Ohlone College
Program Review Report

• Program Description and Scope:
  1. Program Review Title: Accounts Payable
  2. Academic year: 2011/2012
  3. Review Type: Administrative Services
  4. Program/Departments: Administrative/Financial Services (67200, 67201)
  5. Authority Code: 21-Dean, Business Services
  6. External Regulations:  Yes X  No 

Describe:
  California Ed Code
  Government Code
  Governmental Accounting Standards (33/33 and 43/45)
  OMB Circulars (A21 and 133)

7. Provide a brief narrative that describes the services provided.

Accounts Payable is an integral part of the internal control system that safeguards the District financial assets. Accounts Payable provides cash flow monitoring, invoice processing, check processing, fixed asset maintenance, sales and use tax payments and reporting, Ed Code compliance, liability reconciliation and 1099 preparation for:

• General Fund Unrestricted and Restricted Funds including Grants (10, 12, 13, 15, 18, and 20, 21, 25, 26)
• Child Development (33)
• Capital Projects and Bond Projects (41 and 42)
• Internal Service Fund – Section 125 and retiree benefits (69)
• Bookstore (51)
• ASOC (71, 79, and 81)
• Foundation (83, 88, and 89)
• Financial Aid (74)

8. Describe how the program specifically serves students, faculty and staff.

Accounts Payable provides the payment processing for all 21 Funds of the District. They provide the vehicle that pays the obligations of the District. This department ensures that all expenditures are authorized, received and approved for payment. There is direct contact with budget managers to ensure that all processing is done appropriately and delivered correctly. Direct service to faculty and staff includes all reimbursements for conference and travel. All of this is to ensure that there is proper documentation of the procedures to comply with auditing standards.
9. Describe how the program or service needs are addressed (how the program/service accomplishes what it's supposed to do.) How are current technologies applied?

Accounts Payable has been on the forefront of innovative technologies. Colleague is the Districts ERP system and is used extensively by the AP staff. In order to properly track outstanding invoices and problems, spreadsheets are used. The AP staff uses pdf copies instead of photo copies and communicates via email to provide support and documentation of decisions and answers.

10. Discuss the impact of the program on the college and/or other programs. Highlight any services, reports or functions supplied, in whole or in part, by this service area that supports state or federal compliance mandates for the College.

This department provides the basis for the classification and categorizing of all of the expenditures of the District. It ensures proper documentation for audit and all of the reports that are required by outside funding sources. As stated in 1.1 it is the cornerstone of the internal controls over cash disbursements.

11. Discuss the impact of the program on the community and the impact of the community on the program.

The impact on the community is specific to vendors, those individuals and companies that the District engages in business transactions. The functioning of the department has a direct impact on the Districts ability to process timely payments to these vendors.

- College Mission
- Core Values, Goals & Objectives:
  - College Core Values
    - We provide life-long learning opportunities for students, college personnel and the community.
    - We promote diversity and inclusiveness.
    - We maintain high standards in our constant pursuit of excellence.
    - We value trust, respect and integrity.
    - We promote team work and open communication.
    - We practice innovation and actively encourage risk-taking and entrepreneurship.
    - We demonstrate stewardship for our human, financial, physical and environmental resources.

  - College Goals/Objectives
4. **Use human, fiscal, technological, and physical resources responsibly, effectively, and efficiently to maximize student learning and achievement.**

   1. Annually sustain the fiscal health of the district.

2. **Briefly describe how the program supports the college mission, vision and one or more of the college values.**

   Accounts Payable is part of Financial Services and as such provides services as an integral part of the internal control system over financial assets. This function protects the limited resources of the District so that the educational mission of the District is supported.

3. **Briefly describe how the program supports the selected college goals.**

   The Finance Department in general promotes appreciation for and understanding of diverse races and cultures by practicing diversity in hiring. The staff is 40% minorities including Chinese, Vietnamese, and East Indian.

   The AP staff participates in sustainable practices when possible and has begun to use pdf’s and email to get verification of goods and services rather than using photo copies. The implementation of the online pay advises will allow the department to reduce paper use, postage and wear and tear on the office machines as well as save staff time.

   Staff development is encouraged and all of the AP staff has taken advantage of training and skills building.

