El Camino College
Fiscal Services Division
Program Review
June 18, 2012

A. Program Description

The Fiscal Services division is comprised of the Fiscal Services office and the Accounting department. The Fiscal Services office is responsible for the development of the district's budgets, forecasting, business management procedures, implementation of new financial systems, and interfacing with public and private sector agencies. The Accounting department provides services in the areas of general accounting, grant accounting, ancillary accounting, financial reporting, vendor payments, enrollment and cashiering services, banking and investing, accounts receivable billing and collection, human resources position control, payroll generation and disbursement, student financial aid accounting and disbursement, and other related duties. Staff consists of trained accountants, accounting assistants, cashiers, temporary hourly staff and one Federal Work Study student.

B. Goals
The division's goals are to provide accurate and timely financial information and services to students, staff and outside agencies. We pride ourselves on providing excellent customer services to students, staff and the community. Decreasing staff levels and increasing job functions over the years make providing quality service and accurate and up to date financial records a challenge.

C. Strategic Initiatives:
   B. Strengthen quality educational and support services to promote student success.
   E. Improve processes, programs, and services through the effective use of assessment, program review, planning, and resource allocation.

   1. Student support services include registration and cashiering functions for students, accounting including vendor payment for student groups: Associated Student Body, Student Organizations, and Auxiliary Services Fund which accounts for the student athletic, fine arts, and journalism programs and the Trust fund which processes student scholarships.

   2. District support services include budgeting, monitoring and accounting for all accounts at the District Funds level. Payroll is processed for all campus employees including the payment of all insurances and employee voluntary deductions. Federal, State, local reports are prepared by the staff. Annual tentative and final budgets and budget books are produced. Accounting and cashiering

procedures are maintained for the district. All cash transactions for the district are processed in the Cashier's office of the division, including cash reconciliations, bank deposits, currency and coin orders, investments, charge account disputes, returned check processing, cash accoutn balance monitoring. Financial training workshops are held with staff and students, and staff serves on advisory panels for student funds.

D. <u>Current goals and progress toward completion:</u>
1. Hire an Account Receivable staff person. Retirement was announced in March, ESR put through in March with alternative staffing plan. Critical position to the District's operation. Current Accounting Director is managing the basics until a replacement is secured. Position has been vacant one month. Year end closing is approaching and no one in position to process year end billings.
2. Increasing the number of uploads of PeopleSoft data to Colleague. Staff has been successful in adding one more financial upload to the schedule. This is proving helpful to accountants and campus; more timely information for reporting and decision making.
3. Processing student refunds and billing letters more timely. A schedule has been put together with ITS department to run bills at specific times. Cashiering staff has to be increased at these times.
4. Automation and combining of the student payment receipt with a parking permit sticker. Need to collaborate with ITS staff on this project.
5. Processing faculty absence accounting transactions and reports timelier. An in house data base system has been developed and staff needs to be trained on its use.
6. Automation of the absence accounting system. This is the ultimate goal that will need dedicated planning and programming time with ITS department.
7. Accessibility to automated staff/student forms on the campus web site. Will need collaboration with campus web developer.
8. Accounting policies and procedures on web site. Will need collaboration with campus web developer.
9. Computer scanning, storage and retrieval of documents. Will need access to and training on current system or purchase of new system just for payroll records.
10. Automate the sale of parking permits. Secured Kiosk type of permit sales for students that will produce a report for campus police of permit number cross referenced to student ID number.
11. Examine/change fee payment/drop policy with VP and ITS. Current program has logic inconsistent with practice.
12. Improve web notification to students on payment process and schedule checking.
13. Monthly/quarterly meetings with other departments: (Admissions, Financial Aid, ITS, Human Resources.)

E. Staff Participation

The staff discusses the unit plan and goals at staff meetings. Everyone is encouraged to participate in the creation of goals, a needs list, and all are authorized to review and sign off on the unit plan in the Plan Builder software.

