



2018-2019

Kern Community College District

District Office Administrative Unit Review

→ ***Business Services***

Manager's Name: Deborah A. Martin

Title: Chief Financial Officer

Submitted by: Deborah A. Martin

Executive Summary

a) In one paragraph or with bullet points, summarize the key points learned in this evaluation. *[list the highlights of the document]*

- Accounting Services has a significant volume of work load and projects, including increasing numbers of grant reporting. The recent small reorganization incorporating an additional Accounting Manager into DO accounting services has created more efficiency in the department. The new Accounting Manager started work in January 2018.
- Enhanced purchasing compliance has been achieved by centralizing Bakersfield College & District Office functions.
- First department to “go live” on Banner 9.
- Contracting process would be significantly enhanced with addition of an electronic contract management system and Purchasing/Contracts Manager position. A contracts volume analysis reveals a 168% increase in contracts processed over the past 5 years. A Purchasing/Contracts Manager job description has been written and is waiting for HR review and salary placement, prior to advertising for the position. The addition of this position will reduce the number of contracts that need to be sent to legal for review, which will decrease the number of days to process contracts.
- District needs asset accounting system implemented to help manage new federal compliance requirements and have an up to date single source record of the inventory of District assets. This will require IT Support, and the project is currently on the DTAC listing of projects.
- District needs contract management system in order to create efficiencies with processes and database management.
- Items needed to automate and/or increase efficiency:
 - Contract manager position
 - Contract management software system
 - Fixed Asset management system (inventory system)

Future Directions of the Unit

a) How will your unit address internal and external trends in the next 3-5 years? *(how will the unit respond and improve in the future)*

The unit needs to continue its efforts to leverage the Banner software program for the automation of as many processes as possible. Many of the listed projects require the use of Banner or other administrative software to complete. Maximizing technology and software will minimize cost increases associated with (1) expanding compliance requirements combined with continued growth in the number of grants/categorical programs, and (2) current manual/paper processes. The department has evaluated the need for an additional management employee to manage the contracts and purchasing functions. The unit is continually reviewing travel, collections, contracting, and other processes to determine other areas that could benefit from improved processes and technology. The unit will need new and continuing support from Human Resources and Information Technology.

As the unit moves through its decision making processes, it will focus on priorities that maximize funding across the colleges under the new Student Centered Funding Formula (SCFF.)

