

# Comprehensive Program Review Report



## Program Review - Fiscal Services

### Program Summary

#### 2020-2021

**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 758-1197 employee paychecks processed each month. On average, the Payroll Department processes a monthly payroll for COS at approximately \$5,031,032. (see document: FY20 Cash Flow Actual). In the Spring 2017 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.
- Accounts Payable processes over 758 vendor invoices each month which equates to an average of \$2,507,781 in timely payments to vendors (see document: FY20 Cash flow actuals).
- The Purchasing Department processes approximately 150 purchase orders in a month which ensures facilitation of goods and services.
- 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 \$33,226 to \$364,695 a month with actual student contact ranging from 43 to 3,432 students (see document: FY20 Visalia Daily Contacts). This fiscal year 2019-2020, the department saw a significant drop in student contact when campus was shut down due to the Covid-19 pandemic, that is why we see 43 student contact as the lowest student contact which occurred in April 2020 as compared to last April 2019 where we had 686 student contact. All other deposits for the district can range from 160-185 transactions of \$5,342,981 to \$12,651,312 in a month (see FY20 cash flow actuals).
- 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 \$124,282,966 for all district fund groups (see document: FY21 All Funds Budget snapshot). The department as a whole provides quality customer service to students, staff and the public. In the Spring 2017 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 2018-2019 the Accounts Payable office was awarded an Above Base Resource to purchase a hand held bar code scanner and lap top to better track all assets on three campuses. The bar code scanner allows for a more accurate read on the asset's bar code and/or serial number, and the scanner records it directly into an Excel spreadsheet for tracking purposes.
- Utilization of the BDMS system in Accounts Payable in 2016-2017 provides ease of reviewing documents instead of taking time to research hard copies in file drawers. At this point, the department is realizing a savings in work time rather than the savings in paper storage. In addition, the ease of other departments now utilizing and being trained to use the BDMS stored documents, provides more efficient practices for other campus departments as well and provides them with additional information that used to be only available in the Accounts Payable Office. The hiring of a student worker in 2018-19 to assist in scanning was very beneficial to the department and definitely assisted with reducing the burden of an extra workload on regular staff in Accounts Payable. As of 2019-20, Accounts Payable no longer has a student employee assisting staff, we realized that the department can utilize a permanent part-time staff member to fill the duties of scanning backup into BDMS, and asset identification and tagging District purchases.

- Contracted with third party collection agency February 2015 for student account receivables. We continue to see favorable results and will continue utilizing the collection agency. To date we have submitted each semester between Summer 2014 through Spring 2020. After analysis of collections, we decided to send all students to both COTOP and the third party collection agency as well. Students who owe \$10 or more to COTOP and any student owing \$100 or more is sent to the collection agency. COTOP is an intercept program where COS will receive funds from students who are eligible for a California Tax refund or California Lottery winnings. As of the writing of this Program Review, Fiscal Services has submitted all students who owe \$10 or more up to the most current Summer 2019 term. Since there is no statute of limitations for COTOP, COS can submit a student every single year until paid in full.

**What improvements are needed?:** 1. Establish a 1 FTE position in payroll department.

- A Full-Time employee is needed to fully staff this office as it was prior to 2004. As the campus has grown with continuous hiring's, so has the workload expanded on the existing staff of one coordinator and three payroll specialists. Each month, as payroll is processed, staff have to work overtime to meet the deadlines and demands of payroll. Beginning with spring 2021 semester, payroll will be paying out faculty overload pay five times a semester instead of four times a semester as is the current practice. We can anticipate many overpayments and possible underpayments since courses continually change in the beginning of each semester with adds or cancellations etc... This position would enable the department to remove some workload from other payroll specialists so that the new process of faculty overload can be accomplished without major issues of additional overtime of staff, staff unable to take vacations and other problems such as staff fatigue and/or staff burnout. This position would be responsible for scanning all payroll documents into BDMS system since payroll must keep all documents indefinitely. The department has turned to scanning since storage space is becoming an issue. 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 for grants. Reporting for STRS and PERS would be completed by this new position to reduce the amount of stress on current payroll specialists since the reporting for STRS is currently changing with a total new format. The addition of a Full-Time employee would ease the stress on existing staff, would allow workload to be evenly distributed amongst the five staff, and reduce the time needed for overtime.

2. 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.

3. 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.

