

## Modernizing Utah State University's Agreement Process with DocuSign

A public research university founded in 1888, Utah State University educates more than 28,000 students each year in regional campuses located all over the state. USU worked with DocuSign to bring university-wide efficiencies to its campuses, starting with its Sponsored Programs (SPO) and Purchasing Services divisions.

### Inefficiencies of a manual, paper-based system of agreement

#### Inadequate proposal review period for research grants

With the federal government's across-the-board budget cuts that went into effect in March 2013, dependency on federal funding puts university research programs at risk. In October 2013, 70% of research universities surveyed cited delays in projects and reductions in the number of new grants after only seven months.

Universities are compelled to turn out better research proposals to maintain their share of an increasingly smaller funding pie, according to Corey Burger, contract administrator, SPO. Most university research projects start out as funding proposals. USU submits 1,500–2,000 proposals a year for research grants, contracts and cooperative agreements from externally-funded sources. The university's largest research sponsor is the federal government, which accounted for more than half of fiscal year 2012's total awards. SPO facilitates the school's research through processing proposals, conducting negotiations, administering contracts and helping head researchers (known as primary investigators or PIs) find and obtain funding.

With wet signatures, proposals came to SPO already signed by a department head and dean. The PI had already walked the document around to a few offices, where it often sat for a day or two. Sometimes the PI would physically stand in an office and wait for a document to be read and signed. Then the PI would bring the proposal to SPO, typically only three days prior to the sponsor's deadline. As a result, reviewers caught mistakes at the last minute, and the approval process had to be restarted in a panicked time crunch. The time crunch was especially difficult to manage with minimal resources. "We're being asked to do more and more with less dollars and existing staff," according to Burger. "If we cannot [meet the demand in a timely manner], it is really difficult to compete and maintain quality."

### Results

**More than 50%**  
of the 115 proposals were completed  
within 1 hour

**70%**  
of proposals were completed  
within 1 day

**Reduced risk**  
in contracting and negotiation with  
e-signature technology

**Reduced time**  
from weeks to minutes when signing  
research proposals

**Increased loan repayment**  
by creating an audit trail that ensures all  
signatures are collected

It is extremely rare, but in a handful of instances, proposals stood the likelihood of missing the sponsor's submission deadline due to the signature process. SPO submitted such proposals without required USU approvals, hoping approval would be given later. These proposals stood the risk of being withdrawn if constrained resources were unavailable. Withdrawing proposals jeopardized USU's reputation and risked loss of additional funding opportunities with that sponsor. SPO needed a solution to give staff more time for reviewing proposals.

## **Operating at risk due to slow contract turnaround time**

At the beginning of the school year and the end of the fiscal year, USU's Purchasing Services sees 10–15 contracts in a day, with three reviewers for each. Interoffice mail added at least two days per signer to the review process. For any of USU's campuses outside Logan, UT, the delay could be weeks. "Sometimes we would be halfway through the semester and halfway through using a facility at a remote campus before securing all signatures on the contract," according to Paul Bowman, Director of Purchasing Services.

Purchasing Services needed a solution to streamline the lengthy paper approval process that ensued as soon as contracts left the office.

Looking further for additional areas in which the school was operating at risk, USU found their Cashier's Office was facing its own challenges due to lack of legal electronic signatures. USU offers small loans to their students (less than \$4,000 per student), but was unable to collect repayment on all loans.

In fiscal year 2012, USU issued more than \$2 million in moderate loans to its students. On average, two students defaulted per week. This amounted to about \$200,000 that the school was unable to collect annually.

The school started working with a collection agency to enforce repayment. The collection agency met a legal obstacle to recovering defaulted loans. Utah courts ruled that the collection agency could not charge its standard fee to students. Without a legal signature, the debt was not enforceable, and USU could only hope to be paid 80% of defaulted loan values at most.

The Cashier's Office needed a solution to hold students accountable for repayment of any borrowed funds.

# The impact of DocuSign eSignature

## Solution

Burger looked into DocuSign to administer all research grants, contracts and cooperative agreements from externally-funded sources. At about the same time, Bowman was looking for a more user-friendly e-signature solution for contracting. Both determined DocuSign eSignature fit their requirements, including the following:

**Simple user experience:** From experience, Bowman noted that ease of use is of utmost importance. If the process is not actually made easier with electronic signature technology, key users will not adopt it. The user experience must be intuitive.

**Rule-based templates:** USU uploads existing forms into DocuSign and leverages templates specific to multiple departments' workflows.

