

# 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, and uses our One Fairfax equity policy to invest in people and places that have limited access to opportunity. On February 20, 2024, the second 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 community outcome areas, plus three data dashboards and data stories that are 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 Three Implementation Model, which will engage hundreds of County subject-matter experts to identify and champion 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](http://www.fairfaxcounty.gov/strategicplan). The Department of Finance primarily supports the following Community Outcome Area:



Community Outcome Area	Vision Statement
<b>Effective and Efficient Government</b>	<i>All people trust that their government responsibly manages resources, is responsive 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.

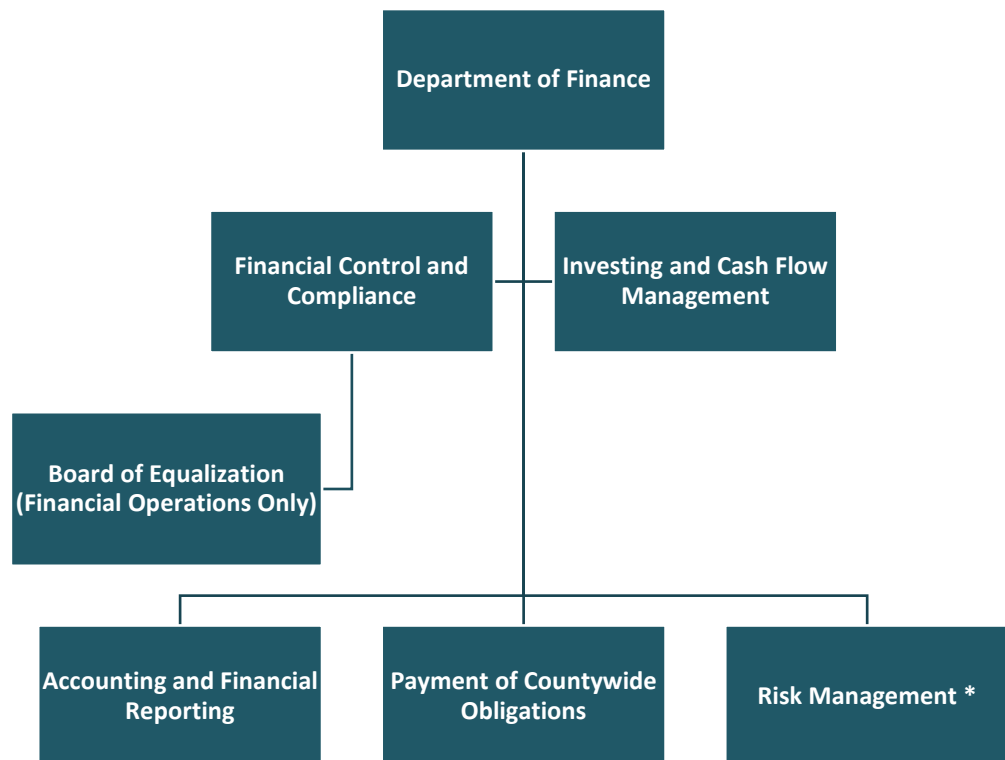
In providing optimal service to its customers, the department remains cognizant of the following:

- 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 2025, 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 ongoing training to 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 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2025 Advertised	FY 2025 Adopted
<b>FUNDING</b>					
<b>Expenditures:</b>					
Personnel Services	\$4,977,423	\$5,818,641	\$5,818,641	\$6,108,081	\$6,108,081
Operating Expenses	4,644,852	4,847,663	4,963,901	4,899,244	4,899,244
<b>Subtotal</b>	<b>\$9,622,275</b>	<b>\$10,666,304</b>	<b>\$10,782,542</b>	<b>\$11,007,325</b>	<b>\$11,007,325</b>
Less:					
Recovered Costs	(\$841,325)	(\$751,697)	(\$751,697)	(\$751,697)	(\$751,697)
<b>Total Expenditures</b>	<b>\$8,780,950</b>	<b>\$9,914,607</b>	<b>\$10,030,845</b>	<b>\$10,255,628</b>	<b>\$10,255,628</b>
<b>Income:</b>					
State Shared Finance Expenses	\$392,059	\$411,469	\$411,469	\$411,469	\$423,936
State Shared Retirement - Finance	7,756	7,540	7,540	7,540	7,540
<b>Total Income</b>	<b>\$399,815</b>	<b>\$419,009</b>	<b>\$419,009</b>	<b>\$419,009</b>	<b>\$431,476</b>
<b>NET COST TO THE COUNTY</b>	<b>\$8,381,135</b>	<b>\$9,495,598</b>	<b>\$9,611,836</b>	<b>\$9,836,619</b>	<b>\$9,824,152</b>
<b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b>					
Regular	61 / 61	61 / 61	61 / 61	60 / 60	60 / 60

**FY 2025 Funding Adjustments**

The following funding adjustments from the *FY 2024 Adopted Budget Plan* are necessary to support the FY 2025 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 7, 2024.

**Employee Compensation** **\$342,276**  
 An increase of \$342,276 in Personnel Services includes \$116,374 for a 2.00 percent market rate adjustment (MRA) for all employees and \$98,566 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2024. The remaining increase of \$127,336 is included for employee pay increases for specific job classes identified in the County's benchmark class survey of comparator jurisdictions.

