

Department of Finance

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

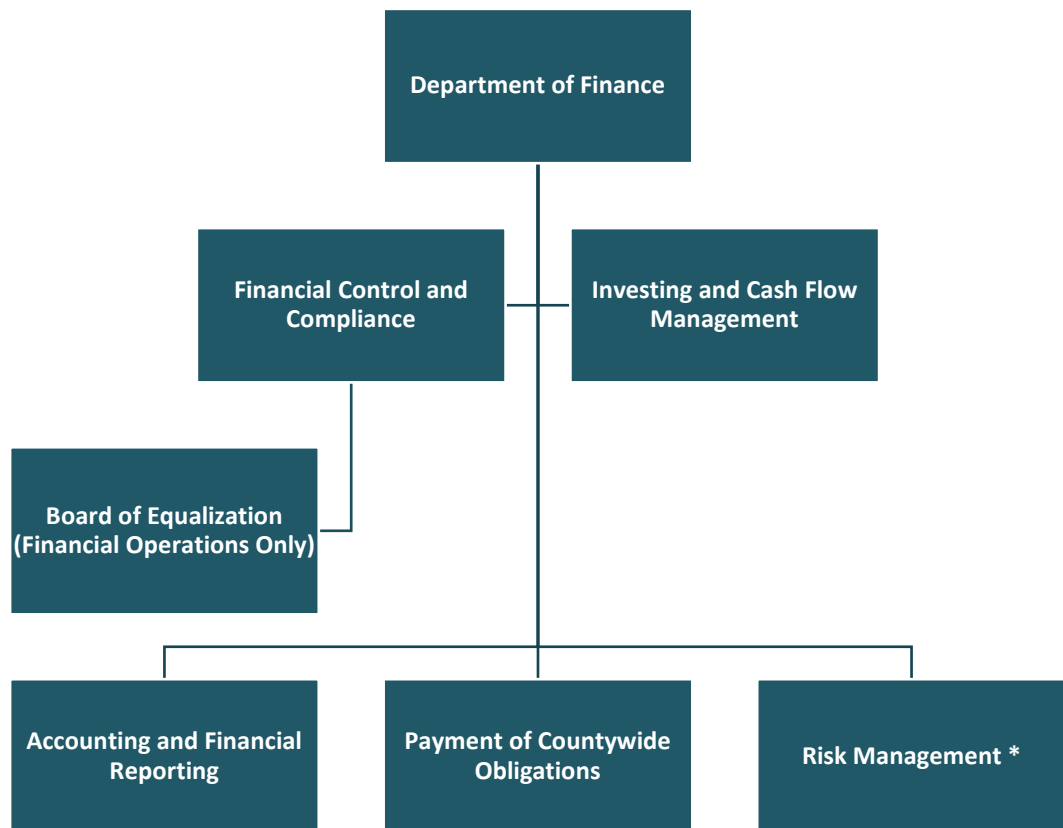
Focus The Department of Finance serves the residents of Fairfax County, its vendors and partners, and agencies throughout the County. The department's five business areas are Financial Control and Compliance, Investing and Cash Flow Management, Accounting and Financial Reporting, Payment of Countywide 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 2021, 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. The Department of Finance, along with the Department of Information Technology and the Department of Management and Budget, has begun system enhancements to invoice processing, creating a more automated workflow management system that will increase efficiencies and improve internal control measures.

Organizational Chart



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

Budget and Staff Resources

Category	FY 2019 Actual	FY 2020 Adopted	FY 2020 Revised	FY 2021 Advertised
FUNDING				
Expenditures:				
Personnel Services	\$4,682,648	\$4,913,119	\$4,991,055	\$5,228,225
Operating Expenses	4,938,495	4,825,713	4,963,702	4,847,663
Subtotal	\$9,621,143	\$9,738,832	\$9,954,757	\$10,075,888
Less:				
Recovered Costs	(\$756,227)	(\$751,697)	(\$751,697)	(\$751,697)
Total Expenditures	\$8,864,916	\$8,987,135	\$9,203,060	\$9,324,191
Income:				
State Shared Finance Expenses	\$343,445	\$350,868	\$359,951	\$359,951
State Shared Retirement - Finance	6,796	8,579	7,181	7,181
Total Income	\$350,241	\$359,447	\$367,132	\$367,132
NET COST TO THE COUNTY	\$8,514,675	\$8,627,688	\$8,835,928	\$8,957,059
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	57 / 57	57 / 57	61 / 61	61 / 61

**FY 2021
Funding
Adjustments**

The following funding adjustments from the FY 2020 Adopted Budget Plan are necessary to support the FY 2021 program:

Employee Compensation **\$175,620**
An increase of \$175,620 in Personnel Services includes \$101,209 for a 2.06 percent market rate adjustment (MRA) for all employees and \$74,411 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2020.

