

Outsourcing Best Practices

In Higher Education Institutions

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

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Create Opportunities

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Agenda

- Learning Objectives
- Introductions
- Backdrop – State of the Industry
- Options – What Can be Outsourced and Why?
- Case Studies
- Risks and Success Factors
- What Next?

Learning Objectives

- Recognize the different types of outsourcing increasing in popularity in the higher education industry
- Identify the benefits and risks to these arrangements
- Determine if your college or university has needs that may be met through an outsourced model



Introductions



David Robydek, CPA
Principal – Higher
Education

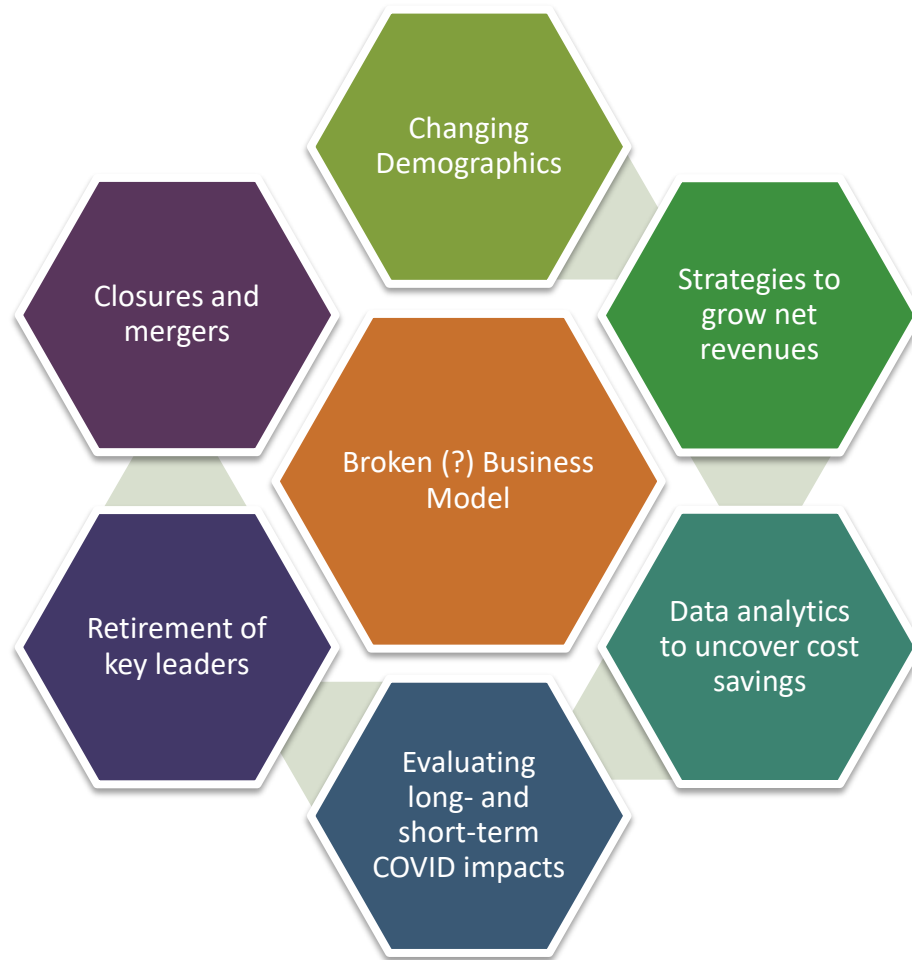


Kelsey Vatsaas, CPA, MBA
Principal – Outsourced
Business Operations



Joy Fisher, CPA
Consulting and Accounting
Solutions Team

State of the Industry



State of the Industry

**Budget Cuts Looming In Indiana; Higher Education
Asked To Make 7% Cut**

**What Does Virtual
Learning Mean For The
Future Of Higher
Education?**

Commentary: Here's how higher education
must adapt to meet students' needs in the
pandemic era

**Has Higher Education
Lost Its Mind?**

**The Pandemic & Higher
Education: Old
Problems, New
Opportunities**

Commonly Outsourced Functions in Higher Education

Bookstore

Food Service

Security

Housing
Management

Outsourcing:

To obtain goods or services from an outside supplier in place of an internal resource.

