



STATE OF THE FINANCE DEPARTMENT

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Taking Inventory



Triage

- Target what has not been completed.
 - Audit of 2019/2020
 - Appropriations Limit for 2020/21
 - Appropriations Limit for 2021/22
 - Staffing Needs



SETTING GOALS

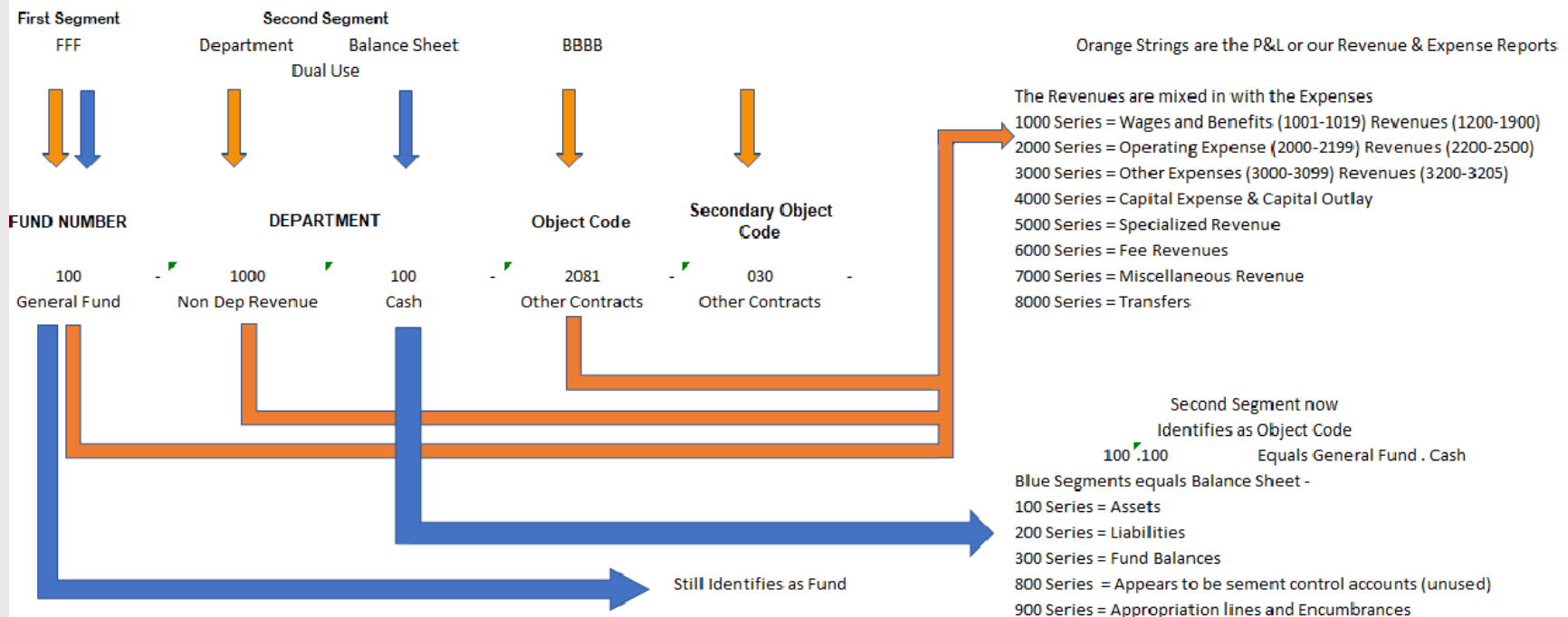
Goals

- Goal 1: To provide accurate financial information that is transparent and promotes the sustainability of programs for the City of Willits.
- Goal 2: Review the current financial policies and assess where each policy assists, or hinders, the city in accomplishing its goals.
- Goal 3: Establish and maintain the human infrastructure of the City.

Goal 1:

To provide accurate financial information that is transparent and promotes the sustainability of programs for the City of Willits.

Chart Of Account - Numbering Structure



Next Steps

1. Choose a new Accounting Software
2. Contract with a new Auditor for our basic financials
3. Complete the GANN for Fiscal Year 2020/21
4. Complete the GANN for Fiscal Year 2021/22
5. Complete Audit for Fiscal Year Ending June 30, 2020
6. Complete Audit for Fiscal Year Ending June 30, 2021
7. Get reimbursement from the County on the Landfill Post Closure costs
8. Complete Audit for Fiscal Year Ending June 30, 2022
9. Restructure the Chart of Accounts
10. Implement a Pool Cash system

Goal 2:

Review the current financial policies and assess where each policy assists, or hinders, the City in accomplishing its goals.