F. Notable achievements:
1. Implementation of Debit card system of student financial aid disbursement.
2. Implementation of the COTOP recovery system
3. Implementation of the XEMPT processing of students.
4. Implementation of Web-based E-Commerce.
5. Hiring and rehiring of Accounting Director and Accounting officer.
6. Implementation of new payroll cycles, pay schedules and work calendars to comply with new STRS reporting and contribution payment requirements.

G. Program Environment:

1. Hours of operation:
   The Division operates from 8 AM to 6:30 PM during most weeks of the year. The office was previously open from 8 AM to 8 PM. Budget and staffing reductions forced a change in student service hours. The current Cashiering hours are consistent and also exceed the operating hours of other student service departments. During peak registration/fee collection periods, the closing time is extended to whatever time is necessary to service all students who are waiting to pay. Fee collection transactions via the web occur 24 hours a day, and must be processed the next business day along with the regular walk up student and employee traffic. The cashiering operation is really operational 24 hours a day. Students can also use our drop box and mail in payments.

2. Locations:
   The Division is temporarily housed in two buildings at the opposite boundaries of the campus.   Ancillary Accounting, Financial Aid Accounting/Disbursement, Student Fee collection and banking, Cash management and banking services are housed in the Administration building. The balance of the fiscal services division: District accounting, financial reporting and budgeting and payroll were relocated to the upper level of the Bookstore building in September 2010. This presents a challenge in the key areas of supervision, direct staff contact and communication and morale. Staff hand carry documents across campus several times a day for signatures and consultation on accounting transactions. This takes time away from their regular workday. Plans were made to house the two units within the upper and lower levels of the Bookstore Building, but plans have now been delayed by over two years. This delay has led to a small unspoken decline in staff morale and increased feelings of displacement by staff in the Administration building. This can be seen in the collapse of adherence to procedures and challenges to the newly

hired Accounting Officer. The work is being accomplished, but without daily direct supervision, there had been a lax attitude toward procedures and attendance from some staff persons. I believe these issues will be eliminated as soon as we are all located together.

H. <u>External factors:</u>
The unit has to respond to external factor which often require a change in how we do business.
1. Student enrollment fees have increased and we believe this will translate into an increase in the number of students now eligible for financial aid, which will increase the workload of the financial aid accounting staff.
2. The District's decision to have a fee payment deadline and drop for non-payment process has increased the payment of student fees, however, the District's decision to not drop students who owe below a certain amount of fees has resulted in thousands of students who do not pay their fees and so do not believe that we are serious about fee payment deadlines. Most of these students are financial aid students and they do not return to pay their fees unless they plan on registering for a future semester. This lack of payment affects our cash flow in the first 4 months of each semester. Many students never return to school and their payment have to be turned over to a State collection system that brings us 75% of each debt that the State is able to collect on. Most debts are eventually deemed uncollectible. We hope that the District will ask for the thoughts of the key players in the student fee collection area when making their fee payment decisions.
3. The way students pay their fees has shifted form a cash/check orientation to more credit card and credit card web based payments.
4. The administration also imposed fee payment deadlines. A debit card system of financial aid disbursement has been implemented.
5. New e-commerce regulations on the storage of customer credit card numbers required changes to our credit card processing system.
These factors have resulted in staffing requirements changes and more concentrated periods of staffing needs. This has resulted in large periods of time when part time staff is not needed on a steady basis. Therefore experienced staff persons have found other part-time jobs and have left our employ. We now have to hire new staff and go through a lengthy training process.
6. State STRS/ PERS regulations have affected the timing of our payroll cycles, District changes to counselor assignments and changes to health care benefits have created mass changes to the payroll cycles, pay schedules and health care deductions for payroll staff and managers.
7. The majority of students who receive Federal Financial aid are not signing up for the debit card disbursement system, either preferring a check or lacking the skills, knowledge of or skills to use the debit card sign-up system. This has resulted in

costs to the District that exceeds the costs for part-time help that used to process manual checks to the students.

8. The cashiering area continues to count and deposit the daily parking permit monies which have increased. The volume and weight of the coins is so large, we have to have two temporary cashiers assist the permanent staff member in the counting and reconciling and depositing of the weekly receipts.

