

College Finance Department
Program Review and Strategic Plan
2017-2022

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Department Overview

College finance provides a complete range of financial services in support of the college and its students, staff, and external vendors and organizations. Our experienced, largely self-directed work teams provide services in the following areas:

- Accounts Payable
- Accounts Receivable¹
- Banner ERP Administration
- Budget Planning, Development & Oversight
- Cash Management
- Financial Accounting
- Financial Forecasting, Analysis, Management, Monitoring & Auditing
- Grant Accounting
- Investment Management
- Purchasing
- Risk Management & Safety
- Training & Consulting

College Finance is deeply interconnected with Lane Community College students, departments, administration and the Board of Education as well with the community at large. We provide front-line service and support to students who have questions about their accounts and college processes and policies, in addition to administering student accounts, collections and weekly wire transfers to distribute student loans. We provide largely “behind the scenes” financial services that allow administration and the Board of Education to make evidence-based decisions and enable departments to focus more on their primary missions of serving students.

Our primary contributions to the college are, for the most part, indirect in nature. Our work is geared toward providing college-wide centralized business and financial services so that others involved more directly with students have more time to focus on their missions. We also provide high quality analyses to departments, governance councils, student organizations, administration and the Board so that they have relevant, timely information as they consider decisions. Both our Budget and Annual Financial Report documents, as well as our website, are continually being evaluated and revised to provide more internal and external information, more transparency, as well as making it easier for site users to find relevant information.

For the last 12 consecutive years we have received Government Finance Officers Association (GFOA) recognition for both the Distinguished Budget Presentation Award (annual budget) and the Certificate of Excellence in Financial Reporting (annual audit). These awards are the highest form of recognition in governmental budgeting and financial reporting where independent panels of peers review Lane’s documents to assess how well we satisfied nationally recognized guidelines and best practices.

¹ The college’s Accounts Receivable function moved from Enrollment & Student Financial Services to College Finance in February 2016.

Guiding Principles and Mission

During this program review and planning process, the Budget and Finance department developed the following guiding principles and mission statement.

Our Purpose:

To competently steward college resources in support of our students, our staff and our community.

Principles that Guide Our Work:

We are guided by the core values of Lane Community College and the following principles:

- We adhere to the highest legal and ethical public accounting and budgeting standards.
- We support our students in achieving their educational goals.
- We present clear and transparent documentation of the college's financial position.
- We provide training and communications to foster shared knowledge and understanding.
- We provide timely and responsive service.
- We collaborate to enhance innovation, efficiency and accuracy in services, processes and systems.
- We support the core themes and strategic directions and priorities of the college.
- We honor teamwork, inclusivity and professional development.
- We are nationally recognized for the quality of our work.