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. We 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 with Summer 2019 term, Cashiers will call each student before sending to our third party collection agency.

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

1. Two of the SAO's are identified as "Target Met" but with continued work needed in the area. 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. The second SAO that Fiscal identified as "Target Met" is the SAO where we will educate campus constituents on proper procedures when purchasing new assets. Fiscal has met part of this SAO, but there is still more work to be completed. We had a target to identify 100% of new assets and tag between 25% to 50% of those assets. We met this target with 39% of new assets tagged and 100% of assets being inventoried. The department will continue work in this area with training constituents and communicating proper procedures via a handout.

2. Two SAO's are identified as "Target Not Met". The first SAO is the Banner 9 training. Our target was to provide campus constituents training in Banner 9 Finance screens. We met the first target before the campus went live with the new version of Banner, but our target was to provide on-going trainings each semester at least quarterly. We completed two trainings in the fall 2019 semester and had two trainings scheduled for the spring 2020 when Covid-19 cancelled all face-to-face trainings. Fiscal realizes there is a need for continuous training opportunities, but have not planned or discussed methods in which to deliver the trainings. The second SAO where continued work is needed is "understanding my paycheck". Fiscal has listed this as "Target not met" due to the fact that we are still realizing folks who are having difficulty understanding their paystubs. Fiscal has begun to send via COSeNews a FAQ and earn and deduction pay codes each semester to help assist folks when reviewing their monthly pay. Payroll is currently testing some new earn codes in the fall 2020 semester to hopefully put in place and begin utilizing in the spring 2021 semester. Fiscal hopes this will clarify the different types of earnings.

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

**Outcome cycle evaluation:** Overall, the unit is meeting our timelines 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 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.

**Leave Blank:**

**Implementation Timeline:** 2020 - 2021

**Leave Blank:**

**Leave Blank:**

**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

# Program Review - Fiscal Services

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:** Continue Action Next Year

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):**

## Resources Description

**Classified- New/Replacement** - 1 FTE payroll specialist to assist in tracking, scanning and recording other payroll deductions. (Active)

**Why is this resource required for this action?:** A 1 FTE is needed to scan payroll documents into the BDMS system since payroll must keep all documents indefinitely and older documents fade with age. Scanned documents are also quicker to retrieve as needed. This request supports DO 4.2 in that the needed job duties of this position would improve organizational effectiveness by strengthening operations between District departments, divisions and constituents since this position would have many responsibilities that will assist and provide information to other divisions. For example, this position would be responsible for the distribution of the monthly Employee Benefit Distribution Reports (EBDR) for over 150 entities/departments/constituents 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 tracking is very important since we are trying to avoid large penalties from the IRS for not offering health benefits to an employee who is working part-time, but receives overtime hours which then can be subject or push the employee into full-time status where the District now is responsible to offer health benefits. In 2019-2020, COS has begun receiving letters from Covered California for employees who are claiming to work full-time, but indeed are working part-time for COS. An appeal letter will have to be written to fight any possible penalty the IRS wants to impose. Tracking of these hours is necessary so that direct communication can be relayed to divisions/departments if employee working too many hours. The full-time employee would take on workload from other full-time payroll staff with retiree insurance billings and/or changes and 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.

**Notes (optional):**

**Cost of Request (Nothing will be funded over the amount listed.):** 82435

## 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

# Program Review - Fiscal Services

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

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.

**Leave Blank:**

**Implementation Timeline:** 2020 - 2021

**Leave Blank:**

**Leave Blank:**

**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:** Continue Action Next Year

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):**

## Resources Description

**Equipment - Non-Instructional** - Computer and monitor for 1 fte position in payroll (if position is funded) (Active)

**Why is this resource required for this action?:** There is no extra computer or monitor available if a full-time employee is hired in payroll.

**Notes (optional):**

**Cost of Request (Nothing will be funded over the amount listed.):** 3000

## 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 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.

**Leave Blank:**

# Program Review - Fiscal Services

**Implementation Timeline:** 2020 - 2021

**Leave Blank:**

**Leave Blank:**

**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 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.

**Priority:** Medium

**Safety Issue:** No

**External Mandate:** No

**Safety/Mandate Explanation:**

## Update on Action

### Updates

**Update Year:** 2020 - 2021

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 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, 2019-20 purchased 87, tagged 34.

**Notes (optional):**

**Cost of Request (Nothing will be funded over the amount listed.):** 25000

## 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

