City of Fernley
Finance Department

Treasury
Budgeting
Accounting
Utility Billing

BUDGET NARRATIVE

In a manner of excellence, integrity, and dedication, the City's Finance Department is committed to providing fiscally responsible financial management, appropriate internal control and cooperative guidance to City Staff, the Mayor, the City Council and the Citizens of Fernley.

The City's Finance Department consists of Treasury, Budgeting, Accounting, Payroll and Utility Billing and is located at 595 Silver Lace Blvd. in Fernley, Nevada. The Finance Department, which consists of five employees, is responsible for submitting all financial reports to the department of taxation and others as required, for billing and collecting all fees due the City, for depositing all funds received by the City, for the City's annual budget, the City's annual audit, for internal control policies and procedures, for fixed asset inventory, for managing investments for the City, for processing disbursements for the City, for processing payroll for the City for the accounting of all transactions of the City and for customer service relating to utility accounts.

Since 2009 and after a finance employee departed, the City's Finance Department has been understaffed by at least 1 person. Because of the lack of staffing, there are important functions that have suffered. Most importantly, the collection of fees due the City has been neglected. The Finance Department has not had the staff to collect on past due accounts, to place liens on properties of owners owing the City money, to review non-consumption reports to determine non-functioning meters and those residents who are not adequately being billed for usage. Nor has there been the staff to process back-billings for meter replacements. In addition, there is not the staff to keep track of equal pay customers and monitor and charge for late payments. There is potentially a large chunk of revenue to be collected, but the City does not currently have the staff to collect it.

Currently, only two administrative specialists handle 7,000 customers and approximately $15M in cash and checks on an annual basis. This is not adequate staffing for all of the tasks they are required to perform. To effectively fulfill the role as the Treasurer/Finance Director of the City and to meet the goals of the Finance Department appropriate staff is necessary.

Respectfully submitted,

Denise Lewis
City Treasurer

GOALS, OBJECTIVES AND WORK PROGRAM

The main goal of the City's finance department is to provide financial reporting that is free of material misstatement, is consistent, that is provided in a timely manner and that is compliant with GAAP and all other laws and regulations. The second is to protect the assets of the City and the third is to collect the monies owed the City. I have identified areas within the department that need improvement in order for the department to run more efficiently and to ultimately reach the goals as stated. Following are the objectives and the tasks associated, which are necessary to advance the finance department toward its goals.

1. To implement internal controls under which staff's duties are so arranged and records and procedures so designed as to make it possible to exercise effective accounting control over assets, liabilities, revenues and expenditures.
   - Task: To employ the necessary number of staff
   - Task: To employ staff with appropriate background and experience to perform the required job duties and functions

2. To provide payroll processing that is free of error, that adheres to all payroll laws and regulations and reduces the risk of fraud.
   - Task: To provide tools to assist payroll staff in review of payroll reports
   - Task: Payroll staff to review monthly insurance bills for any change in benefits
   - Task: Payroll staff to review payroll reports for accuracy
   - Task: To provide ongoing external training to staff who are responsible for such duties and functions
   - Task: To employ staff with appropriate background and experience to perform the required job duties and functions
   - Task: Department head to review payroll reports

3. To provide accounts payable processing that is free of error, is processed on time, is organized and reduces the risk of fraud.
   - Task: Department heads should review all requests for payment to ensure transactions are being recorded to the proper accounts and to the proper periods
   - Task: Submittal of payment requests should be logged by the person submitting the request
   - Task: A/P staff to review invoices and ensure payments are being made from invoices and not statements
   - Task: A/P staff to review invoices to ensure payments are not being double paid; this requires consistent entry of invoice numbers
   - Task: To file all payment requests in a timely manner, after Council meetings
   - Task: To employ staff with appropriate background and experience to perform the required job duties and functions.
   - Task: Department head to review A/P reports