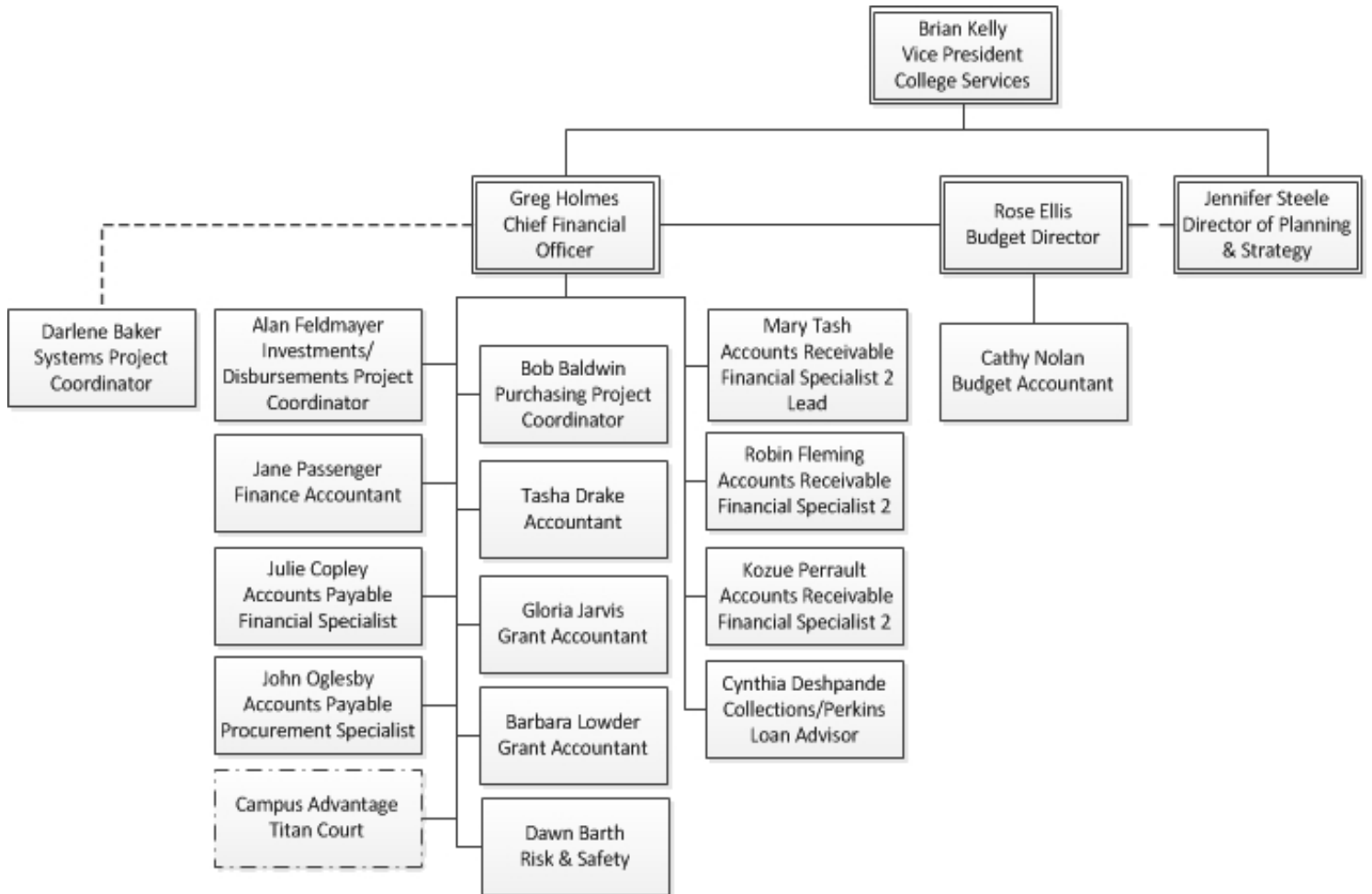
Our Mission:

College Finance serves the financial needs of the college, its students, staff and departments while assuring that all transactions adhere to college policies and procedures, generally accepted accounting principles, and rules established by authoritative governing bodies.

Staffing & Structure

College Finance is part of College Services and reports to the Vice President of College Services. The department is led by the Chief Financial Officer and the Budget Director.

In January 2015 the budget and finance offices merged to create the College Finance department. In February 2016, the college’s bursar and accounts receivables functions were added to the combined department. Department staff now includes two project coordinators, five accountants, four financial specialists, one loan advisor, and one procurement specialist.



Environmental Analysis

Several internal and external factors have converged over the course of the past several years, providing important considerations for the review team in establishing strategic direction for college finance:

- College enrollment has declined more than 40% from its peak in 2012. This trend puts a strain on the college's general fund revenue, both in tuition and fees, and enrollment-based state reimbursement.
- As the college faces structural budget deficits, it is a challenge to garner resources and support for replacing staff positions, adding positions, and/or investing in systems and technology.
- Several experienced staff with highly-specialized roles in college finance are at or near retirement age.
- There are a growing number of systems used by college programs and departments that have financial components which are not integrated with Banner, the college's enterprise accounting system. This causes significant additional work and rework, both at the department level and in college finance.
- Service and messaging to students is inconsistent college-wide. Ongoing service issues in enrollment service place increasing burden on finance staff.
- There is inconsistent application and adherence to finance and budget rules and processes.
- Staff and managers in programs and services have varying degrees of finance and budget literacy.
- With the volume of activities and users, maintaining coding and data integrity is a continual struggle.