9. The cashiering area has to respond to dwindling or growing numbers of students due to uncertainty of the number of students we will be able to enroll in courses.

While the basic functions still have to occur, more or fewer pieces of paper will be handled and staffing adjustments made. As State funds dwindle, programs are seeking more Federal and local grants. This increases the workload of the accounting staff.

10. LACOE has already handed off to us tasks that were performed there. They had a recent downsizing, which we anticipate will mean more job tasks will be given to the local colleges.

11. There has been an increase in the number of companies that prefer a wire transfer of funds over a District check. This increases the workload of the accounting staff and management, taking time away from other tasks. If we continue to do business in many international markets we can expect this to increase.

12. The Federal government and the US military branches also have requested online billing and automated deposits of funds. This has increased the time spent on billing and researching random deposits.

Responding to external changes in how our customers do business has slowed our productivity.

I. Future Challenges

1. Retirement of experienced, knowledgeable staff

It is expected that ¼ of the accounting department will retire or take other jobs in the next five years, and another ¼ in the five years after that, which will require hiring and training of new staff. With the District's current decision to only hire 10 month employees, it is doubtful that timeliness and efficiency will continue at the current level.

2. The current Administrative Assistant is being asked to do two Administrative Assistant jobs.

Her job skills in her current assignment are crucial to student and customer service. She has a full time job list now and to take on more will reduce the efficiency and slow down the accomplishment of tasks that are deadline oriented.

3. The change to the school calendar will impact the accounting area in the next year.

Without the quiet winter intersession period, staff will not have "down time" in the cashiering area to catch up on their other accounting job tasks. Moving the start of Spring semester up into January will negatively impact the timeliness of student accounting and bank statement reconciliation. There used to be separate cashiering and

accounting positions in the office. As staff were promoted or "loaned" to other offices, with promises to replace threefold, the remaining staff had to take on a double workload of cashier and full charge bookkeeper. The replacement staff has never been approved for hire. Consequently all positions in the Cashiering unit are at maximum workload.   The employees are all dedicated to the students and other departments, but are often behind in their reports and reconciliations because of the double duty of cashiering and accounting functions. One replacement person would greatly help in this area.

J. Program Improvement
    Accomplishments:
    1. Timeliness of delivery of Federal Student Financial aid with Financial Aid Office and ITS
    2. Collection of outstanding student accounts receivable, COTOP system with ITS.
    3. Faculty absence balances brought up to date, with help from Bookstore staff member.
    4. Implementation of Web-based E-Commerce system with ITS.
    5. Colleague system changes to account strings so Compton Federal financial aid awards will post to El Camino College's Financial Aid Fund.
    6. Fiscal year and mid-year TRANs borrowings.
    7. All monthly reports to STRS cash balance system. (previously processed by LACOE)
    8. More timely deposit of funds to credit union accounts via new Schools First Deposit notification system.

    Improvement Goals:
    1. Keeping absence accounting up to date and sending out absence reports to individuals
    2. Automation of absence accounting system.
    3. Inadequate checks and balances due to lack of staffing in cashiering area.
    4. Data
    5.   Storage and retrieval system for payroll records.
    6. Improved attendance in payroll department.
    7. Improved timeliness of student billing letters and student refunds.

K. Support from District:
The District increased the Casual worker budget by $25,000. These funds are being used to pay workers to handle COTOP calls, research student issues, post COTOP payments to student accounts, and to process COTOP refunds. These funds have enabled us to speed up customer service on COTOP related calls and transactions.

Requests for permanent staffing and equipment have not been funded. Each year requests are again submitted for additional staffing in the accounting, cashiering and payroll areas. Lack of replacement staff (unfilled vacancies over the years) has created a lack of internal

controls and the inability of staff to stay current on all job tasks. We have received repeat audit citations because staff is unable to stay current on reconciliations. Staff in the cashiering area in particular is doing double the work they were originally hired for, and I have seen a decline in standards of work as they try to hurry through all the work they must accomplish.

