ADMINISTRATIVE SERVICES COMPREHENSIVE PROGRAM PLANNING AND REVIEW (CPPR) FOR 2019

This Comprehensive Program Planning and Review document is only to be completed by programs in the following areas scheduled for the year, according to the institutional comprehensive planning cycle (i.e. every five years):

1) **The President's Cluster including Human Resources, Institutional Advancement and the District Centers; and**
2) **The Administrative Services Cluster including Bookstore, Computer Services, Fiscal Services, General Services, Maintenance and Operations, Facilities, and Public Safety.**

Program: Fiscal Services **Planning Year:** 2019-20 **Last Year CPPR Completed:** 2014

Unit: Fiscal Services **Cluster:** VP Administrative Services

NARRATIVE: ADMINISTRATIVE SERVICES CPPR

I. GENERAL PROGRAM INFORMATION

A. Program mission (optional).

Mission Statement

To provide timely and accurate financial information and services to support students, faculty, staff, and external entities in accordance with the Mission of Cuesta College. We accomplish this as a team working in a professional, effective, and proactive manner, utilizing resources and technologies to provide quality results.

B. Brief history of the program.
Fiscal Services is responsible for:

- General Accounting
- Budget
- Accounts Payable
- Accounts Receivable
- Purchasing
- Student Accounts/Cashiering
- Grant Accounting

These current responsibilities have been in place since 2015. Prior to July 2012, Fiscal Services was responsible for Payroll, but not Purchasing or Grant Accounting. In 2012, the General Services department was disbanded and split between Fiscal Services, Maintenance and Operations, Bookstore Operations and Public Safety. Purchasing was moved to Fiscal Services. In 2015, Grant accounting was moved from Academic Affairs and Workforce Development to Fiscal Services. As of February 2019, the department had 13 permanent employees and two vacancies. The District is currently in negotiations with a third party vendor to outsource the Bookstore. If the Bookstore is outsourced, Auxiliary Services will be moved from the Director of Bookstore and Auxiliary Services to Fiscal Services. Auxiliary Services includes the Mailroom, Shipping & Receiving, and Reprographics.

Personnel Include:

- Director of Fiscal Services
- Supervising Accountant
- Lead Student Accounts Specialist
- Budget Accountant
- Accountant
- Accounting Technician II (4)
- Purchasing Technician II (2)
- Grant Fiscal Analyst (2)
- Student Accounts Technician/Cashier
- Clerical Assistant II

C. Current status of service including changes and improvements since last program review.
Grant Accounting was moved to Fiscal Services in 2015. At that time there were two Grant Fiscal Analysts and one Clerical Assistant II. A Bond Fiscal Analyst was added to the Grant Department that was funded with Bond proceeds. The Bond Fiscal Analyst took another job on campus shortly after starting and it was decided that there wasn't enough bond fiscal oversight work in Fiscal Services to justify the position, so the position was frozen. Currently the Grant Department includes two Grant Fiscal Analysts and a vacant Clerical Assistant II.

The District has started the process of outsourcing the bookstore to a third-party provider. If that happens, Auxiliary Services will move from the Director of the Bookstore to Fiscal Services. Auxiliary Services includes Shipping & Receiving, Mailroom, and Reprographics.

D. Reference to relevant statutory authority/program regulation and related compliance issues.
Fiscal Services is responsible for several Federal, State, and local reports and compliance requirements. Below is a list of major reporting requirements

- Annual Fiscal Audit
- Federal EZ Audit
- IPEDS Finance
- ACCJC Annual Fiscal Report

- ACCJC Standard III.D.
- CCFC 311 Annual Fiscal Report
- CCFC 311 Quarterly Fiscal Reports
- CCFC 320 Attendance Reports
- CCFC 323 Enrollment Revenue
- Faculty Obligation Report
- Annual Matriculation Report
- Nonresident Tuition Fee Calculation
- Annual Long-Term Debt Continuing Disclosures

E. Description of primary relationships, internal and external to the District.

Fiscal Services maintains internal relationships across campus. The budget Accountant works with all budget managers with providing training, budget reports, and answering budget related questions. The Accountant, Students Accounts and Cashiering Coordinator, and Accounts Receivable Accounting Technician work closely with Financial Aid on disbursements and reconciliations. Purchasing and Accounts Payable work with employees campus-wide with acquisition and payment of supplies, equipment, and services. Accounts Receivable works closely with grant managers, the Foundation, and Maintenance and Operations on invoicing vendors. The Accountant works with ASCC and Trust Advisors, Financial Aid, and several other departments across campus.

