,381

**Construction Admin.**
- AIA contracts processed 139
- CWRUNET Faceplate Orders processed 105
- Projects managed 172
- New projects commenced 39
- Projects closed 41
- Safety Violations 0

**Controller’s Office**
- **Contracts, Grants, Misc.:**
  - Contracts billed during the year $30,704,208
  - Receivable balance at end of year $5,433,679
  - % of receivable balance to total billed 17.70%
  - Receivables past due (>60 days) $2,506,912
  - % of receivables past due 46.14%
  - % of past due to total billed 8.16%
  - Receivables written off this year 0
  - % of write-offs to billed 0%

Financial Status Report aging:
- % of Federal reports past due 0%
- % of non-federal reports past due:
  - >30 days 6.16%
  - >60 days 37.48%
**Payroll:**
Number of W2’s Issued 9,601
Common Paymaster Savings $263,527
% of employees utilizing direct deposit 74.11%

**General Accounting:**
Average monthly report distribution 8th working day
Miscellaneous receivables billed during the year $4,628,678
Receivable balance at end of year $560,462
% of receivables to total billed 12.12%
Receivables past due (>60 days) $7,021
% of receivables past due 1.25%
% of past due to total billed 0.15%
Receivables written off this year $131,811
% of write-offs to billed 2.85%

**Student Accounts Receivable:**
Total billed during the year $182,368,565
% increase from previous year 4.60%
Receivable balance at end of year $1,836,675
% of receivable balance to billed 1.01%
Total in collections $1,964,790
% of total billed in collections 1.08%
Default rates on student loans:
Federal Loans (COHORT) vs. Performance Standard 3.58%/25.00%
University Loans vs. Performance Standard 2.05%/3.00%
Receivables written off this year $91,147
% of write-offs to total billed 0.05%
% of accounts past due:
  >30 days 6.53%
  >60 days 1.90%
  >90 days 1.05%

**Human Resources**
Employment Requisitions Filled 687
Criminal Background Checks 691
Clerical Tests 117
Interviews 640
Spherion Temps Hired 379
CWRU Temps Hired 90
Supervisory Briefing Attendance 522
Staff Development Seminars Attendance 653
Walk-ins Employment 5,748
Walk-ins Benefits 4,200
Walk-ins Compensation/Records 12,375
Walk-ins Misc. 2,600
Material Support

**Mail Center:**

( Incoming)
- USPS 1st Class: 1,879,000
- USPS Standard: 1,831,725
- Campus Mail (envelopes): 806,433
- Campus Mail (publications): 1,163,336
- Business Reply: 13,169

( Outgoing)
- USPS 1st Class: 567,915
- Presort: 42,927
- International: 4,405
- Bulk Mail: 1,529,564

(Packages Delivered)
- CASC: 22,378
- Service Bldg.: 14,941

**Movers:**
- Moving Jobs: 579
- Billings: $77,873

**Purchasing:**
- POs Issued: 27,392
- PO Checks issued: 9,233
- Blanket PO’s Issued: 1,132
- Leases: 149
- Construction/Facilities PO’s Issued: 5840

**P-Card:**
- Total dollars spent: $3,065,098
- P-Card Transactions: 12,947
- Cards issued: 204

**Accounts Payable:**
- Payments made: 141,000
- Total value of checks issued: $287,478,550
- Checks sent out: 79,500

**Equip. Accounting:**
- Capital Equip. Additions: $12,600,000
- Current Capital Equip. Total: $105,700,00
- Total Pieces of Capital Equip.: 5,756

**Occupational & Env. Safety**

**Training:**
- Classes presented (chem., rad., b-borne.): 285
- Total number of people trained: 5,800
- Number of people that utilized on-line training: 1,150

**Compliance:**
- % compliance chem. Hygiene: 92%
- Major radiation incidents: 0
- Responses to odor complaints: 242
- Radiation security inspections per month: 23
- % of labs contact through liaison program: 100%
- Laboratory move clearances issued: 221
<table>
<thead>
<tr>
<th><strong>Plant Services</strong></th>
<th>Work orders completed</th>
<th>20,000</th>
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<tbody>
<tr>
<td></td>
<td>Average monthly backlog of work orders</td>
<td>479</td>
</tr>
<tr>
<td></td>
<td>Average work orders completed monthly</td>
<td>1644</td>
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<tr>
<td></td>
<td>Projects completed by coordinators</td>
<td>55</td>
</tr>
<tr>
<td><strong>Real Estate &amp; Property Management</strong></td>
<td>% of apartment occupancy</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Treasurer</strong></td>
<td>Pooled/combined endowment vs. benchmark</td>
<td>-2.19% vs. -8.67%</td>
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<td>Pooled/combined return vs. median Cambridge Assoc. College &amp; University Universe</td>
<td>-2.19% vs. -5.08%</td>
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<tr>
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<td>Operating fund performance vs. benchmark</td>
<td>5.40% vs. 3.90%</td>
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<td>Operating fund income vs. budget</td>
<td>4.612M vs. 4.6M</td>
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<td></td>
<td>Weighted cost of capital 02 vs. 01</td>
<td>4.2% vs. 4.6%</td>
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NOTES ON STAFF ACCOMPLISHMENTS
Service Award recipients

Finance and Administration Presidential

Daniel “Tex” Kelly, Printing Services
Kelly is known for going the extra mile as a bindery specialist with Printing Services. A 20-year employee of the University, Kelly is dedicated to customer service. He regularly makes deliveries in the rain and snow—with a smile—and volunteers to work late or on weekends in order to complete rush jobs for customers. He is pleasant and efficient in taking orders and checking on the progress of projects as well as in bringing much-needed supplies to all areas of campus. Kelly maintains his good humor despite tight deadlines and is always willing to lend a hand in completing jobs.

Gail Palombia Shipley, Human Resources
In her seven years as a benefits specialist at CWRU, Gail P. Shipley has made a tremendous impact on the human resources department and the University as a whole. Shipley is a diversity trainer and contributes to various staff recognition and development programs. She formed the Wealth Builders Club, is an active member of the Women’s Coalition and its book club and plays a key role each year in Party on the Quad. In addition, she is a regular volunteer for the JASON project activities and Parade the Circle celebration and works with Cleveland adult education programs, teaching English as a second language, helping people study for GED exams and more. A long-time member and former chair of the Staff Advisory Council, Shipley volunteered to create and continues to maintain the SAC Web site.

“Taken from Campus News—”

Finance and Administration 25 year

Thomas E. Bondra
James A. Cesen
Margaret Rose Perry

Arlene V. Williams
Raymond A. Wurm

Finance and Administration 10 year

Sam S. Arlia
Constance Stewart Bell
Crystal Campbell
Rogers W. Forman
Sham L. Kapil
John Manzuk

Serban Marinescu
Earl L. McLane
Joseph A. Muraski
Claudia P. Oates
Beverly A. Simpson
Lorraine Tobias-Watson