Department Budget

When it comes to resources, College Finance has eliminated the ICP fund and moved those resources into the general fund. Ongoing revenue will be Sponsored Account revenue so it may easily be tracked.

College Finance Revenue and Expenditures

Fiscal Year 2011-2016

	FY12	FY13	FY14	FY15	FY16
Revenue					
College Finance	31,179	29,953	29,232	195	460
Accounts Receivable	3,544	2,960	1,925	1,275	897
Sponsored Accounts	15,163	12,253	21,519	27,215	27,816
Transfers In					
College Finance	-	-	-	-	100,000
Accounts Receivable	4,000	4,000	7,095	-	-
Total Resources	38,723	36,913	38,252	1,470	101,357
Personnel					
College Finance	829,787	851,902	898,468	835,163	1,030,410
Chief Financial Officer	181,699	188,154	30,600	158,958	161,820
Budget Office	274,882	253,191	293,377	285,872	85,288
Accounts Receivable	151,617	189,912	187,965	150,946	76,474
Sponsored Accounts	164,396	40,273	-	-	-
Total Personnel	1,602,381	1,523,432	1,410,410	1,430,939	1,353,992
Materials & Services					
College Finance	26,788	25,570	50,412	27,994	27,586
Chief Financial Officer	7,595	4,343	309	3,253	4,500
Accounts Receivable	21,779	33,056	32,695	19,328	21,159
Sponsored Accounts	28,830	33,590	34,759	39,328	57,170
Total Materials & Services	84,992	96,559	118,175	89,903	110,415
Transfers Out					
College Finance	-	-	75,000	246,565	238,674
Total Expenditures	1,687,373	1,619,991	1,603,585	1,767,407	1,703,081

Department FTE

The table below shows staffing levels in the newly combined College Finance functions over the past five years, plus an estimate of current year staffing. In January 2015 the budget and finance offices merged to create the College Finance department. In February 2016, the college's bursar and accounts receivables functions were added to the combined department. Department staff now includes two project coordinators, five accountants, four financial specialists, one loan advisor, and one procurement specialist.

College Finance Staff FTE

Fiscal Year 2011-2017 Est.

Staff FTE	FY12	FY13	FY14	FY15	FY16	FY17 Est.
Management						
College Finance	1.00	1.00	1.00	0.53	1.02	1.02
Chief Finance Officer	1.00	0.98	0.20	1.02	1.02	1.02
Internal Controls	0.87	-	-	-	-	-
Budget Office	1.84	1.51	1.61	1.53	0.51	.51
	<u>4.71</u>	<u>3.49</u>	<u>2.81</u>	<u>3.08</u>	<u>2.55</u>	<u>2.55</u>
Classified						
College Finance	8.69	8.66	8.67	8.66	10.50	12.6
Budget Office	1.00	1.01	1.00	-	-	-
Accounts Receivable	2.52	3.01	2.81	1.90	0.93	-
Sponsored Accounts	2.08	0.47	-	-	-	-
	<u>14.29</u>	<u>13.15</u>	<u>12.48</u>	<u>10.56</u>	<u>11.43</u>	<u>12.6</u>
Total FTE	19.0	16.6	15.3	13.6	14.0	15.15

FTE calculated as total paid hours (including overtime, sick leave, vacation, vacation sell, and other paid leave) divided by 2,080 hours.

Activity Indicators

Measurements	FY12	FY13	FY14	FY15	FY16	FY17 est.
Adopted Budget	\$326 million	\$329 million	\$320 million	\$306 million	\$290 million	\$236 million
Grant Fund Revenue/Resources	\$11.5 million	\$11.5 million	\$9.0 million	\$8.9 million	\$7.2 million	\$6.0 million
Banner Subfunds*	230	232	208	264	242	240
Banner Organizations*	653	672	663	660	636	630
Journal Entries Processed**	7,556	7,863	6,702	6,582	6,600	6,600
Uncancelled Purchase Orders	4,413	3,952	3,403	3,406	3,544	3,500
Check Forms Processed	22,760	22,396	20,513	17,549	16,578	16,000
Accounts Receivable - Accounts	\$ 12,322,620	\$ 11,466,128	\$ 8,812,032	\$ 7,378,665	\$ 7,342,622	\$ 7,300,000
Operating Income	\$ 125,175,672	\$ 118,189,463	\$ 103,900,447	\$ 91,353,769	\$ 82,793,158	\$ 82,000,000
Accounts Receivable Operating Income	9.8%	9.7%	8.5%	8.1%	8.9%	8.9%
*Subfunds and Orgs having at least 1 transaction during the fiscal year.						
**Count includes all types of JE's including A/R, Payroll, Budget Loads, Budget Transfers.						