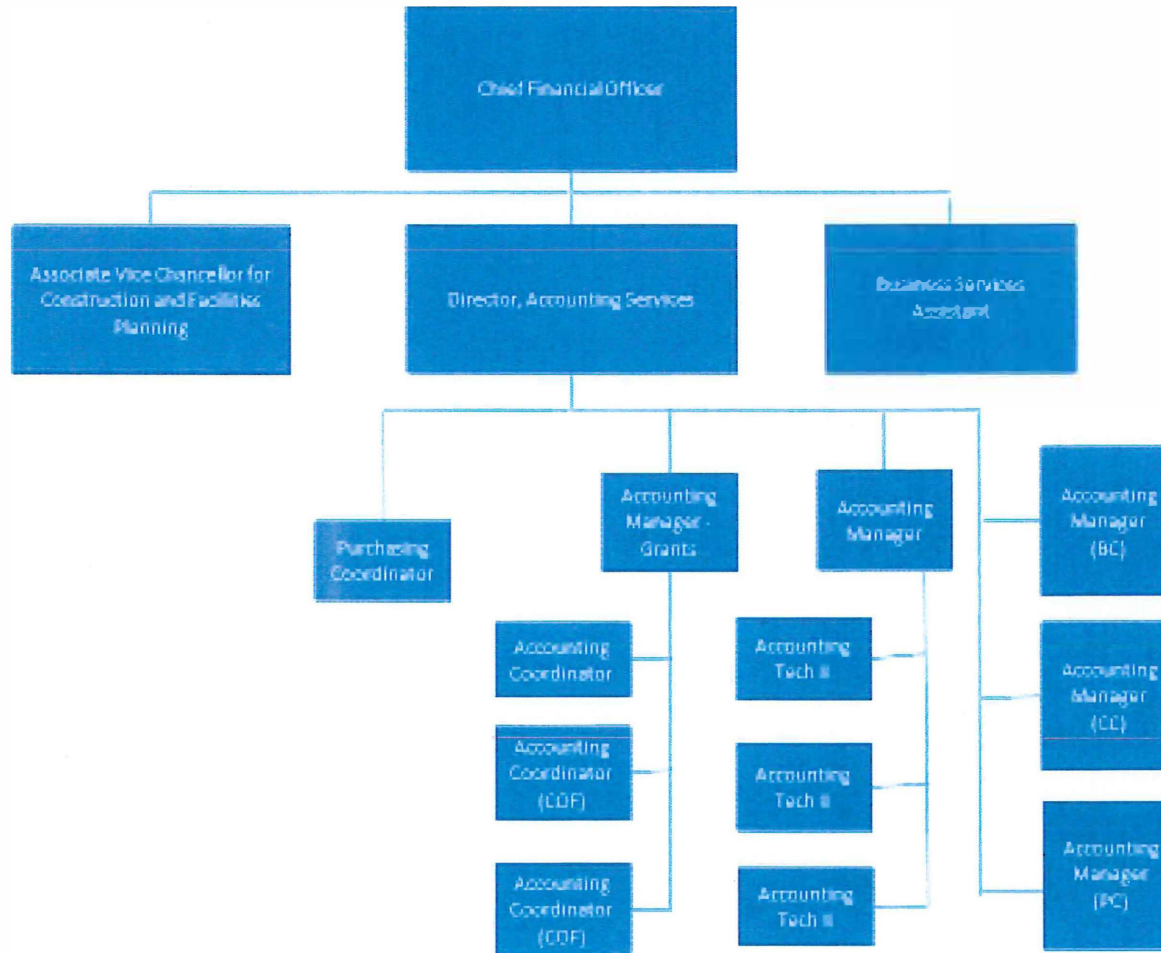
Section One: Unit Overview

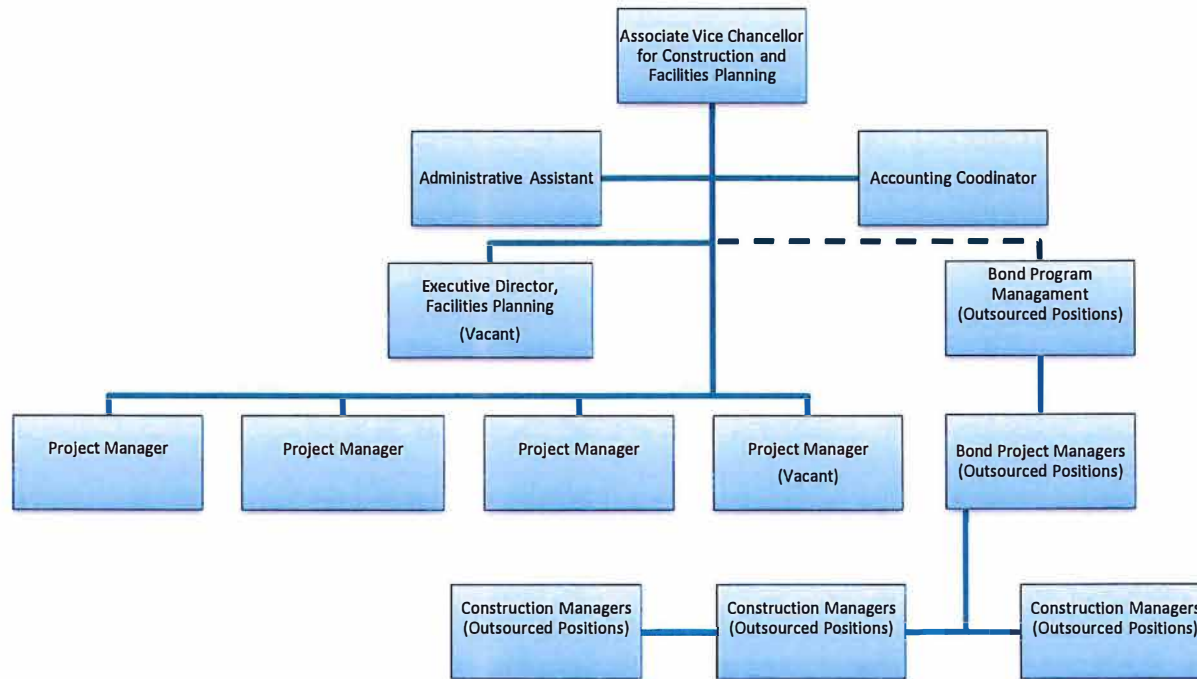
- a) *What is the purpose of the unit and what populations (internal and external) are served by the unit? [why does the unit exist and how does the unit support the mission and vision of the Kern Community College District; who benefits directly from the services provided by the unit]*

