

Comprehensive Program Review Report



Program Review - Fiscal Services

Program Summary

2021-2022

Prepared by: Linda McCauley

What are the strengths of your area?: 1. Fiscal Services provides accurate, timely financial services. Within the five departments there is clear, open communication and we work well together as a team.

- Employees are paid on time, with approximately 800-1200 employee paychecks processed each month. On average, the Payroll Department processes a monthly payroll for COS at approximately \$4,928,045. (see document: FY21 Cash Flow). In the Spring 2021 COS Giant Questionnaire, Payroll Services received a 98% Satisfied when asked "Based on your experiences and observations, please rate your satisfaction with the following administrative and technology services". Only 2% were dissatisfied with their experiences. (see document: Giant Questionnaire 2021 Administrative)
- Accounts Payable processes over 850 vendor invoices each month which equates to an average of \$3,406,521 in timely payments to vendors (see document: FY21 Cash Flow).
- The Accounts Receivable Department is responsible for all deposits made to COS and all student contacts made at the service windows. On a monthly basis, students will pay for fees they owe the college and these amounts can range from \$25,429 to \$257,947 a month with actual student contact ranging from 77 to 405 students (see document: FY21 Visalia Daily Contacts). This fiscal year 2020-2021, the department continued to see a drop in student contact when campus was shut down due to the Covid-19 pandemic. The student counts were down in 2019-20 as well, since the shut-down of the campus occurred in the later half of that fiscal year. We know the counts are significantly down when you compare to a non-covid year such as 2018-2019 where student contacts were between 586 at the lowest to 3,358 at the highest. All other deposits for the district can range from 160-185 transactions of \$719,250 to \$13,896,019 in a month (see FY21 cash flow). The \$719,250 is very low for a month, and this is due to the State deferrals that occurred to each Community College District beginning with February 2021 to assist with covid cash shortfalls in the State of California.
- Fiscal Services provides timely financial reports daily, monthly, quarterly and annually. Depending on the request, 50-80 reports can be processed in one month to meet various deadlines. Fiscal Services also oversees the development of the annual budget which equates to an expenditure budget of \$201,522,352 for all district fund groups (see document: FY22 All Funds Budget snapshot). The department as a whole provides quality customer service to students, staff and the public. In the Spring 2021 COS Giant Questionnaire, Fiscal Services received a 98% Satisfied when asked "Based on your experiences and observations, please rate your satisfaction with the following administrative and technology services". Only 2% were dissatisfied with their experiences.

2. The Fiscal Department as a whole seeks new innovations whenever possible to improve current processes and procedures but keeping in mind the financial impact to the District.

- In budget year 2021-2022, Fiscal was granted a fourth payroll specialist position to fully staff this office as it was back in 2004. The filling of this position has had an immediate positive impact on this department. Workload from other payroll specialist's are being transferred to the new position which is assisting with staff burnout and staff overtime hours. Once the new payroll specialist is fully trained on their responsibilities, the workload in the department can be evenly distributed with a efficient running of the office and staff involved. The cost savings to the District is the elimination of continual overtime.

What improvements are needed?: 1. Establish proper procedures and educate campus constituents on fixed asset inventory.

- Currently there are no real set procedures or guidelines on asset purchases. This has come to light as departments are wanting to surplus old assets and purchase replacements. Many times Fiscal is unable to locate the asset on the asset list. It is important to locate and find the funding source of the old asset because the District must follow specific guidelines for disposal specifically for equipment purchased with Federal grant funding.

2. Establish a .5 fte position in accounts payable department.

- A part-time employee is needed to track and tag all previously purchased assets as well as all incoming assets annually. It is very time consuming to track down all assets on three campus locations, log them, bar code them and identify in excel spreadsheet. A part-time position devoted only to asset identification/tagging and tracking would be beneficial since this job is currently being completed by one of our accounts payable technicians who already has a full-time job with monthly processing of CalCards, processing payments for Student Clubs, Farm checks and much more. In addition, this position would replace the budget for a student worker to keep the department up to date with scanning documents into the BDMS system.

Describe any external opportunities or challenges.: 1. On-going industry trends in electronic payments for vendors and students will require continuous monitoring of current procedures to stay in line with industry standards. Many vendors now are requiring the District to utilize payments via ACH instead of cutting a check for payment, the reason the District has not considered going 100% to ACH is the amount of fraud that can occur on bank accounts when open to ACH. We currently only allow a small number of vendors the ACH access, everything else is blocked to protect the District from cyber fraud. Due to the ACH Block protection the District has in place, several recent fraudulent attempts in large sums were denied.

2. Even though the department has contracted with a third party vendor for student collections, one external challenge that COS continually has as an ongoing issue is the amount of unpaid student debt. Even with utilizing a collection agency and COTOP, we still see an increase in student account receivable balance each year. For example, in reviewing the last four fiscal years, year over year there is an increase as reflected: FY16/17 \$223,222, FY17/18 \$651,958, FY18/19 \$107,859, FY19/20 \$155,611. In reviewing the data presented in 20/21, there is not an increase, but a decrease. The decrease of \$192,776 is attributable to the student write off that was allowed due to covid terms. We may see a decline for another year as the pandemic continues and the District is allowed to write off student debt. Even though we are placing a hold on COTOP collections and Action Collection Agency collections momentarily as the nation works through covid issues, at some point we will continue efforts in collecting by submitting students to COTOP; at the same time they are submitted to third party collections. We continually reach out to students before sending to collections to attempt payment and save the 25% commission charged to the District from these third party collection agencies. Beginning in Summer 2019 term, Cashiers called each student before sending to our third party collection agency to hopefully collect payment.

