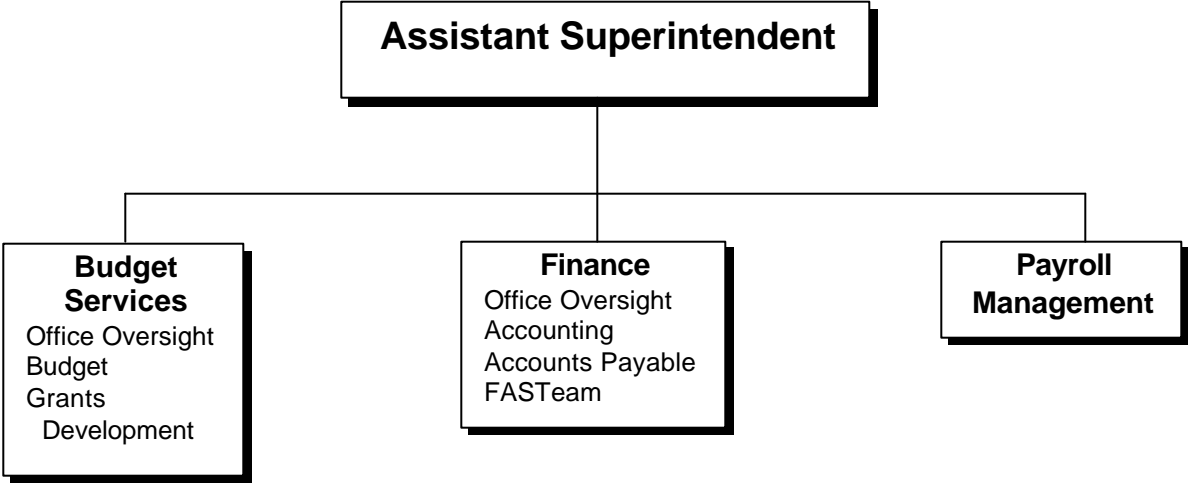

Department of Financial Services

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Department of Financial Services



Department of Financial Services

Department Mission

The mission of the Department of Financial Services is to support the achievement of Fairfax County Public Schools' (FCPS) mission, goals, and objectives by providing the necessary financial information, analyses, and services essential for sound decision-making, financial management, and enhancement of resources through grants development efforts. In addition, the Department of Financial Services provides backup and support to the School Board, Superintendent, and Leadership Team, and other external organizations to assist with efforts to obtain additional funding from the state and county.

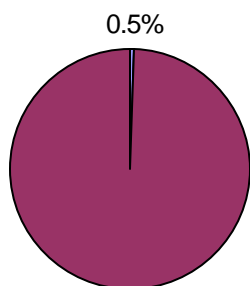
Department Summary

The following table is a summary of all programs funded by this department. The instructional programs if applicable are described in Section 1. The support programs are described in the subsequent pages.

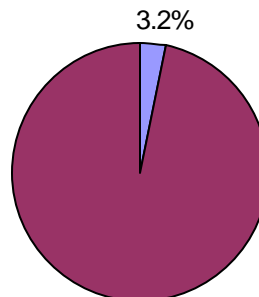
	FY 2003			
	Amount		Positions	
	School- Based	Nonschool- Based	School- Based	Nonschool- Based
Instructional Programs:				
Not Applicable				
Total Instructional Programs	\$0	\$0	0.0	0.0
Support Programs:				
Office of the Assistant Superintendent		237,793		2.0
Office of Budget Services				
Office Oversight		204,337		2.0
Budget Program		1,911,646		20.5
Grants Development Program		192,639		3.0
Office of Finance				
Office Oversight		200,781		2.0
Accounting Program		1,471,347		14.0
Accounts Payable Program		1,028,499		16.0
Functional Applications Support Team		597,454		7.0
Office of Payroll Management		1,723,446		21.0
Total Support Programs	\$0	\$7,567,942	0.0	87.5
TOTAL DEPARTMENT	\$0	\$7,567,942	0.0	87.5

Department of Financial Services

**Total Department Percentage of
Total Operating Budget**



**Financial Services Support Programs
Percentage of all Support Programs**



Issues and Trends

Fairfax County Public Schools has consistently met the demands of education to produce the best and brightest students, with unlimited opportunities ahead of them, and it has done so with the highest quality of teachers, administrators, counselors, and support staff. The budget in FCPS has “worked” and we are proud of the fact that we have balanced our budget, even in the leanest of years, without sacrificing the educational opportunities of our students. To the contrary, FCPS students are well prepared to enter the best colleges, accept high level jobs, and become contributing members of society.

