Rancho Santiago Community College District
District Services Administrative Unit Review

2021-2023

I. Department Mission Statement: (*Please provide a mission statement for your unit.*)

The primary mission of the Fiscal Services Department is to efficiently and effectively serve as the financial center for the District's fiscal operations while providing excellent service to our various "customers". Our main functions include budgeting, accounting, accounts payable, payroll, and internal audit. In conjunction with the colleges, the Fiscal Services Department coordinates the annual budgetary process which establishes the expected District revenues, manages general fund and other special funds, properly records actual revenues and expenditures, assures the timely payment of district obligations for both wages and salaries to staff and outside contractors and vendors, provides reports for monitoring budget and expense performance, complies with external reporting requirements and provides internal audits of various functions and processes throughout the distict.

II. Functions and services: *(Please provide the basic functions and services for your unit.)*

See attached.

Functions:

Accounting, Audit and Advisory Services
District Accounting is responsible for maintaining the District's General Ledger (GL) and the accuracy of the financial activity posted to County Funds (not Auxiliary Funds). This includes reviewing requests for new GL accounts and creating accounts; posting cash receipts received by District Office departments and reviewing cash receipt batches from the Colleges' Student Business Office; reconciling all cash accounts include the cash in county and the districtwide clearing account; performing federal drawdowns, bank transfers, depositing cash in the County bank; posting payroll and fringe benefits to the GL (the district's HR, benefits, payroll, and GL systems are not integrated); reconciling all balance sheet accounts for County Funds such as receivables, prepaid expenses, investments, due to/due from, manual liabilities, and payroll liabilities; and reconciling the District's GL in Colleague with the GL at the County, and submitting county transfers. District Accounting also performs the grants accounting for a large, districtwide grants portfolio. For specially-funded projects in Funds 12, 33, 74 & 89, District Accounting reviews budget transfers, carryover budgets, and transfers of expenditure; works with Resource Development on issues or questions related to allowability of expenditures; prepares invoices and records receivables; prepares quarterly effort certification statements for federal programs; prepares various financial reports to sponsoring agencies; coordinates internally and responds to financial inquiries from sponsoring agencies including the U.S. Department of Education; prepares year-end audit schedules related to federal and state program expenditures. In addition, District Accounting coordinates student financial aid disbursements with the Colleges' financial aid office, sends wires and funding files to the District's third party administrator which issues financial aid disbursements, regularly reconciles financial aid budgets and accounts with the Colleges' financial aid office, stays abreast of changes to 1098-T reporting, prepares student 1098-T forms, and responds to student inquiries and IRS notices related to 1098-Ts. District Accounting also leads the districtwide fiscal year-end close process and coordinates closing with the County.

In addition, District Accounting is responsible for keeping abreast of and implementation of new statements issued by the Governmental Accounting Standards Board, and other new accounting guidance issued by the State Chancellor's Office; and providing accounting guidance to end users, the Colleges' Administrative Services, and Purchasing Services. District Accounting also works directly with Information Technology Services on IT-projects that help create efficiencies in fiscal processes and improve the end user experience.

Audit & Advisory Services (AAS) is responsible for performing a districtwide risk assessment; developing and executing a risk-based internal audit program; conducting internal audits to assure that policies and procedures are followed and that there are adequate controls in place to mitigate the risk of non-compliance with established standards or regulations, fraud and ineffective administration; communicating the results of internal audit findings to leadership; and providing management with recommendations for improvement in areas where opportunities or deficiencies are identified. The types of internal audits that could be performed include operational or process audits, financial audits, compliance audits, investigative audits or follow-up audits. A routine internal audit that AAS regularly performs is the audit of AP disbursements issued from County Funds.

AAS is also responsible for performing sub-recipient monitoring for federal compliance; preparing the application for the District's federally negotiated indirect cost rate; keeping abreast of annual changes to the State Chancellor's Office Contracted District Audit Manual; coordinating the annual independent districtwide audit and following-up and resolving any related audit issues.

