

Department of Finance

Mission To protect and maintain the fiscal integrity and financial solvency of the County government.

Connection to the Countywide Strategic Plan

The Fairfax County Board of Supervisors adopted the first-ever Countywide Strategic Plan on October 5, 2021. The Countywide Strategic Plan serves as a road map to help guide future work, focusing on the 10 Community Outcome Areas that represent the issues of greatest importance to the community. In February of 2023, the first Annual Report on the work of the strategic plan was released to the public. The report contains point-in-time progress highlights for each of the proposed plan strategies, plus a sample data dashboard and data story that is being replicated across all of the outcome areas, and a number of additional initiatives to embed the elements of the plan within department-level work. The report also includes a Year Two Implementation Model, which focuses on identifying the specific strategies that will move forward to implementation under the guidance of the Board of Supervisors. For more information on the Countywide Strategic Plan, please visit www.fairfaxcounty.gov/strategicplan. The Department of Finance primarily supports the following Community Outcome Area:



Community Outcome Area	Vision Statement
Effective and Efficient Government	<i>All people trust that their government responsibly manages resources, is responsible to their needs, provides exceptional services and equitably represents them.</i>

Focus The Department of Finance serves the residents of Fairfax County, its vendors and partners, and agencies throughout the County. The department’s five business areas are Financial Control and Compliance, Investing and Cash Flow Management, Accounting and Financial Reporting, Payment of Countywide Obligations, and Risk Management, all of which work together to meet the department’s core business functions. These functions include ensuring accurate processing of financial transactions; investing County cash resources prudently and effectively; identifying and mitigating risk of loss of County financial resources; paying countywide obligations; and ensuring timely reporting of financial data to the governing body, rating agencies, and the public.

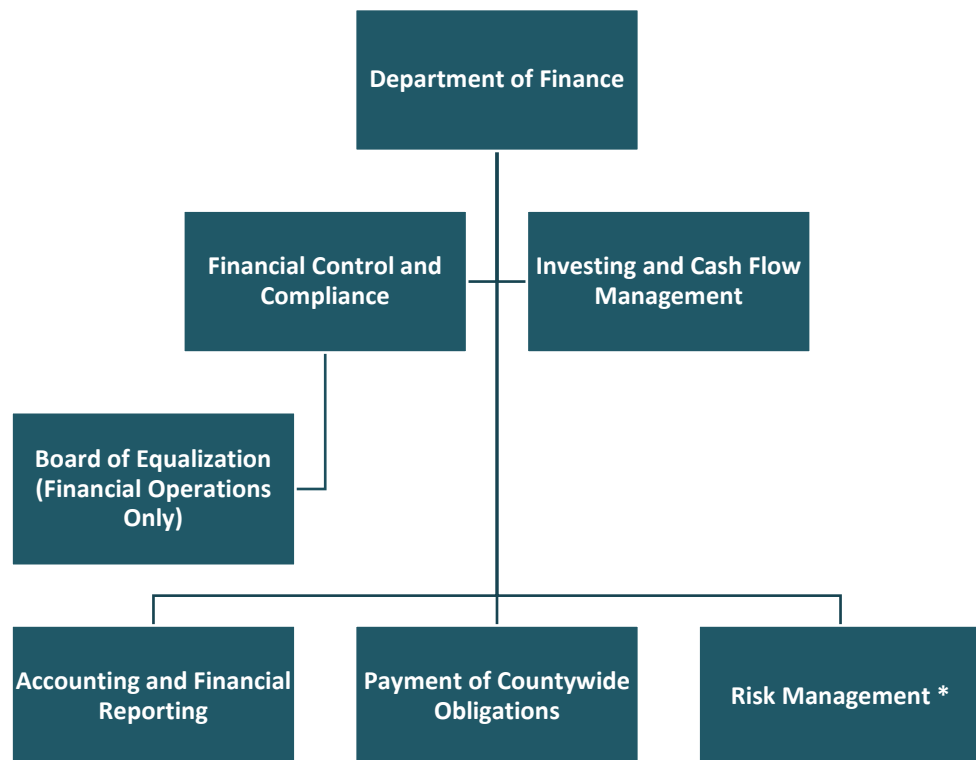
In providing optimal service to its customers, the department remains cognizant of the following:

- Partnering with other County departments to make the most efficient use of resources is essential to achieving related objectives.
- The department’s operating units must support and complement each other to achieve corporate missions. Business processes must be continuously examined and refined to achieve maximum efficiency.

- Changes in countywide requirements and priorities, federal and state legislation, and regulatory mandates require a flexible, responsive organization.
- Customers expect and deserve high quality service and access to the most advanced technology available.

In FY 2024, the department will continue to pursue its aggressive strategic plan that focuses on efficiency of operations through new technology, especially in the areas of electronic commerce and web-based applications with trading partners and external service providers. The department completed the implementation of lease accounting software in FY 2022 and continues to train countywide financial staff regarding automated system use and the requirements of new governmental accounting pronouncements related to leases. The objectives of ever-improving services to customers and positive returns on investments will be pursued vigorously in all business areas. The Department of Finance, responsible for countywide financial policy management oversight, will direct training and outreach efforts to review industry changes for impacts that require modification to existing or creation of new policies to ensure efficient financial processes and effective internal controls.

