

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

**A. GENERAL INFORMATION**

1. Date

07/31/2018

2. Department

General Services, Department of

3. Organizational Placement (Division/Branch/Office Name)

Administration Division, Office of Fiscal Services

4. CEA Position Title

Program Manager, Contracted Fiscal Services

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

The Department of General Services (DGS) is the State of California's business manager and its mission is to deliver results by providing timely, cost-effective services and products that support our customers, while protecting the interests of the State of California. The CEA position develops, implements, and directs policies that support the Contracted Fiscal Services (CFS), and is responsible for managing and providing financial services to small/medium sized state departments statewide.

6. Reports to: (Class Title/Level)

Chief, Office of Fiscal Services, CEA B

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain):

8. Organizational Level (Select one)

- 1st  2nd  3rd  4th  5th (mega departments only - 17,001+ allocated positions)

## B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

The CEA position is responsible for providing financial services to 44 state entities with varying sizes, programs, and accounting structures. CFS' clients include various state governmental agencies from Transportation, Natural Resources and Health & Human Services among many others. Currently, this position provides financial services to 44 state agencies, including 40 FI\$Cal departments and 4 non - FI\$Cal departments, and this number is expected to grow annually as the number of small/medium sized state departments in FI\$Cal increases.

The CEA position develops uniform business processes for client agencies in FI\$Cal and demonstrates the ability to lead and operate in FI\$Cal system to consistently complete Month End Close (MEC) activities in a timely and efficient manner in order to meet state fiscal requirements. Clients range from the least complex state entity with an average of two programs and two funding sources, moderately complex state entity with multiple programs and funding sources, to the most complex entities that require specialized accounting and financial reporting (i.e., accounting for revenue bonds and federal funds).

Specific responsibilities of this position are:

- Initiates and recommends policy changes that promote innovative solutions to meet customer needs.
- Develops and utilizes all available resources to resolve issues and create efficiencies by reasoning logically and creatively and utilize a variety of analytical techniques to resolve complex governmental and managerial problems.
- Consults with and advises administrators and other interested parties on a wide variety of subject-matter areas that require fiscal solutions.
- Reviews and edits a variety of written fiscal reports to client agencies.
- Negotiates directly with Executive management and control agencies of state entities in order to maintain Department and client fiscal integrity.
- Oversees all CFS operations in accordance with the DGS directives and guidelines, State and Federal laws and rules, the State Administrative Manual (SAM), the California Department of Human Resources, Bargaining Unit agreements, Board of Control (BOC) rules, Internal Revenue Service (IRS) withholding requirements, Department of Finance (DOF) Management Memos, Budget letters, and Generally Accepted Accounting Principles (GAAP), and State Controller's Office (SCO) rules.
- Evaluates fund conditions and expenditures, revenue, and cash flow.
- Directs the development and maintenance of financial accounting operations with defined plans of action with necessary time frames, resource requirements, and expectations/outcomes.
- Oversees the development of all necessary financial procedures and processes as required by the DOF, SCO, and other fiscal control agencies.
- Works directly with all control agencies as required regarding daily financial operational issues of clients.
- Ensures proper payment and reconciliation of internal and external records on revenue billings and collections, payment of supplier invoices, payment CAL-Card invoices, payment of employee advances and expenses.

**B. SUMMARY OF REQUEST (continued)**

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: As a control agency, the DGS offers and provides multi-faceted state business services to other agencies statewide. CFS provides a comprehensive and all-inclusive menu of financial services to its state entities. This CEA position functions with a high degree of initiative to ensure goals and objectives of CFS are accomplished within the prescribed time frame.

The CEA position is responsible for the following financial services and provides expert advice and policy recommendations to the Chief of Office of Fiscal Services to ensure business operations are carried out effectively and efficiently:

- A. CONTRACTS
- B. PURCHASE ORDERS
- C. ACCOUNTS PAYABLE
- D. OFFICE REVOLVING FUND
- E. LABOR/PAYROLL
- F. BILLING (INVOICING)/ACCOUNTS RECEIVABLE (A/R)
- G. RECEIPTS (CASHIERING)
- H. ASSET MANAGEMENT
- I. GENERAL LEDGER
- J. FI\$CAL SYSTEMS

## **B. SUMMARY OF REQUEST (continued)**

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

The CFS Section's transition of its 44 client agencies to FI\$Cal since fiscal year 2015-16 has increased the statewide impact and responsibilities of the CFS manager. CFS transitioned its accounting legacy system (CalSTARS), to the FI\$Cal system in August 2015 for majority of its client agencies and added more client agencies in July 2017. In addition, CFS took on a number of new clients. This transition was an extremely drastic change from CalSTARS that was an expenditure-based system utilized by DGS-CFS staff over the last 20 years. CalSTARS did not require sophisticated accounting knowledge base since it automated all accounting transactions and users of the legacy system only needed to understand the use of Project Cost Accounting (PCA) codes to transact.

