

Accounts Receivable Shared Service Center

Johns Hopkins Enterprise Service Level Agreement

Agreement Published Date: July 24, 2006
Updated: July 1, 2009

Agreement Effective July 1, 2007 (six months after SAP Implementation)

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General Information

Purpose

The purpose of this Service Level Agreement (SLA) is to establish a cooperative partnership between the Accounts Receivable Shared Service Center and its customers. This SLA will:

- outline services to be offered and working assumptions between the Shared Service Center and its customers;
- quantify and measure service level expectations;
- outline the potential methods used to measure the quality of service provided;
- define mutual requirements and expectations for critical processes and overall performance;
- strengthen communication between shared service providers and its customers;

Vision

The Hopkins' Shared Services Centers will provide a shared business environment for the Johns Hopkins University and John Hopkins Health System. The new business environment will continuously emphasize service, compliance and productivity to its customers. The primary goals for the service centers include:

- **Integrate** people, processes, and technology to provide a balanced service level to all customers. Create a collaborative environment where trusted relationships and teamwork are encouraged between administration, departments, clinical areas, institutions and suppliers to further Hopkins' enterprise goals.
- **Leverage** human resources, institutional knowledge, developing skill sets, and technology in an effort to continuously improve service and productivity for all Service Centers. Create an organizational structure that balances strategic and tactical efforts that promote efficiencies.
- **Mitigate** risk to the Hopkins' enterprise by focusing on compliance requirements and understanding the impact these requirements have on productivity and customer service. Develop an integrated organizational structure that will promote the consistent interpretation and enforcement of policies, procedures, laws and regulations throughout the Enterprise.

Mission

Most sponsored and non-sponsored billings will be centralized, with cash receipts going directly to university/health system bank accounts rather than to departments. If the department needs to create an invoice it will be a parked document and reviewed, approved and mailed by the Accounts Receivable Shared Service Center (ARSSC). The Service Center will also monitor, follow-up, and collect open receivables.

For internal Johns Hopkins billings, cost allocations will replace invoices. The SAP software has a cost allocation tool that allows for the processing of inter-entity transactions. The cost allocation tool automatically creates a “due-to” and “due-from” entry in the general ledger. “Due-to” and “due-from” accounts will be reviewed and a transfer of cash between the health system and the university will occur.

In Scope

JHU Sponsored and Non-Sponsored Billings

- Letter of Credit – Draw funds from Federal Agencies.
- Sponsored Billings – Prepare billings (except clinical trials) for research grants and contracts that are not on a letter of credit.
- Review and release clinical trial billings that departments prepare.
- Non-Sponsored billings – Prepare billings for Inter Personnel Agreements (IPA) and review and release miscellaneous non-sponsored departmental billings.
- Create and maintain non-sponsored customer master data records.

JHU Receivables

- Monitor, follow-up and collect sponsored and non-sponsored receivables.
- Research, resolve, reconcile and clear unidentified receipts.

JHHS Billings and Receivables

- Billings – Prepare invoices to the Federal Government and affiliated organizations.
- Receivable Collections – Collect receivables and research, resolve, and clear unidentified receipts.

Inter-Entity Transactions

- Prepare Joint Administrative Agreement (JAA) documents for on-going transactions between JHU, JHH, JHHS, Bayview Medical Center, and Good Samaritan Hospital.
- Prepare and execute inter-entity transactions not covered by JAA. Examples include charge backs, dowries, and house staff costs.
- Prepare cost allocations distributing administrative costs.
- Assist in the reconciliation of the inter-entity “Due-to/ Due-from” accounts.
- Approve all new JHU service centers and JHHS recharge centers and set up the allocation tables in SAP. Rate schedules will be routed to Cost Analysis for approval.
- Work with budget offices, divisional offices, and general accounting offices in the preparation and execution of intra-entity transactions.

Other

- Provide information to controllers’ offices concerning analysis of uncollectible accounts and loss reserve.
- Monitor and document SAP problems and questions called in by users.