Outsourced Administrative Functions



Accounting: Transactional to Strategic



Finance: Budgeting, Planning, Analysis



Student Financial Aid



Human Resources



Payroll



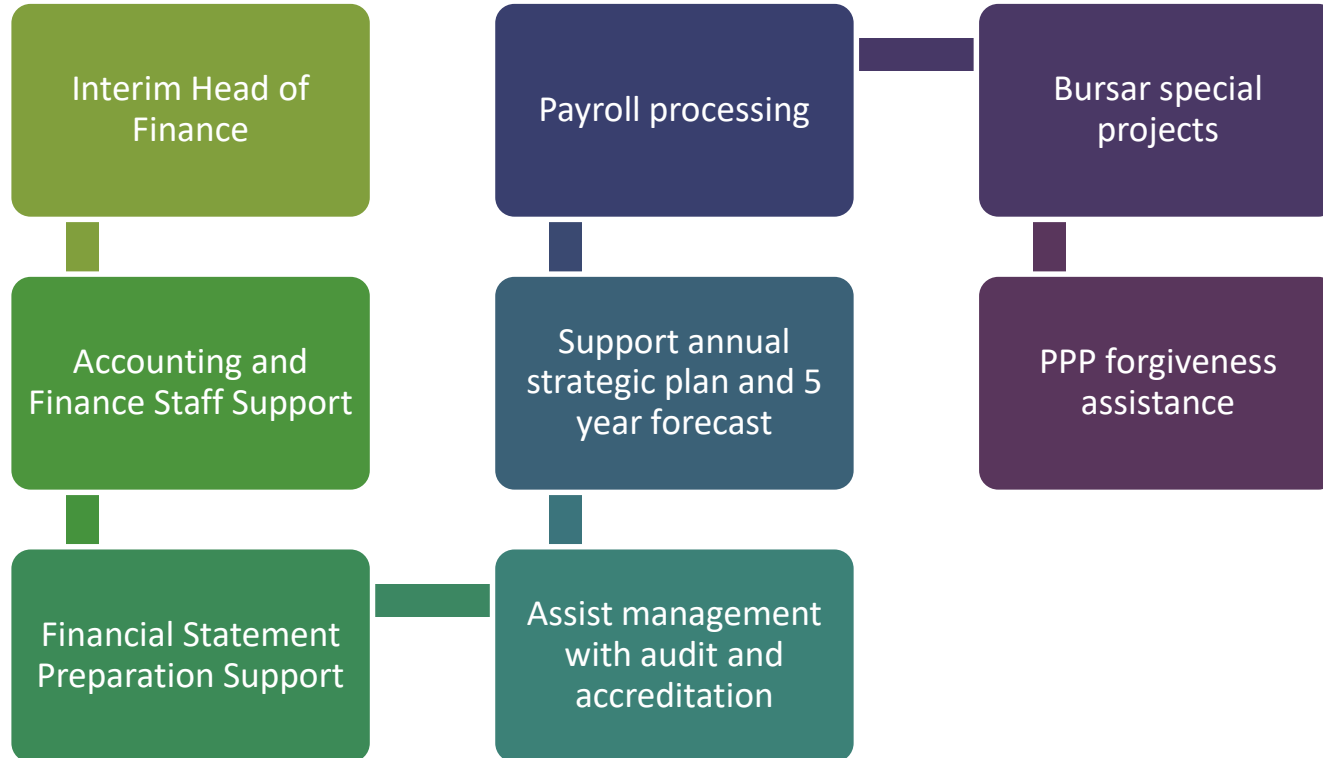
Tax and Compliance



Case Study 1: Interim Finance and Accounting Outsourcing



Case Study 1 – Outsourced Functions



Case Study 1: Outsourcing Benefits

Customized, flexible resources

Innovative solutions and new ideas

Thought leadership

Breadth of knowledge, experience, and network

Case Study 1: Unexpected Impact

Payroll cost
savings and
efficiencies

3rd party
vendor
scrutiny

Financial aid
office
forensic
investigation

Still
engaged;
more to
come!



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Case Study 2 - Background

- Budget did not provide for a controller
- Unable to achieve segregation of duties
 - Difficulty with staff turnover
 - Limited financial reporting

Financial and operational activity includes:

- Housing and auxiliaries
- Endowment and split interest agreements
- Title IV and Department of Education

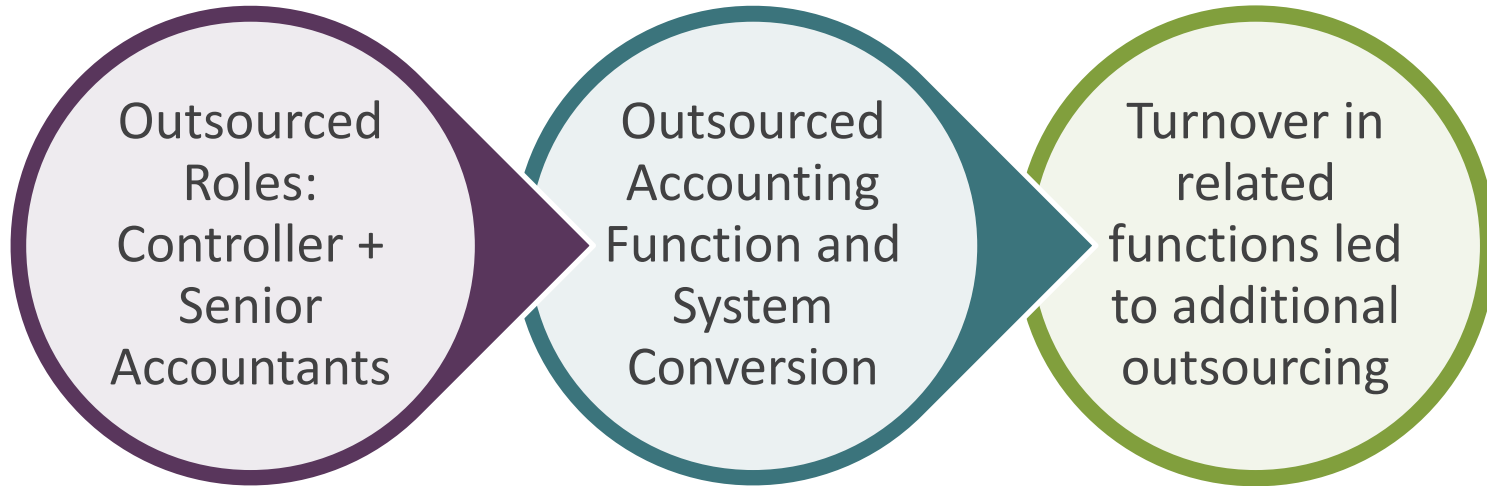
Private College
100 students; \$50M budget