The transition to FI\$Cal, an Enterprise Resource Planning (ERP) system required staff to learn new business requirements on demand including the new coding structure, new business process flow, and familiarity in how to use the PeopleSoft system. CFS staff was required to have a strong understanding of accounting transactions and application of T-accounts to effectively trouble-shoot system transaction issues. CFS staff continues to experience difficulties and challenges to transact on a daily basis, which has resulted in manual work-arounds. The combination of inexperienced staff and system issues, which is normal in transitioning to any new system, resulted in missed deadlines and delayed monthly reports and fiscal year-end (FYE) reports. The radical change and difference between the legacy system and the FI\$Cal system, and the continual deployment of new functionalities in the system by FI\$Cal resulted in management and supervisory staff working unprecedented extra and unpaid overtime hours to trouble shoot and resolve accounting and payment issues and to ultimately manage the completion of year-end financial statements. The deadlines for year-end financial statements are set by the DOF and SCO, which established specific deadlines for the completion of monthly and FYE reports. Meeting these deadlines is essential to provide CFS client agencies their financial status on a monthly basis and at fiscal year-end. In addition, timely completion of FYE reports is critical for CFS's client agencies budget office to complete budget drills and for SCO to prepare the State's Annual Financial Report.

CFS was one of the earlier departments to transition client agencies to FI\$Cal and had to learn the functionality and detail intricacies of the FI\$Cal system with limited resources and information available about the system. In order to successfully implement and transact in FI\$Cal system, there were changes needed in its processes and procedures. Acquiring strong state accounting and ERP system experience, this position has assumed the lead to evaluate the FI\$Cal system changes, determine business process impacts, and direct the accounting office to create various new procedures and processes to accommodate the new changes, and develop work-around processes when necessary. For example, CFS developed and established a new procedure and process of submitting transfer of cash requests for bond funds to State Controller's Office in order to accommodate the new payment process in FI\$Cal. Finance created similar procedure and requested CFS to validate the new procedure which would become a statewide policy. In addition, many departments in FI\$Cal were experiencing challenges and difficulties in completing FI\$Cal system transactions. CFS shared their knowledge and experience on various topics regarding FI\$Cal. CFS undertook short-term assignments to assist other departments with changes to their accounting processes and transacting in FI\$Cal. In February 2018, CFS participated in the FI\$Cal Forum to present and discuss CFS' best methods and practices regarding the steps to successfully complete month-end close in FI\$Cal with the upcoming wave of state departments that are implementing in FI\$Cal. Closer and more frequent scrutiny of CFS' ability to deliver accounting services timely and accurately were introduced by fiscal control agencies such as SCO, DOF and FI\$Cal, after CFS transitioned to FI\$Cal in fiscal year 2015-16. These control agencies consulted CFS as the lead agency to provide recommendations on policy changes to resolve statewide procedure issues and FI\$Cal functionality issues in the FI\$Cal production environment.

### C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The CEA position formulates, recommends and administers statewide policies to meet the complex fiscal needs of small/medium sized state entities.

The CEA position has the following responsibilities:

Initiates and recommends FISCAL system functionality procedural changes and accounting policy changes that promote innovative solutions to meet the fiscal needs of small/medium sized and less complex client agencies statewide.

- Develops and utilizes all available resources to resolve issues and create efficiencies by reasoning logically and creatively and utilizes a variety of analytical techniques to resolve complex governmental and managerial problems.
- Provides expert fiscal management consultation and technical advice to Executive administrators of its 43 client agencies
- Negotiates directly with Executive management and control agencies in order to maintain department and client fiscal integrity.
- Serves as a Committee Charter member of the Statewide Steering Committee that sets statewide fund accounting policies for chart of accounts under the Uniform Code Manual and sets statewide fund accounting policies and procedures under the State Administrative Manual.
- Responsible for the following statewide policies under CFS:

Program Accounting Policy

GAAP, Budgetary & Legal Basis Accounting Structure Policy

GAAP/Legal Basis/Budgetary Reporting Structure and Relationship Policy

Policy on Capitalization of Fixed Assets

Year-End Close Policies and Procedures

Post-Financial Adjustment Policy

Proportionate Share of Contribution Allocation Policy (GASB 67)

Administrative Expenses Allocation Policy

Cost Accounting Policy

**C. ROLE IN POLICY INFLUENCE (continued)**

**13. What is the CEA position's scope and nature of decision-making authority?**

The CEA of CFS is responsible for changes in accounting policy and operations for small/medium sized state entities that have statewide impact; maintains cooperative and consultative relations with SCO, DOF and FI\$Cal.

The CEA position is the financial advisor to the Executive management of 44 client agencies and responsible for the overall administration of the fiscal status of each client agency. CFS's 44 client agencies represent 1,300 positions and \$1.6 billion in budget authority statewide. It is projected that the annual number of CFS' client agencies will increase as more state entities that are small/medium sized are transitioned to FI\$Cal. Because CFS' total number of agency clients currently represent approximately 50% of the total number of state entities in FI\$Cal, policy decisions made by the CEA will affect the FI\$Cal functionalities and procedures statewide.

**14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?**

The CEA of CFS is responsible for developing and implementing policy in all financial FI\$Cal functionalities that will have statewide impact for small/medium sized state entities and will require notification to SCO, DOF and FI\$Cal.