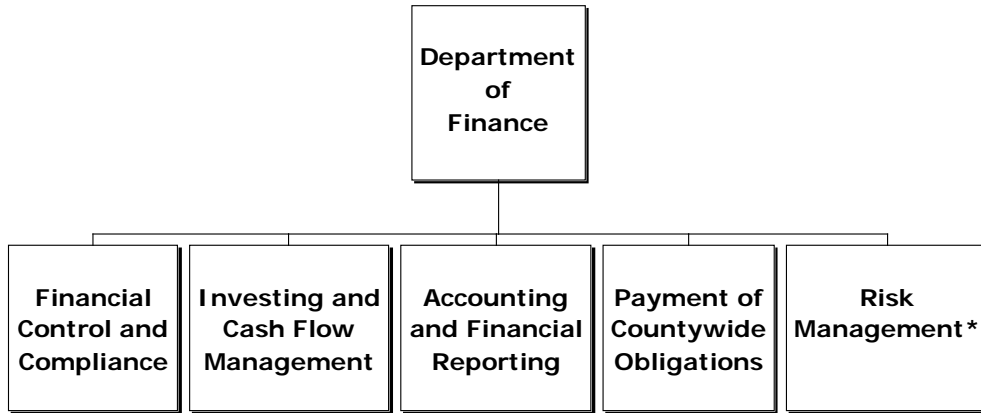


Department of Finance



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

Mission

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

AGENCY DASHBOARD				
Key Data	FY 2015	FY 2016	FY 2017	
1. Funds and agency accounts analyzed	168	176	178	
2. Debt issuances serviced	43	43	40	
3. Federal grants supported	407	408	439	
4. Payments initiated	105,750	92,693	92,583	
5. Checks issued	162,901	153,739	153,306	
6. Investment transactions executed	611	488	484	

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 and accurate 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.


Department of Finance

- ◆ 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.


The Department of Finance supports the following County Vision Elements:



Connecting People and Places



Maintaining Healthy Economies



Exercising Corporate Stewardship

In FY 2019, 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 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised
FUNDING				
Expenditures:				
Personnel Services	\$4,299,589	\$4,177,336	\$4,177,336	\$4,708,789
Operating Expenses	4,654,367	5,185,328	5,968,755	4,825,713
Subtotal	\$8,953,956	\$9,362,664	\$10,146,091	\$9,534,502
Less:				
Recovered Costs	(\$820,039)	(\$751,697)	(\$751,697)	(\$751,697)
Total Expenditures	\$8,133,917	\$8,610,967	\$9,394,394	\$8,782,805
Income:				
State Shared Finance Expenses	\$334,295	\$335,064	\$335,064	\$335,064
State Shared Retirement - Finance	6,714	8,579	8,579	8,579
Total Income	\$341,009	\$343,643	\$343,643	\$343,643
NET COST TO THE COUNTY	\$7,792,908	\$8,267,324	\$9,050,751	\$8,439,162
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	55 / 55	56 / 56	56 / 56	56 / 56

FY 2019 Funding Adjustments

The following funding adjustments from the FY 2018 Adopted Budget Plan are necessary to support the FY 2019 program.

- ◆ **Employee Compensation** **\$171,838**
 An increase of \$171,838 in Personnel Services includes \$93,989 for a 2.25 percent market rate adjustment (MRA) for all employees and \$77,849 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2018.

Department of Finance

Changes to FY 2018 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2018 Revised Budget Plan since passage of the FY 2018 Adopted Budget Plan. Included are all adjustments made as part of the FY 2017 Carryover Review, and all other approved changes through December 31, 2017.

- ◆ **Carryover Adjustments** **\$783,427**
 As part of the FY 2017 Carryover Review, the Board of Supervisors approved funding of \$666,266 as encumbered funding primarily for audit-related costs, a utility bill paying service, centralized invoice imaging, and consulting services to review the County’s investment policy. The Board approved funding of \$98,000 in unencumbered carryover for the hardware and training costs necessary to meet compliance with Payment Card Industry (PCI) standards. In addition, \$19,161 was approved as part of the Incentive Reinvestment Initiative that allowed agencies to identify savings and efficiencies in FY 2017 and retain a portion to reinvest in employee training and other employee development and succession planning opportunities.

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 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised
EXPENDITURES				
Total Expenditures	\$3,005,731	\$3,276,298	\$3,454,747	\$3,324,737
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	18 / 18	19 / 19	20 / 20	20 / 20
1 Director	2 Accountants II	1 Human Resources Generalist I		
3 Chiefs, Finance Division	1 Network/Telecom Analyst I	1 Administrative Assistant IV		
1 Financial Reporting Manager	1 Business Analyst I	1 Administrative Assistant III		
1 Business Analyst IV	2 Accountants I	1 Administrative Assistant II		
4 Accountants III				
TOTAL POSITIONS				
20 Positions / 20.0 FTE				

Department of Finance

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 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised
EXPENDITURES				
Total Expenditures	\$726,509	\$728,321	\$748,321	\$701,392
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	8 / 8	8 / 8	8 / 8	8 / 8
1 Deputy Director	2 Investment Analysts	2 Accountants II		
1 Investment Manager	1 Management Analyst III	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 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised
EXPENDITURES				
Total Expenditures	\$3,065,997	\$3,625,475	\$4,200,953	\$3,486,667
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	13 / 13	13 / 13	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				

Department of Finance

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, oversight, and support to over 90 County agencies.

Category	FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised
EXPENDITURES				
Total Expenditures	\$1,335,680	\$980,873	\$990,373	\$1,270,009
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	16 / 16	16 / 16	15 / 15	15 / 15
2 Financial Reporting Managers	1 Accountant I	1 Administrative Assistant IV		
1 Accountant III	1 Administrative Associate	1 Administrative Assistant II		
2 Accountants II	6 Administrative Assistants V			
TOTAL POSITIONS				
15 Positions / 15.0 FTE				

Key Performance Measures

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimate/Actual	FY 2018	FY 2019
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	362%	213%	150%/148%	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	97%	96%	97%/97%	97%	97%
Percent change in processing efficiency resulting from use of e-commerce	4.3%	9.4%	7.0%/6.0%	5.0%	7.5%

A complete list of performance measures can be viewed at
<https://www.fairfaxcounty.gov/budget/fy-2019-advertised-performance-measures-pm>

Department of Finance

Performance Measurement Results

The Financial Control and Compliance cost center continues to provide strong control and management over the County's bank accounts. During FY 2017, 100 percent of the County's bank accounts were reconciled within 30 days.

In FY 2017, the Investing and Cash Flow Management cost center consistently achieved returns above the Local Government Investment Pool (LGIP) benchmark. The Federal Open Market Committee began increasing short term interest rates and expects to continue, albeit very slowly. 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 39 years, the high quality of the County's Comprehensive Annual Financial Report (CAFR) 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 on-going 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 continues to improve access to County programs and services by making available convenient methods of payments, such as credit cards and e-checks.