Business Services is committed to serving our students, faculty, staff, administrators, senior managers, the Chancellor, Board of Trustees and the general public by providing business services and related support to each of the Colleges and District Office. By providing a myriad of essential business functions, including those specific to Accounting Services, Finance and Treasury Services, Economic and Cost Analysis, Budget and Financial Forecasting, Fiscal Compliance and Reporting, Financial Aid Distribution services, Business Contract Services, Purchasing, and Business Process Training. The Business Services Department reaches, facilitates and promotes success for our students and the District as a whole, in its role as an exemplary educational leader, serving to strengthen our community, faculty and staff to create an environment for life-long learning.

Section One: Unit Overview *continued*

b) How is the unit structured within the district? Modify the org chart template below to illustrate the unit's organization.





Section Two: Administrative Unit Outcomes (AUOs)

a) List all the AUOs for the unit. AUOs describe what a customer or end-user will understand, experience or obtain as a result of the service the unit provides. Specify the time-period in which each AUO will be assessed (focus on 1 to 3 assessments per year). Describe the method of assessment and the criteria used to determine success.

Administrative Unit Outcomes (AUOs)	Strategic Plan Alignment	Review Period	Method of Assessment	Outcome or Desired Outcome
<p>1) Unit provides complete accounting services to ensure all fiscal transactions are processed and recorded according to Generally Accepted Governmental Accounting Standards.</p>	<p>Goal 5- Strengthen Organizational effectiveness</p>	<p>2017-2018 (annual)</p>	<p>Annual External Audits</p> <ul style="list-style-type: none"> a. District b. College Foundations c. Proposition 39 (Measure G audits) d. OPEB Retirement Board e. Measure J Audit 	<p><u>2017-18 Outcome:</u> Not yet completed</p> <p><u>Desired outcomes:</u></p> <p>Unmodified Audit</p> <p>Audits meet Federal and State compliance requirements</p> <p>Audits meet credit rating agency and Securities and Exchange Commission requirements</p>

<p>2) Unit provides finance and treasury services</p>		<p>2017-2018</p>	<p>District operations meet daily cash flow requirements.</p> <p>Efficiently manage District's long term debt obligations</p> <p>Manage Districts investment portfolios</p>	<p>Cash flow management ensuring adequate short and long term cash. No default on long term debt obligations</p> <p>Maximize credit ratings on bond issuances</p> <p>Minimize interest costs on outstanding debt issuances</p> <p>Exceed established investment benchmarks</p> <p>Investments made consistent with Board Policy</p>
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<p>3) Unit provides budget and financial Forecasting</p>	<p>Goal 5- Strengthen Organizational effectiveness</p>	<p>2017-2018 (annual)</p>	<p>Annual budget development process feedback from Trustees, College Presidents and VP Administrative Services through Trustee meetings Chancellors Cabinet, Consultation Council, District-wide Budget Committee and Business Managers meetings</p> <p>Periodic surveys of all stakeholders regarding understanding of the budget.</p>	<p>Budgets developed and maintained that meet Board of Trustee fiscal goals and policies as well as 50% Law and FON requirements.</p> <p>Report on State budgets and forecast implications on District fiscal resources</p> <p>Develop appropriate financial resource allocation models</p> <p>Provision of Monthly budget vs actual fiscal reports to all budget managers.</p> <p>Provision of fiscal and budget reports to District's participatory governance stakeholders</p>
<p>4) Unit provides economic and cost analysis</p>	<p>Goal 5- Strengthen Organizational effectiveness</p>	<p>2017-2018</p>	<p>Timely economic and cost analysis utilizing discounted cash flow, incremental cost/benefit analysis or other appropriate economic evaluation models.</p> <p>Periodic assessments of Presidents, Vice Presidents, Deans and Vice Chancellors</p> <p>Periodic surveys of all stakeholders regarding these services</p>	<p>Provide economic or cost analysis of proposed program or project opportunities to ensure transparency of fiscal consequences for inclusion in program or project decisions.</p>

