

Meeting Notes

Department on Education, Student Financial Assistance (SFA): CFO Off-Site Meeting

December 5, 2000

9AM-12PM

Issues Raised

- Individual MOUs will be obtained with CFO counterparts (CIO, etc.). A discussion of this should include transferring employees. Find out how many people are doing function in other organizations.
- Should telecommuting be an option to help with the space issues CFO is facing? Some functions are suited to telecommuting but others require people to physically present at the office location.
- Consider CFO recognition system that goes beyond performance rewards
- CFO is not currently measuring it's success in producing current deliverables.

Points Clarified

- 105 is the current FTE ceiling. If more space opens up or conditions change more might be added.

Decisions Made

- Do not hire any more FTEs for the time being.
- Define the type of FTEs that are needed. New hires must be very skilled. They will be pushed while on job.

Points Raised Concerning Team Action Plans

Accounting

- Add to goals: Campus based functions, perkins loan portfolio.
- Add to actions: Make sure that accounting signs off on all FMS accounting inflows.
- Add to actions: Jim wants an action plan from Accounting and FMS how each module release will affect operations. Mary Grace and Bart should also be included.
- Change assumptions: Take out treasury from key assumptions and make it available to other contractors.
- Change plan key success indicators: Timing and quality need to be addressed in Key Success indicators
- These numbers include S & E numbers.
- Reporting is broader than form 224. Financial reporting and accounting must determine who is responsible for which report.
- What capabilities could be allocated to contractors?

Financial Reporting

- Action item: FTEs need to be worked out between Financial Reporting, FMS and Accounting
- Change to goals: Annual external reporting as a bullet
- Add to actions: Work with Budget breaking apart legacy contracts.
- Add to goals: Obtain a completely unqualified audit opinion.
- Add to actions: Look into ED overhead to help with MOUs
- Add to goals or actions: Make sure reports are designed with customer input. Make sure

- customer needs are met. Add a customer requirements step to action plan.
- Action Item: Resolve year-end subsidy estimate point with Tim.
- Add to assumptions: MOU obtained as prerequisite for unqualified opinion.
- More specific on what will be present in terms of ABC this year.
- Use ABC as a tool for use in balanced scorecard. Established unit cost reduction goal for each senior manager.
- What capabilities could be allocated to contractors?
- It is very difficult to get an unqualified opinion on functions not owned by FRD. MOUs come into play here.
- Work on the unqualified issues during this year so that next year a completely unqualified

Portfolio Management

- Change in FTE requirements: Tim didn't include himself in FTE requirements. Add one to total.
- Add to key assumptions: Add ED budget as a key assumption.
- Add to actions: Consider advisory committee. Get a group to advise on where to invest resources. Good PR tool. OPE included. Do concept model with pros and cons. Helps build credibility.
- Add to actions: FFEL community included in discussion of estimates for programs.
- Will website maintenance be transferred to CFO? If not, Website maintenance role must be enlarged.
- Impact: Will support OPE policy decisions.
- Need to have community buy in on these initiatives

Budgeting Process and Consolidation

- Add to goals: Policy for funds control authorization process for Accounting division.
- Add to goals: Budgeting system, budgeting reviews evaluation is needed now otherwise two cycles will be missed.
- Add to actions: Meet with OMB on a monthly basis?
- Add to actions: Do site visits to other budget offices to get new perspectives.
- Add to actions: MOU for FFEL and direct loan issues.
- Action item: Rename the division.

Internal Review

- Decision: Who will be in charge of financial statement audit---(Decision: Reporting)
- Add to goals: Internal control reviews will be done with accounting.
- Action item: As contracts are negotiated consider SAS 70 (?) audits. What do we need now and in the future?
- Be sensitive on who has access to hot issues.
- Add to goals: Establish advisory group to get support and buy in for hot issues.
- Add to actions: Establish plan for internal review and risk assessment. Get everyone to buy in.

SFA Administration

- Add to actions: Eliminate manual check
- Add to goals: Integration with FMS
- Action item: Will personal property management come earlier?
- Add to goals or actions: IG audit---Put internal controls to address the issues raised.
- Action item: Should training be in the immediate office? Will CFO be able to do training correctly if it resides in administration?
- Action item: Resolve placement of CFO training.
- Should we consider transferring small purchases to acquisitions?

Financial Management System
<ul style="list-style-type: none"> - Add assumption: Disaster recovery is handled by VDC. - Add to process/function detail: Include COD - Add to goals: Create organization that supports SFA. Day to day things activities need to be added. - Add to goals: Links to Accounting, Financial Reporting, Internal Review, and Budget. - Action item: How will move to new building and new networks affect FMS. - Reengineer program functionality is built into function. Difference between program functionality and accounting functionality.
Chief of Staff
<ul style="list-style-type: none"> - Action item: Should administrative function be moved to SFA Administration. - Add to goals: Add central ordering function. - Add to goals: Add space management function - SFA Orientation package developed.---Jim has one in his bookcase----get from him

Next Steps Section

Next Steps	Timing
- Revise/ Confirm FTEs	- By week of January 1
- Review/ finalize plan	- By week of January 1
- Discuss with staff and get buy in. Make sure everything is covered	- By Week of January 1
- CFO all-hands meeting	- By January 23
- Work into CFO performance plan, Team performance plan, and Individual performance plan. Integrate with Team balanced scorecard.	- January 30
- Initiate Hiring/ Recruiting <ul style="list-style-type: none"> o ID qualifications think ahead about getting best candidates. o Examine options—SFA Transfers, ED transfers, Contractors, Outsourcing. 	- Decision Pending from Jim
- Build into Program Management System	- Start by February