Creating a balanced budget while meeting the educational needs of students has always been a daunting task in light of legislative and financial issues. However, as we move further into the new millennium, the challenges set before us become even more difficult. Recent local and national events, an unstable economy, uncertainty in the job market, and unprecedented growth in student enrollment present staggering hurdles for predicting budgetary needs. Sources of funding are becoming more and more scarce as the economy continues to demonstrate volatility.

Like other school systems, FCPS continues to bow to increased pressure to improve student performance while funding has not kept pace with inflation, and teachers and staff find it difficult to make ends meet. Making ends meet in the classroom as well as in our homes has become a juggling act of tight budgeting and shortages of funds. Funding resources are more limited as the public reacts to recent events, and sales tax and other revenues once overflowing in Richmond, are now unable to meet our most basic demands.

Fairfax County and the other metropolitan area districts are in a nationally unique situation. Insulated by government jobs keeping unemployment lower than the national average, the school system actually suffers somewhat from this situation because it makes predictions of turnover and vacancies more complex. When the economy is weak and the job market is poor, we are better able to fill lower level positions; however, higher level employees are more apt to stay in the school system rather than change jobs or even retire. This means we don't replace higher paid employees with newer, less experienced personnel hired at lower pay levels. Keeping higher paid employees longer becomes an expensive factor in the school system budget; but predicting what may happen is even more difficult. The budget for FCPS is 85 percent personnel costs, and turnover and vacancy rates are key to good budgeting.

The development of the FY 2003 budget is further complicated by the fact that FY 2003 is the first year of the State's biennium. The Governor's budget was not available when the budget was developed, the General Assembly will not make decisions until February 2002, and the funding for the first year of the biennium is not set. The issue of a sales tax to benefit Fairfax County Public Schools is still undecided, and predictions of actual revenue from any form of sales tax are less reliable than they were just one year ago.

Office of the Assistant Superintendent

	FY 2002 Approved		FY 2003 Proposed		Program Percentage of Total Department
	School-based	Nonschool-based	School-based	Nonschool-based	
FT Salaries	\$0	\$160,965	\$0	\$169,337	<p>A pie chart titled "Program Percentage of Total Department" showing a very small slice representing 3.1% of the total. The slice is light blue, and the rest of the chart is a dark purple color.</p>
PT Salaries and OT	0	2,060	0	2,101	
Employee Benefits	0	37,656	0	42,822	
Operating Expenses	0	23,532	0	23,532	
Total Cost	\$0	\$224,213	\$0	\$237,793	
Positions	-	2.0	-	2.0	
Office Total		\$224,213		\$237,793	
Offsetting Revenue		\$0		\$0	
Net Cost		\$224,213		\$237,793	
Total Positions		2.0		2.0	
Assistant Superintendent	Charles Woodruff				
Phone Number	703-246-2811				

Description

The chief financial officer provides support to the Superintendent, direction and leadership to the Department of Financial Services, and serves as liaison between the School Board and the Department of Financial Services. The chief financial officer serves as a trustee and the treasurer on the Educational Employees' Supplementary Retirement System of Fairfax (ERFC) Board.

Goals

- Ensure the integrity of the school system financial data and financial policies
- Support the Superintendent, School Board, Leadership Team, schools, principals, and program managers by providing sound financial management guidance, financial planning data and documents, accurate accounting records, and detailed budget information
- Recommend and/or implement cost-saving measures to reduce operating costs
- Ensure compliance with all State and Federal mandates and Generally Accepted Accounting Practices
- Ensure an efficient and equitable allocation of resources to support the mission of the School Board

Explanation of Costs

Funding for this program includes salaries and benefits for the assistant superintendent and administrative assistant.