Fiscal Services maintains several external relationships. This includes the California Community Colleges Chancellor's Office, external auditors, California State Auditor's Office, San Luis Obispo Office of Education, San Luis Obispo County Auditor and Treasury Departments, financial advisors, Bank Mobile (Financial Aid/Refunds), and Heartland (Credit Card Processors). In addition, Purchasing, Accounts Payable, and Accounts Receivable work with vendors nation-wide. Cashiering answers student's and parent's questions regarding fees and registration issues.

II. PROGRAM SUPPORT OF DISTRICT'S MISSION STATEMENT, INSTITUTIONAL GOALS, INSTITUTIONAL OBJECTIVES, AND/OR INSTITUTIONAL LEARNING OUTCOMES

A. Identify how your program addresses or helps to achieve the District's Mission Statement.

Fiscal Services supports the District's mission by providing the fiscal support needed to purchase and pay for services, supplies and equipment; providing cashiering services to students; ensuring fiscal compliance; and providing fiscal reports and data to make decisions. Fiscal Services helps implement financial decisions made during the planning process.

B. Identify how your program addresses or helps the District to achieve its Institutional Goals and Objectives, and/or operational planning initiatives.

Institutional Goal 2: Fiscal Services completes and audits the CCFS320 Full Time Equivalent Students (FTES) Report. This includes double checking that courses are loaded properly and in accordance with the Student Attendance Accounting Manual. This helps the District accurately track enrollment growth.

Institutional Goal 2: Fiscal Services processes financial aid refunds and helps set up the accounting for new student financial support funding sources to ensure accurate application and billing of student financial aid.

Institutional Goal 5: Fiscal Services provides fiscal accounting, projections, charts and historical data to help inform decisions in regards to revenue opportunities and strategies for addressing the rising costs of employee retirement obligations.

III. PROGRAM DATA ANALYSIS AND PROGRAM-SPECIFIC MEASUREMENTS

This should be an update on the data analysis from the last CPPR.

Program data is available on the SLOCCCD Institutional Research and Assessment website. Your program may need information about institutional enrollment trends, which can be found here.

A. Data Summary – Relevant Comments and Analysis
- May include program data that demonstrates the level and kind of effort or volume produced in the previous year.
- May include other pertinent information.

Number of Transactions by Department					
	FY2017-18	FY2016-17	FY2015-16	FY2014-15	FY2013-14
General Accounting/Budget					
Journal Entries	2,162	2,321	2,094	2,095	1,785
Puchasing					
Purchase Orders	1,585	1,220	1,319	1,104	1,103
Accounts Payable					
Invoices	10,367	8,918	8,897	8,221	7,466
Accounts Receivable					
Invoices	551	568	496	1,107	1,445
Cashier					
Transactions	5,557	5,905	6,210	7,148	8,432

B. Give interpretations of Data and Identify Areas for Change to Facilitate Program Quality and Growth

The number of Journal Entries decreased slightly in 2017-18 compared to 2016-17 but is slightly higher than 2015-16 and 2014-15. The number of journal entries hasn't changed significantly because most are recurring monthly entries or year-end entries that happen regardless of the size of the budget or enrollment numbers. For example; posting interest, property taxes, and apportionment happen every month. There has been an increase in the number of grants on bond funded construction projects. Managing construction funds and grants require funds to be moved around through journal entries. It is expected the number of journal entries will increase slowly over time.