   Except for diversity, sustainability and staff development, the department does not directly support one goal over any other. The department provides the framework that supports the staff and faculty in achieving the Districts overall goals.

4. **Briefly describe how the program supports the selected college objectives.**

   Goal 1 Objective 5. The department as a whole, participates in diverse hiring practices including: take home questions, work related practical exercises, as well as the standard interview process. Different rooms have been used to allow a more comfortable setting to relax participants. This has allowed a stress reduced process for all participants. None of the other objectives fit our situation.
AP has done what it can to support sustainability:

- By utilizing pdf files instead of making copies of invoices.
- Opening up online pay advices so that paper, toner, machine ware and tear and staff time is conserved.
- Web budget to assist budget managers to track purchases and payments more effectively

**Student Learning Impacts**

1. Student Learning Impact -

Student Learning Impacts: AP provides check processing for the campus. If their portion of the process is not completed in a timely manner then the items needed in the class room will not be paid for and vendors may be reluctant to send goods to the District hindering the educational process. By being good stewards of the funds this department assists in keeping a positive credit rating for the Districts. This ensures that all projects are kept moving. It also assists in keeping cash flow so that there is no delay in what is needed in the class room. Indirectly they support students by providing the appropriate controls over the construction projects that allows projects to be paid on time and keeps the vendors supported so that other projects are possible. These projects provide enhanced learning spaces for students. While not directly impacting student outcomes we do provide a work environment that assists students with real world work experience. The interface Accounts Payable has with student government provides another opportunity for experience.

a. *Enter assessment results for "Student Learning Impacts" and analyze student success.*

Assessment is the good credit rating and continued good reports when we have to sell bonds or get Tax Revenue Anticipation Notes and Guaranteed Investment Contracts. None of these would be possible without the diligence of the AP staff.

Number of Vendor complaints to the Dean.

Student employees can:
Open and distribute mail with little supervision
Enter an invoice that has a PO,BPO
File with little supervision
Direct phone calls to the appropriate staff member
The level of knowledge of operations and budget of the student representatives that participate in College Committees

b. Future Action.

**Program Achievement**

1. List area-specific outcomes.

   AP to process:

   - 90% of all invoices without research
   - And take advantage of discounts

Assessments Include:

- Number of checks produced
- Vouchers produced with and without PO/BPO
- Review of all off line spreadsheets
- Review bottlenecks and processes that are not yet integrated into operations
- Number of vendor complaints
- Number of unresolved invoice questions
- Accuracy (correct coding) as determined by the number of JE’s
- Year-end close/audit adjustments
- Number of calls from vendors
- Credit rating
• User satisfaction

• Vendor satisfaction

• Reduction in Pay Vouchers to PO/BPO ratio

2. Identify internal and/or external benchmarks and regulations.

Credit rating is from outside entities. GASB 35 requires tracking of fixed assets. State requires that the District contact them when we pay a contractor. Use tax has to be reported quarterly. 1099's are reported yearly.

3. Enter assessment results for area-specific outcomes and analyze trends.

Even with the addition of the Bond and Financial Aid activity there was an overall decline in the number of checks written as a result of the budget cuts that came in 03-04. The reduction in processing in 06-07 was the result of a 32% increase in Accounts Payable caused by slowing payments to conserve cash. Overall the amount of checks produced has increased by 68% or an average of 7.5% per year while the District as a whole has grown by an average of 1.5%.

One of the goals from the 2005 review was to reduce the number of vouchers that were done without PO/BPO’s. In 2008-09 this has finally been achieved. The next review should show a reduced amount of time entering vouchers. The implementation of On-line Requisitioning should assist this.

Spread sheets are kept for:

• Section 125 ‘s for each invoice and for month-end payroll run.

• Scholarships’ spreadsheet in case students call to ask information.

• Title III quarterly to request fund from G5.

• ASOC’s bank interest COD allocation every month.

• List names and ID of students who have not cashed Financial Aid checks that were issued in 2 to 3 months or prior.

• Check Register download to email to County’s Auditor Office every AP and Payroll run.
• Energy usage from PG&E
• US Bank
• ASOC capital
• Unpaid Short term loans
• List of vouchers pulled for Fixed Assets
• Bond and Capital projects; these projects span fiscal years requiring a separate reporting system.