Out of Scope

- Clinical billings and receivables (including those interfaced with SAP)
- Student billings and receivables (ISIS).
- Large billing systems that will be interfaced with SAP:
 - SOM Continuing Medical Education
 - JHH Keane
 - Bayview Meditech
 - JH Home Health Horizon
 - JH Home Health CU / TIMS
 - JHU Student Loans (ECSI)
 - Bayview RAM
 - JH Home Health HBS
 - JH Home Health MB1

Hours of Operations

Normal hours of operations are Monday thru Friday from 8:30 am to 5:00 pm following the JHU holiday schedule. The Service Center is located at Hopkins at Eastern.

Service Expectations

Accounts Receivable Shared Services and its customers agree to the service expectations, working assumptions, and service constraints listed below. These service expectations are to monitor the more critical elements of the service provided and are not intended to reflect the comprehensive services offered by Accounts Receivable Shared Services.

These expectations are effective 7/1/07 (six months after the Hopkins One go live date). Service level expectations will be reviewed after a period of stabilization.

| Process | Service Expectation | Service Metric <i>(measurement)</i> |
|----------------------------------|--|--|
| Letter of Credit | <ul style="list-style-type: none"> • Draws will be at least 3 times per week | <ul style="list-style-type: none"> • Monthly Cash on Hand analysis |
| Billings | <ul style="list-style-type: none"> • Monthly invoices are to be completed within 12 business days of month end. • Quarterly invoices are to be completed within 12 business days of quarter end. • Parked invoices will be released within two business days of notification. If unable to release invoice creator will be notified via email. | <ul style="list-style-type: none"> • Unbilled expenses. |
| Receivables | <ul style="list-style-type: none"> • Contact sponsor after 45 days if open invoice is greater than \$10,000. • Contact sponsor after 60 days if open invoice is between \$3,000 and \$10,000. • Contact sponsor after 90 days if open invoice is less than \$3,000. • Contact department within two days if sponsor claims the invoice will not be paid due to performance. At this point, it is the department's responsibility to resolve and the invoice will be closed as uncollectible. Once disagreement with sponsor is resolved, a new invoice will be issued. • All issues that Accounts Receivable Services can fix will be completed within three business days. Follow-up calls will be made within five business days. | <ul style="list-style-type: none"> • Aging reports and notes to files prepared by receivable accountants. |
| Inter-Entity Transactions | <ul style="list-style-type: none"> • Reduce University and Health System billings and replace with Inter-Entity allocations. • Reduce number of checks written between the University and the Health System. • Process KB15N spreadsheets within three business days and notify users via email of the document number. | <ul style="list-style-type: none"> • Management reports. |

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| Customer Service | <ul style="list-style-type: none"> • <u>Receivables</u> <ul style="list-style-type: none"> ○ receivables@jhu.edu ○ Fax 443-997-4290 • <u>Inter-Entity</u> <ul style="list-style-type: none"> ○ InterEntity@jhu.edu ○ InterEntity@jhmi.edu ○ Fax 443-997-5152 ○ Phone 443-997-2481 • <u>Billings</u> <ul style="list-style-type: none"> ○ billings@jhu.edu ○ billings@jhmi.edu ○ Fax 443-997-5155 ○ Phone 443-997-2480 | <ul style="list-style-type: none"> • Email log. • Automatic response to sender acknowledging receipt. |
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Working Assumptions

The Accounts Receivable Service Center will be fully staffed and funded.

Service Constraints

- **Workload Issues That May Effect Service Levels**
 - Month end and year end closing activity.
 - Fiscal reporting requirements to sponsors are heavier at year end.
 - Over 1,200 individual Joint Administrative Agreements between University, Health System and Bayview Medical Center.
 - Centralization of departmental billings and receivables across Hopkins entities.
- **Conformance Requirements**
 - Compliance with Hopkins policy and procedures, along with laws and procedures.
 - Policy and procedures are on the Accounts Receivable Shared Services web site: <http://ssc.jhmi.edu/accountsreceivable/index.html>
- **Dependencies**
 - Delays in receiving data from departments to the Service Center may delay billings and cost allocation processing.
 - Billing and Receivable accountants may not have all the required documentation to process and collect an invoice prepared by the department and may require additional support from the departments.
 - Late technical and other required reports will prevent collection of receivables.
 - We require the approved budget amounts in order to set up annual allocations for each fiscal year.
 - Documentation provided by others for allocations and billings must be complete before they can be processed.
 - Require approval from departments before we submit final billings to sponsors.
- **Severe Weather or Disaster**
 - Bad weather or disasters may cause delays or interruptions in service levels.