The number of Purchase Orders has increased by 43% compared to four and five years ago. This is a result of bond funded construction projects. The number of purchases increase when the projects get to the furniture and equipment phase. The projects in the 2nd bond Issuance include more building renovations and technology upgrades which include more purchase orders than the construction phases of new building projects. The number of PO's is expected to increase as the District enters the 3rd and 4th bond issuances.

The number of Accounts Payable invoices increased to 10,367 in FY2017-18 from 8,918 in FY2016-17. This increase is also primarily due to the bond projects and the increase in grants. The number of Accounts Payable invoices is expected to increase as the District enters the 3rd and 4th bond issuances.

The number of Accounts Receivable invoices decrease slightly in FY2017-18. The number of invoices is not expected to increase or decrease significantly during the next four years.

The number of cashier transactions has steadily declined every year over the past five years. Students prefer to pay online with a credit card and it is expected this trend will continue as electronic payments become more popular. In addition to payment preference, FTES growth is coming from dual enrollment, distant education, and the prison program while the core campus-based courses FTES are declining. These growth area students are not on campus and are less likely to visit that Cashier's Office to make payments.

IV. PROGRAM OUTCOMES, ASSESSMENT AND IMPROVEMENTS: NARRATIVE

A. Summarize assessment results for program outcomes.

NOTE: ASO#2 has been discontinued due to a pending department reorganization. New ASO's will be created following the reorganization.

ASO #1. Fiscal Services will ensure fiscal accountability and provide analytical reports needed to maintain solvency for the District as addressed by the annual audit and credit ratings.

Assessment: Annual audit results for FY2017-18: Unmodified Opinion, 0 311A Reconciling items, 0 Financial Statement Findings, 1 Federal Finding that has been corrected, 0 State Findings.

Annual Audit Results for FY2016-17: Unmodified Opinion, 0 311A Reconciling items, 0 Financial Statement Findings, 0 Federal Findings, 0 State Findings.

Annual Audit Results for FY2015-16: Unmodified Opinion, 0 311A Reconciling items, 0 Financial Statement Findings, 0 Federal Findings, 1 State Finding that has been corrected.

Recent Credit Rating: January 2018 Bond Rating was Moody's Aa2 and Standard and Poor's AA-. Standard and Poor's moved the District Outlook from neutral to positive.

The District has received the highest audit opinion the audits can give the past five year. There have been no 311 Annual Reconciling items during that time period. That means the 311 reports presented to the board were 100% accurate and agreed with the audited financial statements. There have only been a couple of findings related to Instruction and Student Services that have been corrected. There were no financial statement findings. Our credit rating has remained high as compared to similar Districts. At our last credit presentation our Outlook went from neutral to positive based on the District's increase Fund Balance.

ASO#3. Fiscal Services will reduce the amount of unpaid student debt as assessed by the amount of the Bad Debt Write-Off to prior years.

Assessment: The Annual Allowance for Doubtful Accounts setup amount was used to assess this outcome. Over the past three years the setup amounts were:

FY2017-18 $57,298.30

FY2016-17 $154,033.18

FY2015-16 $272,986.27

The amount of unpaid student debt has decreased each year for the past three years. The combination of placing holds on delinquent student accounts, mailing payment reminders, and the COTOP program has decreased the amount of outstanding student debt each year.

ASO#4. Fiscal Services will provide effective and compliant inventory services and asset control to the District as assessed by annual audits.

Assessment: The District has not received an audit finding related to inventory control in the past five years. The District increased the asset threshold to $5,000 to align with the Chancellor's Office Budget & Accounting Manual which reduced the number of tagged assets. The District has not completed a physical inventory in several years. A physical inventory needs to be completed to verify the assets on the books are still here.

B. Describe improvement efforts that have resulted from ASO assessment.

ASO#1 The District has only received two audit findings during the past four years and both were corrected the following year. In order to keep audit finding low, Fiscal Services needs to update and review changes to the CDAM with the effective departments. This will help departments prepare for the audit testing. In addition, Fiscal Services is continually reviewing and updated internal control procedures. Most recently, Fiscal Services is reviewing signatory authority to prepare for the implementation of online requisitions and approvals. This will drastically cut down on paperwork and time required to move paperwork. It will also tighten internal controls because verifying signatures isn't as accurate as online approvals.

