**6 Sigma Project Charter**

**Date:** December 9, 2005

**Project Name:** Managing Trust and Agency Accounts

**Deployment Champions:** Dr. Vicky Stewart

**Project Sponsor:** Ed Babcock

**Process Owner:** Carla Greer

**Black Belt:** Beth McClain

**Charter Author:** Kim Malcolm

**Team Members**

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<tr>
<th>Kim Malcolm, Staff Accountant</th>
<th>Steve Garber, Athletics Representative</th>
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<tr>
<td>Carla Greer, Manager of Student Accounting</td>
<td>Deb Hart, Student Activities</td>
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<tr>
<td>Michelle Carter, Financial Operations Coordinator</td>
<td>Jan Briney, Coordinator, Federal Funds and Collections</td>
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**Opportunity (Purpose or Primary Reason for Project):** Trust and Agency accounts are used by numerous departments and organizations for the deposit and payment of miscellaneous funds. The current process is manual in nature and requires approximately 20% of staff time to process deposit and payment requests. In addition, the tracking of department account balances is processed manually and up to date account balances are not available to the individuals held accountable for the accounts.

**Business Case (Budget Information):** Approximately 100 ICC departments or organization use the Trust and Agency account to deposit and disburse funds. The Student Accounting office manually manages the account disbursements, bookkeeping and journal entries, which consumes approximately 20% of staff time. It takes approximately one week for the Student Accounting office to complete a check request due to the volume of requests, the need to review all checks for approval and to obtain the signature from the Vice President of Administration and Finance on the checks. The opportunity to systematically manage the Trust and Agency account could reduce the amount of staff time spent on the account, improve the accuracy of journal entries and provide better service to the departments and organizations utilizing the Trust and Agency accounts.

**Goal (Expected Outcomes, Deliverables, and/or Results):** The expected outcomes of this project is an increase in efficiency of maintaining Trust and Agency accounts, a decrease in staff time spent issuing checks, entering journal entries and manually maintaining the account balances for each department or organization. Additional outcomes include a decrease in the number of accounting errors when processing journal entries and an increase in department satisfaction with the process of receiving checks and accessing account balance information.

**Scope (Constraints, Boundaries, and/or Key Risks):** The Trust and Agency account is analyzed and reconciled at each month end. Deposits to the account must be reflected in the individual organization’s account immediately. The team will focus on ways in which the Trust and Agency accounts can be set up to improve the deposit and disbursement process and to improve the information available to the departments and organizations. If the solution contains the utilization of Accounts Payable for payment processing, a potential constraint is the pay cycle scheduling within that department.

**Timeline (Define, Measure, Analyze, Improve, and Control):**

- **Define:** September 2007
- **Measure:** October 2007
- **Analyze:** November 2007
- **Improve:** December 2007
- **Control:** January 2008
Primary Measures: Student Accounting maintains a ledger for each account in a MS Excel spreadsheet. The team will measure the number of checks issued, the number of deposits processed each month and the number of account balance inquiries received from departments. The team will also measure the amount of staff time needed to process checks, update spreadsheets, prepare journal entries, process deposits and provide account balance information to departments. The number of journal entry errors and the timeliness of journal entries will also be measured. A survey of department satisfaction with the process may be conducted if needed.

Other (Additional Resources Needed, Critical Considerations, and/or Initial Concerns): Data from the analysis phase of the project may be forwarded to the project sponsor and administration for consideration of College policy changes if needed.