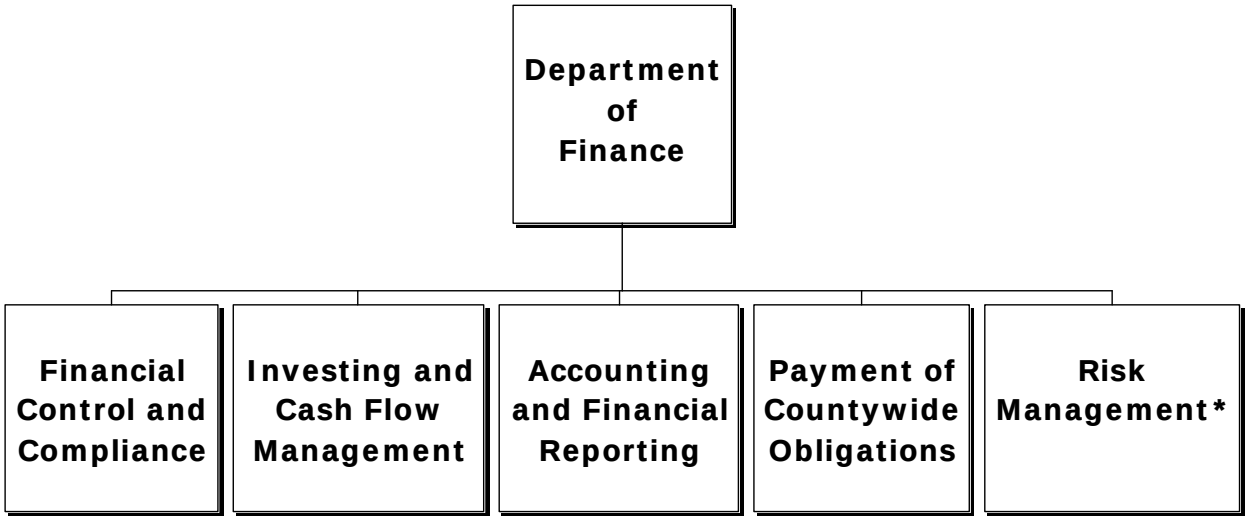
Department of Finance



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

Mission

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

AGENCY DASHBOARD			
Key Data	FY 2011	FY 2012	FY 2013
1. Funds and agency accounts analyzed	142	159	161
2. Debt issuances serviced	36	40	36
3. Federal grants supported	279	386	370
4. Payments initiated	48,573	81,836	92,346
5. Checks issued	206,442	205,547	181,270
6. Investment transactions executed	528	630	947

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.

Department of Finance

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.

The Department of Finance supports the following County Vision Element:

Exercising Corporate Stewardship

- 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 2015, the department will develop and implement new processes that utilize capabilities of the County's robust Enterprise Resource Planning system. In addition, 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 objectives of ever-improving service to customers and positive returns on investments will be pursued vigorously in all business areas.

Budget and Staff Resources

Category	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised
FUNDING				
Expenditures:				
Personnel Services	$4,485,208	$3,933,415	$4,038,165	$3,885,356
Operating Expenses	5,144,354	5,205,634	5,768,509	5,211,134
Subtotal	$9,629,562	$9,139,049	$9,806,674	$9,096,490
Less:				
Recovered Costs	($429,824)	($751,697)	($751,697)	($751,697)
Total Expenditures	$9,199,738	$8,387,352	$9,054,977	$8,344,793
Income:				
State Shared Finance Expenses	$307,626	$286,878	$316,855	$316,855
State Shared Retirement - Finance	6,388	8,579	8,579	8,579
Total Income	$314,014	$295,457	$325,434	$325,434
NET COST TO THE COUNTY	$8,885,724	$8,091,895	$8,729,543	$8,019,359
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	66 / 66	55 / 55	54 / 54	54 / 54

FY 2015 Funding Adjustments

The following funding adjustments from the FY 2014 Adopted Budget Plan are necessary to support the FY 2015 program.

- **Employee Compensation** **$50,741**
  An increase of $50,741 in Personnel Services reflects funding for a 1.29 percent market rate adjustment for all employees in FY 2015, effective July 2014.

- **PC Replacement** **$5,500**
  An increase of $5,500 is included for PC replacement charges to reflect both updated inventory counts and revised costs, primarily associated with licenses and software requirements, following the review of the PC Replacement Program conducted in FY 2014.

- **Position Adjustment** **($98,800)**
  A decrease of $98,800 is associated with 1/1.0 FTE position transferred from the Department of Finance to the Department of Administration for Human Services in FY 2014.

Changes to FY 2014 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2014 Revised Budget Plan since passage of the FY 2014 Adopted Budget Plan. Included are all adjustments made as part of the FY 2013 Carryover Review, and all other approved changes through December 31, 2013:

- **Carryover Adjustments** **$667,625**
  As part of the *FY 2013 Carryover Review*, the Board of Supervisors approved funding of $667,625, including $46,750 in Personnel Services for a one-time compensation adjustment of $850 for merit employees paid in November 2013, $545,875 in encumbered funding in Operating Expenses primarily for audit related costs, and $75,000 in unencumbered funding to cover costs associated with anticipated leave payouts in FY 2014 and the purchase of a new check sealer to package checks for mailing.

