

CHAPTER 5

DEPARTMENT: COLLEGE FINANCE

UNIT: ADMINISTRATION:

College Finance and Purchasing Services is committed to continuing to provide the same excellent level of service to the college in fiscal and purchasing matters.

In addition we are working on a major office remodel to bring the Purchasing Services personnel from their current offices in the Campus Services building to future offices here in College Finance in the Administration building. Thus the areas will be together and much needed office space will be freed up in the Campus Services building. A Unit Planning Spreadsheet is included for this.

College Finance and Purchasing Services is continuing to implement Banner Finance module, the remaining areas we are working on are the fixed assets database, account indexing, Organization Code budget pooling and implementing the future finance Data Warehouse.

College Finance and Purchasing Services continues to work on Standard Seven – Finance for Lane’s accreditation self study. Updating sections as we work to improve our conformance to the standard, gathering evidence for our presentation binders and assisting however we can with the October visit by the Evaluation Committee.

UNIT: GRANT ACCOUNTING:

All projects for which we provide accounting services have been selected by members of the Executive Team (ET) as directly supporting Lane's mission of ***providing affordable, quality, lifelong educational opportunities*** within a learning-centered community college. We will continue to take a proactive fiscal approach using the College's accounting system to apply the numerous and varied agency regulations as well as the following: Generally Accepted Accounting Principles; Federal Office of Management and Budget (OMB) circulars; Oregon Revised Statutes; and the Oregon Administrative Rules.

Steadily increasing revenue from grants and contracts will also enhance the College's ***financial stability***. With a strategic direction to ***reinvigorate contract training***, the services of Funded Projects will be key to the successful financial management of these agreements.

One full-time Accountant position, which is currently vacant, will need to be filled. ***New equipment will need to be purchased to replace items removed by previous staff.***

Due to earlier budget reductions and restrictions, none of the current Funded Projects classified staff has attended outside training for the past 5-6 years. ***It is important that we maintain and increase our knowledge base as federal, state and agency regulations are constantly changing.*** The College relies upon the Funded Projects Accounting unit for accurate interpretation and application of all levels of fiscal compliance requirements for grants and contracts. We need to ensure that we remain current with developments in our field.

UNIT: INVESTMENTS:

Ongoing/existing goals

We will continue to provide accurate and timely disbursement of funds to students, staff, and vendors. We will also implement procedures to utilize a banking product insuring protection from check fraud.

The college's primary bank is changing the methods that we use to obtain daily banking information. It is expected that this will help to improve our ability to monitor funds, invest excess funds, and reduce the risk of fraud.

The area is constantly looking for ways to streamline processes and facilitate good communications between our department and the various departments on campus. We are also working to establish better definitions of guidelines for the college campus. There are currently too many 'exceptions to the rule', which leaves the users of our services wondering which directions to follow.

We are working to develop options associated with the purchasing card program that could possibly allow individuals to use their cards for making purchases associated with college travel. There is still some program testing to be done and decisions to be made by management concerning usage in this area.

What resources are needed?

The accounts payable area currently has a vacant half-time position due to a recent retirement. There are only 2 full-time positions within the area and the extra personnel helps to keep the workflow going when either of the individuals are out of the office as well as helping to maintain a workable workload in the area.

The area uses 5 computer workstations. The technology that the department uses requires that the computers be kept up to current standards because of how quickly the technology and programs can change.

Program Outcomes:

The Unit's work is reviewed during the college's annual audit. The auditor's have consistently given the area a "clean audit". The Unit also receives input from many of the departments and users of their services. This input has always been positive. Through the accuracy and timeliness of the unit's work, the college is able to continue its work of providing education and services to the community.

Directly relate to 2003-04 Strategic Directions:

The Unit works with all the departments of the college ensuring accuracy in the payment of college obligations. The investment area works closely with the banking relationships the college has to ensure the highest safety of college funds and the highest interest yield on college investments. These two functions work together to assist the college in Achieving Financial Stability.

The Unit also works closely with administrative assistants and managers throughout the college assisting them to understand and make use of the systems in the college's LASR project.

