To: Senior Staff
From: Business Process Improvement Committee (BPIC)
Re: Recommendation of business process improvement candidate for 2010-2011
Date: October 28, 2010

As you are aware, a cross-divisional committee for business process improvement began meeting in May 2010 to begin work to identify, at most, two processes for improvement over the next academic year.

To that end, the BPIC solicited input from all divisions on campus. We received 26 submissions, representing 18 unique projects. We reviewed all submissions, narrowing the list to the top four and after much discussion the BPIC recommends that **the current hourly student and staff payroll process be automated**.

Our recommendation for the remaining top three submissions is to continue to research solutions as resources allow.
1. optimize match and use of endowment income
2. document imaging (e.g. paperless admission)
3. streamline dorm damage reporting and billing process

A complete summary of submissions and actions taken by the BPIC committee is attached.

Additional details about hourly employee time sheet processing:

1. **An approximation of the resources needed to currently complete the process**
   a. As of October 2010, Hamilton has 1268 hourly employees (students, M&O, and staff). 221 staff and M&O time cards are processed weekly; 1047 student time sheets are processed biweekly during the academic year.
   b. Every time sheet is processed manually and usually keyed at least twice. Before leaving an employee's department, each of the approximately 300 supervisors has a system to track and process time sheets, from entering this information into an Excel spreadsheet, FileMaker database, or manual sheet. When the time sheet arrives in the payroll office, the information is again verified (review of documents for proper signature, calculation of hours, review of all and entered into our existing payroll system).
      i. The current payroll process for EACH supervisor involves:
         1. Checking hours worked calculations by hand, with a calculator
         2. Hand alphabetizing
         3. Tracking down students who did not sign or complete their time sheets
         4. Manually entering - Supervisor name (written - some have a stamp)
         5. Manually entering - Supervisor signature (written - some have a stamp)
         6. Entering data into their own spreadsheet or database system for tracking purposes.
      ii. The estimated cost of supervisors manually processing time sheets on a yearly basis is in excess of $28,000 per year. Please note, the yearly cost of the payroll specialist is in addition to this. An automated system could potentially cut this cost in half, if not more.

1. Based on time estimates given by student supervisors, on average, it takes 2.5 minutes to process each time sheet. Time multiplied by the number of student time sheets (1047) equates to 43.625 hours per pay period. If we attach an average staff hourly pay rate of $16.00 (per Carol Bennett), the cost of processing student time sheets on a bi-weekly basis is $698.00; on an annual basis that is $18,148.00 (please note, this number does not include the cost of employee benefits).
2. Based on time estimates by M&O, on average, it takes 4.57 minutes to process each time sheet (of 105 total time sheets). Using the same scenario as in number one, that's eight hours per pay period or $128 per week, $6,656 per year.
3. The remaining hourly employee time sheets (116) are processed singly to small batches; an average of 2.5 minutes per time sheet will be used which equates to 4.83 hours per week or $77.33 per week, $4,021.33 per year.
    a. The largest employers on campus are: Physical Plant (M&O), Student Activities, Athletics, Admissions, and the Writing Center.
    b. The student employers report spending between three to four hours per pay period processing time sheets. Even more time is spent during the beginning of the academic year to process the necessary paperwork.
    c. There are approximately 105 M&O time sheets which take five people a collective eight hours to complete. Please note, M&O processing also includes maintenance of the sick/tardy report.

iii. The current payroll process for the payroll specialist involves:
1. Alphabetize time sheets
2. Compare each time sheet to her previously compiled spreadsheet which lists all authorized positions (student positions = 1,047)
3. If not authorized, email the supervisor to get the authorization
4. Input each time sheet to Kronos
5. Check number of hours – is the total correct?
6. If < 5 hours, pull and combine with following payroll (students only).
7. Check overtime hours.
8. Check for signatures – both employee and supervisor.
9. Choose the job. Many people work more than one job, and each job must be matched with the correct time sheet.
10. Keep track of people who have not turned in a time sheet by noting on the above spreadsheet.
11. After all time sheets have been inputted, run the gross to net report and compare this report line-by-line to each time sheet. If everything matches, then run the payroll.
12. When the checks arrive, confirm the check register versus the checks.

