

***Finance Committee Vision / Objective:*** The purpose of the Finance Committee (the “Committee”) is to assist the Board of Commissioners (the “Board”) in the fulfilment of its functions by:

1. Provide **oversight**, in support of the Board, of key financial systems and processes supporting County Government
2. Review and, as appropriate, **discuss** with management any significant difficulties and **challenges encountered, and priorities and proposals** related to key or strategic Finance Department efforts and focus
3. Consider **recommendations** presented for appropriateness of **escalation/presentation** to the Board

The existence of the Committee is not intended to be a decision making forum (i.e. no independent decisioning authority), is not intended to replace meaningful dialogue with the full Board, and is not intended to be engaged in the management of the function (the Committee relies on the reviews and reports provided by Management).

***Finance Modernization Vision:***

1. Provide BOC and County Departments Accounting and Finance Resources to ***Support*** Effective ***Decision Making*** for the Management of Leelanau County
2. Maintain Excellence in Operational/Internal ***Controls***
3. Establish a ***Sustainable*** Finance/Accounting Operating and Organizational ***Structure***
4. Transition from key ***Person Dependent*** to ***Process/Automation Based***
5. Develop Tools and Process Supporting the Target State ***Department Responsibility Based/Self-Serve Operating Model***

# Leelanau County Finance

## Transition Recommendations Summary (1 of 2)

**Draft – For Discussion Only**

#	Description	Responsible	Accountable	Scale of Change	Priority	Timing	Comment
1	Budget Process	CFO	CFO	3	M	24-May	Not an Issue Until Next Budget Cycle
2	Budget Education	CFO	CFO	1	L	Q4	
3	Budget Rules	CFO	CFO	1	L	Q4	Update Following Transition of Accounting
4	Budget Amendment and Funds Transfer	CFO	Finance Staff	3	L	Q4	Fin. Asst Should Own - Support avail
5	Financial Reporting	CFO	CFO	3/4	H	Q4	Start Small and Add (Generations)
6	Other Financial Reporting	CFO	CFO	2	H	Q4	Will Add to Regular Work Effort
7	Financial Accounting Software	CFO	CFO	5	H	2+ Years	Massive effort / long planning window
8	Systems Access Review	CFO	IT	1	M	Q4	Need IT Leadership / Independence
9	Purchasing Policy	Administrator	Administration	2/3	M	Q1	Assistance to Spread Work Load?
10	Distributed Financial System Access (w/Reporting)	CFO	IT	2	M	Q4	Access Following Accounting Transition
11	Accounts Payable - Software	CFO	CFO	4	H	Q2 +?	Efficiency to Free Capacity/Integrated w/5 above
12	Physical Check Distribution	CFO	Finance Staff	2	L	Q4	Internal Process Change
13	Accounts Payable - Vendor Maintenance Software	CFO	Finance Staff	3/4	L	Q2 +?	Dependent on Funding and Implementation
14	Accounts Payable - 1099 Transition	CFO	Finance Staff	2	H	Q4	Following Accounting Transition
15	Accounts Payable - Blank Check Stock Physical Controls	CFO	Finance Staff	1	L	Q3	Risk Accepted Today
16	Credit Card Policy	Administrator	Administration	3	M	Q4	Current Risk Unknown (Inventory?)
17	Payroll - Timekeeping System	Human Resources	HR Director	4	H	Q2 +?	Manual Risk; Capacity; Succession; Integration?
<b>Scale</b>				<p><b>Considerations</b></p> <ul style="list-style-type: none"> <li>• Need to establish responsibilities, accountability and expectations</li> <li>• Involves multiple departments and teams requiring integration / coordination</li> </ul>			
1 - Just Do It (30 days or less)							
2 - Requires Coordination in Timing and Execution (30-60 days)							
3 - Requires Process Change (60-90 days)							
4 - Requires Process Change w/Existing System (6-12 months)							
5 - Requires Process Change w/E2E Finance Software (2 years)							
<b>Priority</b>							
H - Addresses Critical Control Weakness							
M/H - Critical to Strategic Success (Finance Modernization)							
M - Addresses Key Immediate Process Gaps; Is Necessary to Drive Efficiency to Support Strategic Focus							
L - Nice but Not Critical to Strategic Success							