5) Unit provides Fiscal Compliance and Reporting	Goal 5- Strengthen Organizational effectiveness	2017-2018	<p>Timely submission of required fiscal status reports to Federal and State agencies for grants, special contracts or categorical programs.</p> <p>Periodic assessments by Program Managers and Vice Presidents on fiscal reporting process.</p> <p>Periodic surveys of all stakeholders regarding these services</p>	<p>Coordination to completion of required fiscal reports.</p> <p>Monthly Grant Reporting updates to Directors</p> <p>Accurate and timely reporting.</p> <p>Up to date grant management manuals (documentation of fiscal expectations and regulations for Program managers)</p>
6) Unit coordinates Financial Aid Distribution services	Goal 5- Strengthen Organizational effectiveness	2017-2018	<p>Minimum student and Financial Aid Department complaints</p> <p>Survey of Financial Aid directors and students on service levels</p>	Timely processing of Financial Aid checks to students per scheduled disbursements
7) Unit coordinates Business Contract Services	Goal 5- Strengthen Organizational effectiveness	2017-2018	<p>Timely submission of contracts to Trustees for approval</p> <p>Contracts completed before services are rendered</p>	<p>Processing of business contracts to meet delivery requirements for scope of services</p> <p>Contracts completed in manner minimizing risk to the District.</p>

8) Unit provides purchasing support	Goal 5- Strengthen Organizational effectiveness	2017-2018	Timely completion major non-construction purchases Surveys of department buyer satisfaction	Coordinates completion of formal bid process for non-construction purchases Identifies piggy-back contracts and purchasing consortiums for alternatives to bidding Research and evaluate purchase options for District buyers Up to date purchasing and travel guidelines Provides accounting for District assets
9) Unit provides business process training	Goal 5- Strengthen Organizational effectiveness	2017-2018	Timely completion of training for staff in use of key business processes Surveys of trainees	Timely purchasing, travel, business contracting, expenditure approvals budget & expenditure transfers, budget monitoring, chart of accounts and other process training as needed.

b) Summarize the results from any AUOs evaluated during the past year providing details regarding findings and plans for change or improvement.

- Administrative Unit Outcome #1: All 2017 external audits were completed timely, with one State finding – FTES over-reported on Annual 320 report.
- Administrative Unit Outcome #2: District met all 2017-18 cash flow requirements, efficiently managing all long-term debt obligations.
- Administrative Unit Outcome #3: 2018 budget completed providing all required fiscal information for timely adoption and implementation.
- Administrative Unit Outcome #5: 2017-18 grant and categorical reporting not completed timely. Monthly grant reporting report sent out to all Program Managers/Directors and VP’s at each college.
- Administrative Unit Outcome #6: Timely processing of 2017-18 Financial Aid checks to students per scheduled disbursement dates. Implementation of BankMobile for disbursements occurred in August 2018.
- Administrative Unit Outcome #7: Timing of contracts needs improvement. During the year, several contracts processed after services rendered. CFO and college VP’s of Finance & Administration are working on written procedures for contract processing.

Section Three: Key Performance Indicators (KPIs)

- a) List the KPIs for the unit along with the relevant outcomes for the last 3 years. KPI data tracks process efficiency and demand for services. Examples of KPIs include a count of customers served, a count of services performed, the average time to complete a service, etc. They are closely related to the AUOs and should reflect the unit's core function or purpose.

