



2016-17

Kern Community College District

District Office Administrative Unit Review

→ Business Services

Manager's Name: Tom Burke

Title: CFO

Submitted by: Tom Burke

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 amount of work load and projects. We believe this can be relieved with a small reorganization incorporating an additional Accounting Manager into DO accounting services while concurrently eliminating a vacant Accounting Technician position.
- Enhanced purchasing compliance may be achieved by centralizing this function
- Contracting process would be significantly enhanced with addition of an electronic contract management system and Contracts Coordinator position
- 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

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 the Banner administrative software to complete. This will in turn minimize cost increases associated with expanding compliance requirements combined with continued growth in the number of grants and categorical programs. The department will also continue the recruitment of higher skilled accounting staff that have a degree in accounting and/or significant accounting experience.

Overview of the Administrative Unit Review template:

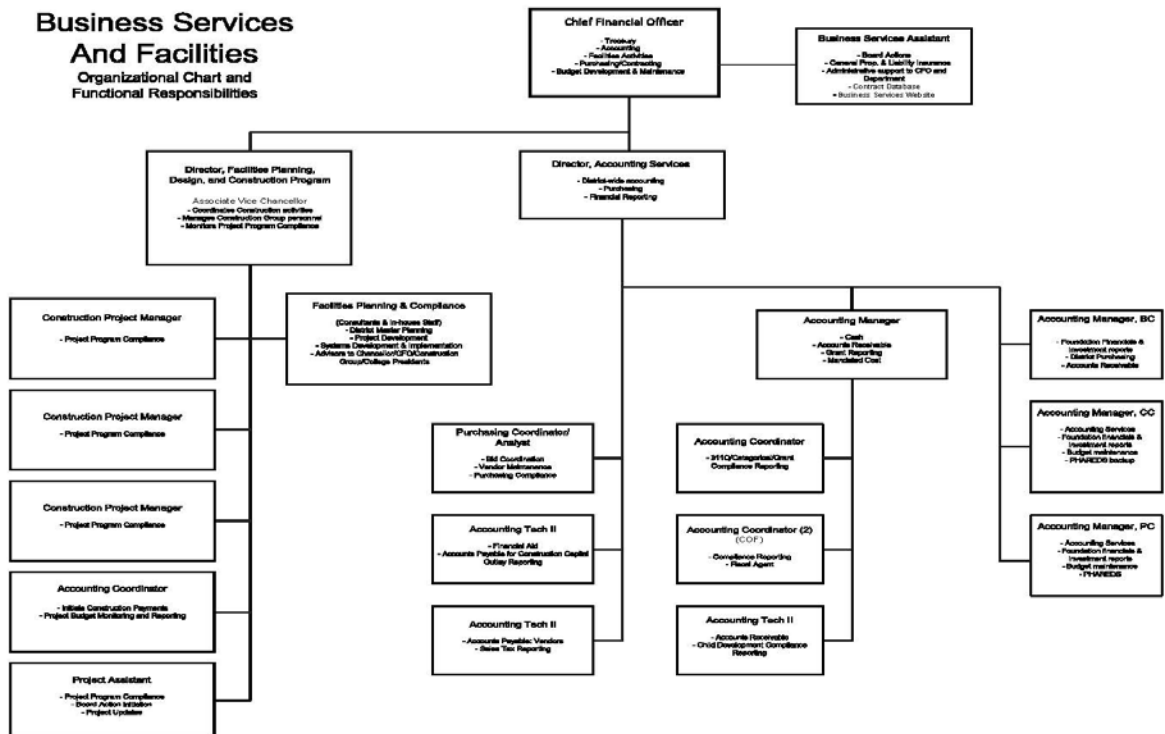
- Define the unit and its purpose [*section one*]
- Assess the unit's operations and evaluate progress towards prior goals [*sections two, three and four*]
- Plan future unit goals and desired outcomes [*section five*]
- Identify unit needs to inform budget and resource allocation [*sections six and seven*]
- Summarize key findings and future directions [*sections eight and nine*]

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, coordinate 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.

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.

