

Department of Finance

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

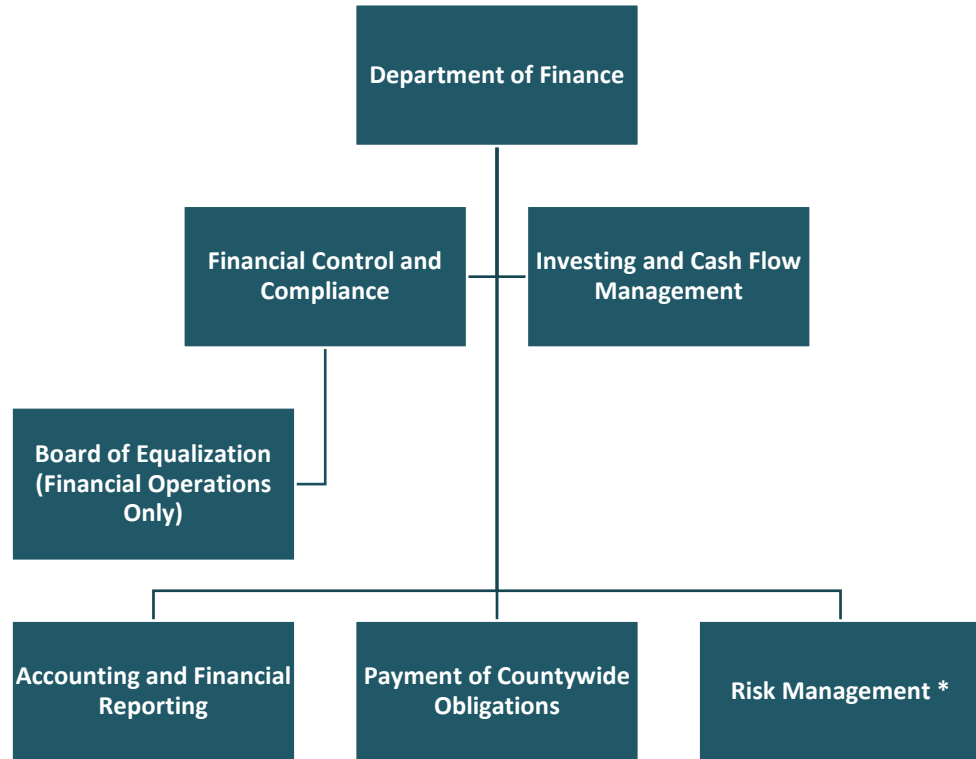
Focus The Department of Finance serves the residents of Fairfax County, its vendors and partners, and agencies throughout the County. The department's five business areas are Financial Control and Compliance, Investing and Cash Flow Management, Accounting and Financial Reporting, Payment of Countywide 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 2023, 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 will complete the implementation of lease accounting software and 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 2021 Actual	FY 2022 Adopted	FY 2022 Revised	FY 2023 Advertised	FY 2023 Adopted
FUNDING					
Expenditures:					
Personnel Services	\$5,126,884	\$5,103,130	\$5,159,630	\$5,398,880	\$5,398,880
Operating Expenses	4,538,352	4,847,663	4,847,663	4,847,663	4,847,663
Subtotal	\$9,665,236	\$9,950,793	\$10,007,293	\$10,246,543	\$10,246,543
Less:					
Recovered Costs	(\$781,973)	(\$751,697)	(\$751,697)	(\$751,697)	(\$751,697)
Total Expenditures	\$8,883,263	\$9,199,096	\$9,255,596	\$9,494,846	\$9,494,846
Income:					
State Shared Finance Expenses	\$356,641	\$359,951	\$359,951	\$359,951	\$359,951
State Shared Retirement - Finance	7,057	7,181	7,181	7,181	7,181
Total Income	\$363,698	\$367,132	\$367,132	\$367,132	\$367,132
NET COST TO THE COUNTY	\$8,519,565	\$8,831,964	\$8,888,464	\$9,127,714	\$9,127,714
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	61 / 61	61 / 61	61 / 61	61 / 61	61 / 61

**FY 2023
Funding
Adjustments**

The following funding adjustments from the FY 2022 Adopted Budget Plan are necessary to support the FY 2023 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 10, 2022.