The number of spread sheets used for reconciling is growing. There needs to be a specific review of each one to see if there is a way that Colleague can assist.

While increasing the functionality of Colleague some other problems have begun to surface. One such problem is the items that are received but not invoiced. This resides so deeply in the software that it is not immediately visible. A tracking report for received but not invoiced needs to be developed to provide the basis of periodic review and follow up.

Fixed Assets is the area in the department that is not yet integrated into the regular processing. There are at least two reasons why this is true. One is the current AP technicians are at a level III and they need to be at a level IV to do this work. There is only enough budget, currently, to upgrade them once a year so they can assist. The processes also need to be defined and distributed. The majority of the time is spent analyzing whether it is a fixed asset or not. This process has to encompass requirements from Ed Code, GASB 35, insurance and the 50% law. The criteria is not clearly defined and is not well understood.

The time study was done based on estimates and average operations. There are some weeks when more check processing is done because Financial Aid and Payroll are intermittent. The study has added Fixed Assets and Check processing. Both of these are new for AP in the last 4 years. The efforts to reduce research have paid off in more time for other processes. The Fixed Asset portion of the workload now happens in a very concentrated time during the year since we only have budget for out of class for 2 months.

The study also highlights the increase in vouchering due to the added
funds. Online requisitions should help to reduce this somewhat. A Business Process Analysis was completed in October of 2008. Process maps were done with an eye for where technology could assist the purchasing/payables process. What came out of the study was not only how technology such as on-line requisitions could help, but also, the steps are cumbersome, many are manual, many hands off, lots of paper is generated, the initiator does not know where anything is in the process and a lot of time is spent tracking down approvals.

4. Analyze program budget trends and expenditures. Comment on how the program can best use budget resources.
5. Analyze the program's current use of staff, equipment, technology, facilities, and/or other resources. Comment on how the program can best use these resources.
6. Describe any additional notable program achievements (optional).

Program Analysis

Based on your assessments in the previous sections, focusing on Student Impacts and student/program achievements analyze and summarize your findings. This information will be used to develop your Program Improvement Objectives (PIOs).

1. Describe program achievements and successes.

The department has remained the same number of staff yet workload has increased by 68% over the last 9 years. This is an average growth rate of 7.5% a year while the Districts growth rate is about 1.5% over time. To achieve this, constant creativity and innovation have been needed. Processes are reviewed and new equipment has been put in place and technology used where possible to streamline operations.

- To get approvals and document receipt of goods and services, pdf files are now sent back and forth instead of paper copies.
- Use tax report eliminates manual spreadsheet tracking.
- Online pay advices eliminate paper, postage, wear and tear on the printers and processing time.

The staff is very responsive to the cash flow needs of the District. They move easily from paying promptly to holding to 45 days, while at the same time maintaining a good credit rating.

The accounting world has experienced an increase in the number of regulations. GASB 35 reporting model is an example. It requires the District to account for fixed assets in a very different way than
before. With a 7.5% increase a year in checks, the new processes for fixed assets had to be added on top of the work load.

Through the diligence of the staff, support from purchasing, cooperation of budget managers and the support staff, the number of vouchers that are produced without PO/BPO’s is for the first time in 9 years lower than those without.

2. Describe plans for improvements for student impacts and/or student/program achievement.

- **Program Improvement Objectives:**
  1. **Objective:**
     Develop a tracking report of PO's received but not invoiced to reduce research.
     a. **Action Plan**
        Year 1:
        Develop a prototype report
        Year 2:
        Refine Report until it is usable
     b. **Staffing**
        Year 1:
        N/A
     c. **Equipment (Include items that fit under department budget codes)**
        Year 1:
        N/A
     d. **Technology (Include items that fit under IT budget codes)**
        Year 1:
        N/A
     e. **Facilities (Include items that fit under the Facilities budget codes)**
        Year 1:
        N/A
     f. **Other (Include other resources needed)**
        Year 1:
        N/A
     g. **Assessment Plan: List Assessment Strategies**
        Year 1:
        The tool will be ready when it is easy to use and includes only the information necessary to take action

2. **PIO Assessment**
   a. **Enter assessment results with analysis.**
   
   The report was generated and PO's that are received and not invoiced are traced and paid in a timely manner.
b. Describe how PIO achieved one or more of the college goals and objectives, had an impact beyond the particular department, and contributed to student success/learning.

