

Program Review Committee

The program review committee must be approved by the superintendent/president or cabinet level administrator.

Department Manager: Jessica Blazer

Committee Member: Kelly Underwood

Committee Member: Polly Blackburn

Committee Member: Linda Shelby

External Member: Kelly Underwood

Approval

The written report will be submitted to the appropriate cabinet member for approval. The program review and annual updates will be used for planning and budgeting purposes.

Cabinet Member: Michael Black



**Allan Hancock College
Business Services
Program Review
2016**

I. Program Scope

Business Services plays an integral role in supporting Allan Hancock College District's mission, vision and strategic plan. Key services include: payroll, general accounting, grants and special projects, purchasing, accounts payable, accounts receivable, student refunds, staff reimbursements, employment verifications, inventory, financial record keeping and reporting financial activity.

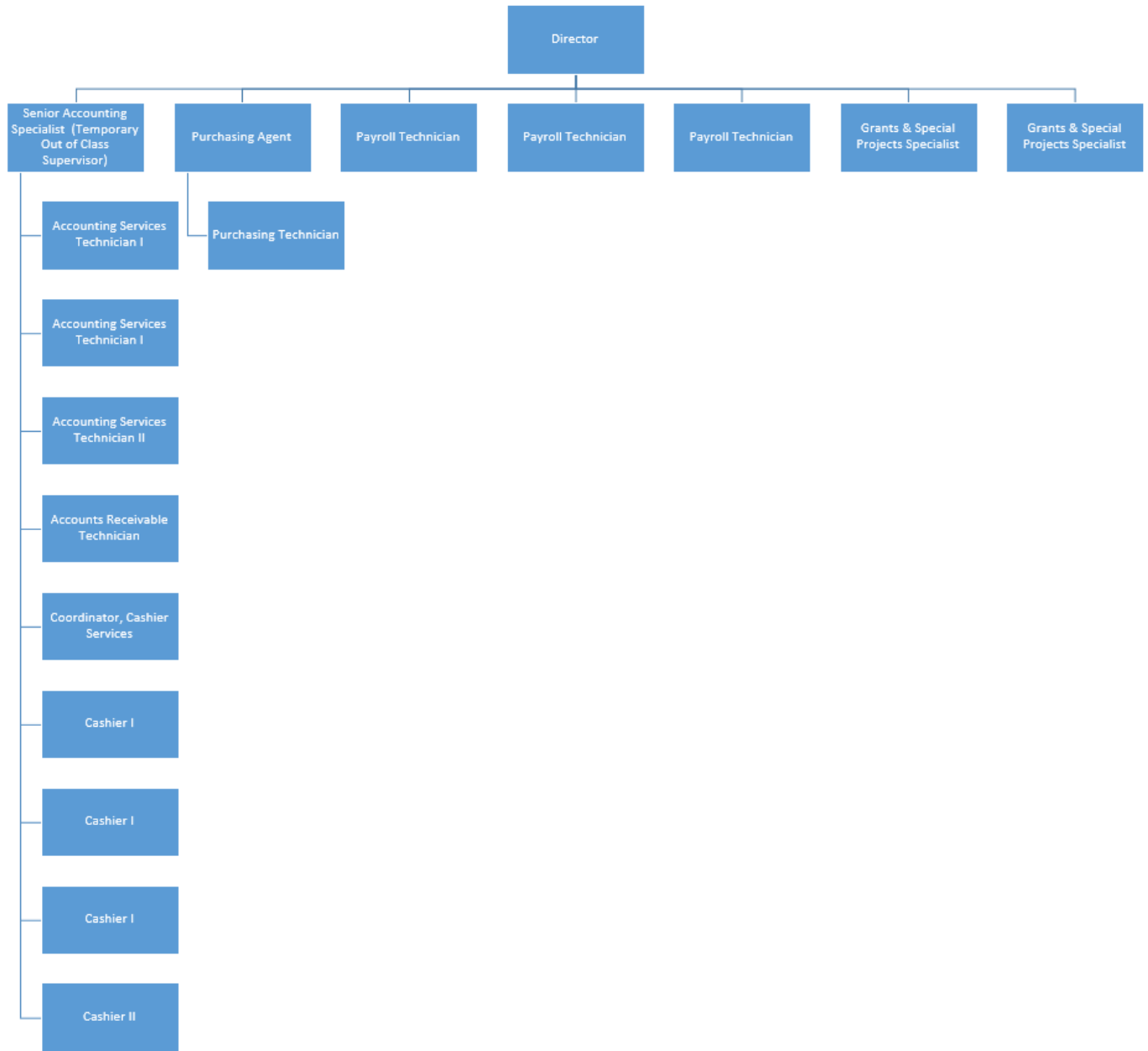
Business Services underwent a significant internal review in the spring of 2016 to evaluate current processes, services, system capabilities, job responsibilities, job descriptions, and reporting lines. The department was at a critical point where day to day business activities were being managed, yet lacked a much needed overhaul and subsequent implementation plan to keep pace with evolving needs of the campus community.