# Leelanau County Finance

## Transition Recommendations Summary (2 of 2)

**Draft – For Discussion Only**

#	Description	Responsible	Accountable	Scale of Change	Priority	Timing	Comment
18	Payroll - Automated Processing	Human Resources	HR Director	4	H	Q3	Manual Risk; Capacity; Succession; Integration?
19	Payroll - Approvals Support	Human Resources	HR Director	1	L	Q4	Can Do Immediately
20	Payroll - Segregation of Duties	Human Resources	HR Director	1	L	Q4	Can Do Immediately
21	Payroll - Blank Check Stock Physical Controls	CFO	Finance Staff	1	L	Q4	Can Do Immediately
22	Cash Receipt Segregation of Duties	Treasurer	Treasury Staff	1	L	Q4	Can Do Immediately
23	Cash Disbursement Documentation Support	Treasurer	Treasury Staff	3	L	Q4	Can Do Immediately
24	Receipting with Scanned Images	Treasurer	Treasury Staff	5	M	2+ Years	System Dependent
25	Banking Access Control Reviews	Treasurer	Treasury Staff	2	L	Q4	Process Development Required
26	Bank Reconciliations within the System	Treasurer	Treasury Staff	5	M	2+ Years	System Dependent
27	Internal Bank Transfer Segregation of Duties	Treasurer	Treasury Staff	3	L	Q4	Process Development Dependencie
28	Year-End Procedures	CFO	Finance Staff	3	H	Q4	Need Plan for YE
29	Grant Management - Policy	Administrator	Administration	3	M	Q4	Start with a Plan/Inventory/Goal?
30	Grant Management - Procedures and Training	Administrator	Administration	3	M	Q1	Dependent on Policy
31	SEFA Process and Procedures	CFO	Finance Staff	2/3	H	Q4	Process Understanding Required
32	Grant Management Transfer to Finance	Administrator	CFO	3	M	Q1	Dependent on Policy
n/a	Finance Training and Professional Organizations	CFO	CFO	1	L	Q3	Join and support immediately
	<b>Scale</b>						
	1 - Just Do It (30 days or less)						
	2 - Requires Coordination in Timing and Execution (30-60 days)						
	3 - Requires Process Change (60-90 days)						
	4 - Requires Process Change w/Existing System (6-12 months)						
	5 - Requires Process Change w/E2E Finance Software (2 years)						
	<b>Priority</b>						
	H - Addresses Critical Control Weakness						
	M/H - Critical to Strategic Success (Finance Modernization)						
	M - Addresses Key Immediate Process Gaps; Is Necessary to Drive Efficiency to Support Strategic Focus						
	L - Nice but Not Critical to Strategic Success						

### **Considerations**

- First Step: Establish cross department team with responsibility and authority to address
- Process: Coordinated effort and routines to support

# Leelanau County Finance

## Transition Recommendations Summary

————— **Scale/Scope of Change** —————→

		Small	Extensive			
Priority of Change ↓	Low	<p style="text-align: center;"><b><i>As Time/Skills Allow</i></b></p> <p>2. Budget Education n/a Finance Training and Professional Organizations</p>	<p style="text-align: center;"><b><i>Integrated Process Change Required</i></b> <i>(Process Complexity, Resource Dependent, and/or Coordinated Change)</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;">           1. Budget Process 4. Amendments and Transfers 5. Financial Reporting 8. Systems Access Control/Review 9. Purchasing Policy 14. A/P – 1099 Transition 16. Credit Card Policy         </td> <td style="width: 50%; vertical-align: top;">           19. Payroll – Approvals Support 20. Payroll – Segregation of Duties 29. Grant Management Policy 30. Grant Mgmt Procedures 31. SEFA Process and Procedures 32. Grant Mgmt Tfer to Finance         </td> </tr> </table>	1. Budget Process 4. Amendments and Transfers 5. Financial Reporting 8. Systems Access Control/Review 9. Purchasing Policy 14. A/P – 1099 Transition 16. Credit Card Policy	19. Payroll – Approvals Support 20. Payroll – Segregation of Duties 29. Grant Management Policy 30. Grant Mgmt Procedures 31. SEFA Process and Procedures 32. Grant Mgmt Tfer to Finance	
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High	<p style="text-align: center;"><b><i>Just Do It</i></b> <i>(Owned and Managed By Single Department)</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;">           3. Board (Budget) Rules 12. A/P - Physical Check Distribution 14. A/P – 1099 Transition 15. A/P – Blank Check Stock Controls 21. Payroll – Blank Check Stock Controls 28. Year-End Procedures         </td> <td style="width: 50%; vertical-align: top;">           22. Cash Receipt – Seg of Duties 23. Cash Disb – Documentation 25. Banking Access Control Reviews 27. Internal Bank Transfers Seg of Duties         </td> </tr> </table>	3. Board (Budget) Rules 12. A/P - Physical Check Distribution 14. A/P – 1099 Transition 15. A/P – Blank Check Stock Controls 21. Payroll – Blank Check Stock Controls 28. Year-End Procedures	22. Cash Receipt – Seg of Duties 23. Cash Disb – Documentation 25. Banking Access Control Reviews 27. Internal Bank Transfers Seg of Duties	<p style="text-align: center;"><b><i>Automation</i></b> <i>(Dependent on Automation Tools/Capability)</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;">           7. Financial Accounting Software 10. Distributed Financial System Access 11. A/P Software 13. A/P Vendor Mgt. Software 17. Payroll – Timekeeping System 18. Payroll – Automated Processing         </td> <td style="width: 50%; vertical-align: top;">           24. Receipting with Scanned Images 26. Bank Recons in System         </td> </tr> </table>	7. Financial Accounting Software 10. Distributed Financial System Access 11. A/P Software 13. A/P Vendor Mgt. Software 17. Payroll – Timekeeping System 18. Payroll – Automated Processing	24. Receipting with Scanned Images 26. Bank Recons in System
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### ***Overarching Consideration: What is our strategic objective in exploring automation?***