Overall SAO Achievement: Fiscal Services is satisfied with our ongoing improvements as indicated in the results of our SAO's. We currently have three active Service Area Outcomes.

1. One SAO that Fiscal will keep ongoing even after we have identified the SAO as "Target Met" is Audit Findings. Each year as the District is audited, the auditors specifically and carefully examine the District's internal controls. As new processes are developed or changes occur on previous processes, Fiscal is responsible for developing and monitoring our internal controls to ensure that we are following the proper rules as set in the Governmental Accounting Standard Board (GASB). Fiscal will always be in arrears with reporting on this SAO because at the writing of our Program Review (due in October of each year), the fiscal year in review with the auditors is not due until the end of the calendar year which is December.

2. Due to covid and campus shut downs, two of our SAO's have not met the target. This is due to external factors that are out of our control. Fiscal will continue work on these SAO's as the campuses begin to operate at full capacity.

Changes Based on SAO Achievement: Fiscal made no significant changes to the existing SAO's.

Outcome cycle evaluation: Overall, the unit is making every attempt to meet our timelines and goals as set in our SAO's. Although our internal cycle for evaluation is each year, Fiscal implements and revises the active SAO's throughout the entire year. For the annual evaluation period, Fiscal assesses if SAO has been met/not met and analyzes the appropriate next steps as follow-up to continue work on SAO, discontinue SAO, or revise the target. Some SAO's may have met the target for the assessment period, but additional time to review the results are necessary either because of external demands or further internal analysis is needed to continue work on SAO as a viable SAO.

Action: 2020-21 Hire a 1 fte payroll specialist

Hiring a full-time payroll position is needed to assist other full-time staff with workload. Workload would be re-distributed among the existing four staff for even workload to hopefully eliminate the need for constant overtime and staff burnout. This position would be responsible for scanning payroll documents into the BDMS system. This position would also assist full-time payroll

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specialists with insurance changes, administration and distribution of all voluntary payroll deductions, distributing monthly Employee Benefit Distribution Reports (EBDR's) to appropriate managers and reporting for STRS and PERS pension retirement plans.

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Implementation Timeline: 2020 - 2021

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Identify related course/program outcomes:

Person(s) Responsible (Name and Position): Linda McCauley

Rationale (With supporting data): An additional Full-Time position is needed since new processes will begin in spring 2021 with faculty overload payments. This position would be able to take on workload from other staff who will be responsible for the process of overload pay. A majority of this position will be to assist other payroll specialists with scanning documents into BDMS. Scanning can be a full-time job and other specialists fall behind in processing regular payroll so that they can scan in documents. Also, as payroll must keep all documents indefinitely, storage space can be an ongoing issue. Payroll needs prior documents held in storage to be scanned and then documents can be shredded to provide storage for other documents. Fiscal is aware that this position would be considered in the 2020-2021 budget year.

This position would also be responsible for the distribution of the monthly Employee Benefit Distribution Report (EBDR) for over 150 entities who reimburse COS or need to track salary and benefit expenses. This position would also track all Affordable Care Act part-time hours which is time consuming because we are tracking 311 adjunct's, 282 Part-time employees, 295 student workers and 50 coach's hours each month. The Full-Time employee would also be assisting other full-time payroll staff with retiree insurance billings and/or changes plus voluntary deductions from employee paychecks which include 403(b) retirement savings plans, insurance plans, child care etc... This 1 fte would ease the stress on current payroll specialists so that vacations can be taken in this department and overtime can be reduced.

Priority: Medium

Safety Issue: No

External Mandate: No

Safety/Mandate Explanation:

Update on Action

Updates

Update Year: 2020 - 2021

10/02/2020

Status: Action Completed

There still exists a need for a full-time payroll specialist. Payroll used to be fully staffed with five full-time payroll positions prior to 2004. With the District now expanding to three locations and positions needed at all three locations, workload in payroll has expanded and staff are working constant overtime to meet the demands of payroll deadlines. Beginning in spring 2021, payroll will begin to pay faculty overload in January and August of each semester, which will add a new level of responsibility to existing staff, and this position will enable workload to be redistributed among the four existing staff to even out the work. A full-time specialist would assist the full time staff with scanning which must be completed for all stored documents since payroll must keep documents indefinitely and storage becomes an ongoing issue. This position will also assist other specialists with insurance billings, with distribution of more than 150 Employee Benefit Distribution Reports each month, and with tracking of all part-time employees to ensure the District does not violate the Affordable Care Act and end up with large penalties levied by the IRS.