Business Services Restructure

Since the last program review in 2003, the department has undergone a series of changes by way of ad hoc updates to position classifications, absorption of cashiering services, turn-over in leadership, technology improvements, new system implementations, and a physical relocation to a new building. While a number of positive changes occurred over the years, an in-depth review of the structure of the department had not been performed. A new director joined the college in March 2016. Prior to the onboarding of the new director, several staff within the department requested a reclassification. A combination of factors lead to an optimal time to evaluate needs and reconfigure the department. Shared governance played an important factor in the restructure. The director met with neighboring community colleges to discuss their department structures, processes, and systems; met individually and in small groups with business services staff to discuss their current job responsibilities; met with directors and VP's to discuss their interactions with business services and areas of concern; spent time evaluating the current systems utilized by the department as well as current business processes; and collaboration with CSEA.

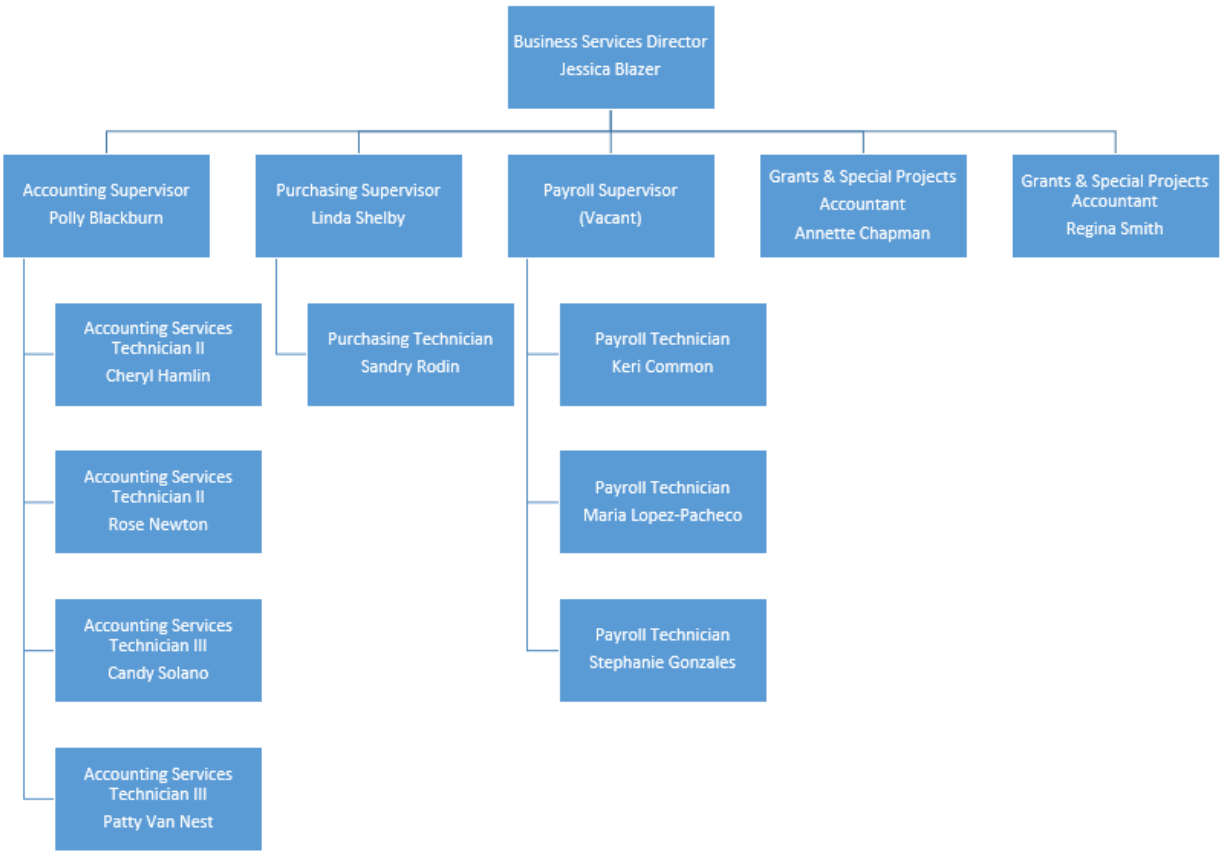
The following department structural deficiencies were identified: all staff had direct reporting lines to the director, cross training and back-up capabilities were lacking, job descriptions and related responsibilities did not sufficiently address current functions which were not optimally distributed across the department, job classifications were not properly aligned, and a significant amount of overtime was being incurred (approximately \$100,000 in FY 2015-16).