The District's credit rating has been stable for several years. In order to earn an upgrade, the District needs to increase the contingency and reserves to at least 15% of expenditures. In May 2017, the Board approved board policy 6250 Budget Management. The policy sets a goal of a 6% Contingency Account and a 6% Required Reserve. This new policy will help the District set aside larger contingencies; however, the goal provides for a combined 12%, so the District needs to outperform the goal in order to improve our credit rating.

ASO#3 The District continues to lower the outstanding student debt. In order to continue this trend, the District needs to continue to mail debt notices timely and continue to participate in the COTOP program. In addition, Fiscal staff has heard several presentations for debt collection agencies. At this time the District has not decided to take that next step in debt collection, but a debt collection agency would probably be the next step to further decrease outstanding student debt.

Another option that has been explored is dropping for nonpayment. While this is drastically cut student debt, it could also hurt FTES is the drop process is not designed to replace the nonpaying student with a paying student in time to collect FTES. If the dropped student is not replaced with a paying student the loss in apportionment would be greater than the savings in debt write-offs.

ASO#4 Fiscal Services has been in contact with a company that can provide inventory verification. With all the moves from new construction, a verification count will be needed in the near future.

The Board approved a change in the fixed asset threshold from $1,000 to the current threshold in the Budget & Accounting Manual. The BAM threshold is currently $5,000. This drastically reduced the number of assets that need to be entered into the fixed asset system, which reduces errors and tracking changes.

C. Recommend additional improvements to the program based on assessment of outcomes and progress towards Institutional Goals and Objectives and/or Institutional Learning Outcomes.

ASO#1 Continue to add to the contingency amount. The District needs a minimum for 15% in Reserves and Contingency to receive a higher credit rating. Higher credit ratings will reduce interest rates on future debt and could create debt savings through refinancing.

ASO#3 Fiscal Services should work with Student Services to improve the debt notification process. This could be through the addition of electronic debt notices and refreshed language in the current debt mailers. The District should continue to explore using a debt collection agency.

ASO#4 Fiscal Services should continue to track inventory changes as new buildings are constructed and current assets are moved to temporary housing and then new buildings. A full inventory count needs to be completed in the near future.

D. Recommend changes and updates to program funding based on assessment of program outcomes.
   - For elements that require funding, complete the Resource Plan Worksheets.

Fiscal Services has lost 3 FTE to budget cuts. In addition, workload has shifted from less student contact in the cashier's office to more grant accounting and bond expenses. The most immediate needs are more staff support in Purchasing, Grant Accounting, and

Accounts Payable. The Purchasing Department went from 3 FTE to 2 FTE several years before we had a bond. Now with all the bond projects workload has increased to a all time high. A third Purchasing Technician is needed. As of March 2019, the two Grant Fiscal Analysts are responsible for the accounting and fiscal reporting of 49 grants totaling $7.8 million. A third Grant Analyst is needed to ensure accurate accounting and reporting. The workload in Accounts Payable has increase with the bond. Currently, there is 1.75 FTE dedicated to Accounts Payable. A third person is needed to keep up with the workflow.

ANTICIPATED SERVICE CHALLENGES/CHANGES

Suggested Elements:

A. Regulatory changes
B. Internal and external organizational changes
C. Student demographic changes
D. Community economic changes – workforce demands
E. Role of technology for information, service delivery and data retrieval
F. Distance Education impact on services
G. Providing service to multiple off-campus sites
H. Anticipated staffing changes/retirements

Regulatory Changes: Staying in compliance with the 50% Law will continue to be a challenge. Program technology and equipment continues to become an increasing portion of general fund expenditures. This makes it difficult to stay in compliance with the 50% Law.