Employee Compensation \$295,750

An increase of \$295,750 in Personnel Services includes \$204,636 for a 4.01 percent market rate adjustment (MRA) for all employees and \$91,114 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2022.

**Changes to
FY 2022
Adopted
Budget Plan**

The following funding adjustments reflect all approved changes in the FY 2022 Revised Budget Plan since passage of the FY 2022 Adopted Budget Plan. Included are all adjustments made as part of the FY 2021 Carryover Review, FY 2022 Mid-Year Review, FY 2022 Third Quarter Review, and all other approved changes through April 30, 2022.

Carryover Adjustments \$56,500

As part of the FY 2021 Carryover Review, the Board of Supervisors approved funding \$56,500 in Personnel Services for a one-time compensation adjustment of \$1,000 for merit employees and \$500 for non-merit employees paid in November 2021.

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 2021 Actual	FY 2022 Adopted	FY 2022 Revised	FY 2023 Advertised	FY 2023 Adopted
EXPENDITURES					
Total Expenditures	\$2,858,135	\$3,629,266	\$3,650,266	\$3,752,557	\$3,752,557
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 2021 Actual	FY 2022 Adopted	FY 2022 Revised	FY 2023 Advertised	FY 2023 Adopted
EXPENDITURES					
Total Expenditures	\$1,024,441	\$732,255	\$741,255	\$774,383	\$774,383
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 2021 Actual	FY 2022 Adopted	FY 2022 Revised	FY 2023 Advertised	FY 2023 Adopted
EXPENDITURES					
Total Expenditures	\$3,860,930	\$3,485,425	\$3,497,925	\$3,543,086	\$3,543,086
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 2021 Actual	FY 2022 Adopted	FY 2022 Revised	FY 2023 Advertised	FY 2023 Adopted
EXPENDITURES					
Total Expenditures	\$1,139,757	\$1,352,150	\$1,366,150	\$1,424,820	\$1,424,820
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	16 / 16	16 / 16	16 / 16	16 / 16	16 / 16

Position Detail

The FY 2023 Adopted Budget Plan includes the following positions:

FINANCIAL CONTROL AND COMPLIANCE - 23 Positions			
1	Director	1	Network/Telecom Analyst I
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	Investment Manager	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	6	Administrative Assistants V
1	Management Analyst III	1	Administrative Assistant IV
2	Accountants II	1	Administrative Assistant III
1	Accountant I	1	Administrative Assistant II
1	Administrative Associate		

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 2021, 100 percent of the County's bank accounts were reconciled within 30 days.

In FY 2021, 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 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 43 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.

Indicator	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2021 Actual	FY 2022 Estimate	FY 2023 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 customer requests processed within the established standards	NA	NA	100%	100%	100%	100%
Percent of industry standard benchmark achieved: liquidity portfolio	NA	NA	106%	141%	105%	108%
Percent of industry standard benchmark achieved: extended maturity portfolio	NA	NA	300%	807%	176%	105%
Percent of investment transactions in compliance with policy requirements	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Accounting and Financial Reporting						
Unmodified opinion received from external auditors	NA	NA	Yes	Yes	Yes	Yes
Annual Comprehensive Financial Report awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes	Yes	Yes	Yes
Payment of Countywide Obligations						
Cost per payment (check or electronic payments)	\$0.34	\$1.10	\$1.15	\$1.15	\$1.15	\$1.15
Cost savings achieved through the use of electronic payment initiatives	NA	NA	\$94,300	\$62,550	\$67,600	\$72,800

A complete list of performance measures can be viewed at
<https://www.fairfaxcounty.gov/budget/fy-2023-adopted-performance-measures-pm>