

2016 Best Practices Proposal Form



CACUBO
Central Association of College
& University Business Officers

Completed proposals are to be submitted to bestpractices@cacubo.org or by contacting Donna Rohlfer, Director, CACUBO Best Practices Awards, rohlfedm@miamioh.edu.
The deadline is April 30, 2016.

Best Practices Program Submission:

Title: Endowment Performance Reporting and Accounting

Primary* Contact Information:

The primary contact must be a CACUBO member institution of higher education.

Institution: University of St. Thomas

Address1: 2115 Summit Ave.

Address2: AQU 210

City: St. Paul State/Prov: MN Zip Code: 55105

Salutation: Prof. Dr. Mr. Mrs. Ms.

First Name: Mark Middle Name/Initial:

Last Name: Vangsgard Suffix (Jr, III, etc.)

Professional Title: VP Business Affairs, CFO

Email : mdvangsgard@stthomas.edu

Phone: 651-962-6095 Fax:

*Additional team contacts may be listed at the bottom of this form.

Institution Information:

Institution: Research Comprehensive/Doctorate Small Institutions Community College

Year Founded: 1894

Geographical Location: St. Paul, MN

Number of Students: 9,800

Website: www.stthomas.edu

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Statement of the Problem:

Provide a brief statement identifying the challenge your institution encountered that benefited from your best practice.

The University faced three challenges:

- 1) The University endowment pool (\$475 million) utilized performance reporting through its investment custodian. The reporting system did not fit the University's reporting structure well and was expensive relative to the benefits it provided.
- 2) The University endowment pool is primarily invested in commingled fund vehicles (85% assets) that utilize a separate custodian from the University. These assets were also being reported as one-line assets by the University's investment custodian. The extra layer of custodial reporting increases fees paid by the University while not providing additional value.
- 3) The treasury office and accounting department collected endowment pool data separately, while much of the data collected was similar.

Identify the Solution (250-words maximum):

Describe how you identified and developed your best practice solution including those involved with the process, impact on the organization, finances and resources.

The University solved these problems in two phases. The first phase involved bringing performance reporting within the Treasury office by purchasing a cloud-based performance reporting software. The second and innovative phase of the project was to enhance the existing software to change it from being a performance reporting software to also being an accounting-based software. These enhancements were not supported by the software vendor, so they had to be designed in-house by treasury office staff in consultation with the software vendor and the University's accounting office. Once this process was completed, the University completed an RFP for a new bank custodian, switched bank custodians, and removed all assets from the University custodian that were not directly held at the University custodian. The removal of the fund assets from the University custodian required the Treasury office to have a more substantial role in the internal accounting process. The treasury office took over the collection of investment accounting data from the controller's office, which allowed the University to have performance and accounting data all held in a centralized database. Previously, the performance data was held in the software database, but accounting data needed to be processed through spreadsheets in the controller's office before it could be converted into journal entries and entered into the accounting software. With accounting data now being entered into the software, the University worked with software vendor to create a customized report that would automatically generate journal entries directly from the accounting data entered into system.

Implementation Timeline:

Provide a bulleted list of the steps and implementation timeline of your best practice solution.

1. April 2012: Purchased cloud-based software for endowment performance reporting
2. August 2012: Removed custodial performance reporting saving net \$70,000/year
3. June 2015: Completed development of accounting reporting system within cloud-based software
4. December 2015: Completed custodian RFP and removed commingled fund assets from custodian reporting saving net \$220,000/year
5. April 2016: Completed journal entry automation from cloud-based software

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Benefits & Retrospect:

Provide a brief statement of the benefits achieved by implementing the best practice solution.

The University was able to save a net \$290,000 in custodial expenses (85% reduction) related to the long-term investment pool and was also able to streamline internal accounting and performance reporting processes. This redundancy reduction allowed the University to reduce its time used overall in collecting investment accounting data. Removing some of the reliance on spreadsheets also helps reduce operational risks related to the maintenance of those spreadsheets.

Additional Team Contact Information:

Additional Contact #2:

Institution: University of St. Thomas

Address1: 2115 Summit Ave

Address2: AQU 210

City: St. Paul State/Prov: MN Zip Code: 55105

Institution: Research Comprehensive/Doctorate Small Institutions Community College

Salutation: Prof. Dr. Mr. Mrs. Ms.

First Name: Carol Middle Name/Initial:

Last Name: Peterfeso Suffix (Jr, III, etc.)

Professional Title: Chief Treasury and Investment Officer

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Additional Contact #3:

Institution: University of St. Thomas

Address1: 2115 Summit Ave

Address2: AQU 210

City: St. Paul State/Prov: MN Zip Code: 55105

Institution: Research Comprehensive/Doctorate Small Institutions Community College

Salutation: Prof. Dr. Mr. Mrs. Ms.

First Name: Casey Middle Name/Initial:

Last Name: Plante Suffix (Jr, III, etc.)

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