In 2018-2019, the State moved away from the SB361 Funding Formula based primarily on FTES to the Student Centered Funding Formula (SCFF). In 2018-2019, approximately 70% of statewide funding will be based on enrollment, approximately 20% will be based on enrollment of low-income students, and approximately 10% will be based on successful student outcomes. In 2019-20 those percentages shift to a 65-20-15 split and in 2020-21 are completely phased in with a 60-20-20 split. After initial review, the District has steady or moderate growth in FTES and preforms well on the successful student outcomes but is below state average on enrollment of low-income students. Overall, the District receives less apportionment during the first three years but comes out slightly ahead after that. The state has identified several issues with the new formula that are being worked out with the 2019-20 budget. Most of the proposed changes are with the successful student outcomes portion of the formula. Once changes are settled, the District will need to work within the formula to maximize revenue.

Internal and External Changes. Fiscal Services lost 3 FTE due to budget cuts. The department is still struggling to adjust to a smaller staff. While FTES has declined or remained flat during this time, the passage of the Measure L Bond added to workload in Purchasing, Budgeting, Accounts Payable, and Accounting. At this time with flat or moderate growth in revenue, addition positions are unlikely. Fiscal Services needs to work of ways to streamline and become more efficient.

Student Demographic Changes. Enrollment in Distance Education, Duel Enrollment, and the Prison Program are all growing while enrollment in core classes held on campus are declining. This biggest impact on this for Fiscal Services is less demand for the Cashiers Office. In addition to fewer students on campus, more students prefer to make payments online through MyCuesta. This means that staffing the Cashier’s Office during all working hours is getting less cost effective.

Rolls of Technology for Information. Fiscal staff are in the process of implementing online requisitions and approvals. The goals would be to reduce paper, speed data entry, and reduce the time for requisitions to be passed around for signatures. Implementation is planned for 2019-2020. Staff is also looking into student refunds. Currently the District uses Bank Mobile. Bank Mobile has had a poor reputation for charging too many fees to students and they recently increase the fees. Fiscal Services is exploring alternative providers or moving to an inhouse system. This would likely come at a higher cost to the District, but would provide cheaper and potentially better services to our students.

In the Spring of 2019, Fiscal Services has started scanning and electronically filing documents for Purchasing and Accounts Payable. Once fully adopted in Fall 2019, electronic documents will save filing time, be available from anywhere with Banner access and reduce paper waste and time transporting documents around campus.

Providing Services to Multiple Off-Campus Sites. Providing cashiering services at the north county center and south county site continues to be challenging. The low traffic at those locations makes it hard to balance the cost of staffing vs. the number of students served. As discussed below, a retirement in the department could provide an opportunity to combines the some cashiering services with Student Services to become more efficient at serving student needs.

Anticipated Staffing Changes/Retirements. The Lead Student Accounts Specialist in the Cashiers Office retired in later 2017. This has provided an opportunity to reorganize the department. Currently there are three employees staffing the Cashiers Office. However, demand is high during the beginning of the term, but drops of significantly as the semester goes on. After the third week until the next semester, there isn't enough demand to warrant three employees. Fiscal staff has been working with Student Services on a plan to fold the student payment portion of the Cashier's Office into Student Services. The plan would allow multiple departments within Student Services to take payments from students. This would give students more options and reduce the number of lines they have to stand in. For example, if they are already in line to register, they can register and pay without having to go to the Cashier's Office. The Cashier's Office would be staffed by one person and would be open limited hours. Not only would this plan save money in salaries, it would provide more convenient services to students.