In addition, as part of advisory services and based upon mutual agreement, AAS may also perform functions or assist with functions otherwise considered the responsibility of a division or department manager. This includes but is not limited to executing corrective action plans on-behalf of management or assisting management in the implementation of corrective action plans to remediate audit issues identified by external or internal audit, or through other means; leading efforts to implement new regulatory guidance; working collaboratively with leadership at the District and Colleges to develop districtwide guidance and procedures to address issues related to compliance and or internal controls over financial reporting; and monitoring high-profile federal programs for compliance with regulatory requirements.

Fiscal, Budget and Disbursement Services
We monitor federal, state, and local law changes and revise our practices and procedures as necessary to comply with applicable provisions. We prepare a variety of financial and investment reports, forecasts and projections, cash flow statements, Multi-year projections (MYPs) and other various information, analyses, calculations and reports for use by internal and external users. We prepare the annual budget assumptions for review and discussion with the Fiscal Resources Committee and District Council, establish the revenue budgets, and provide the campuses with their expenditure allocations. We record, summarize and analyze all financial and budgeting transactions for all District funds. We prepare reports for Full Time Equivalent Student (FTES) information compared to target, and fully satisfy state compliance reporting and internal requests for attendance information. We monitor the cash balance for Accounts Payable disbursements. The department also began calculating the district's Faculty Obligation Number (FON) in 2021.

The Accounts Payable Department performs the primary non-payroll disbursement function for the District which plays a critical role in its financial cycle. We process for payment the general obligations of the District in accordance with current state and federal laws, education code, district policies and procedures and audit practices. To comply with this we ensure the accuracy, completeness and appropriateness of payments made to outside vendors for goods and services, to staff for expense reimbursements and to students for grants, tuition refunds, stipends and other reimbursements.

In addition, we are responsible for the consistent application of relevant controls, policies, procedures, Federal and State laws in payment processing therefore we disseminate, explain and interpret district, state and federal regulations related to accounts payable functions and implement new district policies and procedures resulting from new legislation. We assist the district in accomplishing its objectives by using a systematic, disciplined approach to evaluate and improve the effectiveness of the entire payables process. Furthermore, we undertake wider roles in fraud prevention, cost reduction, workflow system solutions, cash-flow management and internal controls.

To effectively carry out our functions, we maintain good relationships with vendors through accurate and timely payment and response to inquiries. We closely monitor our timing of payments in order to take discounts, maintain satisfactory credit ratings and avoid or minimize interest expense and penalties due to late payments. We also coordinate the accounts payable activities with the Purchasing Department, Warehouse or receiving departments. We maintain effective relationships with the Orange County Department of Education (OCDE) personnel and departments for a smooth payment processing.

The department provides for an efficient document processing through district-wide centrally-controlled vendor files and vendor payment history. We perform Taxpayer Identification Number (TIN) matching against IRS and SSN records district wide to properly identify correct SS# for students and maintain accurate 1099 payee information to decrease backup withholding and penalty notices and reduce the error rate in TIN validation. We establish and maintain vendor records and archiving of files in accordance with county, local, and state requirements and IRS regulations.

Accounts Payable is required to prepare, withhold, remit and file quarterly and annual reports to Federal and State Agencies for 1099, 1042, 592, 542, etc. We also prepare and provide reports to the Board of Trustees and listings, schedules, documentations and files to OCDE and internal/external auditors.

Payroll
The Payroll Department is responsible for the collection, preparation, and the timely and accurate processing of the payroll. This includes the proper calculation of payroll taxes and retirement information for all district employees. We process retroactive payments, contract changes and corrections on an as needed basis. Payroll serves as a resource to all district employees regarding any and all payroll issues. Our Payroll Specialists analyze source documents from Human Resources and Risk Management to ensure proper taxation and withholding to each employee. The payroll staff assures compliance with all Federal and State regulations, along with District policies and procedures. Our staff also assists other departments with calculating budget costs associated with new positions.

The department continually updates and adapts to changes in accounting, tax and retirement law regulations. This ensures that our employees pay is accurate and our employees will have up to date salary calculations. The Senior Payroll Specialists maintain records of each employee voluntary deductions and all remittances. This includes any voluntary insurance, union dues, membership dues, savings accounts, retirement accounts, etc. The Payroll staff maintains and updates the Employee Information System with Leave Activity, Pay Check calculations and W-2 copies. This website is available to all employees from any computer and/or mobile device at any time. The staff verifies all leave taken to assure compliance with Education Code requirements and collective bargaining agreements. The Accounting Manager of Payroll holds Quarterly Timekeeper meetings to keep all sites up to date with our leave and time card procedures.