<b>Problem</b>	<b>Consideration / Condition (Examples)</b>
New G/L	<ul style="list-style-type: none"><li>• Architecture No Longer Supported</li><li>• User Friendliness (Require Finance SME?)</li><li>• Capacity/Risk</li><li>• Etc.</li></ul>
Finance Department Efficiency	<ul style="list-style-type: none"><li>• Capabilities Limit Ability to Work “In the System”</li><li>• Opportunities for Task Efficiency Not Supported by System</li></ul>
Process Standardization/Integration (Overall Government Efficiency)	<ul style="list-style-type: none"><li>• Processes Occur Independently / Across Systems</li><li>• Individual Systems Support Unique Processes, But Don’t Talk To Each Other</li><li>• System Hand-offs Require Unique Solutions or Manual Intervention</li></ul>
Departmental Self-Serve Capability (to Support Department Responsibility Vision)	<ul style="list-style-type: none"><li>• Departments Do Not Have Access to All Information to be Self-Sufficient</li><li>• Complexity Precludes Effective Department Use</li></ul>

*Independent System Considerations*



*Integrated Systems Considerations*

### What is ERP?

- Enterprise Resource Planning
- What does ERP mean?
  - “The simplest way to define ERP is to think about all the core business processes needed to run a company: finance (accounts payable, fixed assets, G/L), HR (payroll; HR management), procurement (purchasing, vendor management), services (taxes, delinquent taxes), equalization, receipting, etc. At its most basic level, ERP helps to efficiently manage all these processes in an integrated system. It is often referred to as the system of record of the organization”.
- ERP systems collect and organize key business information and help people collaborate, tying together business processes and technologies across the organization.

# Leelanau County Finance

## Automation Considerations

**Draft Only – Not Complete**

Department	Capability	Current Software	Department	Capability	Current Software
<b>Accounting</b>	General Ledger	Harris Software	<b>Prosecuting Attorney</b>		
	Accounts Payable	Harris Software		Accounts Payable	Manual
	Fixed Asset	Thomson			
	Budgeting	Harris Software			
<b>Administration</b>	Purchase Order	None	<b>Clerk</b>	Birth/Marriage/Death	Manual
	Project and Grant Mgmt	None		Accounts Payable	Manual
	Document Management	None			
<b>Human Resources</b>	Human Resources	Harris Software	<b>Register of Deeds</b>	Public Records	Tyler Technologies
	Employee Self Service	None		Cash Receipting	Tyler Technologies
	Timesheets	Manual			
	Payroll	Harris Software			
<b>Treasury</b>	Cash Receipting	BS&A	<b>Planning</b>	Cash Receipting	Manual
	Bank Reconciliation	Manual			
	Property Tax	BS&A	<b>Senior Services</b>	Cash Receipting	Manual
	Delinquent Tax	BS&A			
	Dog License Support	BS&A			
<b>Equalization</b>	Assessing / Equalization	BS&A	<b>Court</b>	Cash Receipting	Manual
				Accounts Payable	Manual
<b>Building Safety</b>	Inpections	BS&A	<b>Public Safety/Jail/ Emergency Services</b>	Scheduling	TCP/Aladtec
	Online Inspections	BS&A		Time Clock	None
	Permit Applications	BS&A		Timesheets	Manual
	Online Permit Application	BS&A		Billing	Harris Software
	Billing	BS&A		Cash Receipting	Harris Software
	Online Bill Pay	BS&A		Accounts Payable	Manual
	Accounts Payable	Manual			

### Considerations

- Are there common key processes within County Government?
- Is there potential efficiency through integration of those processes systematically?
- Should/does the current system inventory “landscape” weigh into any direction or decisions? If so, how?