Review each policy

- Capital Assets Policy
- Vehicle Replacement Policy
- Investment Policy
- Accounts Payable / Procurement Policy
- Escheat Policy
- Cash Handling Policy
- Financial Crisis Policy
- Grants Policy (GASB)
- Travel and Expense reimbursement Policy
- Budget and Fiscal Policy

Goal 3:

Establish and maintain the human infrastructure of the City.

“Separation of Duties”

Ideally, no one person should:

- Initiate the transaction
- Approve the transaction
- Record the transaction
- Reconcile the transaction
- Handle the related asset
- Review reports

Finance Department Needs

Accountant





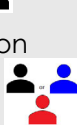


The minimum number of people who can successfully operate a financial process is two – at this staffing level, satisfactory separation of duties can be attained, but not without careful planning. Ideally, there should be three people involved.






- Establishing and Maintaining Humane Infrastructure.
- Separation of Duties
 - “No one person has sole control over the lifespan of a transaction.”
 - Initiate the Transaction
 - Approve the Transaction
 - Record the Transaction
 - Reconcile the Transaction
 - Handle the related asset
 - Review reports

How Separation of Duties work





Cash Handling

- Cash Receiving. (cashiering) 
- Deposit preparation. 
- Submitting Deposit to bank. 
- Posting Deposit to Ledgers. 
- Monthly Reconciliation of Cash Account. 






Purchasing/Disbursement




- Order Initiation. 
- Order approval 
- Confirmation of Receipt of good. 
- Payment of invoice & Posting. 
- Ledger Review and approval. 

Billing & Receivables

- Creation of billing data included on bills. 
- Billing Adjustment including Account Credit and Bad Debt Balance Write-off. 
- Billing adjustment, Transaction or recording payment. 
- Comparison of AR balance recorded in the general ledger to the total billings reflected in the billing system or records 

Journal Entries

- Entry Initiation 
- Review of Entry 
- Approval of Entry 
- Posting Entry 
- Ledger Review and approval 

-  Employee 1
-  Employee 2
-  Approver / Employee 3

Audit of 2019/2020

- Audit has been started back up.
- Currently under review
 - Trial Balance for FY 19/20 with Closing Entries
 - Disbursement Schedule for FY 20/21 to check for Period of Availability
 - Cash Receipt Schedule for FY 20/21 to check for Period of Availability
- Expectations
 - Current Review expected to take a couple months.
 - I Requested Basic Financials by end of March

Status Update on GANN Appropriations Limits

- Fiscal Year 2020/21
 - Posted at City Hall
 - This posting must be available for review for 15 days prior to approval from City Council.
 - Will be on the February 22, 2022 City Council Consent Calendar
- Fiscal Year 2021/22
 - Will be Posted at City Hall by end of week
 - This posting must be available for review for 15 days prior to approval from City Council.
 - Will be on the March 9, 2022 City Council Consent Calendar

Budget Status

- Effective Review requires 2 goals to be completed
- 1st Goal – Budget Upload into the ACS System
 - This requires COA String Development of approximately 40 Strings with multiple needs to create new elements for the Object Level
 - Estimated time of Completion
 - End of day today
 - Budget Upload for FY 20/21
 - Meeting with ACS Today on 4th Level Elements
 - Tentative date set for End of Week
 - Budget Upload for FY 21/22
 - Tentative Date to be determined

Budget Status

- 2nd Goal Create Journals for Payroll Upload
 - Contractor has started to work on February and March of 2021
 - ADP Reporting very difficult to interpret
 - Thankfully Contractor Andy helped out with identifying the necessary reports to balance to Bank Accounts.
 - New Office Assistant III / Finance person set to join the city next week.
 - She will begin by learning the ADP Payroll process.
 - Develop Payroll process and plan to bridge to a new system

Mid Year Budget Amendments

- Currently collecting information from one department
 - Planning
- Will be sending Memos to all departments to begin to review budget for any amendments.
 - Until payroll has been entered into system a true budget to actuals can not be rendered