Organizational Chart



* The Risk Management budget and program information are reported separately in Fund 60000, County Insurance.

Budget and Staff Resources

Category	FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2024 Advertised	FY 2024 Adopted
FUNDING					
Expenditures:					
Personnel Services	\$4,926,702	\$5,398,880	\$5,398,880	\$5,667,090	\$5,818,641
Operating Expenses	4,584,640	4,847,663	4,847,663	4,847,663	4,847,663
Subtotal	\$9,511,342	\$10,246,543	\$10,246,543	\$10,514,753	\$10,666,304
Less:					
Recovered Costs	(\$801,203)	(\$751,697)	(\$751,697)	(\$751,697)	(\$751,697)
Total Expenditures	\$8,710,139	\$9,494,846	\$9,494,846	\$9,763,056	\$9,914,607
Income:					
State Shared Finance Expenses	\$374,701	\$359,951	\$391,875	\$411,469	\$411,469
State Shared Retirement - Finance	7,413	7,181	7,181	7,540	7,540
Total Income	\$382,114	\$367,132	\$399,056	\$419,009	\$419,009
NET COST TO THE COUNTY	\$8,328,025	\$9,127,714	\$9,095,790	\$9,344,047	\$9,495,598
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	61 / 61	61 / 61	61 / 61	61 / 61	61 / 61

FY 2024 Funding Adjustments

The following funding adjustments from the FY 2023 Adopted Budget Plan are necessary to support the FY 2024 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the Budget on May 9, 2023.

Employee Compensation \$408,932
 An increase of \$408,932 in Personnel Services includes \$293,699 for a 5.44 percent market rate adjustment (MRA) for all employees, and \$101,866 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2022. The remaining increase of \$13,367 is included to support employee retention and recruitment efforts that will reduce pay compression and align the County's pay structures with the market based on benchmark data.

Board of Equalization Stipends \$45,000
 An increase of \$45,000 is included to cover the cost of increasing from \$200 to \$300 per meeting the stipend that members of the Board of Equalization receive.

Targeted Vacancy Savings (\$34,171)
 A decrease of \$34,171 is included to recognize targeted vacancy savings. Although the County has taken actions to reduce the vacancy rate, it is anticipated that vacancies will remain high for the foreseeable future, generating flexibility in agency budgets.

**Changes to
FY 2023
Adopted
Budget Plan**

The following funding adjustments reflect all approved changes in the FY 2023 Revised Budget Plan since passage of the FY 2023 Adopted Budget Plan. Included are all adjustments made as part of the FY 2022 Carryover Review, FY 2023 Third Quarter Review, and all other approved changes through April 30, 2023.

There have been no adjustments to this agency since approval of the FY 2023 Adopted Budget Plan.

Cost Centers

The four General Fund cost centers of the Department of Finance are Financial Control and Compliance, Investing and Cash Flow Management, Accounting and Financial Reporting, and Payment of Countywide Obligations. These distinct program areas work to fulfill the mission and carry out the key initiatives of the Department of Finance. The fifth cost center, Risk Management, is addressed separately in Fund 60000, County Insurance.

Financial Control and Compliance

The Financial Control and Compliance cost center provides oversight and accounting of non-tax revenues and accounts receivable, bank reconciliation, and bank exception processing; oversees check processing and department administration functions; develops and maintains financial policies and procedures; serves as a liaison to and advocate for decentralized agencies to assist in finance related activities and policy compliance; and coordinates the development of enhanced modes of communication to inform and instruct their user community on the policies, procedures, products and services provided.

Category	FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2024 Advertised	FY 2024 Adopted
EXPENDITURES					
Total Expenditures	\$3,910,149	\$3,752,557	\$3,752,557	\$3,897,912	\$3,976,015
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	23 / 23	23 / 23	23 / 23	23 / 23	23 / 23

Investing and Cash Flow Management

The Investing and Cash Flow Management cost center is responsible for the investment of County funds and administration of bank and cash management services for all agencies. This cost center provides the following services: investment portfolio management; investment reporting; cash flow analysis; investment revenue forecasting; banking services for County agencies; bank deposit management; and banking issues resolution.

Category	FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2024 Advertised	FY 2024 Adopted
EXPENDITURES					
Total Expenditures	\$995,976	\$774,383	\$774,383	\$804,554	\$830,622
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	9 / 9	9 / 9	9 / 9	9 / 9	9 / 9

Accounting and Financial Reporting

The Accounting and Financial Reporting cost center oversees the financial accounting and reporting activities of the County and determines and implements the impact of new accounting pronouncements; provides accounting training and assistance along with technical guidance on governmental accounting and reporting standards to County agencies; and coordinates the annual independent audit which culminates in the publication of the County's Annual Comprehensive Financial Report together with separate audited financial reports for various components of the County and special financial reports mandated by the state and federal governments.