Key Performance Indicators (KPIs)	2013-14	2014-15	2015-16	2016-17	2017-18
Number of District sub funds supported by District accounting services	144	139	135	158	164
Value of all District funds expenditures supported by District accounting	\$264,181,365	\$284,640,777	\$288,038,381	\$276,043,987	\$283,496,806
Value of Restricted General Fund expenditures supported by District	\$ 17,020,643	\$ 19,966,539	\$ 34,267,753	\$ 50,824,850	\$ 36,790,982
Number of Invoices Processed	74,832	76,953	92,489	107,727	116,280
Number of Purchase Orders	10,182	10,011	11,099	11,204	13,516
Number of Warrants/Checks Issued (includes Refunds)	42,933	67,841	83,175	95,680	94,219
Number of Journal Entries Processed (excluding Foundation activity)	5,433	6,811	7,648	8,364	8,143
Bank and Investment funds Reconciled	55	56	56	56	58
Number of all contracts processed through Business Services	469	601	861	845	870
Percentage of all contracts processed over prior year	-0-	28%	43%	-2%	3%
Percentage of all contracts processed over base year (13-14)	-0-	28%	84%	80%	86%
Number of Business Services contracts processed	204	285	413	489	547
Percentage of Business Services contracts processed over prior year	-0-	40%	45%	18%	12%
Percentage of Business Services contracts processed over base year (13-14)	-0-	40%	102%	140%	168%
Number of Foundation and Student sub funds supported by District	5	872	872	973	813

b) Summarize any changes or findings.

- Department has seen significant increase in transaction processing over the past five years
 - Invoices – 55% increase over 5 years
 - Journal entries – 50% increase over 5 years
 - Warrants issued – 119% increase over 5 years
 - Contracts processed – 168% over 5 years
- In August 2018 Business Services outsourced the issuance of Student Refunds
- Number of Foundation and Student Sub-funds reduced over prior years due to clean up and closure of inactive funds

Section Four: Prior Year Goals

a) **List the Goals from the prior year.** Indicate the status and list an anticipated completion date if not complete. Were unit outcomes met and/or what findings were realized in the process? [starting in 2017-18, this will relate directly to the goals and outcomes listed in section five]

Prior Goals	Status	Strategic Plan Alignment	AUO Alignment	Outcomes and/or Findings
1) Implement Electronic 1098-Ts.	In progress	Goal 5	1	Waiting on direction as to how to implement electronic opt-in mechanism.
2) Automation of BOG Waiver un-apply/re-apply posting.	In progress	Goal 5	1	Currently being worked on
3) Automate Third Party and Retiree Billings	In progress	Goal 5	1	Automated in QuickBooks – not automated in Banner due to AR Term issue
4) Work with Information Systems to develop ad-hoc detailed payroll reports for grant managers.	No progress	Goal 5	1	No outcomes – need to work on Cognos reports for grant managers/directors.
5) Develop a Grant Procedure Manual for Program Managers.	2 nd draft in progress	Goal 5	1 & 9	2 nd draft has been updated and sent out to stakeholders for their input
6) Selection and Implementation of a Contract Database	No progress	Goal 5	7 & 8	Contracts & Purchasing Manager job description written – submitted to HR for review and salary placement. Waiting for this position to be hired so implementation can begin.
7) Grant Compliance Services	Complete	Goal 5	1,5 & 9	Electronic monthly grant report currently sent to grant managers/directors.
8) Integration of Food Services cash receipts processing through Sale Point or another mechanism	In progress	Goal 5	1	When BC Foodservice return to their new space, work with them on implementing new system and integration with Banner.
9) Implement new collection agency services	Identified, not implemented – in progress	Goal 5	1, 2, 3	Technical issues with implementation – in progress
10) Revise District Procurement Manual	In progress	Goal 5	8 & 9	Complete revision – taking out Banner references and adding contracting processes

11) Fixed Asset software	No progress	Goal 5	1	Software implementations are now being reviewed and prioritized by DTAC. Waiting on our turn in the priority list.
12) 3 rd party distribution of Financial Aid checks	Complete	Goal 5	6	Implemented in August 2018
13) Pilot centralized purchasing fiscal compliance (process improvement)	In progress	Goal 5	5	BC/DO purchase order compliance has been centralized. CC & PC are currently performing their compliance, but coordinating process with DO.