L. Program Effectiveness
The unit evaluates itself on the timeliness of accomplishment of tasks, meeting internally and externally imposed deadlines, the number of complaints about service or timeliness of financial information. We can see the impact of our services to students in how quickly and accurately student fees, receipts, refunds and financial reporting is accomplished. We can see the impact of our collection process by the reduction of outstanding student receivables. We can see the impact of our budget monitoring system by the number of expenditure and budget transfers that must be processed.

M. Conclusions and Recommendations

The unit workload is holding steady in some areas and increasing in others.

The department strives to accomplish all of its workload timely. It strives to provide excellent service to students and staff and the community. Decreasing staff levels n the Cashiering and payroll areas, increasing job functions and greater absentee problems as staff ages make providing quality service and accurate, up to date financial records a challenge.

Increasing workload and the need to achieve a greater level of accounting control and attention to tasks that are not being accomplished necessitates the hiring of additional full time staff or at least replacing a few key staff positions that have been "lost" over the years.
Staff is doing double duty and the quality of the work has suffered in the last couple of years. An increase in staff will allow others to fully focus on their most important tasks and therefore increase the efficiency of our service operations. Essential job tasks that had to be abandoned when staffing vacancies were not filled could be accomplished.

Increase the staffing level – cashiering, financial aid accounting, payroll, general accounting:
1. Clerical Assistant – to staff the front service counter will aid the current Administrative Assistant
2. Cashiering services – Day cashier, Cashier Supervisor/Registration coordinator
3. Payroll – Payroll Technician to handle all employment verifications, voluntary deduction processing, reconciliation of payroll clearance fund, absence accounting updates and report dissemination.

Attached are staff data lists tracking the number of transactions they have processed since the time of the last program evaluation. This enables us to see that work load is holding steady in most areas. Dramatic increases have occurred in Student Financial aid, web payments and student refunds.

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Data collection
2008-09 through 2011-12

	2008-09	2009-10	2010-11	2011-12 to date	2010-11 vs. 2008-09
Budget Transactions	2,453	2,368	2,045	1,405	
Journal Entries	6,388	6,763	6,549	4,419	
Grant programs	74	77	83	85	10.84%
Business Account					
checks	41	69	133	102	
receipts	2,010	1,957	1,808	1,516	
Associated Students					
checks	232	281	222	235	
receipts	113	170	156	125	
Trust Fund					
checks	718	798	689	412	
receipts	386	274	212	120	
Auxiliary Services					
checks	1,123	1,112	971	803	
receipts	794	798	836	686	
Student refunds	4,346	8,831	8,757	7,221	50.37%
Web payments	32,394	49,785	57,570	41,838	43.73%
Parking permits - $20	9,390	7,134	11,424	9,294	17.80%
Parking permits - $35	12,834	8,356	11,159	9,214	-15.01%
Financial Aid					
checks	16,774	27,537	32,147	34,605	47.82%
receipts	257	306	663	603	61.24%
transactions	19,725	31,276	37,226	40,233	47.01%
Deposits of cash to LACOE	497	237	212	158	
Billings to Compton	15	15	20	17	

PAYROLL					
Payroll checks					
Student/ Casual workers	10,800	9,600	8,800	8,160	
Full time Faculty	3,075	2,735	2,996	2,928	
Administrators	690	696	696	649	
Classified	10,692	10,788	11,028	10,631	
Supplemental paychecks	169	194	139	86	
cash in lieu supplemental	145	144	138	143	
W/C and uniform supplemental	106	108	108	107	
Verifications, Loan, Legal	431	444	544	447	20.77%
Subpoenas	7	5	5	6	
Vacation /sick reporting *	7,086	7,128	7,248	6,089	
payroll transactions/postings	23,974	22,220	21,377	23,178	
Direct deposit/credit union/TSAs	435	432	476	354	
W-4 changes	568	751	683	624	
New Hires - casual/student	1,200	1,140	948	1,040	

* classified, managers, counselors

payroll data does not include

Part-time faculty payroll figures