Transfer of support for the Board of Equalization **\$83,500**
An increase of \$83,500, including \$61,550 in Personnel Services and \$21,950 in Operating Expenses, is associated with the transfer of financial operations support for the Board of Equalization from Agency 57, Department of Tax Administration, to Agency 06, Department of Finance.

Position Adjustment **\$77,936**
An increase of \$77,936 is associated with 1/1.0 FTE position transferred from Agency 02, Office of the County Executive, to the Department of Finance in FY 2020.

**Changes to
FY 2020
Adopted
Budget Plan**

The following funding adjustments reflect all approved changes in the FY 2020 Revised Budget Plan since passage of the FY 2020 Adopted Budget Plan. Included are all adjustments made as part of the *FY 2019 Carryover Review*, and all other approved changes through December 31, 2019.

Carryover Adjustments **\$137,989**
As part of the *FY 2019 Carryover Review*, the Board of Supervisors approved funding of \$72,549 as encumbered funding primarily for a utility bill paying service and audit-related costs. The Board approved funding of \$65,440 in unencumbered carryover for the hardware and training costs necessary to meet compliance with Payment Card Industry standards and for hardware and training costs needed to meet Accounts Payable vendor invoice management system requirements.

Redirection of Position **\$77,936**
As part of the *FY 2019 Carryover Review*, the Board of Supervisors approved the redirection of 1/1.0 FTE position to the Department of Finance to better align work resources.

Reclassification of Non-Merit Benefits Eligible Positions to Merit **\$0**
As part of an ongoing Board-directed review of the County's use of limited-term staffing, 3/3.0 FTE new merit positions are included due to the reclassification of non-merit benefits-eligible positions to merit status. These are part of a total of 235 positions that were identified in the *FY 2019 Carryover Review* across all County agencies as candidates for possible conversion based on the tasked performed by each position and the hours worked by incumbents. No additional funding has been included as the work hours of these positions are expected to remain largely unchanged.

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 2019 Actual	FY 2020 Adopted	FY 2020 Revised	FY 2021 Advertised
EXPENDITURES				
Total Expenditures	\$3,164,103	\$3,424,130	\$3,490,260	\$3,681,407
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	21 / 21	21 / 21	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 2019 Actual	FY 2020 Adopted	FY 2020 Revised	FY 2021 Advertised
EXPENDITURES				
Total Expenditures	\$798,548	\$727,835	\$806,463	\$750,913
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	8 / 8	8 / 8	8 / 8	8 / 8

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 2019 Actual	FY 2020 Adopted	FY 2020 Revised	FY 2021 Advertised
EXPENDITURES				
Total Expenditures	\$3,692,130	\$3,522,757	\$3,593,335	\$3,510,815
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	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 2019 Actual	FY 2020 Adopted	FY 2020 Revised	FY 2021 Advertised
EXPENDITURES				
Total Expenditures	\$1,210,135	\$1,312,413	\$1,313,002	\$1,381,056
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	15 / 15	15 / 15	17 / 17	17 / 17

Position Detail

The FY 2021 Advertised Budget Plan includes the following positions:

FINANCIAL CONTROL AND COMPLIANCE - 23 Positions			
1	Director	1	Network/Telecom Analyst I
3	Chiefs, Finance Division	1	Business Analyst I
2	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 - 8 Positions			
1	Deputy Director	1	Accountant III
1	Investment Manager	2	Accountants II
2	Investment Analysts	1	Administrative Assistant IV
ACCOUNTING AND FINANCIAL REPORTING - 13 Positions			
1	Chief, Finance Division	5	Accountants III
2	Financial Reporting Managers	5	Accountants II
PAYMENT OF COUNTYWIDE OBLIGATIONS - 17 Positions			
2	Financial Reporting Managers	1	Administrative Associate
1	Management Analyst III	6	Administrative Assistants V
3	Accountants II	1	Administrative Assistant IV
1	Accountant I	1	Administrative Assistant III
		1	Administrative Assistant II

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 2019, 100 percent of the County's bank accounts were reconciled within 30 days.

In FY 2019, 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 and decreasing short term interest rates. 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 41 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 has begun working on system enhancements to payment processing that will increase efficiencies in workflow management.

Indicator	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate/Actual	FY 2020 Estimate	FY 2021 Estimate
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%/100%	100%	100%
Percent of industry-standard yield achieved	148%	106%	110%/105%	110%	110%
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%	97%	98%/93%	95%	98%
Percent change in processing efficiency resulting from use of e-commerce	6.0%	7.0%	7.0%/7.0%	7.0%	7.0%

A complete list of performance measures can be viewed at <https://www.fairfaxcounty.gov/budget/fy-2021-advertised-performance-measures-pm>