

**San Mateo
Community
College District**

*Canada
San Mateo
Skyline*

October 31
2012

Business Process Analysis:

Financial Aid Reconciliation Process

with Strata Information Group



Introduction

As part of the effort to improve service to students at San Mateo Community College District (SMCCD), Strata Information Group (SIG) is working with the Colleges and the District to analyze and improve the underlying processes. This analysis yields two primary outputs: 1) setting a trajectory toward an “ideal” process, and 2) identifying next steps in order to align policy, processes, people, and technology to dramatically improve service. The objectives are to develop simple, streamlined processes, to make better use of staff members’ time, and to take full advantage of technology.

To meet the objectives, a half-day, follow-up Business Process Analysis (BPA) workshop was conducted to examine the financial aid reconciliation process at SMCCD. This session was focused on mapping the current process, identifying the underlying issues, and generating opportunities for improvement.

Participants came from all three colleges and represented Financial Aid, the Business Office, VPs for Student Services, and ITS. Kari Blinn, from SIG, facilitated the workshop. Edgar Coronel, also from SIG, provided his expertise and guidance during the sessions. Participants were engaged and creative. They worked well in identifying the issues with the current process – and developing ideas for a new strategy and a new process. This document contains the contents and outcomes of the group’s efforts.

Successes

The financial aid team made significant changes since the first BPA session. Examples follow:

- Time freed up to work with students
- More students receiving financial aid
- Deeper understanding of Banner functionality
 - Utilizing auto-packaging rather than 100% manual packaging
 - Using Banner for ISIR corrections
- Automated twelve (12) processes – e.g. Cal Grant
- More effective retrieval of tax returns
- Automated file transfer – no e-mail or FTP sites used
- Bar coded documents – utilizing scanning technology
- Better at troubleshooting
- Simplification of the process
 - Reduced the number of tracking documents from more than 120 to 40 – with 15 to 20 as the norm
 - Reduced the number of items on the checklist – “only what the feds require”
 - Standardization across all three colleges
 - Complete review of policies, procedures, and handbook – consistent and clear
 - Continuing review of WebSmart, e-mail, communications – consistent and clear
 - Simplified SAP rules – same at all three colleges
- Better coordination among the colleges – communicating, testing, improving
- Many team members taking the initiative to lead – “I’ll do that”
- Executive level support for changes
- Effective steering committee
- Strong, regular support from Laurie Neill – SIG Financial Aid Consultant
- Clarity and focus – reflected in agendas, driving tasks to completion, commitment to simplifying

These accomplishments are tremendous! They represent profound change – not simply tweaking the margins. The team should feel a great sense of satisfaction. The results for students and staff are tangible and significant. This project should serve as a case study for effective process analysis, reimagining the way to do work, and successful implementation.

Keys to Success

The team identified the critical factors that contribute to their success:

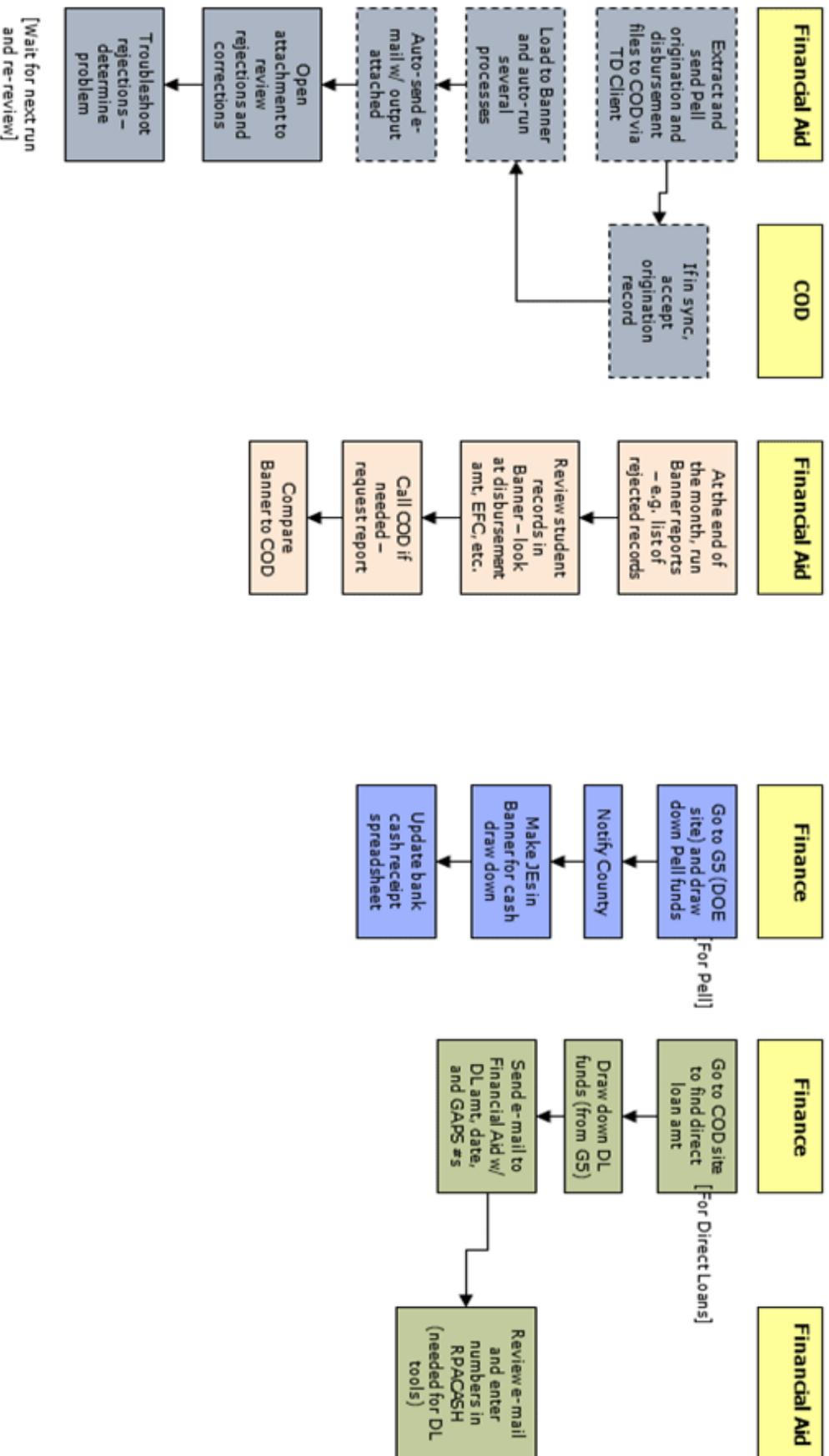
- Leadership
- Team members taking responsibility
- Continuing to come back to the table – perseverance
- Sub-groups following through on assignments
- Time allowed to work on project
- Good preparation prior to bringing recommendations to the colleges
- Willingness to change
- Able to view the “greater good”
- Support from top management
- Front-line staff members engaged in the effort
- Learning to work smarter while retaining quality
- Self-assessment and the ability to envision a different way of working
- Designated IT specialist at each college
- Solid training
- Not sacrificing the important for the urgent – the ability to prioritize and focus on the strategic
- Financial aid (business unit) taking the lead with strong IT partnership
- Teams empowered to make change

Note: When projects get stuck, it is helpful to refer back to these success factors, identify missing items, and push through them.

Process Mapping

Next, the group mapped the current reconciliation process. While drawing the map, participants identified obstacles and potential opportunities for improvement.

Current Financial Aid Reconciliation Process



Obstacles

Participants identified the following obstacles in the current process:

- College not reimbursed
- Rejected records – 90% of problems fall into the following categories: EFC not valid, incorrect SSN, sequence not in order
- Takes time to research rejections – especially the first and second disbursements of each semester
- One College has stopped resolving rejected records due to a contractual issue
- Timing of records going back-and-forth creates additional problems
- Full reconciliation done only one time a year – makes reconciling disbursement to draw-down difficult
- Financial Aid figures match COD but not District Finance
- Intersecting with other colleges who also awarded aid to SMCCCD students – creates a “ticket” with COD
- Direct Loan reconciliation is a “monster”

Opportunities

In the same manner, the group articulated potential opportunities for improvement:

- Solve the financial aid workload issue in order to stay on top of reconciliation
- Ensure that all financial aid accounts are reconciled regularly
- Review disbursement schedule – consider disbursing more often – e.g. daily once classes begin
- Automate the disbursement process
- Consider a “freeze” in order to reconcile
- Conduct thorough diagnosis on rejected records – e.g. if sequence problems are due to manual changes to students’ records, then discontinue manual changes and let the Banner processes make the adjustments
- Identify students attending other colleges earlier in the process

Next Steps

At the end of the session, the group identified the next steps to take in support of a new strategy and a new process.

ITEM	DETAILS
Evaluate the hand-offs and manual changes	<ul style="list-style-type: none"> • Review downstream effects – e.g. backdating in A&R • Understand effect on sequencing and error files
Receive more documents electronically	<ul style="list-style-type: none"> • Upload, scan, e-mail • Image, index, shred
Diagnosis three primary reasons students stand in line – then provide alternatives	<ul style="list-style-type: none"> • Find out status of financial aid – why aren't students using self-service? E.g. not easy to find, statuses aren't up-to-date or clear, etc. • Submit forms – encourage online submission • Identify clear path to completion
<p>Make the case for a new position in financial aid</p> <p>Goal: Stay current with reconciling all financial aid accounts, ensure timely and consistent resolution, achieve zero audit findings</p>	<p>There has been a significant increase in load due to:</p> <ul style="list-style-type: none"> • Moving direct loans in-house • Overall loan volume increase • Number of students receiving financial aid increased • More complexity in awarding aid