**Contract Rate Increases** **\$72,894**  
 An increase of \$72,894 is included to support contract rate increases related to the County's external audit services.

**Reductions** **(\$74,149)**  
 A decrease of \$74,149 and 1/1.0 FTE position reflects reductions utilized to balance the FY 2025 budget. The following table provides details on the specific reductions:

Title	Impact	Positions	FTE	Reduction
Eliminate Vacant Administrative Assistant II Position	This reduction of \$52,836 eliminates a vacant Administrative Assistant II position. This position is associated with providing front desk operations, front line customer service, and general department operations in procurement and invoice processing. Since the position has been vacant for more than one year, it is not expected that this reduction will have a negative impact on agency operations. The work responsibilities of this position have since been absorbed by current staff due to office efficiencies.	1	1.0	\$52,836

Title	Impact	Positions	FTE	Reduction
Realize Savings Associated with Temporary Positions	This reduction of \$12,164 is associated with funding for temporary employment services. This reduction will limit the department's ability to offer seasonal paid internships and other staff augmentation needs. The department has filled several positions which offset the effects of the reduction.	0	0.0	\$12,164
Reduce Operating Budget due to Efficiencies and Cost Savings	This reduction will lower Operating Expenses by \$9,149. Due to technological improvements, the Department of Finance can purchase less expensive office equipment while continuing to meet County needs. In addition, the department has reduced its need for paper and other office supplies due to automation. It is not anticipated that this reduction will have a negative impact on agency operations.	0	0.0	\$9,149

**Changes to  
FY 2024  
Adopted  
Budget Plan**

The following funding adjustments reflect all approved changes in the FY 2024 Revised Budget Plan since passage of the FY 2024 Adopted Budget Plan. Included are all adjustments made as part of the FY 2023 Carryover Review, FY 2024 Third Quarter Review, and all other approved changes through April 30, 2024.

**Carryover Adjustments** **\$116,238**  
 As part of the FY 2023 Carryover Review, the Board of Supervisors approved funding of \$116,238 in encumbered carryover for office equipment and audit-related costs.

**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 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2025 Advertised	FY 2025 Adopted
<b>EXPENDITURES</b>					
Total Expenditures	\$4,089,711	\$3,976,015	\$4,092,253	\$4,046,951	\$4,046,951
<b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b>					
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 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2025 Advertised	FY 2025 Adopted
<b>EXPENDITURES</b>					
Total Expenditures	\$924,265	\$830,622	\$830,622	\$905,937	\$905,937
<b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b>					
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 government.

Category	FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2025 Advertised	FY 2025 Adopted
<b>EXPENDITURES</b>					
Total Expenditures	\$2,705,960	\$3,585,951	\$3,585,951	\$3,702,422	\$3,702,422
<b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b>					
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 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2025 Advertised	FY 2025 Adopted
<b>EXPENDITURES</b>					
Total Expenditures	\$1,061,014	\$1,522,019	\$1,522,019	\$1,600,318	\$1,600,318
<b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b>					
Regular	16 / 16	16 / 16	16 / 16	15 / 15	15 / 15

## Position Detail

The FY 2025 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	Treasury Management Analyst II
1	Chief, Finance Division	2	Accountants II
1	Treasury Management Analyst IV	1	Administrative Assistant IV
1	Treasury Management Analyst III		
ACCOUNTING AND FINANCIAL REPORTING - 13 Positions			
1	Chief, Finance Division	4	Accountants III
2	Financial Reporting Managers	6	Accountants II
PAYMENT OF COUNTYWIDE OBLIGATIONS - 15 Positions			
2	Financial Reporting Managers	1	Administrative Associate
1	Management Analyst III	5	Administrative Assistants V
1	Management Analyst II	1	Administrative Assistant IV
1	Management Analyst I	1	Administrative Assistant III
1	Accountant II	0	Administrative Assistants II [-1]
1	Accountant I		
-	Denotes Abolished Position(s) due to Budget Reductions		

## 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 2023, 100 percent of the County's bank accounts were reconciled within 30 days.

In FY 2023, 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 45 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 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.

Community Outcome Area	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
<b>Effective and Efficient Government</b>						
<b>Financial Sustainability and Trustworthiness</b>						
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	\$62,550	\$73,689	\$73,500	\$92,695	\$94,237	\$94,237
Cost per payment (check or electronic payments)	\$1.15	\$1.09	\$1.15	\$1.16	\$1.17	\$1.17
Percent of bank accounts reconciled within 30 days	100%	100%	100%	100%	100%	100%
Percent of industry standard benchmark achieved: liquidity portfolio	141%	130%	108%	107%	108%	108%
Percent of industry standard benchmark achieved: extended maturity portfolio	807%	213%	105%	84%	105%	105%
Percent of investment transactions in compliance with policy requirements	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Customer Satisfaction with County Services</b>						
Unmodified opinion received from external auditors	Yes	Yes	Yes	Yes	Yes	Yes
Percent of customer requests processed within the established standards	100%	100%	100%	100%	100%	100%

A complete list of performance measures can be viewed at  
<https://www.fairfaxcounty.gov/budget/fy-2025-adopted-performance-measures-pm>