Goal 4. AP can, at a glance, determine which vendors require follow up. This decreases redundant spreadsheets and eases phone calls.

c. Analyze the impact of reallocation or addition of resources. If money or resource was not used, give rationale.

Saves staff time and invoices are paid more timely.

d. Future Action
   Completed.

1. Objective:
   Review all manual spreadsheet tracking for possible automation to increase staff efficiencies and accuracy.
   a. Action Plan
      Year 1:
      Begin the process in Jan 2010
      Access the possible alternatives to what is currently being tracked.
      Year 2:
      Develop a timeline for implementing new processes or reports.
   b. Staffing
      Year 1:
      N/A
   c. Equipment (Include items that fit under department budget codes)
      Year 1:
      N/A
   d. Technology (Include items that fit under IT budget codes)
      Year 1:
      N/A
   e. Facilities (Include items that fit under the Facilities budget codes)
      Year 1:
      N/A
   f. Other (Include other resources needed)
      Year 1:
      N/A
   g. Assessment Plan: List Assessment Strategies
      Year 1:
      There will be reduced numbers of spreadsheets for tracking.

2. PIO Assessment
   a. Enter assessment results with analysis.

      This is being done on a regular basis. The Project Accounting
modual of Colleague is being implemented to remove the Capital spreadsheets.

b. Future Action
   Current level of focus maintained. Describe.
   This is a regular part of self assessment. Project Accounting is being implemented as a result of this review.

1. Objective:

   The Fixed Asset Process is complex. Once the process is fully defined communication needs to be developed that will assist the staff that must account for it and provide guidance at the department level to minimize errors

   a. Action Plan
      Year 1:
      Develop training material for anyone that purchases Fixed Assets so that there is a common understanding.

      Year 2:
      Once the documentation process is complete begin to develop training material

      Year 3:
      Roll out training

b. Staffing
   Year 1:
   N/A

c. Equipment (Include items that fit under department budget codes)
   Year 1:
   N/A

d. Technology (Include items that fit under IT budget codes)
   Year 1:
   N/A
e. Facilities (Include items that fit under the Facilities budget codes)
   Year 1:
   N/A

f. Other (Include other resources needed)
   Year 1:
   N/A

g. Assessment Plan: List Assessment Strategies
   Year 2:
   Training material is complete

   Year 3:
   At least 3 trainings have occurred

h. Which college goal(s) does this program improvement objective work to achieve? Clearly describe how your PIO will help achieve one or more of the college goals and objectives, has impact beyond the particular department, and contributes to student learning/success.
   4. Use human, fiscal, technological, and physical resources responsibly, effectively, and efficiently to maximize student learning and achievement.
   Rationale:
   Will ensure that all assets that are purchased including technology are easily and properly recorded.

2. PIO Assessment
   a. Future Action

1. Objective:
   Complete the on line requisition Process to more fully utilize the ERP system and reduce paper flow. (see also Purchasing)
   a. Action Plan
Year 1:
Complete the Busines Process analysis and develop an implementation plan.

Year 2:
Test with several volunteer programs and after 4 months of testing, roll it out to all budget managers.

b. Staffing
   Year 1:
   No new staffing is required

c. Equipment (Include items that fit under department budget codes)
   Year 1:
   No new equipment

d. Technology (Include items that fit under IT budget codes)
   Year 1:
   This will require some programmer time

e. Facilities (Include items that fit under the Facilities budget codes)
   Year 1:
   No new space required

f. Which college goal(s) does this program improvement objective work to achieve? Clearly describe how your PIO will help achieve one or more of the college goals and objectives, has impact beyond the particular department, and contributes to student learning/success.
   4. Use human, fiscal, technological, and physical resources responsibly, effectively, and efficiently to maximize student learning and achievement.
   Rationale:

2. PIO Assessment
   a. Enter assessment results with analysis.
Process was developed and implemented in April 2010. There is ongoing training during learning college week and one on one as needed.

b. Describe how PIO achieved one or more of the college goals and objectives, had an impact beyond the particular department, and contributed to student success/learning.