- **Position Adjustment** **$0**
  In order to properly align staff with workload requirements, 1/1.0 FTE position was transferred from the Department of Finance to the Department of Administration for Human Services. A funding adjustment is included in the FY 2015 budget.

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 Fund.

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 our user community on the policies, procedures, products and services provided.

Category	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised
EXPENDITURES				
Total Expenditures	$3,924,256	$3,050,020	$3,201,870	$3,072,931
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	25 / 25	17 / 17	17 / 17	17 / 17

1	Director	1	Financial Reporting Manager	1	Administrative Associate
2	Chiefs, Finance Division	1	Business Analyst IV	1	Administrative Assistant IV
2	Accountants III	1	Info. Tech. Prog. Mgr. I	1	Administrative Assistant III
2	Accountants II	1	Network Telecom. Analyst I	1	Administrative Assistant II
2	Accountants I				

TOTAL POSITIONS
17 Positions / 17.0 FTE

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; investment revenue forecasting; banking services for County agencies; bank deposit management; and banking issues resolution.

Category	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised
EXPENDITURES				
Total Expenditures	$620,953	$671,395	$711,670	$679,066
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	8 / 8	8 / 8	8 / 8	8 / 8

1	Deputy Director	1	Investment Manager	3	Investment Analysts
2	Accountants II	1	Administrative Assistant IV		

TOTAL POSITIONS
8 Positions / 8.0 FTE

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 Comprehensive Annual Financial Report (CAFR) 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 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised
EXPENDITURES				
Total Expenditures	$3,515,709	$3,761,717	$4,223,617	$3,678,738
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	15 / 15	14 / 14	13 / 13	13 / 13

1	Chief, Finance Division	4	Accountants III	1	Accountant I
2	Financial Reporting Managers	5	Accountants II		

TOTAL POSITIONS
13 Positions / 13.0 FTE

Payment of Countywide Obligations

The Payment of Countywide Obligations Cost Center provides centralized internal controls over County financial systems and accounts payable operations by offering training and support to over 90 County agencies.

Category	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised
EXPENDITURES				
Total Expenditures	$1,138,820	$904,220	$917,820	$914,058
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	18 / 18	16 / 16	16 / 16	16 / 16

1	Chief, Finance Division	2	Accountants II	1	Administrative Assistant II
1	Financial Reporting Manager	1	Accountant I	1	Administrative Associate
1	Management Analyst III	5	Administrative Assistants V		
1	Accountant III	2	Administrative Assistants IV		

TOTAL POSITIONS)
16 Positions / 16.0 FTE

Key Performance Measures

Indicator	Prior Year Actuals FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate/Actual	Current Estimate FY 2014	Future Estimate FY 2015
Financial Control and Compliance					
Percent of bank accounts reconciled within 30 days	100%	100%	100%/100%	100%	100%
Investing and Cash Flow Management					
Percent of timely bank services fully meeting customer expectations	98%	98%	98%/98%	98%	98%
Percent of industry-standard yield achieved	353%	380%	150%/316%	150%	150%
Percent of days target cash balance was met	100%	100%	100%/100%	100%	100%
Accounting and Financial Reporting					
Unqualified audit opinions	Yes	Yes	Yes/Yes	Yes	Yes
Percent of mandated requirements satisfied for all audited financial reports issued by the Department of Finance	100%	100%	100%/100%	100%	100%
Payment of Countywide Obligations					
Percent of payees rating payment system fully satisfactory[1]	97%	NA	97%/ 97%	97%	97%
Percent change in processing efficiency resulting from use of e-commerce	5.0%	5.0%	5.0%/5.0%	5.0%	5.0%

(1) Performance measures for this indicator were not available in FY 2012 due to process changes within the agency.

A complete list of performance measures can be viewed at www.fairfaxcounty.gov/dmb/fy2015/advertised/pm/06.pdf

Performance Measurement Results

The Financial Control and Compliance Cost Center maintains the Data Analysis Retrieval Tool as the historical repository of financial data existing prior to the FY 2011 implementation of the County's current automated financial information system. It is the primary means of retrieving this historical financial information. This tool leverages the County's web technology and allows users timely access to three years of historical financial data. This capability empowers managers and administrators in a decentralized environment to better analyze and forecast financial information. In addition, the cost center continues to improve access to County programs and services by making available convenient methods of payments, such as credit cards and e-checks.

In FY 2013, the Investing and Cash Flow Management Cost Center maintained a strong level of customer satisfaction. Although the U.S. economy and money markets produced record low interest rates, the cost center achieved investment returns above the benchmarks for municipalities of comparable size and complexity. For the seventeenth consecutive year, the County's investment policy was awarded the Certificate of Excellence by the Association of Public Treasurers of the United States and Canada.

The Accounting and Financial Reporting Cost Center met all statutory, regulatory and external mandates for timely, comprehensive financial reporting. For 35 consecutive years, the high quality of the County's Comprehensive Annual 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 cost center has seen an increase in initiated payments, the number of checks produced continues to decrease as a result of on-going efforts to consolidate payments and to implement e-commerce initiatives with departments. These tools have capitalized on the capabilities of the FOCUS system and provided additional process improvements across the County.