Office of Budget Services

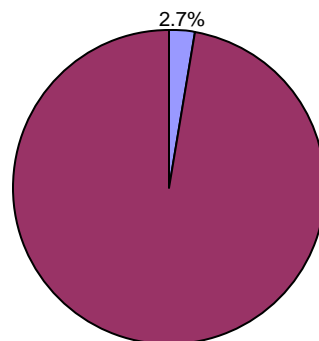
	FY 2002 Approved		FY 2003 Proposed	
	School-based	Nonschool-based	School-based	Nonschool-based
FT Salaries	\$0	\$1,620,099	\$0	\$1,713,369
PT Salaries and Overtime	0	67,465	0	91,358
Employee Benefits	0	382,584	0	439,087
Operating Expenses	0	107,300	0	110,700
Total Cost	\$0	\$2,177,448	\$0	\$2,354,514
Positions	-	24.5	-	25.5
Office Total		\$2,177,448		\$2,354,514
Offsetting Revenue		\$0		\$45,892
Net Cost		\$2,177,448		\$2,308,622
Total Positions		24.5		25.5

Support Programs within the Office of Budget Services:

- Office Oversight
- Budget Program
- Grants Development

Office Oversight

Office of Budget Services					Program Percentage of Total Department
	FY 2002 Approved		FY 2003 Proposed		
	School-based	Nonschool-based	School-based	Nonschool-based	
Total Cost	\$0	\$184,420	\$0	\$204,337	
Positions	-	2.0	-	2.0	
Program Total		\$184,420		\$204,337	
Offsetting Revenue		\$0		\$0	
Net Cost		\$184,420		\$204,337	
Total Positions		2.0		2.0	
Mandate	None				
Director	Deirdra McLaughlin				
Phone Number	703-246-3709				



Description

Provides oversight and support to the Budget and Grants Development Programs. Ensures that the budget meets the Superintendent's and School Board's requirements, reflects the most up-to-date information available, is accurate and is presented to the School Board, Board of Supervisors, and community groups in a timely and useful manner. Guides the Grants Development Program to solicit grant funds targeted to meet Fairfax County Public Schools' needs.

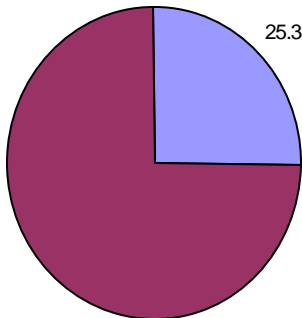
Goals

- To implement financial and budget directives of the Superintendent, School Board, and Chief Financial Officer
- To focus grant development in areas where FCPS has unmet needs
- To facilitate the development of automated tools to streamline internal operations and to reduce the workload of schools and departments in developing and monitoring their budgets

Explanation of Costs

Funding is for salaries and benefits for the director and administrative assistant.

Budget Program

Office of Budget Services					Program Percentage of Total Department
	FY 2002 Approved		FY 2003 Proposed		
	School-based	Nonschool-based	School-based	Nonschool-based	
Total Cost	\$0	\$1,821,141	\$0	\$1,911,646	 <p>25.3%</p>
Positions	-	20.5	-	20.5	
Office Total		\$1,821,141		\$1,911,646	
Offsetting Revenue		\$0		\$0	
Net Cost		\$1,821,141		\$1,911,646	
Total Positions		20.5		20.5	
Mandate	See Below				
Director	Deirdra McLaughlin				
Phone Number	703-246-3709				

Description

The office provides the framework for all financial decision making through the budget process. Budget services formulates and publishes three budget documents, conducts quarterly reviews, calculates the salary and employee benefit requirements for over 20,000 full time employees and all hourly employees, allocates staff to schools, centers, and alternative programs, develops the budget for divisionwide needs, provides support for all appropriated funds, presents budget information to citizens and organizations, and supports school system initiatives and improvement efforts. This program monitors the execution of all office/school budgets and provides divisionwide support for all appropriated funds, primarily through a support team that operates a HOTLINE and responds to a broad range of questions.

