


August 30, 2022

**MEMORANDUM**

**TO:** M. Katherine Banks, Ph.D.  
President

**FROM:** John Crawford, Vice President for Finance and CFO   
Working Group Chair

**SUBJECT:** Implementation Memo – Working Group # 26, Centralization of Financial and Business Services

**Recommendation to be Implemented:** Centralize financial and business services under the Chief Financial Officer

**Strategic Considerations:**

The overarching focus of this centralization process was to ensure that each dean and vice president would have their own designated strategic financial and business partner. Communication about this and other benefits of centralization has been the key to the finance centralization initiative. Meeting in small groups with finance staff throughout the university has meant a considerable investment of time, time that was well spent. Finance staff appreciated the opportunity to hear directly from me about the centralization efforts and to have the opportunity to ask questions. These meetings are the foundation for building a cohesive and functional centralized organization. Each meeting included discussions about the following:

- What is meant by centralization and the solid line/dotted line concept
- The planned changes in the financial reporting structure
- The reallocation of financial responsibilities
- Benefits of centralization to the organization and to finance staff
  - Standard onboarding of new finance staff
  - Consistency in training
  - Professional development opportunities
  - Building relationships/networking with other finance staff
  - User groups and subject matter experts to share best practices
  - Standardized processes across campus
  - Career paths/ladders
  - Leveraging our size to provide efficient and effective services to regional campuses
  - Redundancy so there is backup when someone is away from the office
  - Structure in place to more closely monitor and review the university's financial activities
  - Easier implementation of changes to the budget allocation model
  - Work process improvements throughout the organization
  - Expectations going forward regarding work process improvement

### **Logistical Issues Addressed:**

As we assessed the existing finance structures throughout the university, it was clear that there were broad differences between departments. Some units were, for the most part, already largely centralized, but other units were very decentralized. In those decentralized units it meant that we had to build those centralized structures. In many cases the finance staff also had human resources responsibilities and so those positions had to be identified and a significant effort made, in coordination with Human Resources, to determine who would remain in the Finance organizational structure and who would move to Human Resources. Following that the communication of those decisions had to be made so staff knew where they will be on September 1st.

- Splitting HR/Business staff – identifying who goes to Finance
- Communicating to staff whether they would be a finance staff member or an HR staff member
- Develop reporting structures and identifying/filling vacant positions

### **Major Challenges Encountered and Resolutions:**

The financial duties of staff who were assigned to Human Resources & Organizational Effectiveness (HROE) resulted in “orphaned duties.” Those duties had to be inventoried, reviewed, and reassigned to staff who were going to continue in the centralized finance structure. This difficult task was accomplished through the extraordinary efforts of the Assistant Deans and Assistant Vice Presidents in the finance organization and through working with HROE.

Existing resistance from some of the unit heads about reporting structure changes was addressed by explaining the benefits of centralization to the university. Most of the contention around this issue was due to a perceived loss of control over finance staff members. Once the unit heads better understood that those staff would remain embedded in their unit and that day-to-day direction would still be coming from within the unit, they were more accepting of the changes.

### **Key Logistical Issues to be Completed and Timeline:**

This centralization effort means that the Division of Finance is going to increase from approximately 180+ positions to 460 positions, an increase of nearly 280 staff members. In addition, the Division will be welcoming staff from Aggie One-Stop, Financial Aid, the Office of the Registrar, and Data and Research Services, which will bring the total Division staff to over 600. As a result of these changes, we are renaming the “Division of Finance” to the “Division of Finance & Business Services”. See the attached high-level organization chart. The extent of this reorganization means that related logistical issues remain to be addressed, including the following:


- By the end of this calendar year:
  - Revise Rules/SAPs as needed
  - Revise position descriptions
  - Revise existing procedures as needed
  - Revise websites
  - Begin financial process improvement projects
  - Develop and implement subject matter expert user groups & listservs
  - Develop and implement the quarterly financial review process
  - Development of the new budget allocation process is well under way

- By March 31, 2023:
  - Develop communication mechanisms
  - Develop mechanisms for customer feedback & measure improvement
  - Address how to make new division employees feel part of Finance
  - Identify and implement needed training
- By August 31, 2023:
  - Finalize and vet the new budget allocation process

We recognize that even with all the effort by many individuals that has gone into ensuring this new, unified structure will be in place and operational by September 1, work will remain to be done, to include tweaking reporting structures and job responsibilities.

Attachment

Approved:



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M. Katherine Banks, Ph.D.  
President

October 10, 2022

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Date

# Division of Finance & Business Services

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