UNIT: PURCHASING SERVICES:

Purchasing Services intends to continue providing the best possible service to the college and to the college's partners in the business community. The ongoing goals of Purchasing Services are to serve in a training and consultative capacity for other college departments engaged in purchasing activities and to provide assurance that the college achieves maximum value for its money.

Purchasing Services is closely aligned with the college's Strategic Direction of Building Organizational Infrastructure (LASR). Purchasing was one of the original modules implemented, and "went live" on July 1, 2002. Purchasing is now in the process of implementing the Banner capital assets reporting module. Purchasing has already seen a significant decrease in staff time required for redundant staff work, allowing us to focus on services which provide additional value for the college.

Purchasing Services plays a significant role in helping the college achieve its Strategic Direction of Achieving Financial Stability. Through the processes of quotations, bids and proposals, Purchasing Services assures that the college maximizes the value obtained for the approximately twenty million dollars which flow through the purchasing system annually.

Continual improvement is always our goal. Implementation of Banner will ultimately increase the efficiency of the purchasing and capital asset reporting processes by eliminating redundant paper work. Finalizing the integration of Purchasing Services into College Finance should also help achieve greater efficiency in the financial operations of the college.

With respect to additional resources needed, Purchasing Services requires only nominal resources beyond its personnel costs. Our office equipment has been recently upgraded and should be adequate for the next year or two at least. A certain level of professional development is a continuing need, as the regulatory framework Purchasing Services operates in is always changing, but this need should be achievable within current budgetary parameters.

As a service/support element of the college, Purchasing Services receives input on the quality of our work from both internal and external sources. If staff in other departments of the college are finding it difficult to conclude their purchasing transactions, either because of difficulties raised by regulatory issues or because of technical challenges presented by the purchasing system, this is an indication that Purchasing Services needs to increase the effectiveness of our services. Our data in this area is largely anecdotal, in that it consists primarily of reports from department staff as we work with them.

We also receive input from external sources. Part of the process in any of our formal Bid/Proposal projects consists of inquiring of the vendors as to any issues, negative or positive, which they felt were noteworthy in their doing business with the college.

The staff of Purchasing Services has traditionally maintained close relations with our counterparts in other agencies. This allows us to compare processes and practices, so that we can best serve both the college and the public.

Finally, the work of Purchasing Services, both the procurement and asset inventory functions, are included in the college's annual audit. This provides both the college and the public assurance with direct evidence that we have achieved our goal of being an effective steward of the college's assets and resources.

UNIT: INTERNAL CONTROLS:

This workgroup's goals are all new initiatives a) to correct (potential) financial control inadequacies, and c) directly relate to 2003-04 Strategic Direction of achieving Financial Stability (in ways that maximize the effectiveness and efficiency of Lane's resources in support of learning). Examples are:

Initiative 1: Enhance the reliability and efficiency of Students First! controls over cash

Plan: Develop methodology for documenting current cash protection policies and procedures.

Do: Thoroughly document existing policies and procedures.

Check: Analyze and evaluate existing policies and procedures for adequacy of cash protection and compare these to industry standards.

Act: Develop proposed improvements to this entire revenue cycle (from cash receipting through bank reconciliation) and, collaborating with Students First! staff, implement changes which enhance asset protection without reducing efficiency.

Initiative 2: Evaluate payroll process for potential major financial control deficiencies.

Plan: Develop methodology for documenting major current payroll policies and procedures.

Do: Document key existing policies and procedures.

Check: Analyze and evaluate key existing policies and procedures to detect vulnerability to fraudulent time records and/or “ghost employees.”

Act: Develop automated tests to detect irregularities, to be run during payroll processing, and, collaboratively (with Human Resources and Computer Services), implement those which do not decrease the efficiency of the payroll process .

INITIATIVE 3: Evaluate Accounts Payable process for creating vendor tables for potential major control deficiencies.

Plan: Develop methodology for documenting existing procedures for accounts payable vendor table maintenance.

Do: Document existing procedures.

Check: Analyze and evaluate key existing procedures to detect vulnerability to the creation of fraudulent vendors and unauthorized payments.

Act: Develop Banner queries to detect unauthorized vendors and duplicate payments (to be performed by IC Accountant during selected check runs) and collaboratively implement those which do not decrease the efficiency of the payment process.