4. To provide cash receipts processing that is free of error and reduces the risk of fraud.
    - Task: To require unique logins for each individual accepting payments
    - Task: To install security cameras above cash drawers
    - Task: To require a log of all cash receipts other than utility receipts
    - Task: Department head to review all cash receipt reports and verify reconciliation to daily deposits

5. To provide staff with inter-departmental training so that there is always backup and so that internal controls may be implemented.
    - Task: Staff to observe and learn the duties of other staff and the processes involved
    - Task: Once learned, staff to practice performing processes

6. To develop and implement departmental policies and procedures so that staff has the guidance and resources to follow and so that all necessary tasks are completed.
    - Task: Department head to prepare policies and procedures manual
    - Task: Department head to communicate new policies and procedures and provide manual to staff
    - Task: Policies and procedures shall include deadlines for tasks

7. To document and implement customer service policies and protocol.
    - Task: As part of departmental policies and procedures, the department head shall develop policies that are consistent with the City's employee handbook and other guidance that will provide guidance and a resource to staff

8. To document processes and procedures of duties carried out by finance so that others coming in will have guidance and resources to follow.
    - Task: Staff to document individual duties and processes
    - Task: Department head to prepare a departmental manual

9. To provide the most cost effective, accurate and timely billing correspondence.
    - Task: To analyze current processes and determine costs
    - Task: To analyze alternative processes and costs
    - Task: To consistently monitor due dates and shutoff schedules

10. To develop an internal collections program.
    - Task: To employ staff necessary
    - Task: To review current processes
    - Task: To identify areas lacking collection activity
    - Task: To create collection processes for each area identified
    - Task: To create a collection manual

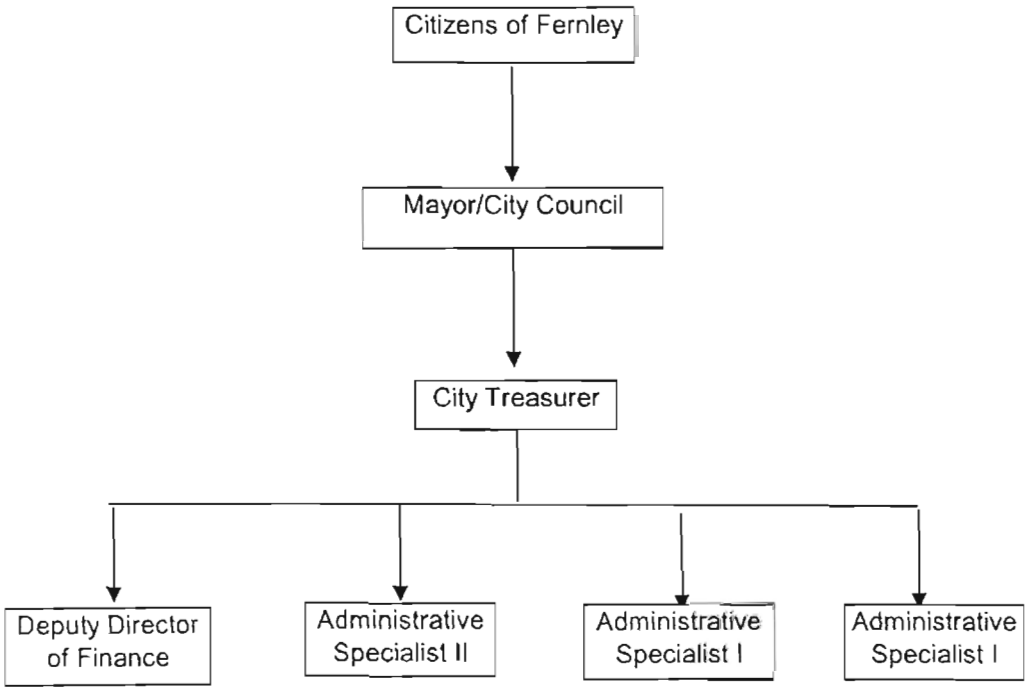
11. To develop an internal inventory tracking program.
    - Task: To tag physical assets and assign an identifying City number to be placed in a log book
    - Task: To update log book on an ongoing basis (additions, deletions)

