



Office of Fiscal Services
San Joaquin Delta Community College District

Interoffice Memorandum
February 14, 2013

To: Managers and Support Staff

From: Raquel Puentes-Griffith, Controller
Jeff Menge, Accounting Manager
Maria Bernardino, Director of Purchasing
Linda Kelso, Purchasing Supervisor

Re: Fiscal and Purchasing Management Update

This memo is intended to serve as a reminder and update to managers and support staff on fiscal and purchasing related processes/requirements and to highlight new or revised supporting resource guides that are now available.

Discretionary Budget Reports – General Fund

Discretionary budget reports for the Unrestricted General Fund are now posted at the following link.
http://www.deltacollege.edu/dept/business/kfs/training/chart_accounts/.

As a reminder, discretionary budgets are the funds over which managers have budget allocation and level of expenditures discretion. These funds are also referred to as operational and generally include budget in object codes beginning with:

- 14* Faculty Hrly (NonInstructional)
- 23* Clfd Hrly, (NonInstructional)
- 24* Clfd Hrly, (Instructional)
- 4* - Supplies
- 5* - Other Operating
- 6* - Equip

The Discretionary budget report is comprised of three tabs: by executive area (summarized), by executive area/division, and by division/account/object (detailed). The report provides valuable planning information on expenditures and available budget to date, just past the mid-point of the fiscal year. For comparison and reference, the two past year's expenditure data is provided. Based on year-to-date data, discretionary expenditures in the first part of the fiscal year were well below the 50% marker. We are projecting moderate one-time savings in 2012-13 which will increase if the current trend continues through the end of the fiscal year.

Please review the reports and plan accordingly for your area's final expenditures in 2012-13. The cutoff for requisitions is March 15, 2013.

Travel

An overview of the District's Travel process is available at <http://www.deltacollege.edu/dept/business/kfs/training/forms/>. These documents should provide additional guidance and serve as a refresher to our current travel request and reimbursement process. The process is currently under review for revisions to improve efficiencies. This function was identified for re-engineering as part of our department core service evaluation because of its high effort with substantial staff time required, but with an overall low priority compared to other mandated department functions.

It has been difficult to maintain the manual process, which is intensive and cumbersome, with reduced staffing levels. Fiscal Services has processed close to 700 claims in the first half of the fiscal year, most of these requests required cash advances and hotel pre-authorizations. The initial cash advance process and final verification of traveler submitted receipts takes tremendous effort and time requiring tracking, reconciling, following up on cash advances, contacting the hotel multiple times, completing the authorization forms and gaining approvals for the pre-authorizations. Fiscal Services is reviewing many options to improve the process on both a short term and long term basis. Some options being explored are Statewide Travel Program, Coaches Cards for frequent travels, ACH (instead of paper checks) for expedited employee reimbursements, and implementation of the Kualu Travel module. We are counting on your support and flexibility as we review options to make the process more user friendly and efficient.

Petty Cash

The petty cash fund exists to reimburse employees for "small purchases" under \$100 per policy. Certain items are disallowed from petty cash reimbursement and are noted below. All form requests for petty cash should be fully completed and must have an original signature (not a stamp) of the manager authorizing the reimbursement in addition to the manager's printed name.

Items prohibited from petty cash reimbursement:

- 1) No liquor purchases
- 2) No travel reimbursements
- 3) No food purchases with the exception of clubs, trusts and culinary classes for use in the instructional program.
- 4) No receipts that are over 30 days old or originated in the previous fiscal year.
- 5) No computer hardware, software, A/V related items, printer/copier or ink/toner purchases. These purchases must be made by requisition with the approval of IT and/or the Publications Center.
- 6) No split purchases*, i.e. Numerous purchases from the same vendor on the same day, split for the purpose of remaining under the \$100 threshold. Purposely attempting to bypass the purchasing process and submit separate receipts places the District in a position of violation of Public Contract Code 20657.

* *"It shall be unlawful to split or separate into smaller work orders, projects, service or purchases for the purpose of evading the provisions of this article requiring contracting/ordering after competitive bidding".*

Donations

A proposed update to the donation (AP 3820) administrative procedure is currently out for comment by the Policy and Procedures Committee. It includes a revised dual use form for donations to the District or to the Foundation. Once the form goes through the required committee approvals and is Board approved, it will be available on the Fiscal Services website.

Student Refunds

We have officially transitioned to Higher One for all of our student disbursements: Financial Aid and A&R Student Enrollment Fee Refunds. This not only cuts back on unnecessary expenses like postage and check stock, but also provides the students with greater security and convenience when receiving their money. For a brief overview of what Higher One provides to the students, please visit the A&R Refund Process page at <http://www.deltacollege.edu/dept/ar/registration/Refund-Process.html>.

Goods and Supply Purchases

Goods and supplies purchased and received under \$500 can be reimbursed using a Disbursement Voucher (DV), if the confirming invoice reflects that sales tax has been collected by the vendor in the state of California. If the vendor is out-of-state, then a requisition must be submitted regardless of price to ensure the tax is appropriately recorded. Goods and supplies under \$100 with a confirming invoice can be reimbursed to an employee using the petty cash reimbursement process outlined previously; no DV is required. *See the updated Payment Matrix for appropriate methods of purchases/payments and thresholds on the KFS website.*

Payments for Contracted Services

DV payments may be processed for one time payments on contracted services or for contracts in the amount of \$2000 or less. Contracted Services that require multiple payments throughout the fiscal year must be processed through the requisition process. For multi-year contracts, a yearly requisition with the not-to-exceed amount must be submitted every fiscal year. The contract number must be identified on both the requisition and DV document.

Multiple payments made to a vendor for a not-to-exceed amount where services need to be charged to different account numbers can still be processed on one requisition with a breakdown of the various account numbers listed a not-to-exceed amount for each account. The department can identify the account number on the invoice during review and approval process.

Use of Object Codes

An updated and more condensed version of object codes, their uses and considerations has been posted to the KFS website. Please note that the uses may vary by fund and there are some exceptions. Most of the object code questions our staff answers are related to categorization between equipment versus supply and between repairs/repair parts and services. A flowchart has been developed to assist in determining the correct coding and categorization of these items. *See the Equipment vs. Supply Flowchart on the KFS website.*