Goals

- Allow FCPS staff to process and have available financial information via their workstation to perform needed functions. Use databases, Wide Area Networks, and Intranet to facilitate the daily processing of information.
- Revise financial codes to facilitate preparation of future program budgets if a program budget format is continued
- Continue to provide the highest level of client-centered financial support to schools and clusters. Increase the amount of time spent at schools assisting principals and finance support staff with their financial needs.

State and Federal Mandates

The Code of Virginia requires the Superintendent and/or the School Board to submit an estimate of the funds necessary for the support of the public schools (section 22.1-92), manage and control the funds made available to the School Board (section 22.1-89), submit an annual school report for the prior year (section 22.1-81), and submit a report of all expenditures to the governing body (section 22.1-90).

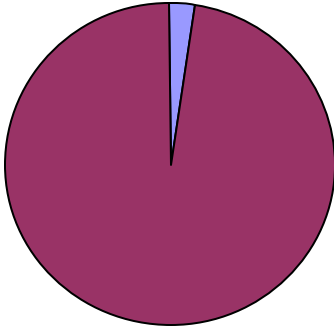
Explanation of Costs

The total cost of this program is \$1.9 million; of that amount \$1.7 million provides for 20.5 positions. The remaining funding is temporary and overtime expenses incurred at peak periods, budget printing costs and general office supplies. During FY 2002, this office was loaned a position to assist with program budget development. Centrally managed accounts that are under the purview of the Office of Budget Services are not included in the costs identified above.

Grants Development Program

Office of Budget Services				
	FY 2002 Approved		FY 2003 Proposed	
	School-based	Nonschool-based	School-based	Nonschool-based
Total Cost	\$0	\$171,888	\$0	\$238,531
Positions	-	2.0	-	3.0
Program Total		\$171,888		\$238,531
Offsetting Revenue		\$0		\$45,892
Net Cost		\$171,888		\$192,639
Total Positions		2.0		3.0
Mandate	None			
Program Contact	Pamela Tobey			
Phone Number	703-246-2114			

Program Percentage of Total Department



2.5%

Description

The Grants Development Program supports school system initiatives and improvement efforts through the development of educational opportunities and resources by procuring grants, endorsements, and collaborative partnerships. This program reviews and approves all state, federal, and private grants, and serves as financial liaison between school and department staff. The program provides divisionwide support to schools and offices by identifying and communicating grant offerings, by assisting with writing grant proposals, and by tracking the grant process to ensure deadlines and granting agency requirements are met.

Goals

- Continue to increase revenue by seeking and procuring external grants, as well as alternate sources of revenue
- Increase school system resources through partnerships with outside organizations
- Direct grant applications to meet specific divisionwide goals

Explanation of Costs

The budget is primarily for salaries and benefits for 3.0 positions and office supplies. The additional position will be funded by increased indirect cost revenue budgeted based on the increasing number and size of grant awards that has occurred over the last two years.

Office of Finance

	FY 2002 Approved		FY 2003 Proposed	
	School-based	Nonschool-based	School-based	Nonschool-based
FT Salaries	\$0	\$2,027,272	\$0	\$2,127,385
PT Salaries and Overtime	0	515	0	525
Employee Benefits	0	472,306	0	545,673
Operating Expenses	0	624,499	0	624,500
Total Cost	\$0	\$3,124,592	\$0	\$3,298,083
Positions	-	39.0	-	39.0
Office Total		\$3,124,592		\$3,298,083
Offsetting Revenue		\$0		\$0
Net Cost		\$3,124,592		\$3,298,083
Total Positions		39.0		39.0

Support Programs within the Office of Finance:

- Office Oversight
- Accounting Program
- Accounts Payable
- Functional Applications Support Team

Office Oversight

Office of Finance					
	FY 2002 Approved		FY 2003 Proposed		Program Percentage of Total Department
	School-based	Nonschool-based	School-based	Nonschool-based	
Total Cost	\$0	\$190,139	\$0	\$200,781	<p>A pie chart titled "Program Percentage of Total Department" showing a very small slice representing 2.7% of the total. The rest of the chart is a dark purple color.</p>
Positions	-	2.0	-	2.0	
Program Total		\$190,139		\$200,781	
Offsetting Revenue		\$0		\$0	
Net Cost		\$190,139		\$200,781	
Total Positions		2.0		2.0	
Mandate	None				
Director	Connie Downing				
Phone Number	703-246-3698				

Description

The Office of Finance maintains financial records in accordance with generally accepted accounting principles, ensures the integrity of the divisionwide financial systems, makes timely payments to vendors, provides oversight and guidance to schools and centers on local school activity funds and provides direct support to schools, centers, and departments regarding all finance-related computer systems and financial processes.