This PIO relates to college goal 4. The new process more fully utilizes the Districts ERP system and eliminates duplication of effort at the department level, Purchasing and Accounts Payable.

c. Analyze the impact of reallocation or addition of resources. If money or resource was not used, give rationale.

The resources were provided by college council for the purchase of the module and the ongoing cost in the budget of IT. There was a significant use of human resources to bring the system live but once it is fully implemented it will save time at the department level, purchasing and Accounts Payable.

d. Future Action
Completed.

1. Objective:

Need to integrate the fixed asset processing into the routine of the AP Technicians.

a. Action Plan
   Year 1:

   In March 2011 increase salaries of Tech III to Tech IV to smooth out the Fixed Asset Process to comply with GASB 35 and audit requirements in a more timely and accurate manner This can be done utilizing the other hourly funds from the department budget and the savings from online 1098T's.

   Year 2:

   Begin to record assets each month instead of at year end.

b. Staffing
   Year 1:

   N/A
c. Equipment (Include items that fit under department budget codes)
   Year 1:
   N/A

d. Technology (Include items that fit under IT budget codes)
   Year 1:
   N/A

e. Facilities (Include items that fit under the Facilities budget codes)
   Year 1:
   N/A

f. Which college goal(s) does this program improvement objective work to achieve? Clearly describe how your PIO will help achieve one or more of the college goals and objectives, has impact beyond the particular department, and contributes to student learning/success.
   4. Use human, fiscal, technological, and physical resources responsibly, effectively, and efficiently to maximize student learning and achievement.
   Rationale:
   Need to better utilize the Business Office staffing to comply with regulations.

2. PIO Assessment
   a. Future Action

1. Objective:
   Cross train Finance Staff on the Bookstore procedures.
   a. Action Plan
      Year 2:
      Develop procedures and train.
   b. Staffing
      Year 1:
      N/A
   c. Equipment (Include items that fit under department budget codes)
      Year 1:
      N/A
d. Technology (Include items that fit under IT budget codes)
   Year 1:
   N/A

e. Facilities (Include items that fit under the Facilities budget codes)
   Year 1:
   N/A

f. Other (Include other resources needed)
   Year 1:
   N/A

g. Assessment Plan: List Assessment Strategies
   Year 1:
   N/A
   Year 2:
   Two or more staff are familiar with the system.

2. PIO Assessment
   a. Enter assessment results with analysis.

   Not Applicable. Bookstore sold.

   b. Future Action

1. Objective:
   Regularly review Processes for bottle necks and excessive routing to create added staff time efficiencies and reduce frustration.
   a. Action Plan
      Year 1:
      Review the Business Process Analysis and Develop new processes with less routing.
      Year 2:
      Implement the plan in conjunction with implementing the online recs. Roll out to a test group
      Year 3:
      Develop training and roll out campus wide
   b. Staffing
      Year 1:
      N/A
   c. Equipment (Include items that fit under department budget codes)
      Year 1:
      N/A
   d. Technology (Include items that fit under IT budget codes)
      Year 1:
      N/A
   e. Facilities (Include items that fit under the Facilities budget codes)
      Year 1:
      N/A
f. Other (Include other resources needed)
   Year 1:
   N/A

g. Assessment Plan: List Assessment Strategies
   Year 1:
   Use direct feedback of test group to make changes to the overall plan
   Year 2:
   As part of the DDAS and OASIS meetings solicit feedback and make changes as necessary

2. PIO Assessment
   a. Future Action
      Current level of focus maintained. Describe.
      this is a regular part of periodic review which is handled at staff meetings.

1. Objective:

   The fixed asset process is complex and hard to understand resulting in significant errors in coding at all levels. The process needs to be better defined and communicated to reduce staff time needed to research transactions.

   a. Action Plan
      Year 1:
      Document the Fixed Asset process so that it is easier for end users to understand and get it correct reducing the amount of adjustments necessary and improving the accuracy of reports.