With the help of our Employee Time Card and Time and Attendance systems we balance and process each employee absences and time worked on a real time system. We process classified part time employee payments and post accruals and absences taken and running balances that are available to each employee through any computer and/or mobile device at any time. This allows our employees to monitor their leave time and payments with the most current balance information available.

Using our scanning program, payroll audits and files various forms and timecards for historical documentation. We now audit leave forms in this system as they route electronically from the employee to the supervisor's approval and payroll's auditing and finally the posting of the leave in the Employee Time and Attendance System (TNAS/EIS). The time card system for classified part time employee timesheets also follow this approval/auditing routing, but instead are posted to the County's payroll system for payment.

The Accounting Manager of Payroll audits, reconciles and files annual, quarterly and monthly reports to Federal and States Agencies. These forms include W-2, W-2C, 1099, 941, DE9423, 1094B &C, 1095B & C, etc. We process and oversee our third party administrator for our Tax Sheltered Annuity (403(b)) and Deferred Compensation (457) plans.

The department prepares and provides necessary schedules, documentation and files to various auditors. Whether it be our Internal, external auditors or Federal Grant auditors, we furnish all employee payment information to comply with various accounting procedures and Federal and State laws.

III. Customers and recipients of services: *(Who are the customers/recipients of your unit?)*

All District divisions and departments
Public requesting information
Federal, state and local agencies
Private organizations and foundations
Students
Vendors

IV. Staffing: *(Please summarize the status of your staffing since the last planning cycle and concerns you may have.)*

The department had two reorganizations and several reclassifications of staff during the last planning cycle. The department currently has 24 FTE staff, five staff less than we had ten years ago and two staff less than we had last planning cycle. The department is now better organized for efficiency and workload. See attached Org Chart.

Rancho Santiago Community College District
BUSINESS OPERATIONS AND FISCAL SERVICES
FISCAL SERVICES

- **Assistant Vice Chancellor of Fiscal Services**
  ADAM O'CONNOR
  (District Disbursing Officer)
  - **Executive Secretary**
    BARBARA YNIGUEZ
  - **Manager - Payroll**
    NANCY TANNER
    - Senior Payroll Specialist
      SHERRI BASHAM
      VICTOR NEGRON
    - Payroll Specialist
      MAUREEN JOHNSON
      FABIOLA CEJA
  - **Manager- Fiscal Services**
    ERIKA ALMARAZ
    - **Manager - Internal Audit**
      SHELLY RANDOLPH
      - Audit Specialist
        VERONICA GILES
    - Senior Account Analyst
      HIEU (JASON) BUI
    - District Account Analyst
      NIKKI NGUYEN
    - Senior Accountant
      TRANG NGUYEN
      BINH DAU
      KEVIN BUI
    - Accountant
      JOSEFINA PENNING
      QUYNH GIAO LAM
  - **Manager- Budget, Forecasting & Analysis**
    THAO NGUYEN
    - Budget Analyst
      (Confidential)
      GINA HUEGLI
    - Senior Accountant
      CANDI EASTER
    - Senior Account Clerk
      DEBORAH PERALES
      DANA ERICSON
      CELIA PEREZ
      ESMERALDA TORRES

V. <u>Budgets</u>: *(Please summarize the status of your department budget and concerns you may have.)*

The total unrestricted general fund department budget was $3,304,550 at the 2019/20 Tentative Budget compared to $3,753,403 at the 2021/22 Tentative Budget. This represents a 13.58% increase in cost over the two-year period due mainly to salary increases, step and column increases as well as increased cost of health and welfare and increased cost of PERS.