Department organizational chart prior to the restructure:



As an interim solution, the senior accounting specialist was serving in an out of class assignment as supervisor over accounts payable, accounts receivable and cashiering. In theory, the addition of a supervisor was on the right track, but there were too many individuals reporting to the supervisor. The new department structure introduced 3 supervisor positions to meet the day to day needs of general accounting, purchasing and payroll. The grant and special projects accountants continue to report directly to the director, while cashiering was relocated back to auxiliary, where it resided prior to coming to business services.

Department organizational chart effective September 13, 2016



New job descriptions were developed to address job functionality, distribution of workload, reporting lines, business processes, cross training and backup coverage, and standardization of job description language consistent with higher education standards. The following provides a brief overview of positions within business services:

Director

Under supervision of Associate Superintendent, Vice President Finance and Administration, plans, organizes, controls and directs District-wide accounting and financial operations including process development and improvement, process oversight, review, analysis and reporting on District payroll, purchasing, contract management, banking relationships, and account maintenance. The incumbent performs the more difficult financial record keeping; analysis and reporting, manages internal district audits and is responsible for development, supervision and performance evaluations of department staff. The Director will promote a collaborative culture that embraces and promotes the mission and vision of the college.

Accounting Supervisor

Under the direction of the Director, Business Services, plan, organize, control and direct accounting operations, activities and financial record-keeping and reporting functions for the district; coordinate and direct personnel, communications and fiscal record-keeping functions to meet college accounting

needs and assure smooth and efficient fiscal activities; supervise and evaluate the performance of assigned personnel; and value and promote the mission and vision of the college.

Accounting Services Technician II

Under the direction of the Accounting Supervisor, the incumbent performs a variety of technical accounting duties in the review, evaluation and adjustment of assigned college accounts; maintain, audit and reconcile assigned accounts; prepare, maintain and assure accuracy of various financial records and reports; and value and promote the mission and vision of the college.

Accounting Services Technician III

Under the direction of the Accounting Supervisor, the incumbent performs a variety of specialized accounting duties in the review, analysis, maintenance and adjustment of designated funds and accounts; prepare, audit, reconcile and maintain a variety of financial and statistical records, reports and statements in support of assigned accounts and activities; values and promotes the mission and vision of the college.

Purchasing Supervisor

Under the direction of the Director, Business Services, and the Associate Superintendent/Vice President Finance, and Administration, the incumbent performs a variety of complex and technical duties related to the acquisition of various supplies, equipment and services, including preparation of bid specifications, coordinates the informal process for the District and has both formal and informal contact with vendors; values and promotes the mission and vision of the college.