As illustrated in the above activity indicators, the decline in student enrollment has resulted in a decrease in the college's staffing and budget levels. Due to the type of services provided by Budget and Finance, when the college downsizes there are not immediate scale-of-work relationships (that is, resultant reduction in budget and finance workload). While a smaller college impacts some work in our department (such as processing fewer check forms), the overall volume of daily work has remained consistent over the years. Budgets must still be developed and monitored, invoices processed, accounts reconciled, wire transfers made, audits conducted, grants and purchase orders must be managed, etc. In addition, the current financial environment has increased the work of budget and finance in some ways as we support departments who have fewer administrative staff and additional financial pressures, requiring additional assistance and analysis from our team.

Strengths, Opportunities, Aspirations and Results

The review team conducted a SWOT (strengths, weaknesses, opportunities, threats) survey of all finance staff in June 2015 as presented in Appendix A. The expanded team came together in January and February 2017 to review and update the prior work through a SOAR (strengths, opportunities, aspirations, and results) lens. A summary of findings is presented below.

Strengths:

What strengths do we have as a department? What are we doing well? What should we leverage when planning for our future?

- Customer service; responsiveness
- Service mindset and willingness to help
- Student advocacy and service
- Cohesive cooperative team
- Experienced, stable workforce
- Clean audits
- Governmental Finance Officers Association awards and recognition for budget and audit
- Stable systems and processes
- Campus connections and relationships
- Talented new hires both in finance and college-wide
- Adaptability to change
- Finding common ground and creative solutions to support students while adhering to policies and procedures
- Finding proactive and innovative solutions

Opportunities:

What opportunities lie before us in furthering our mission? How can we build upon our strengths?

- Succession planning
- Review organization structure
- Expanded training programs
- Utilization of new reporting tools at the program and service level
- Ensure shared understanding of budgets and processes, AR, and other systems
- Consistent application of rules and processes
- Transparency; enhanced communications
- Front-line answers for student questions (service mindset, training and access for enrollment services staff)
- Cross training of finance staff
- Banner integration
- Systematic continuous process improvement

Aspirations:

To what do we aspire? What is our preferred future?

- Extraordinary service for students and others
- Smoothed workload for the overall team
- Adequate staffing resources
- No manual journal entries
- P-card improvements
- ICO processing improvements
- Aesthetically and functionally pleasing workspace
- Central cash controls
- Training and reporting templates for department staff
- Trust in the data
- Bursar function (intermediary decision making)

Results:

What do we want to be known for? What are our measurable results?

- Satisfied stakeholders
- Supporting students, programs and services
- Nationally-recognized budget and audit documents
- Efficiency through training, communications, and systems
- Strong connections and communications, within finance and with college programs and services
- Continuous process improvement
- Finance staff job satisfaction, teamwork and morale

Strategic Priorities for 2017-2022

Following are the strategic priorities for college finance over the next five years. Effective spring term 2017, the department will begin meeting quarterly to discuss and review progress on these plus other operational and emerging issues.

1. Organizational Structure Review, Succession Planning, and Cross Training

Team members will review the organization structure and make recommended adjustments in roles and responsibilities and reporting structures to optimize service, efficiency and effectiveness, and balance workload. They will then create a succession and cross training plan for each key role in the department.

Lead: Greg Holmes

Timeline: May 2017 (organization structure), July 2017 (succession and cross-training plans), annual review and updates

Results: Streamlined workflow, balanced workload, no disruptions to service and systems

2. Enhancing Service to Students

Team members will work with enrollment services and other direct service departments to enhance service to students and reduce unnecessary bottlenecks and frustration. Note: This is also a key strategy in the college's 2016-2021 strategic plan as part of the commitment to student learning and success strategic direction.