### Charlevoix

**What is the relative importance of the overall ERP integration in your experience (H/M/L)?** Integration is a key feature to support real-time reporting. This supports seamless user access to finance functions and data within a single environment (user-friendly). Number of users and user access totally configurable.

### Antrim

**What is the relative importance of the overall ERP integration in your experience (H/M/L)?** They view as high and do not consider it as a Financial system (they consider it as an ERP system). That said, skill set and “past practices” have kept further user engagement than optimal, and skilled users have recently realized (through training) how much more capability exists than they are currently taking advantage of.

- **Other competitors?** Generally no because of integrated nature of modules (ERP) and the fact that this is a system that has been built around government and government processes. Only one Brad has run into that he liked was more of a municipality system called “Civic Systems” – which he had some concerns regarding scaling beyond village-size entities. He has seen Tyler and recommended that is not an option he would pursue or recommend.

### Benzie

**What is the relative importance of the overall ERP integration in your experience (H/M/L)?** The lift of an ERP solution is in the avoidance of manual interfaces, as well as departmental self-service and reporting. They attribute their ability to operate with a small office staff to efficiencies brought by HR and Payroll within BS&A

# Enter Timesheets Online

- Input hours from BS&A's Employee Self Service Portal



EMPLOYEE  
0004-GUMP, FOREST F

Date Range Sun, 08/13/2023 - Sat, 08/26/2023

Department COM DEV - COMMUNITY DEVELOPMENT

Submission Status Incomplete

Timesheet Setup Default - Default Group

Imported No

Group

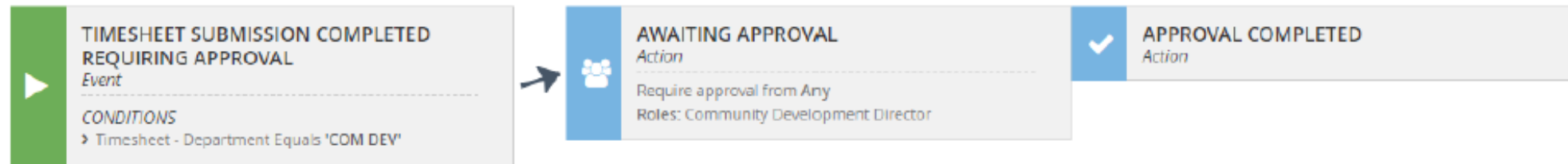
HOURS ENTRY FLAT AMOUNTS

Grid Filter

TOTAL	DESCRIPTION	GL DISTRIBUTION	MON 08/14	TUE 08/15	WED 08/16	THU 08/17	FRI 08/18	MON 08/21	TUE 08/22	WED 08/23	THU 08/24	FRI 08/25
82.00	SALARY	101-265-702.000	8.00	8.00	8.00	10.00	8.00	8.00	8.00	8.00	8.00	*8.00
0.00	PERSONAL	101-265-702.000	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
0.00	SICK	101-265-702.000	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
0.00	VACATION	101-265-702.000	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

# Workflow for Timesheets

- Use workflow for approving timesheets electronically
- Receive notifications via email, in-app, or text



# Workflow for Invoice Approvals

- Workflow allows end users or department heads to input invoices and route them for electronic approval through BS&A's workflow tools
- Workflows can be customized to fit your purchasing policy



# Leelanau County Finance

## Resource Considerations

*A “broadened” set of responsibilities in role(s) that will reflect: (1) exception based leadership engagement – team management of the day to day tasks through responsibility/accountability alignment; (2) expectation of recommendations and ownership of subsequent execution; (3) support for process leadership of non-standard and prioritized transition objectives*

## Proposed

- Manages/assists with the ongoing workflow independently, providing recommendations when encountering challenges
- Assists CFO with special analysis, evaluation and support for the modernization of accounting functions, including the assessment of current state and recommendation of target state processes and development of new/enhanced standard reporting
- Reporting and analysis of non-recurring projects and ongoing programs, including preparation of budget amendments, funds transfers as well as support for the compilation of annual budgets
- Performs/provides back up for the duties of other team members to balance workloads and provide backup; Performs reviews and approvals and accounting deliverables to meet internal control/segregation of duties requirements
- Works seamlessly across departments, partnering to accomplish objectives

## Existing

- Processes payroll postings to the G/L and review/approve submit related tax withholdings and filings within established procedures and Accounting Standards and IRS regulations.