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- **Contacts/Questions/Customer Service**
 - The contact list on the Accounts Receivable Shared Service Center (ARSSC) website contains contact phone numbers and email address for the staff and customer services.
 - Accounts Receivable Shared Services website contains Forms, Policies and Procedures, SAP Roles, Frequently Asked Questions (FAQ), Glossary, Service Level Agreement, and Other Links.

Agreement Administration

Terms of Agreement

This agreement commences on January 1, 2007 with the mutual understanding that modifications may be required over time and the service expectations are effective July 1, 2007. All modifications will be made in the spirit of the original agreement and be reviewed by representatives of the Accounts Receivable Service Center customer base.

Periodic Quality Reviews

The Accounts Receivable Service Center and representatives of its customer base will conduct periodic reviews of the Accounts Receivable Service Center performance against service level expectations. The agenda for these reviews should include:

- Service delivery since the last review;
- Major deviations from service levels;
- Service constraints and dependencies since last review, and planned changes to improve service effectiveness.
- The Accounts Receivable Service Center will also regularly assess customer satisfaction and will use the results as a basis for changes to this agreement.

Service Level Agreement Maintenance

This agreement will be reviewed on an ongoing basis and updated. Updates may become necessary due to changing service needs, modifications to existing services, addition of services, or unanticipated events.

Issue Resolution

If either the Accounts Receivable Shared Service Center or its customer identifies a substantive breach of responsibility or other problem that requires resolution prior to the next periodic review, both the Service Center management and customer will engage in a joint effort of understanding and rectification of the issue. In the event this remedial effort fails, either party can raise the issue to the JHU Controller and if that fails, the issue will be resolved by the JHU Senior Vice President for Finance and Administration.

Funding Structure and Accounting Methodology

The budget for Accounts Receivable Shared Services will be prepared by the Service Center Director and approved by the University Controller and JHU Budget Director. Allocations to JHHS will be reviewed and approved by the JHHS Controller and JHH Budget Director.

Advisory Committee Role

- Provide feedback from constituent organizations regarding customer service, productivity and compliance
- Participate in periodic review of Service Level Agreement with focus on customer service, productivity, and compliance
- Participate in the identification, prioritization and implementation of business process and technology enhancements
- Support the testing of future applications features / modules
- Sharing information with constituents

Advisory Committee Members

Since a large portion of the billings and receivables are sponsored, the advisory committee for Accounts Receivable Shared Services will be the same as the Sponsored Shared Service Center and we will hold joint meetings.

The Advisory Committee should have customer base representatives from the following user groups: University Divisional Business Offices, Health System Finance, and Offices of Research Administration.

The committee will consist of the following:

Mike Amey, Associate Dean for Research Affairs, School of Medicine
Jim Erickson, Executive Director Finance, School of Medicine
Jane Schlegel, Sr. Associate Dean Finance & Administration, Bloomberg School of Public Health
Alexandra McKeown, Associate Dean for Research Administration (BSPH)
Cheryl Howard, Assistant Provost, University Administration
Fred Puddester, Sr. Associate Dean for Finance and Administration, Arts & Sciences
Jim Aumiller, Associate Dean Finance and Administration, Whiting School of Engineering
Wendy Spivak, Assistant Dean of Financial Operations, School of Arts & Sciences
Claire Bogdanski, Associate Dean Finance and Administration, School of Nursing
Ken Jones, CFO - JHPIEGO
Myron Kunka, Associate Dean Administration and Finance, SAIS
Debbie Rice, Associate Dean, School of Education
Greg Oler, JHU Controller
Jim Clauter, JHHS Controller's Office

The committee will decide how often to meet.

Reference Material

<http://ssc.jhmi.edu/accountsreceivable/index.html>