V. PROGRAM DEVELOPMENT FORECAST

Suggested Elements:

A. Description of forecasted program development and objectives, based on information collected in I-IV
B. Plans for improvement
C. Support for Institutional Goals and Objectives

D. Student and program outcomes evaluation
E. Recommendations from external agencies
F. New service coordination and collaboration – internal and external programs
G. Anticipated job description revisions based on program changes
H. Staff training/professional development needs

Fiscal Services will strive to meet its department mission with limited staffing and resources. The department has had to reorganize due to staff reductions as a result of budget cuts. Job tasks have been redistributed between the remaining staff members. The cuts have left the department with minimum staffing. This makes it difficult to cover during employee vacations or unplanned absences and makes meeting work deadlines more challenging. In addition, the District passed a $275 million General Obligation Bond in 2014. The bond has increased the workload in Purchasing and Accounts Payable. As the budget recovers and workload increases, the department will need to add staff in a way that will provide relief to the areas most overworked while keeping the long-term department goals in mind. Rehiring the same positions that were cut might not provide the greatest amount of relief for the department. For example, hiring a person that can float between accounts payable and purchasing would provide more relief for the department than hiring a person that only works in accounts payable or purchasing. The personnel requests in the Resource Plan Worksheet reflect this thinking.

While increasing staffing would provide the greatest improvement for the department, it could be several years before the budget will allow hiring new positions. In the meantime, there are other areas that can be improved to reduce workload. Purchasing in is the process of testing online requisitions and electronic approvals. Online requisitions would reduce routing time and data entry for Purchasing. It would also reduce paper. Electronic approvals would speed the approval process. Another area for improvement is scanning Purchasing and Accounts Payable documents and storing them electronically. This would save filing/retrieval time and save paper. It would also save the cost of storing the documents at DocuTeam.

Fiscal Services will continue to support the Institutional Goals and Objectives by providing the financial reports and projections needed for making informed decisions and tracking progress. For example, Fiscal Services provides financial reports and projections to the Vice President of Administrative Services, Cabinet, the Planning & Budget Committee, and the Enrollment Management Committee. This gives those groups the information they need to identify issues and find solutions. In addition, the Budget Office provides reports to budget managers that helps the managers meet department goals; Purchasing and Accounts Payable acquire the supplies, equipment, and services that departments across campus need to meet department goals; and the Cashier's Office helps students by collecting payments as well as answering a wide range of student questions that helps with retention.

Staff training and professional development are essential to staying current with the ever changing laws, regulations and policies. However, due to budget cuts we have not been able to send as many staff members to conferences as we once had. Some important conferences are the Ellucian Conference, the Internal Auditors Conference, the Association of Chief Business Officials Conferences, grant compliance conferences, and the Purchasing Conference. In addition, there are two budget workshops a year that must be attending in order to receive the budget materials needed to develop the tentative and final budgets. Additional staff development funding is needed.

The Cashier's Office has the best opportunity for improvement. As described earlier, the Lead Student Accounts Specialist retired and Fiscal Services is working with Student Services to combine cashiering services. If several areas within Student Services would accept payments from students, the Cashier's Office could be staffed limited hours by one employee. Student Services would need to provide staff support during rush weeks to keep the Cashier's Office open during peak times, but the rest of the semester Student Services staff could work in other needed areas while the Cashier's Office scales back hours. This would save costs, provide more payment locations for students, and be more efficient with staff time.

VI. OVERALL BUDGET IMPLICATIONS

Will be reflected in District planning and budget process
Elements:

A. Personnel
B. Equipment/furniture (other than technology)
C. Technology
D. Facilities

Fiscal Service's personnel, equipment, technology and facility requests were submitted with our 2019 Resource Plan Worksheet. We believe that the department's needs were fairly assessed and is a balanced representation of what is needed if we are to continue to meet our mission and goals.

SIGNATURE PAGE

Faculty, Director(s), Manager(s), and/or Staff Associated with the Program

Instructional Programs: All full-time faculty in the program must sign this form. If needed, provide an extra signature line for each additional full-time faculty member in the program. If there is no full-time faculty associated with the program, then the part-time faculty in the program should sign. If applicable, please indicate lead faculty member for program after printing his/her name.

Student Services and Administrative Services Programs: All full-time director(s), managers, faculty and/or classified staff in the program must sign this form.

Division Chair/Director Name	Signature	Date
Name	Signature	Date
Name	Signature	Date
Name	Signature	Date
Name	Signature	Date
Name	Signature	Date
Name	Signature	Date