Category	FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2024 Advertised	FY 2024 Adopted
EXPENDITURES					
Total Expenditures	\$2,717,080	\$3,543,086	\$3,543,086	\$3,584,217	\$3,585,951
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	13 / 13	13 / 13	13 / 13	13 / 13	13 / 13

Payment of Countywide Obligations

The Payment of Countywide Obligations cost center provides centralized invoice processing and payment issuance for all County agencies and component units. The cost center also provides unclaimed property due diligence and the processing of employee reimbursements for all non-payroll related expenses. The cost center maintains strong internal controls to safeguard the payment disbursement process and ensure payments are made timely, in accordance with County policy and the Code of Virginia.

Category	FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2024 Advertised	FY 2024 Adopted
EXPENDITURES					
Total Expenditures	\$1,086,934	\$1,424,820	\$1,424,820	\$1,476,373	\$1,522,019
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	16 / 16	16 / 16	16 / 16	16 / 16	16 / 16

Position Detail

The FY 2024 Adopted Budget Plan includes the following positions:

FINANCIAL CONTROL AND COMPLIANCE - 23 Positions			
1	Director	1	Business Analyst II
2	Chiefs, Finance Division	1	Business Analyst I
3	Financial Reporting Managers	1	Human Resources Generalist I
1	Business Analyst IV	1	Administrative Associate
5	Accountants III	2	Administrative Assistants IV
1	Accountant II	2	Administrative Assistants III
1	Accountant I	1	Administrative Assistant II
INVESTING AND CASH FLOW MANAGEMENT - 9 Positions			
2	Deputy Directors	1	Accountant III
1	Chief, Finance Division	2	Accountants II
2	Investment Analysts	1	Administrative Assistant IV
ACCOUNTING AND FINANCIAL REPORTING - 13 Positions			
1	Chief, Finance Division	4	Accountants III
2	Financial Reporting Managers	6	Accountants II
PAYMENT OF COUNTYWIDE OBLIGATIONS - 16 Positions			
2	Financial Reporting Managers	1	Administrative Associate
1	Management Analyst III	6	Administrative Assistants V
1	Management Analyst II	1	Administrative Assistant IV
1	Accountant II	1	Administrative Assistant III
1	Accountant I	1	Administrative Assistant II

Performance Measurement Results by Community Outcome Area

Effective and Efficient Government

The Financial Control and Compliance cost center continues to provide strong control and management over the County's bank accounts. During FY 2022, 100 percent of the County's bank accounts were reconciled within 30 days.

In FY 2022, the Investing and Cash Flow Management cost center consistently achieved returns above the Local Government Investment Pool (LGIP) benchmark. The Federal Open Market Committee has been increasing short-term interest rates as it attempts to control inflation. Uncertainty and volatility are expected to continue during the next fiscal year. The County's investment policy has been awarded the Certificate of Excellence by the Association of Public Treasurers of the United States and Canada since 1998.

The Accounting and Financial Reporting cost center met all statutory, regulatory, and external mandates for timely, comprehensive financial reporting. For 44 years, the high quality of the County's Annual Comprehensive Financial Report has earned the Certification of Achievement for Excellence in Financial Reporting awarded through peer review by the Government Finance Officers Association of the United States and Canada.

The Payment of Countywide Obligations cost center comprises accounts payable and payment issuance operations (check-writing and electronic bank transfers) delivering centralized service to County agencies and multiple authorities and component units. While the number of initiated payments remains high, the number of checks produced continues to decrease as a result of ongoing efforts to consolidate payments and to implement e-commerce initiatives. These tools have capitalized on the capabilities of the FOCUS financial system and provided additional process improvements across the County. In addition, the cost center has begun working on system enhancements to payment processing that will increase efficiencies in workflow management.

Community Outcome Area	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimate	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Effective and Efficient Government						
Financial Sustainability and Trustworthiness						
Annual Comprehensive Financial Report awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes	Yes	Yes	Yes
Cost savings achieved through the use of electronic payment initiatives	NA	\$62,550	\$67,600	\$73,689	\$73,500	\$73,500
Cost per payment (check or electronic payments)	\$1.10	\$1.15	\$1.15	\$1.09	\$1.15	\$1.15
Percent of bank accounts reconciled within 30 days	100%	100%	100%	100%	100%	100%
Percent of industry standard benchmark achieved: liquidity portfolio	NA	141%	105%	130%	108%	108%
Percent of industry standard benchmark achieved: extended maturity portfolio	NA	807%	176%	213%	105%	105%
Percent of investment transactions in compliance with policy requirements	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Customer Satisfaction with County Services						
Unmodified opinion received from external auditors	NA	Yes	Yes	Yes	Yes	Yes
Percent of customer requests processed within the established standards	NA	100%	100%	100%	100%	100%

A complete list of performance measures can be viewed at
<https://www.fairfaxcounty.gov/budget/fy-2024-adopted-performance-measures-pm>