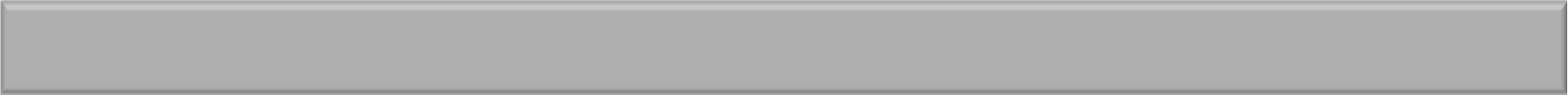
Administrative Unit Outcomes (AUOs)	Strategic Plan Alignment	Review Period	Method of Assessment	Outcome or Desired Outcome
<p>1. Unit provides complete accounting services to ensure all fiscal transactions are processed and recorded according to Generally Accepted Governmental Accounting Standards.</p>	<p>Goal 5- Strengthen Organizational effectiveness</p>	<p>2016 (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 	<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</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>2016 (annual)</p>	<p>Annual budget development process feedback from Trustees, College Presidents and VP Administrative Services through Trustee meetings Chancellors Cabinet, Consultation Council 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>District wide Long term financial projections completed</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</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>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>

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

<p>8. Unit provides purchasing support</p>	<p>Goal 5- Strengthen Organizational effectiveness</p>	<p>2017</p>	<p>Timely completion major non-construction purchases Surveys of department buyer satisfaction</p>	<p>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</p>
<p>9. Unit provides business process training</p>	<p>Goal 5- Strengthen Organizational effectiveness</p>	<p>2017</p>	<p>Timely completion of training for key business processes Surveys of trainees</p>	<p>Timely purchasing, travel, business contracting, expenditure approvals budget & expenditure transfers, budget monitoring, chart of accounts and other process training as needed.</p>



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 2015 external audits were completed timely and there were no audit findings for any of the reports.

Administrative Unit Outcome #3: 2016 budget completed providing all required fiscal information for timely adoption and implementation of annual budget

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)	2012-13	2013-14	2014-15	2015-16
Number of District sub funds supported by District accounting services	116	144	139	135
Value of all District funds expenditures supported by District accounting services	\$196,161,559	\$264,181,365	\$284,640,777	\$ 288,038,381
Number of Invoices Processed	64,826	74,832	76,953	92,489
Number of Purchase Orders	10,200	10,182	10,011	11,099
Number of Warrants/Checks Issued (includes Refunds)	57,937	42,933	67,841	83,175
Number of Journal Entries Processed (excluding Foundation activity)	5,490	5,433	6,811	7,648
Bank and Investment funds Reconciled	55	55	56	56
Number of Foundation and Student sub funds supported by District Accounting Services	851	864	872	872

b) Summarize any changes or findings.

- Department has seen significant increase in transaction processing over the last four years.
- Between FY13 and FY16 the funding for Restricted Grant & Categorical programs has increased 47%
- Between FY 13 & FY16 the number of invoices increased by 43%
- In May 2016 we began printing Student Refunds in-house for the first time in seven years

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) Processing refunds for all credit balances without refund paperwork	Completed	Goal 5	1	Paperwork and labor reduction. Secondary benefit reducing State escheatment work.
2) Implement E Billing	Completed	Goal 5	1	Paperwork and labor reduction.
3) Implement Electronic 1098-Ts.	Pending final implementation	Goal 5	1	BANNER cannot currently accommodate recent IRS rule changes for 1098T's
4) Auto Hold on past due accounts.	No Progress	Goal 5	1	Did not have manpower available to work on project.
6) Bad Address Cleanup.	No Progress	Goal 5	1	Did not have manpower available to work on project.
7) Automation of BOG Waiver un-apply/re-apply posting.	In-progress	Goal 5	1	Currently being worked on
8) Automation of Student Refund postings.	In-progress	Goal 5	1	Currently completing final stages of project implementation requirements.
9) Automate Third Party and Retiree Billings	In-progress	Goal 5	1	New medical billing requiring modification to current automated process
10) Work with Information Systems to develop ad-hoc detailed payroll reports for grant managers.	In-progress	Goal 5	1	IT and Internal Auditor working to develop new reports
11) Develop a Grant Procedure Manual for Program Managers.	In-progress	Goal 5	1 & 10	Current draft being reviewed, still some components requiring development
12) Contracts Coordinator Services	No Progress	Goal 5	8	Pending AUR completion and review
13) Implementation of a Contract Database	No Progress	Goal 5	8	Draft white paper awaiting AUR completion
14) Grant Compliance Services.	In-progress	Goal 5	10	Pending AUR completion and review