2. **The benefits for improving the process beyond resources (e.g. improving the quality of the service provided to parents/students)**
    a. The current manual system has great potential for hourly employees to manipulate the system.

    b. We strive to teach our students to be good citizens in the community. We want students to be more responsible for their time sheet submissions. By automating the process, the students will have more flexibility as to how, when, and where they complete their time sheets thus leading to more integrity of the data and process and reduce the amount of time and effort spent by supervisors tracking them down.

    c. We are in the minority among our peer institutions. A recent survey of our peer institutions showed only four of 29 still with paper solutions.

3. **The offices currently involved in completing the process**

    a. HR, Payroll, every office with hourly employees

4. **The perceived barriers to improving the process.**

    a. There are multiple solutions that could be implemented to improve this process, ranging from adding on to the functionality of existing systems (Kronos or Datatel) to creating a hybrid system. Implementation and time to implement vary depending on the system chosen. The specific plan for moving forward is beyond the scope of this recommendation.

5. **Individuals who need to be involved moving forward**

Representative from HR, Payroll, Business Office, IT, representative from larger offices (e.g. Admission, M&O, Athletics) and outside vendors.

Business Process Improvement Candidates 2010-2011

	Submission	BPIC Vote/Comments
1.	Automated student/staff payroll	**Short list**; benefits the entire campus community. Five additional duplicate submissions.
2.	Dorm damage	**Short list**; benefits - income, positive PR
3.	Endowment Income	**Short list**; in process, needs to be taken to the next level. Benefits - using money we already have.
4.	Paperless Admissions	**Short list**; in process, study piece moving forward, recommendation of cost by spring 2011. Natural fit with other requests.
5.	Building Coordinator Records	**BPIC Recommendation**: Low hanging fruit, requiring a meeting and community education. Suggest HR regularly put out notices to the community to update their online directory information, letting them know that this information is used by building coordinators and is now being used to control building access (HillCard).
6.	Electronic Reimbursement	**BPIC Recommendation**: Good idea, refer request to Business Office for review and prioritizing among current work requests.
7.	Paper Forms	**BPIC Recommendation**: Education. Maureen will develop a session for the community describing the various tools that exist to create online forms and how to decide which tool to use. Tentative delivery date: January break.
8.	Printed Directory	**BPIC Recommendation**: Forward to Steve Stemkoski with recommendation to attend a Department Chairs Meeting. Two additional duplicate submissions.
9.	Student Employment Paperwork	**BPIC Recommendation**: Send submissions to Steve Stemkoski and Student Employment Office with suggestion of enhancing instructions on the website or holding a What's New and Q&A session for supervisors at the beginning of each semester.
10.	Vehicle Inventory	**BPIC Recommendation**: Inventory systems need more study. Business Office is looking at a fixed assets system that potentially could be used more broadly. Maureen will investigate other inventory systems in use within Physical Plant. There is a system in place in the gallery (FM DB?) and the chemical inventory is done in a proprietary system. Other inventory systems needed: publications and grants

	Submission	BPIC Vote/Comments
11.	DOF Deadlines	**No action from BPIC**. Low hanging fruit. Carol Young communicated to all academic office assistants, pointing them to the Dean's Handbook which contains all necessary deadlines; suggest exploring the use of a calendar in HillConnect if appropriate.
12.	Faculty Tenure Paperwork	**No action from BPIC**. In process, move study piece forward according to division's priority.
13.	HR Recruiting Paperwork	**No action from BPIC**. In process, move study piece forward according to own division's priority. May have tie-in to document imaging (paperless admission).
14.	Payroll direct deposit	**No action from BPIC**. Agree it is a good idea. This will be available when Kronos self-service module is available; implementation delayed because it currently only works on Internet Explorer.
15.	Resource delivery/new faculty	**No action from BPIC**. Agree that coordination is needed, will most likely have eventual ties to HR recruiting system; Committee exists, collecting information, needs to reconvene to discuss next steps (data is scattered among spreadsheets, databases and the central system).
16.	Review W-9	**No action from BPIC**. Low hanging fruit. Marty gave Kim read only access and will check with her to see if it is functioning. Carol Young also requested access which Marty has already delivered.
17.	Round up gift	**No action from BPIC**. Progress is being made internally, lower priority
18.	Vehicle rentals	**No action from BPIC**. Agree it is a good idea. Admission Office is working out details of short term vehicle lease instead of rental. Sue will share details with Kathy.