Purchasing Technician

Under supervision of Purchasing Supervisor, Business Services, to perform technical duties associated with purchasing commodities and services for the college and provides general assistance to College personnel concerning related activities; values and promotes the mission and vision of the college.

Payroll Supervisor

Under the direction of the Director, Business Services, plan, organize and direct payroll operations and activities to assure College employees and student workers are paid in an accurate and timely manner; coordinate, direct and participate in the preparation, maintenance, processing and auditing of manual and automated payroll data, records and reports; value and promote the mission and vision of the college.

Payroll Technician

Under the direction of the Payroll Supervisor, perform a variety of technical payroll accounting duties to assure classified and/or certificated employees are paid in an accurate and timely manner; prepare, process, maintain and assure accuracy of a variety of employee payroll information, records and reports; value and promote the mission and vision of the college.

Accountant

Under the direction of the Director, Business Services, perform professional accounting and budgetary work involved in establishing, analyzing, auditing, reconciling and maintaining manual and automated

financial records; value and promote the mission and vision of the college. Maintain technical responsibilities in the financial management of accounts, grants, and required special projects.

II. Performance on Stated Functions and Service Area Outcomes

Key Performance Indicators for business services are as follows:

- Financial stability and integrity of the District
- Customer satisfaction
- Payroll processed on time and accurately
- Vendors paid on time and accurately
- No Audit findings
- Compliance with grant standards and single-audit requirements
- Amount of overtime
- Annual review and refinement of business processes and internal controls
- Solicitation of feedback on performance

The former director did not maintain an annual update to the program review nor conduct a new program review based on the established schedule. In an effort to establish a baseline to go forward, a modified program review was developed based on activity that took place between March through September 2016. The review took into consideration an outsider's perspective, verbal feedback from stakeholders across campus spanning a variety of positions and level of authority; observations of current processes, policies, internal and external departmental dynamics.

Financial stability and integrity of the District

The District is in a fiscally viable position. Business services supports the Vice President of Finance and Administration achieve financial goals while adhering to Board Policy and California Education Code.

Customer satisfaction

A general level of satisfaction exists, which was indicated by way of numerous colleagues complementing the level of service they received from specific individuals in business services. However, there is room for improvement and the department will continually strive to exceed expectations.

Payroll processed on time and accurately

The current payroll process is flawed. Paper hiring documents and timesheets are routinely circulated across campus for signatures and used for human resources as well as payroll purposes. There are two payment cycles per month (supplemental and regular). When hiring documents and timesheets are delayed and an employee has already worked the assignment, it is not uncommon for a manual warrant to be processed in order to maintain compliance with California Education Code. This is not an efficient business practice and can be addressed with the implementation of an integrated HR and Payroll system, such as Banner.

During fiscal year 2015-16, the county implemented a new payroll system called Escape. The District did not establish position or budget control within Escape, which resulted in a manual payroll process with an average of 100 hours of monthly departmental overtime. With total reliance on the county for system oversight, check processing, monthly payment schedule, electronic funds transfer (which is currently only processed with the regular payroll cycle while all other payments and reimbursements are paid by check), it culminates to a cumbersome and less than optimal process. The District will be

pursuing fiscal independence, which will serve to exercise greater control over payment processes. Several California Community Colleges have successfully achieved fiscal independence and business services will continue to rely on the network of resources to navigate through the process.

Working within the current confines of the payroll system, opportunities to exist to establish best business practices while devoting a dedicated resource to payroll oversight and a central point of communication.

Vendors paid on time and accurately

Vendors are paid accurately and timely. The success rate of payment processing is reliant on the speed and accuracy with which invoices are submitted, items recorded as received in OneSolution, and the county's turnaround time to request a check, county audit, and mailing back checks back to the department.

No Audit findings

Business services received one audit finding in the last audit for not including SAM.Gov reports on all vendor purchases accumulating throughout the year to \$25,000 and above. The finding was swiftly corrected with a new requirement to attach the SAM.Gov reports on all grant purchase requests.