15) Integration of Food Services cash receipts processing through Sale Point or another mechanism.	In-progress	Goal 5	1	Sale Point may not be optimal for these operations, other systems being reviewed
16) Automate approved Purchase Order distribution to vendors	Completed	Goal 5	9	PO's being delivered electronically via email
17) Implement new banking partnership with Wells Fargo replacing Bank of America	Completed	Goal 5	2	Banking services are in place
18) Completely replaced US Bank Financial Aid distribution processing internally (first time in 7 years)	Completed	Goal 5	2 & 7	Checks being processed and delivered timely
19) Developed revised travel expenditure Board Policy and Procedures as well as a written guideline for staff	Completed	Goal 5	9 & 10	New policies and procedures are in place as well as completion of onsite training at each College and District Office

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 prior year goals not yet completed	Project Implementation	June 30, 2017	Goal # 5	1, 2, 3 and 8	Yes
Goal 2: Identify new collection agency	Project Implementation	June 30, 2017	Goal #5	1, 2 & 3	Yes
Goal 3: Revise District Procurement Manual	Project Implementation	June 30, 2017	Goal #5	9	Yes
Goal 4: Prepare for 2018 implementation of Fixed Asset Module	Project Implementation	June 30, 2017	Goal #5	1	Yes
Goal 5: Evaluate third party distribution of Financial Aid checks	Project Implementation	June 30, 2017	Goal #5	7	Yes
Goal 6: Pilot centralizing purchasing fiscal Compliance (process improvement)	Project Implementation	June 30, 2017	Goal #5	9	No

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
Staffing (list current staffing levels)	Business Services Assistant Dir, Accounting Services Accounting Coordinator (COF) Accounting Manager Accounting Coordinator (BC) Accounting Technician II (BC) Accounting Technician II (BC) Accounting Technician II (BC) Accounting Technician II (BC) Accounting Manager (BC) Accounting Technician II (PC) Accounting Technician II (PC) Accounting Manager (PC) Accounting Technician II (CCCC) Accounting Manager (CCCC) Accounting Technician II Accounting Coordinator Accounting Coordinator (COF) Accounting Technician II Accounting Technician II Purchasing Coordinator/Analyst Chief Financial Officer Temporary staff backfilling for vacant positions (3) Students (5)
Technology / Equipment	Personal computers, printers, copiers, typewriters, safes, ticket printing equipment and modular furniture.
Space / Facilities	Offices located at Bakersfield College, Cerro Coso Community College, Porterville College and Weill Center
Budget (Unrestricted) Total	2016-17 Budget
1000 (Academic Salaries)	\$ None
2000 (Classified Salaries)	\$ 1,586,678
3000 (Employee Benefits)	\$ 677,672
4000 (Supplies & Materials)	\$ 72,646
5000 (Operating Expenses and Services)	\$ 1,385,216

6000 (Capital Outlay)	\$ 10,500
7000 (Other Outgo)	\$ 5,985,563 >> OPEB bonds and COP debt service expenditures
Budget (Unrestricted) Total	\$ 9,718,275
Budget (Restricted) Total	\$474,000
Budget (Contract/Community Ed) Total	\$ None

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. Move Tech from BC to Do	Goal 6	No cost, enhanced purchasing fiscal compliance and service.	2
	2. Add Categorical/Grant Accounting Manager to DO/ Delete Accounting Tech position	AUO 1	Enhanced delivery and timeliness of Grant and Categorical and grant reporting with highly skilled accounting staff. With change there is no longer a need for vacant accounting tech position. Net cost increase \$18,000	1
Technology	Computer for 1 new staff member	AUO1	Enhanced delivery and timeliness of Grant and Categorical and grant reporting with highly skilled accounting staff.	1
Equipment / Supplies				
Space / Facilities				
Professional Development				
Other: [describe]				
Total cost of resource needs over and above current budget allocation:			\$	


Goal 5: Evaluate third party distribution of Financial Aid checks	Project Implementation	June 30, 2017	Goal #5	7	Yes
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Goal 6: Pilot centralizing purchasing fiscal	Project Implementation	June 30, 2017	Goal #5	9	No
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Routing and Review

Submitter's Name: Thomas J. Burke

Title: CFO

Submitter's Signature: 

Date Submitted: 10-17-16

Submitter's Immediate Supervisor: _____

Title: _____

Date of Review: _____

Chancellor's Signature: 

Date of Review: 11/20/2016

Date of Presentation to Administrative Council: 10/31/16