Lead: Greg Holmes

Timeline: April 2017 – September 2019

Results: Reduction in bad debt expense. Improved enrollment, retention and student success.

3. Systematic Process Improvement

Team members will identify a list of processes for review, analysis and improvement and map out a prioritized sequence for addressing them.

Lead: Greg Holmes

Timeline: 2017 – 2022 (develop list and initial sequencing/schedule)

Results: Improved efficiency, accuracy, reduced rework and errors

4. Policy, Procedure, Process and Practice Standardization and Controls

Team members will develop a resource, communication, and training plan to assure standard application and adherence to finance policies, procedures, processes and practices.

Lead: TBD

Timeline: 2017 - 2022

Results: Improved efficiency, accuracy, reduced rework and errors

5. Enhanced Training and Outreach Program

Team members will develop training and outreach program to support efficiency, accuracy, and informed decision-making for college programs and services.

Lead: TBD

Timeline: 2017 - 2022

Results: Improved efficiency, access to meaningful and accurate information, reduced rework and errors

Performance Measures

The finance team will report on these measures annually as part of their annual department planning. Additional measures will be added as appropriate to assess the results of strategic priorities and support college-wide goals and priorities.

- Clean audit (grants, financials, budgets)
- Budget loaded to Banner by July 1
- Number of college systems: integrated with Banner, not integrated
- Government Finance Officers Association recognition for audit and budget documents
- Aged receivable levels (30/60/90)
- Seven-year write offs
- Total payables
- Number of manual journal entries
- Number of coding/data entry errors

Appendix: SWOT Survey

Budget & Finance Program Review SWOT Analysis June 2015			
Q1 Strengths (Internal)			
Rank	Answer Choices	Percent	# Responses
1	Clean audit	77.78%	7
2	Experienced, stable workforce	66.67%	6
3	GFOA / CAFR awards	44.44%	4
	Customer service / responsiveness	44.44%	4
	Cohesive, cooperative workforce. Can relate to one another.	44.44%	4
	Stable systems/processes	22.22%	2
	Openness / flexibility	11.11%	1
	Dedication	0.00%	0
Total Respondents: 9			
Comments(0)			
Q2 Opportunities (External)			
	Answer Choices	Percent	# Responses
1	Expand training program	66.67%	6
2	Request feedback from college community: what works? What doesn't? future enhancements	55.56%	5
	Inform / Ensure shared understanding of budget process	44.44%	4
	Succession planning - workforce	44.44%	4
Total Respondents: 9			
Comments(0)			
Q3 Challenges (Internal)			
	Answer Choices	Percentage	Responses
1	Rules being bypassed - workarounds that we aren't involved in	55.56%	5
2	Disconnect w/college processes	55.56%	5
3	Transparency / Communications	44.44%	4
	Last to know	33.33%	3
	Budget process & systems: Top to Bottom, Start to Finish	33.33%	3
	Coding challenges: budget & actual interactions (e.g. PROG code)	22.22%	2
	Website updates	11.11%	1
	Limited resources to make improvements	11.11%	1
	Enabling behaviors	11.11%	1

Q3 Challenges (Internal) - <i>continued</i>			
	Answer Choices	Percentage	Responses
	Form revisions (e.g. FPD travel)	0.00%	0
	Inventory Tracking system - capital assets	0.00%	0
	BANNER Grant module - Research Accounting	0.00%	0
	P-card revision necessary	0.00%	0
	Mandated time-off	0.00%	0
	Training / Directions	0.00%	0
	Bound by professional integrity & law	0.00%	0
	Total Respondents: 9		
	Comments(0)		
Q4 Threats (External)			
	Answer Choices	Percentage	Responses
1	Budget deficits - funding challenges	66.67%	6
2	Potential retirements / loss of institutional memory	66.67%	6
3	Rule overrides - exceptions	55.56%	5
	Ripple effect: Last to know	22.22%	2
	Outcomes Based Funding	22.22%	2
	Challenged by collegiality (e.g. faculty conflict)	22.22%	2
	Public / Media perceptions	11.11%	1
	Total Respondents: 9		
	Comments(0)		