Compliance with grant standards and single-audit requirements

Business services will begin to document internal procedures prior to the final audit visit for 2015-16. A completion date has been set for 2017.

Amount of overtime

The department spent approximately \$100,000 in overtime during FY 2015-16. A large contributing factor was related to payroll. All department staff were asked to cut back on the amount of overtime normally incurred during the year end closing process. In doing so, people re-evaluated the urgency and priority of duties performed, identified available resources to either assist them and/or reduce the amount of time it would take to accomplish the task. As of September, several individuals have commented on the positive impact the revised approach made on them, including a smoother fiscal year end closing process.

Annual review and refinement of business processes and internal controls

Collaborated with Campus Graphics to integrate PO process in OneSolution for campus related purchases. Process encumbers funds which allows departments to proactively monitor their budget and streamlines process for campus graphics and business services.

Identified student workers as resource to assist accounts payable function with scanning documents for document capture process. By shifting work as time allows, it creates more time and effort to be devoted to processing payments and working with vendors.

Solicitation of feedback on performance

An informal process of data collection took place whereby email and verbal conversations were notated and used in the compilation of the report. Going forward, regular formal surveys will be conducted.

III. Current Demand for Services

The demand for services has never been greater. With continued growth across campus from hiring new employees to the diversity of programs offered, this department consistently functions at 100+%, 12 months a year.

Statistical Highlights from 2015-16

Purchase orders: 4,200

Annual Bids: 15

Accounts receivable: 600

Accounts payable: 5,750

Grants: 118 @ \$17,150,500

Travel payments and reimbursements: 1,700

Employees: 1,840 @ \$42,400,000

IV. Findings / Action Plan

Business services is primed for success and ready to initiate big changes that are in line with supporting the mission, vision and strategic direction of the college in the coming year. The following action plan is outlined to correspond with the key performance indicators, as referenced in section II, as well as alignment with strategic direction.

- Financial stability and integrity of the District
 - Update and standardize agreements and approval process – Goal IR2
 - Pursue fiscal Independence; file paperwork fall 2017 with implementation date of FY 18-19 – Goal IR2 and IR3
- Customer satisfaction
 - Develop business services website portal – customer service focus – Goal IE1, IR3
 - Develop and offer suite of business services training classes for employees (expand current offering of purchasing classes to include grants management, travel, travel card, etc. Goal IR2 and IR3
 - Introduce a certificate program for those who have successfully completed all courses
- Payroll processed on time and accurately
 - Hire Payroll Supervisor – Goal IR1
 - Launch new payroll system by start of FY 18-19 – Goal IR3
 - Hire 4th payroll technician in FY17-18
- Vendors paid on time and accurately
 - Conduct annual review of performance statistics and identify opportunities for improvement
- No Audit findings
 - Develop annual schedule of process and internal control review.
 - Travel, purchasing, credit cards, grants process in collaboration with college advancement, board policy (BP and AP) updates Goal IE2 and IR3
 - Hire travel/purchasing technician to support expanding services in FY 17-18

- Compliance with grant standards and single-audit requirements
 - Develop internal procedures to address and ensure compliance with federal uniform grant guidelines – Goal IE1 and IE2

- Annual review and refinement of business processes and internal controls
 - Overlap with having no audit findings above
 - Significantly reduce the amount of overtime incurred in payroll with the onboarding of the payroll supervisor

- Solicitation of feedback on performance
 - Conduct campus survey – Goal G1 and G2

Resource Needs

To implement the actions above, list any resources needed (please include corresponding cost estimates):

	<i>Specific Resource and Function to Support</i>	<i>Estimated Cost</i>
Facility Needs	Rearrange business services cubicle layout to maximize current space and accommodate growth. One time cost.	\$6,000
Technology Needs	Payroll and Finance system implementation. One time cost for setup and ongoing cost TBD.	TBD +\$1.5M
Staffing Needs	Payroll Technician and Purchasing/Travel Technician. Ongoing cost.	\$155,000
Equipment (non-technology)		
Other Resources		