Located in a dense, urban area with a high cost of living - and therefore high employment costs for experienced professionals

Strategic initiatives include:

- Revenue diversification
- New instructional programming
- Reorganization and cost containment

Case Study 2 – First Step Into Outsourcing



Case Study 2 – Today

Why do they continue to down the outsourcing path?

- Familiarity with the technology they need
- Relationship that provides access to industry insight and tools
- Flexible resources – turn fixed costs into variable expenses

Outsourced Functions



Accounting

Financial
Reporting



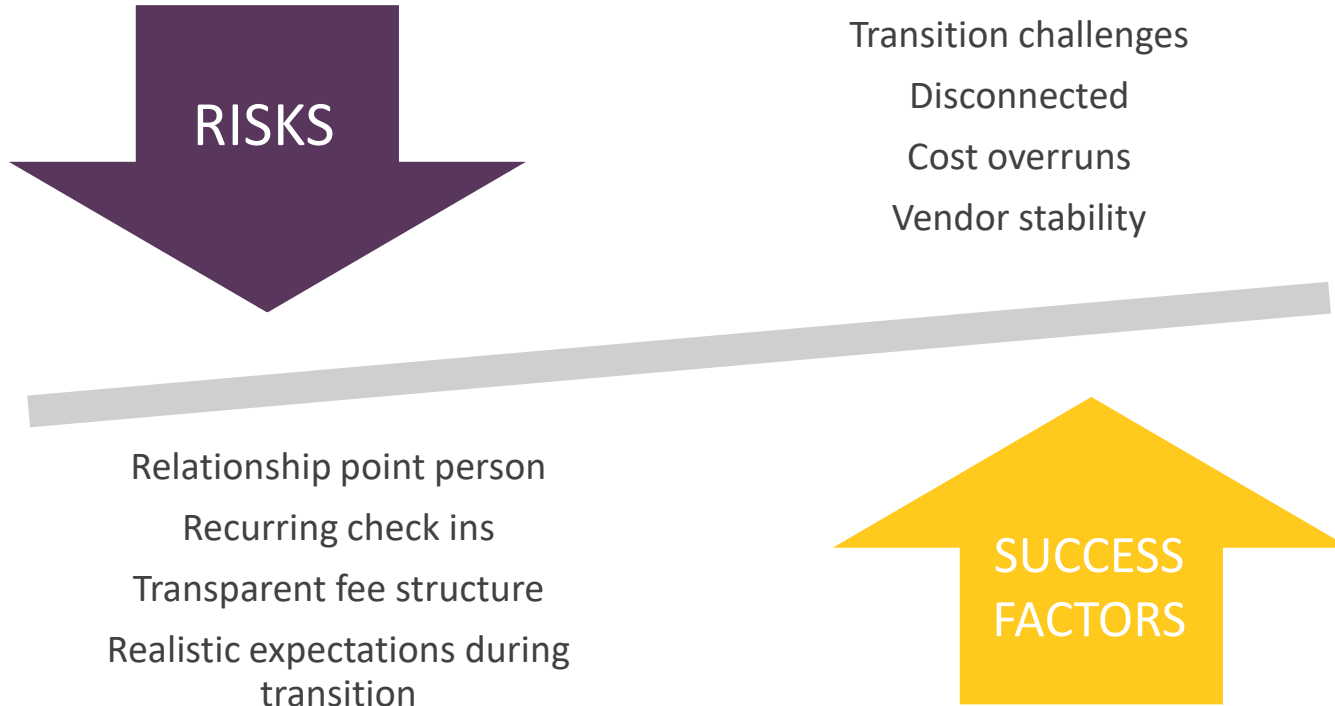
Student
Financial Aid

Payroll



Human
Resources

Outsourcing- Risks and Success Factors





Q&A



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