

**Priority:** Accountability  
**Program Offer Type:** Internal Service  
**Related Programs:**  
**Frameworks:**

**Lead Agency:** County Business  
**Program Contact:** Dave Boyer

### **Executive Summary**

Finance Operations supports County programs in the areas of procurement, contracting, bill paying and non-medical deposits.

### **Program Description**

1. The Procurement and Contracts team annually processes 1200 contracts and amendments; 2000 purchase orders; 250 informal procurements; 75 formal procurements; 500 exemptions; and manages Minority, Women and Emerging Small Businesses (MWESB) programs.
2. The Accounts Payables team processes 80,000 payments and refunds; provides procurement-card services; monitors petty cash use; coordinates the end-of-year expenditure accrual function; administers the travel-card program and processes travel settlements; conducts internal audits and coordinates external audits relating to payments.
3. The staff who handle Non-medical Deposits post and reconcile 20,000 bank deposits.
4. Finance Ops staff also maintain administrative procedures for functional areas and provide technical assistance and training to staff in County Departments who use the services provided.

### **Program Justification**

Consistent, accurate, well documented, and timely procurement and payment processes are essential to government accountability. The focus of Finance Ops is to provide these services, while at the same time introducing new technologies and streamlining the transactional processes it administers. The goal of these efforts is to simplify the work of purchasing, contracting and payment, to make it more understandable and less expensive. Finance Operations staff also communicate regulatory requirements relating to purchasing and payment, and provide technical assistance to departments. MWESB programs are designed to support the growth of minority-owned, women-owned, and other emerging small businesses. As a result, they are part of the County's efforts to strengthen the local economy, and thus support the Thriving Economy goals.

### **Performance Measures**

- % of bills paid in 30 days: - (baseline 11/04 - 1/05): 86% Expectation to maintain or improve in FY 06, as a result of shifting more payments to electronic payment methods.
- % of travel/training settlements accomplished in two weeks: - (baseline 11/04 - 1/05): 96%. Expectaion to improve in FY 06 as a result of revisions of processing protocols.
- % of payments for materials & services to MWESB vendors: target 2%, FY04Q1 1.72%, FY05Q1 4.88% Expectation to improve in FY 06 as a result of improved outreach efforts.

### **Summary of last year's program results and this year's expected results**

Finance Ops was formed in December 2003. First year results included: (1) establishing an initial set of performance measures and data collection methods, (2) identifying process improvement projects in the areas of procurement / contracting and bill paying, (3) begin implementation efforts that will lead to simplifying the way we make small purchases, pay for travel, process contract renewals and buy goods off requirement contracts, (4) assessed the workload and shifted work to cover extended staff absences.

In its next year, Finance Ops will (1) improve and add to its performance measures, (2) implement process improvements\* that have been identified, and (3) shift work to allow the Division to continue to meet volume/quality requirements without re-filling all vacancies.

\*Examples include: full implementation of department travel cards, expanded use of electronic methods for making payments, revision of administrative procedures regulating use of procurement cards, and implementation of new contracts tracking system.

### Program Mandate: 4 Program and Funding Level Choice

Finance Operations is not mandated; however, State law and administrative rules specify how public organizations buy goods and services, pay bills and account for funds. As long as the County operates, these functions must be performed in accordance with applicable laws/rules.

### Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
<b>Program Expenses</b>	2005	2005	2006	2006
Personnel	\$0	\$5,670,390	\$0	\$4,342,715
Contracts	\$0	\$127,309	\$0	\$516,777
Materials & Supplies	\$0	\$325,286	\$0	\$82,477
Internal Services	\$1,442,080	\$335,460	\$0	\$468,537
Subtotal: Direct Exps:	<b>\$1,442,080</b>	<b>\$6,458,445</b>	<b>\$0</b>	<b>\$5,410,506</b>
Administration	\$0	\$0	\$0	\$234,160
Program Support	\$0	\$0	\$0	\$0
Subtotal: Other Exps:	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$234,160</b>
Total GF/non-GF:	<b>\$1,442,080</b>	<b>\$6,458,445</b>	<b>\$0</b>	<b>\$5,644,666</b>
Program Total:	<b>\$7,900,525</b>		<b>\$5,644,666</b>	
Program FTE	0.00	0.00	0.00	58.60
<b>Program Revenues</b>				
Fees, Permits & Charges	\$0	\$11,190,812	\$0	\$5,840,941
Other / Miscellaneous	\$0	\$4,000	\$0	\$0
Program Revenue for Admin	\$0	\$0	\$0	\$0
<b>Total Revenue:</b>	<b>\$0</b>	<b>\$11,194,812</b>	<b>\$0</b>	<b>\$5,840,941</b>

### Explanation of Revenues

Finance Operations was funded in FY 05 with a combination of internal service charges and General Funds. In FY 06, all revenues will come from internal service charges. Charges are established through a cost allocation method based on use of services in a prior year.

### Significant Program Changes

Over the past year, Finance Operations' mission has been narrowed to focus on three areas used by all or most departments -- procurement/contracting, accounts payables, and posting non-medical deposits. Staff (and budget) involved in other sorts of financial transactions (e.g., medical AR, grant accounting) have returned to line departments (15.5) FTE, Finance Operations Admin cut (0.5)FTE. CPCA 1.5 FTE added in FY 06.

FY 05 Adopted 73.1 FTE, FY 06 Proposed 58.6 FTE, Net (14.5) FTE