VI. <u>Department Assessment</u>: ***Please provide internal assessment of your department (by all unit staff) and external assessment (from data provided by the District Services Satisfaction Survey, as well as other sources that your department would like to use). What recommendations would you like to bring to the District's attention?***

a) <u>Internal Assessment</u>:

A Survey Monkey was given to all members of the Fiscal Services staff in August of 2021. Seventeen responses were received. 59% of the staff agreed we currently have an appropriate staffing level to best support our various customers, down from 78% in the 2019 survey. Employees indicate they have good teamwork, communication, ability to adapt, knowledgeable staff and internal relationships with each other and their managers. They had several recommendations for improvement revolving around the need for additional training, communication and the continued request for automating processes. There were comments made regarding the need for additional staffing and hybrid-remote work options. They expressed the need for additional team-building activities and cross-training as well.

b) <u>External Assessment</u>:

The external survey showed an average overall quality of services provided at 4.35 out of 5.00 for Fiscal, Budget and Accounting, 4.18 for Accounts Payable, 4.22 for Internal Audit and 4.32 for Payroll. Again this survey cycle, staff knowledge was the highest rated category overall. These are good to very good scores for the team. The overall averages for two of our areas increased and two ticked down from the last survey. In some areas of the survey, similar to the last survey, the results from Santa Ana College gave the lowest scores, but in Payroll the scores were more evenly distributed. This continues to be an area we will need to concentrate on during this cycle for improvement in those areas still showing lower scores from SAC. There were only a handful of average scores from the colleges below 4.0, with timeliness of response being a theme. This is an area to concentrate on improving this cycle. Another area to note is the marks of Below Average and Poor which somewhat increased this cycle at least partially due to the remote working environment. We still need to remain conscious of our service levels especially including the areas of timeliness of responses, availability and providing services that meet the needs of our customers, and being as consistent as possible to all areas throughout the district. There were also some themes in the comments related to timeliness, proactive advisement and the desire for more communication, consistent and easily understandable procedures, along with regular trainings. These are all areas we can work to improve.

c) Recommendations:

Although we have had goals to institute automated processes for many years, it has taken much longer than could have been anticipated as ITS seems to have an ever-growing list of prioritized campus projects and ours aren't always the top priorty to accomplish. In addition, some projects also require cooperation by Human Resouces and we have not been able to agree on processes. We recommend keeping some of these goals on our list again for this cycle.

A number of manual processes still need to be automated in order to improve efficiency and better service to the colleges. The Fiscal Services team hopes to utilize available technology in a more efficient manner through the implementation of document imaging, as well as providing payments to students and vendors via electronic funds transfers as opposed to issuing paper checks. The department will continue to work with ITS to push forward more quickly to move processes off of paper and on to electronic. We also recommend that Fiscal Services, Human Resources and ITS work together on an acceptable automated Position Control system.

The department will also continue to work hard to improve our service rankings in the next cycle.

VII. <u>Work Plan</u>: ***As the result of assessing your department, what initiatives do your department want to address in 2019-2021? Please identify which RSCCD goal(s) and strategic plan objective(s) they address, resources you need to achieve the initiative(s), and how you will achieve these initiatives by the end of the cycle?*** *Please see example below*

RSCCD Goals your service initiative address.	**RSCCD Strategic Plan** Objectives your service initiative address.	**Service Initiative** Goals that your department would like to address.	**Unit Outcome** (The client) will (intended outcome) as a result of (function or action).	**Criteria for Success** How will you know you've achieved your goal?	**Resource Needs** What resource(s) (personnel, technology, fiscal) do you need to achieve your goal(s)?	**Results** After two years, how well did you achieve your goals?
Goal 4	*Objectives 3B and 4C*	*Analyze data of the new curriculum strategies for ESL students*	*Reports to share with ESL instructors showing outcomes by underrepresented groups based on the new curriculum strategies*	*ESL faculty utilize the reported data to plan their class instructions*	*None*	*A 2% increase in success rate for all underrepresented groups*
5	5B	Continue working with ITS and HR to fully institute Position Control system, possibly within Colleague or within Neogov being instituted by HR.	The district will have an integrated process to manage and control positions and budget with the goal of being able to input new positions and remove positions eliminated through reorgs, and track movement of positions throughout the District in Colleague.	The system is completed and used. When the tentative and adopted budgets can be quickly and easily developed, as well as having accurate real-time information on position data available in the position control module.	ITS support, Fiscal, HR and ITS staff testing time.	