Goals

- Implement new technology for appropriated and non-appropriated funds
- Enhance client service by evaluating current processes and look for opportunities to modify, streamline and/or eliminate them
- Implement the use of our Recurring Information Management Systems (RIMS) systemwide to achieve process efficiency

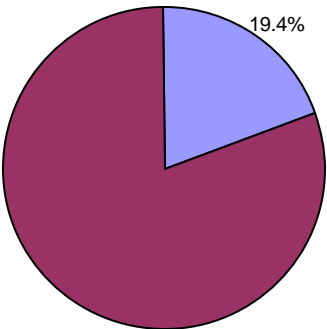
Explanation of Costs

Funding is for salaries and benefits for the director and administrative assistant.

Accounting Program

Office of Finance				
	FY 2002 Approved		FY 2003 Proposed	
	School-based	Nonschool-based	School-based	Nonschool-based
Total Cost	\$0	\$1,428,987	\$0	\$1,471,347
Positions	-	14.0	-	14.0
Program Total		\$1,428,987		\$1,471,347
Offsetting Revenue		\$0		\$0
Net Cost		\$1,428,987		\$1,471,347
Total Positions		14.0		14.0
Mandate	See below			
Director	Connie Downing			
Phone Number	703-246-3698			

Program Percentage of Total Department



19.4%

Description

The accounting section maintains the accounting system for all school funds using the Financial Accounting Management Information System (FAMIS), performs analytical reviews and account reconciliations, maintains the fixed asset inventory system, and prepares the comprehensive annual financial report in accordance with the requirements of the Governmental Accounting Standards Board (GASB), as well as the state-mandated annual school report and other management reports.

Goals

- Maintain automated financial systems and supply financial information to schools and offices
- Implement and maintain new and emerging technologies, such as Internet related applications, paperless processing, imaging technology, and other document management techniques
- Ensure that financial data is presented in accordance with Generally Accepted Accounting Principles
- Provide financial statements and other mandated schedules

State and Federal Mandates

Federal: Financial and Compliance Audit Pursuant to OMB Circular A-133 (Single Audit)

State: Code of Virginia

- 22.1-115 System of accounting; statements of funds available; classification of expenditures.
- 22.1-123 Petty cash funds; payment of claims from petty cash
- 22.1-161.4 Disposition of proceeds from sale of bonds; separate fund

Auditor of Public Accounts mandates annual audit.

Explanation of Costs

Total funding for this program is \$1.5 million; of that amount, \$1.0 million is for salaries and benefits for 14.0 positions. The remaining funding is for other service contracts and professional services required to maintain the accounting and procurement systems.

Accounts Payable Program

Office of Finance				
	FY 2002 Approved		FY 2003 Proposed	
	School-based	Nonschool-based	School-based	Nonschool-based
Total Cost	\$0	\$980,280	\$0	\$1,028,499
Positions	-	16.0	-	16.0
Program Total		\$980,280		\$1,028,499
Offsetting Revenue		\$0		\$0
Net Cost		\$980,280		\$1,028,499
Total Positions		16.0		16.0
Mandate	See below			
Director	Connie Downing			
Phone Number	703-246-3698			

Program Percentage of Total Department

Description

This program pays vendors for the delivery of goods and services in accordance with the Code of Virginia and FCPS regulations, reimburses employees for use of privately-owned vehicles and out-of-pocket expenses incurred while conducting official business, and oversees the credit card and the Advanced Appropriated Funds (Green Dollar) programs.