**Real-time visibility into workflow:** Through the DocuSign platform, USU has visibility of where a document is in the approval process. Automatic reminders are set or email notifications can be instantly sent for any delayed signatures.

Burger recommends that electronic signature adoption in a university start within a department whose documents span the campus. For USU, SPO fit this description. When any member of the university wants a project to be sponsored, he or she must go through this office. After having the opportunity to see how DocuSign eSignature was used, other departments started inquiring about the technology and how they could leverage it for their own purposes.

## Increasing efficiency department-wide

Streamlining processes across USU translates to value-added student services. Even when the dollar savings do not directly translate to lower tuition, transferring staff time from papers to students adds value.

“From a raw costs perspective, the quicker we can get things done and get the bureaucratic stuff out of the way, the less it costs the university overall,” according to Bowman. “We saw a 70% reduction in our traditional workload just because we weren’t shuffling paper. We’ve re-tasked staff with work that is of higher value to the university.”

Time savings from efficient workflows does not necessitate a cut in staff. Rather, it allows for time previously devoted to processing paperwork to be reprioritized. “Effectively using resources returns greater value to the customer, our students,” according to Bowman. “When we make the business side less obtrusive, we can focus more on creating a positive student experience.”

USU is now providing a better service with an adequate review period for research proposals and faster contract turnaround time to prevent operating at risk.

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Director of Purchasing Services  
Utah State University

## Improved quality

Creating research proposals faster typically allows more time for a comprehensive review before submission. When SPO sees the proposal before signatures are obtained, staff has an opportunity to advise PIs on their application and catch budgetary conflicts or instances where requirements are not met. A higher-quality product is therefore submitted, according to Burger.

Now with DocuSign, SPO has changed its workflow. Because the signing process is not as cumbersome, SPO has the opportunity to spend more time editing the proposal before other approvers are involved. Research proposals come to Burger's department prior to being electronically routed for signature. When proposals come back signed, they are finalized.

"We are more efficient and have more control over the document's location," according to Burger. "We can see who signed, when they signed, when they passed it onto the next signer. If the document is sitting somewhere and not getting signed, a quick notification speeds up the process. The next thing we know, the document is complete."

Of 115 proposals sent out this summer, more than half were completed within one hour, and 70% were completed within one day.

The efficiency of this process removes other inefficiencies of the paper-based workflow. Only 25–30% of USU's research proposals are funded. With paper processes, that meant at least 70% of the proposals were unnecessarily transported and stored. Every proposal was scanned and electronically filed into a database, with the department still maintaining a 50-page paper file. At least 1,000 folders for unapproved proposals needed to be shredded at the end of the year. Now, only the electronic version is uploaded into the database.

With DocuSign, USU is turning around proposals in less time, enabling a more efficient workflow and time to review proposals to turn out a better-quality product.

## Utah State University reduces risk with DocuSign

According to Bowman, DocuSign eSignature has allowed for a great level of reduced risk in contracting. After USU streamlined their signature authority policies and procedures about three and a half years ago, purchasing is now the first stop for all contracts that get reviewed or signed on campus.

With DocuSign, contracts are now turned around within a day. For regional campus contracts, this is a savings of weeks. "Now we should be able to get all the contracts before we start using a facility," according to Bowman. "Quick turnaround allows us to not operate at risk."

## Leveraging DocuSign eSignature has opened up more negotiating time as well

"When we need to negotiate with the vendor, it's a lot less hectic and easier to track, so we agree to terms and conditions that may prove risky to us a lot less often," according to Bowman.

When DocuSign eSignature is additionally leveraged to reduce risk in USU's Cashier's Office, legal electronic signatures are integrated into the already electronic loan-authoring documents as a measure of non-repudiation.

USU is therefore able to enforce student debt and will not have to suffer the overhead and legal ramifications of unenforceable debt. The full value of loans is realized on the accounts receivable balance sheet, and the school is not losing loaned dollars.

Moving forward, USU has worked with DocuSign to develop a simple e-signature process for campus-wide scalability and repeatability within any of USU's departments. With further expansion of DocuSign across the university, USU expends fewer resources on antiquated processes, exponentially reducing risks, cutting costs and providing more value-added services to students.

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### About DocuSign

DocuSign helps organizations connect and automate how they prepare, sign, act on and manage agreements. As part of the DocuSign Agreement Cloud, DocuSign offers eSignature: the world's #1 way to sign electronically on practically any device, from almost anywhere, at any time. Today, more than 500,000 customers and hundreds of millions of users in over 180 countries use DocuSign to accelerate the process of doing business and to simplify people's lives.

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