Section Five: Goals for the Upcoming Year

- a) **Identify annual goals for the unit.** Describe how progress toward the goals will be measured during the upcoming year. Describe the target to be met during the year and the timeframe for completion. Specify how the unit goals align with the goals and objectives outlined in the districtwide strategic plan and the unit's AUOs. Indicate whether additional resources will be needed. *[just a Yes or No – these will be described in section seven]*

Unit Goals	Assessment Method	Annual Target and Timeline	Strategic Plan Alignment	AUO Alignment	Resources Needed (Yes/No)
Goal 1: Complete PY goals not yet completed	Project Implementation	June 30, 2019			
Goal 2: Complete transition of paper-based contracting to electronic files	All contracts electronic	June 30, 2019	Goal #5	AUO 7	Y
Goal 3: Review/revise existing contract templates; eliminate redundant templates	Review w/VP's Finance	June 30, 2019	Goal #5	AUO 7	N
Goal 4: Create and implement a grants training program for the colleges	Training Occurs	July 1, 2019	Goal #5	AUO 5	N
Goal 5: Facilitate the DWBC to establish a new SCFF allocation model and District chargeback model	Monthly meetings	June 30, 2019	Goal #5	AUO 3 & 5	N

Section Six: Current Unit Resources

a) List the unit's current resource levels by outlining existing staff, listing (major) technology/equipment the unit uses, describing the space the unit occupies, and the unit's current budget.

Resources	Current Level
<p>Staffing (list current staffing levels)</p>	<p>District Office Chief Financial Officer Business Services Assistant Director, Accounting Services Accounting Manager (2) Accounting Coordinator Accounting Coordinator COF (2) Accounting Technician II (3) Purchasing Coordinator/Analyst Students (2) Bakersfield College Accounting Manager Accounting Coordinator Accounting Technician II (4) Students (2) Cerro Coso Community College Accounting Manager Accounting Technician II Porterville College Accounting Manager Accounting Technician II (2)</p>

Technology / Equipment	•Personal computers, printers, copiers, safes, ticket & check printing equipment, modular furniture •
Space / Facilities	•Offices located at Bakersfield College, Cerro Coso Community College, Porterville College and Weill Center
Budget (Unrestricted) Total	\$10,419,457 2018-19 Budget
1000 (Academic Salaries)	\$ -0-
2000 (Classified Salaries)	\$ 1,640,155
3000 (Employee Benefits)	\$ 861,725
4000 (Supplies & Materials)	\$ 37,400
5000 (Operating Expenses and Services)	\$ 1,888,796
6000 (Capital Outlay)	\$ 5,000
7000 (Other Outgo)	\$ 5,986,381 >> OPEB bonds and COP debt service expenditures
Budget (Restricted) Total	\$ 93,135
Budget (Contract/Community Ed) Total	\$ -0-

Section Seven: Projected Unit Resource Needs

- a) **List the unit's needs above the current level.** [if a Unit Goal in section five has a 'Yes' in the resources needed column, the need should be outlined here] Describe the unit goal to which the request is related. Indicate the expected cost along with the rationale. Rank the proposals in order of their importance to the unit (a rank of '1' would be the most important resource the unit needs in order to achieve its goals).

Resource Needs	Proposed Allocation, Need or Change	Related Unit Goal or AUO	Cost and Justification	Rank
Staffing	1. Add Contracts/Purchasing Manager to DO	AUO 7-8	Net Cost increase approx. \$110,525 (one FTE) Efficiency and enhanced coordination of contracting – implementation of contracting software database	1
	2. Additional staffing for fixed asset inventory system	AUO 1	Net Cost increase approx. \$74,000 (one FTE)	1
Technology	1. Contracts Database Software	1. AUO 7	1. Efficiency created for management of contracts (\$40,000 + annual maint.)	1
	2. Fixed Asset Inventory System	2. AUO 1	2. Efficiency created for tracking fixed assets (approx. \$50,000 + annual maint.)	1
Equipment / Supplies	1. Workstation cost for new manager	AUO 7-8	Net cost approx. \$5000	1
Space / Facilities				
Professional Development	1. Management Concepts Grant training for Acctg. Coord. (cont.)	AUO 5	Total cost approx. \$17,400 (\$5800 per Coordinator) for 15 days training, resulting in certification in grants management (2-3 year program)	1
Other: [describe]				
Total cost of resource needs over and above current budget allocation:			\$296,925	

Routing and Review

Submitter's Name: Manager's Name: Deborah Martin

Title: Title: Chief Financial Officer

Submitter's Signature: Deborah A. Martin

Date Submitted: 11/15/18

Submitter's Immediate Supervisor: _____

Date of Review: _____

Chancellor's Signature: [Signature]

Date of Review: 12-18-18

Date of Presentation to Administrative Council: October 29, 2018