Goals

- Streamline major processes
- Implement the use of the Recurring Information Management System

State and Federal Mandates

State mandates that impact this office include unclaimed property; Advanced Appropriated Program distribution; and payment documentation and retention.

Federal: 1099 Reporting

Explanation of Costs

Total funding of this program is \$1.0 million, which is primarily for the salaries and benefits for 16.0 positions. .

Functional Applications Support Team Program

Office of Finance					
	FY 2002 Approved		FY 2003 Proposed		Program Percentage of Total Department
	School-based	Nonschool-based	School-based	Nonschool-based	
Total Cost	\$0	\$525,185	\$0	\$597,454	<p>A pie chart illustrating the program's percentage of the total department budget. The chart is divided into two segments: a large maroon segment representing 92.1% and a smaller light blue segment representing 7.9%.</p>
Positions	-	7.0	-	7.0	
Program Total		\$525,185		\$597,454	
Offsetting Revenue		\$0		\$0	
Net Cost		\$525,185		\$597,454	
Total Positions		7.0		7.0	
Mandate	See below				
Program Contact	Deirdre Finneran				
Phone Number	703-204-3966				

Description

The Functional Applications Support Team (FAST) provides divisionwide support on the use of finance-related computer systems through telephone hotline support, documentation and how-to manuals, on-site technical assistance, and training workshops. The office also provides central review and monitoring of all divisionwide school and center audits of nonappropriated (school activity) funds.

Goals

- Prepare for implementation of the School Activity Accounting System replacement
- Streamline the audit process
- Establish financial certification program

State and Federal Mandates

State:

As stated in Chapter 240 of the Regulations Governing School Activity Funds, Section 8VAC20-240-40. Audits; monthly and annual reports: School activity funds (internal accounts) shall be audited at least once a year by a duly qualified accountant or accounting firm approved by the local school board and a copy of the audit report shall be filed in the office of the division superintendent.

Explanation of Costs

Funding for this program includes \$0.6 million for salaries and benefits for 7.0 positions and funding for supplies and training materials.

Office of Payroll Management

	FY 2002 Approved		FY 2003 Proposed		Program Percentage of Total Department
	School-based	Nonschool-based	School-based	Nonschool-based	
FT Salaries	\$0	\$1,065,170	\$0	\$1,122,725	
PT Salaries and OT	0	140,726	0	143,541	
Employee Benefits	0	258,694	0	294,655	
Operating Expenses	0	162,525	0	162,525	
Total Cost	\$0	\$1,627,115	\$0	\$1,723,446	
Positions	-	21.0	-	21.0	
Office Total		\$1,627,115		\$1,723,446	
Offsetting Revenue		\$0		\$0	
Net Cost		\$1,627,115		\$1,723,446	
Total Positions		21.0		21.0	
Mandate	See Below				
Director	Mary Keninitz				
Phone Number	703-750-8526				

Description

The Office of Payroll Management oversees and disburses wage payments and deductions for employees, manages and maintains pay and leave records, analyzes and reviews time and attendance reports, pays all insurance vendors, remits employee and employer withholding taxes, and reports tax-related data to employees and taxation agencies, manages the direct deposit systems, oversees child support garnishments and other lien withholdings, and administers tax deferred annuity program, analyzes and reports on the financial activity and status of the Health and Flexible Benefits Fund and the Worker's Compensation portion of the Insurance Fund, and maintains the payroll portion of the automated payroll/human resources system.

Goal

- Provide a consistently high level of service to employees and ensure the timely and accurate processing of the payrolls.

State and Federal Mandates

The Code of Virginia outlines specific mandates in Title 22.1-296 to "provide for the payment of teachers, principals, assistant principals and other employees..." In addition, the Office of Payroll Management is guided by several specific sections of the federal and multiple states code regarding reporting procedures, vendor payments, retirement contributions, taxes, wages, social security, garnishments, child support, and liens.

Explanation of Costs

Total funding for this program is \$1.7 million; of that amount, \$1.4 million for salaries and benefits for 21.0 positions. The remaining funding is for paychecks and payroll advice forms used in producing the payroll, overtime and hourly needs during peak periods, and the remaining funds are for other professional services and contracts, and general office supplies.