Impact on District Objectives/Unit Outcomes (Not Required):

Link Actions to District Objectives

District Objectives: 2018-2021

District Objective 4.2 - Improve organizational effectiveness by strengthening operations of and communication between District departments, divisions, and constituents

Action: 2020-21 Purchase a Computer and monitor for 1 fte position in payroll

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A computer is necessary for the work the 1 fte would be conducting for payroll. Scanning would be the primary duty of this position, and the scanning cannot be completed without the use of a computer. A BDMS scanner will not be necessary since the department would utilize a scanner already purchased for the department.

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Implementation Timeline: 2020 - 2021

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Identify related course/program outcomes:

Person(s) Responsible (Name and Position): Linda McCauley

Rationale (With supporting data): The scanning required in payroll would be time consuming since all documents in Payroll must be kept indefinitely. Due to this fact, payroll is running out of storage and turned to the Banner Document Management System (BDMS) as an alternate storage system. Payroll is trying to catch up on old documents in storage so that they can be stored in BDMS. There is approximately 60 boxes of documentation that need to be scanned just to catch up on old documents. Since documents must be kept indefinitely for payroll, the BDMS system is computerized and saved where as boxed documents are exposed to natural elements where aging and deterioration of vital documents can occur over time. If the position is funded in 2020-2021 budget year, the computer would be needed in the same budget year.

Priority: Medium

Safety Issue: No

External Mandate: No

Safety/Mandate Explanation:

Update on Action

Updates

Update Year: 2020 - 2021

10/02/2020

Status: Action Completed

This resource is still needed since the department is still asking for a new 1 fte position to be filled. The position if funded will need a computer and monitor to complete the daily tasks assigned to this desk.

Impact on District Objectives/Unit Outcomes (Not Required):

Link Actions to District Objectives

District Objectives: 2018-2021

District Objective 4.2 - Improve organizational effectiveness by strengthening operations of and communication between District departments, divisions, and constituents

Action: 2021-22 Hire a .5 fte Account Clerk

Track and tag all previous purchased assets and incoming assets throughout the three campuses, and verify any past purchases still exist. Scan documents into BDMS.

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Implementation Timeline: 2021 - 2022

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Identify related course/program outcomes: In correlation with Fiscal's SAO which is to educate our campus constituents on asset and equipment purchases, this resource request would improve organizational effectiveness because we would have a dedicated position that will work with constituents at all campus locations to locate, identify and tag existing as well as incoming assets and equipment purchases. This also would tie into DO 4.2 which states in part "strengthen operations of and communication between District departments, divisions, and constituents".

Person(s) Responsible (Name and Position): Linda McCauley

Rationale (With supporting data): As one of the areas of improvement, locating, tagging assets and equipment purchases at all three campus locations is very time consuming since we don't have a dedicated employee who only focuses on this task. The responsibilities fall to a current full-time accounts payable technician who has other duties and can only devote a small portion

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of time to this task of tagging assets and equipment purchases. Attached in the document library is a spreadsheet of multiple fiscal years tracking all equipment purchases for the District. As reflected in the spreadsheet (Inventory 64100 & 64110 2019-2020) not all assets are tagged. In 2013-14, the District purchased 149 assets and tagged 73, 2014-15 purchased 122, tagged 40, 2015-16 purchased 144, tagged 98, 2016-17 purchased 69, tagged 16, 2017-18 purchased 74, tagged 41, 2018-19 purchased 76, tagged 23, and in 2019-20 purchased 87, tagged 34, 2020-21 purchased 20, tagged 4.

Priority: Medium

Safety Issue: No

External Mandate: No

Safety/Mandate Explanation:

Update on Action

Updates

Update Year: 2021-2022

10/02/2020

Status: Continue Action Next Year

Action is continued as department still in need to fill position

Impact on District Objectives/Unit Outcomes (Not Required):

Resources Description

Personnel - Classified/Confidential - Classified part-time Account Clerk to monitor all assets and equipment purchases (Active)

Why is this resource required for this action?: The one full time staff who only works on this task when time available, is unable keep up with the volume of assets and equipment purchased at all campus locations. As one of the areas of improvement, locating, tagging assets and equipment purchases at all three campus locations is very time consuming since we don't have a dedicated employee who only focuses on this task. The responsibilities fall to a current full-time accounts payable technician who has other duties and can only devote a small portion of time to this task of tagging assets and equipment purchases. Attached in the document library is a spreadsheet of multiple fiscal years tracking all equipment purchases for the District. As reflected in the spreadsheet (Inventory 64110 2020-2021) not all assets are tagged. In 2013-14, the District purchased 149 assets and tagged 73, 2014-15 purchased 122, tagged 40, 2015-16 purchased 144, tagged 98, 2016-17 purchased 69, tagged 16, 2017-18 purchased 74, tagged 41, 2018-19 purchased 76, tagged 23, 2019-20 purchased 87, tagged 34, 2020-21 purchased 31, tagged 3.

Notes (optional):

Cost of Request (Nothing will be funded over the amount listed.): 27000

Link Actions to District Objectives

District Objectives: 2018-2021

District Objective 4.2 - Improve organizational effectiveness by strengthening operations of and communication between District departments, divisions, and constituents