12. To provide for a clean audit so that findings are limited or non-existent.
    - Task: To employ staff with appropriate background and experience to perform the required job duties and functions
    - Task: To put in place auditor recommendations
    - Task: To record City transactions accurately and in a timely manner and obtain guidance when there is question
    - Task: To file City transactions in a timely, organized manner, with appropriate backup, approvals, etc.
    - Task: To organize electronic audit workpapers on the network
    - Task: To provide audit workpapers, schedules, etc. to auditors in a timely manner

13. To provide cashflow projections to management and Council by consistently monitoring cashflow of the City.
    - Task: To identify and purchase cashflow software
    - Task: To update projections on at least a quarterly basis

14. To invest City cash in a manner that is most beneficial to the City.
    - Task: Meet with portfolio managers and investment consultants
    - Task: Look into long-term investments with more earning potential

FINANCE
ORGANIZATIONAL CHART



Fund and Department Number	100-415
Department or Function Name	**FINANCE**
Prepared by:	Denise Lewis
(A) Base Salary and Wages:	
Position: Exempt	Annual Salary or Wages
Regular Employees over 20 hours per week:	
City Treasurer	30,133
Accountant/Deputy Treasurer	17,516
Administrative Specialist II	12,218
Subtotal (A1)	59,867
Employees Less than 20 hours per week:	
Subtotal (A2)	
Total Base Salary and Wages (A)	59,867
(B) Additional Compensation:	
Estimated Annual Overtime	1,000
Estimated Annual Standby Pay	0
Estimated Vacation Payout/Other	
Total Additional Compensation (B)	1,000
Total Salaries and Wages (C)	60,867

Account #	Account Name	Amount	Reference to Detail
5000.1	Salaries and Wages	59,867	
5000.2	Overtime	1,000	0
5000.3	Standby Pay	0	0
5000.4	Other		Conv. from sick/vac
	Subtotal Salaries/Wages	60,867	A+B+ Vac Est
5100.1	FICA (1% X A2)	0	Part Time only
5100.15	Medicare (1.45% X A)	883	Total
5100.2	Unemployment (2.65%x26900x#)	642	Total
5100.25	Retirement (25.75% X A)	15,416	Base Pay Only
5100.3	Group Insurance ($12,500 X #	11,250	Per Employee
5100.4	Workers Comp (3.85% X A)	2,343	Total
	Subtotal Benefits	30,533	
	Total Salaries & Benefits	91,400	

Expenditures/Uses By Department
FINANCE

	2012-13 FINANCE	2013-14 FINANCE
SALARIES	$ 55,485	$ 59,866
ANNUAL LEAVE	-	-
SICK PAY	-	-
HEALTH STIPEND	-	-
HOLIDAY PAY	-	-
OVERTIME	500	1,000
PERS	13,178	15,416
MEDICARE	805	883
UNEMPLOYMENT	219	642
GROUP. INS.	7,488	11,250
WORKER'S COMP.	1,781	2,343
TOTAL PAYROLL	79,456	91,400
PROF SERV-OTHER	16,865	5,800
PROF SERV-AUDITING	19,000	21,333
TECH SERVICES-OTHER	-	1,000
PRINTING AND POSTAGE	3,000	1,500
TRAINING	1,000	2,000
DUES AND MEMBERSHIPS	375	500
TRAVEL	-	1,000
GENERAL SUPPLIES	1,000	2,000
MINOR EQUIPMENT	-	1,000
CREDIT CARD FEES/BANK SERVICES	42,000	40,000
CASH OVER/SHORT	-	50
BOOKS AND PERIODICALS	-	1,000
TOTAL OPERATING EXPENDITURES	83,240	77,183
TOTAL OPERATIONS & PAYROLL	162,696	168,583
CAPITAL OUTLAY/IMPROVEMENTS	-	-
TOTAL EXPENDITURES and USES	$ 162,696	$ 168,583