RSCCD Goals your service initiative address.	RSCCD Strategic Plan your service initiative address.	Service Initiative Goals that your department would like to address.	Unit Outcome (The client) will (intended outcome) as a result of (function or action).	Criteria for Success How will you know you've achieved your goal?	Resource Needs What resource(s) (personnel, technology, fiscal) do you need to achieve your goal(s)?	Results After two years, how well did you achieve your goals?
5	5B	Build an Interface system to process electronic timecard data for uploading to the OCDE Payroll system and fully eliminate the use of "timesheets".	Less time needed for manual input of generic timecard information.	When we can successfully load a full cycle of timecards into the OCDE Payroll system. Payroll Specialists use their valuable time more effectively with auditing correct payments to our employees.	Need ITS support, staff time and OCDE cooperation with this project.	
5	5B	To address an audit concern regarding segregation of duties, create a process to take HR employee information to upload directly to OCDE.	Less time needed for manual input and less chance of errors.	When we can successfully load this information into OCDE directly without input by payroll staff.	Need ITS support, Fiscal, and HR staff time and OCDE cooperation with this project.	

RSCCD Goals your service initiative address.	RSCCD Strategic Plan your service initiative address.	Service Initiative Goals that your department would like to address.	Unit Outcome (The client) will (intended outcome) as a result of (function or action).	Criteria for Success How will you know you've achieved your goal?	Resource Needs What resource(s) (personnel, technology, fiscal) do you need to achieve your goal(s)?	Results After two years, how well did you achieve your goals?
5	5B	Establish a process to provide payments to students and vendors via electronic funds transfers as opposed to cutting checks.	Vendors and students will receive funds electronically, quicker than they would a manual check.	When we can successfully pay vendors and students by an electronic process.	Need ITS support, Fiscal, staff time and OCDE cooperation with this project.	
5	5B	Increase districtwide fiscal training opportunities.	Employees will better understand fiscal procedures and processes by attending trainings	By improved satisfaction survey results especially in the areas of timliness of responses, availability, providing services that meet the needs of our customers, and overall quality ratings.	Fiscal staff time to provide the trainings.	

RSCCD Goals your service initiative address.	RSCCD Strategic Plan your service initiative address.	Service Initiative Goals that your department would like to address.	Unit Outcome (The client) will (intended outcome) as a result of (function or action).	Criteria for Success How will you know you've achieved your goal?	Resource Needs What resource(s) (personnel, technology, fiscal) do you need to achieve your goal(s)?	Results After two years, how well did you achieve your goals?
5	5B	Publish a timekeepers Manual (RanchoTIME).	This manual will answer a lot of the questions we receive monthly from managers, timekeepers and other employees.	The Manual will be posted on the Payroll website and will be updated quarterly or as needed. We hope to field less questions as the manual will provide information that our customers need related to accrual rates, holiday hours, leave types for each bargaining unit, etc.	Staff time.	
5	5B	Develop an effective and timely check audit routine for ACH payments that satisfies the requirements of OCDE Fiscal Accountability.	Create a written procedures manual to document adherence to the requirements of OCDE Fiscal Accountability regarding ACH payments.	ACH payment audits are being performed on a routine basis in conjunction with the ongoing ACH payment schedule.	Staff time.	

RSCCD Goals your service initiative address.	RSCCD Strategic Plan your service initiative address.	Service Initiative Goals that your department would like to address.	Unit Outcome (The client) will (intended outcome) as a result of (function or action).	Criteria for Success How will you know you've achieved your goal?	Resource Needs What resource(s) (personnel, technology, fiscal) do you need to achieve your goal(s)?	Results After two years, how well did you achieve your goals?
5	5B	Work with Ellucian and campus to move towards the standard CCFS-320 delivered report. Campus need to be trained to input correct data so the report could be correct.	More efficient way of running the CCFS-320 report, turn around time for review would be shorten.	The CCFS-320 report is run with no errors and the auditors will have no findings related to FTES reporting.	Fiscal and college staff time to validate the report.	