      Begin discussion on the various regulatory agency requirements and documentation

      Year 2:

      Prepare a position statement and processes

   b. Staffing
      Year 1:
      N/A
c. Equipment (Include items that fit under department budget codes)
   Year 1:
   N/A

d. Technology (Include items that fit under IT budget codes)
   Year 1:
   N/A

e. Facilities (Include items that fit under the Facilities budget codes)
   Year 1:
   N/A

f. Other (Include other resources needed)
   Year 1:
   N/A

g. Assessment Plan: List Assessment Strategies
   Year 1:
   The position statement is done
   Year 2:
   Processes are documented

h. Which college goal(s) does this program improvement objective work to achieve? Clearly describe how your PIO will help achieve one or more of the college goals and objectives, has impact beyond the particular department, and contributes to student learning/success.
   4. Use human, fiscal, technological, and physical resources responsibly, effectively, and efficiently to maximize student learning and achievement.
   Rationale:
   Define the Fixed Asset Process so that fewer error exist reducing staff intervention and enhancing the ability to properly track fixed assets to comply with GASB 35, Budget and Accounting Manual, the 50% Law and insurance requirements.
2. PIO Assessment
   a. Future Action

1. Objective:
   Review discount practices in conjunction with cash flow to increase the savings on purchases.
   a. Action Plan
      Year 1:
      Develop a review tool.
      Year 2:
      Determine the feasibility of recording discounts lost.
   b. Staffing
      Year 1:
      N/A

c. Equipment (Include items that fit under department budget codes)
   Year 1:
   N/A

d. Technology (Include items that fit under IT budget codes)
   Year 1:
   N/A

e. Facilities (Include items that fit under the Facilities budget codes)
   Year 1:
   N/A

f. Other(Include other resources needed)
   Year 1:
   N/A

g. Assessment Plan: List Assessment Strategies
   Year 1:
   Calculate the number of discounts taken

2. PIO Assessment
   a. Enter assessment results with analysis.

      This has not started due to the budget crisis. All accounts payable were moved back to 45 days to preserve cash flow.

   b. Future Action

1. Objective:
Offer training seminars

2. **PIO Assessment**
   a. *Enter assessment results with analysis.*

      Two budget and purchasing workshops were done in 2009-10. This is ongoing.

   b. *Future Action*

1. **Objective:**
   Complete Bookstore implementation
      a. **Action Plan**
         Year 1:
         Design the accounting structure and make accounting decisions
         Year 2:
         Implement structure and test and go live by July 1 2009
   b. **Staffing**
      Year 1:
      N/A
   c. **Equipment (Include items that fit under department budget codes)**
      Year 1:
      N/A
   d. **Technology (Include items that fit under IT budget codes)**
      Year 1:
      N/A
   e. **Facilities (Include items that fit under the Facilities budget codes)**
      Year 1:
      N/A
   f. **Other (Include other resources needed)**
      Year 1:
      N/A
   g. **Assessment Plan: List Assessment Strategies**
      Year 1:
      System is developed.
      Year 2:
      System is live.

2. **PIO Assessment**
   a. *Enter assessment results with analysis.*

      No longer applicable. Bookstore sold.

   b. *Future Action*

1. **Objective:**
   Complete Bookstore accounting implementation to upgrade to a more reliable platform and allow for integration with Colleague, better check
printing and the ability for increased numbers of staff trained on the system.

a. **Action Plan**
   - **Year 1:**
     - Design the accounting structure and make accounting decisions
   - **Year 2:**
     - Implement structure and test and go live by July 1 2009

b. **Staffing**
   - **Year 1:**
     - N/A

c. **Equipment (Include items that fit under department budget codes)**
   - **Year 1:**
     - N/A

d. **Technology (Include items that fit under IT budget codes)**
   - **Year 1:**
     - N/A

e. **Facilities (Include items that fit under the Facilities budget codes)**
   - **Year 1:**
     - N/A

f. **Other (Include other resources needed)**
   - **Year 1:**
     - N/A

g. **Assessment Plan: List Assessment Strategies**
   - **Year 1:**
     - System is developed.
   - **Year 2:**
     - System is live.

2. **PIO Assessment**
   a. **Enter assessment results with analysis.**

      No longer applicable. Bookstore sold.

   b. **Future Action**

**Outside Review Results**
1. List each team members name and title.
   - Joanne Schultz
   - Lea Witmer
   - Sherrie Medeiros
   - Arti Damani

**Attached Files**
1. [Ohlone Purchasing BPA Report.doc](#)
2. [funds.jpg](#)
3. timesudy.jpg
4. voubpopocomp.jpg