

## **FISCAL MANAGEMENT RESPONSIBILITIES WITHIN HOUSING**

### **Responsibilities not being performed**

1. Review of all departmental payments when they are authorized by program managers. To identify any errors earlier when they are easier to correct, provide better customer service, and prevent similar future errors.
2. Summarization of financial data to forecast the department's use of all Federal HUD grants, to help the department ensure that granted funds will be utilized quickly enough. HUD has a "1.5 test," in which the Housing Department must have made sufficient expenditures and received sufficient reimbursements so that it has less than 1 ½ year's HUD-promised funding waiting to be spent from any grant source (CDBG, HOME, etc.). If this requirement is not met, the Housing Department could have future funding decreased.
3. Financial monitoring of fifteen or more subrecipients, as required by the Federal and State grantors. Subrecipients are nonprofit organizations to whom the Housing Department allots public funds to provide housing and other community benefits for populations such as seniors, AIDS victims, clients with addictions, etc.
4. Preventive financial analyses to stay abreast of strategy changes and contribute to financial successes, such as by periodically meeting with: departmental program managers to review their strategy changes, move funds among general ledger accounts, and code payments to accounts as revised during the year rather than at year end; departmental planners to learn whether funds granted to subrecipients are being utilized timely; and subrecipients to give financial advice to ensure they can utilize their funds successfully.

### **Responsibilities being performed but enhancements needed**

1. Reconciliations of expenditures between the City's general ledger and other records supporting grant reimbursements should be completed as early as possible to receive reimbursements earlier and improve monitoring. Grant reimbursements are generally requested on time, but the reconciliations are completed at the last minute.
2. Procedures are in place to process and control financial transactions and recordkeeping, but these are generally not in writing and some processes and controls could be improved.

## **RESPONSIBILITIES THAT COULD BE PERFORMED WITH ADDITIONAL ACCOUNTING/FISCAL STAFFING**

### **Responsibilities currently not being performed.**

1. Review of all departmental payments when they are authorized by program managers.
2. Summarization of financial data to forecast the department's use of all Federal HUD grants, to help the department ensure that granted funds will be utilized quickly enough.
3. Financial monitoring of fifteen or more subrecipients, as required by the Federal and State grantors.
4. Preventive financial analyses to stay abreast of strategy changes and contribute to financial successes, such as by periodically meeting with departmental program managers, departmental planners, and subrecipients.

### **Responsibilities currently performed by Housing Manager; could be performed by new staff with Housing Manager's oversight as she takes on special projects.**

1. Reconciliations between the City's general ledger and other records supporting grant reimbursements.
2. Assisting with review and analysis of departmental payments, by preparing JDE or other schedules to track grant-related activities.
3. Accounting for grant-related funds received. Funds may be from grantors; from clients who must repay the department for notes/liens if they do not complete their occupancy or ownership commitments (these funds must be re-used in compliance with Federal/HUD agreements); redeposits of checks granted by the department but not utilized by clients.

### **Responsibilities currently performed by other program staff; could be performed by new staff with Housing Manager's oversight.**

1. Recording accounts payable (in JDE and IDIS), with Housing Manager to approve, or review after program manager approves, before payment is made (or immediately after if timing is a constraint). (Presently done primarily by Housing Development Supervisor, Housing Coordinator or Housing Division Manager.)
2. Setting up vendor numbers and activity numbers for new cases. (The Financial Specialists reporting to other managers now do this.)
3. Requests for checks and signatures for Down Payment Assistance closings. (Financial Specialist for Down Payment Assistance now does this.)

**RESPONSIBILITIES THAT COULD BE PERFORMED WITH ADDITIONAL  
ACCOUNTING/FISCAL STAFFING (Continued)**

4. Maintaining/monitoring the note receivable and second mortgage data for each Down Payment Assistance closing for several years until borrower fulfills obligations and the Housing Department forgives the note or is paid. (Financial Specialist for Down Payment Assistance now does this.)
  
5. Maintaining/monitoring the note and lien data for each Rehabilitation and New Construction activity for several years until the beneficiary of assistance fulfills obligations and the Housing Department forgives the note or is paid. (Financial Specialists for Rehabilitation/Construction now do this.)

**POSITIONS THAT MAY BE COMPARABLE  
TO HOUSING MANAGER POSITION**

<b>Department</b>	<b>Employee</b>	<b>Title</b>	<b>Salary Grade</b>	<b># Employees Supervised and their Pay Grades</b>
Housing	Paulette Edwards	Housing Manager	10	None
Police	Tim Welter	Police Fiscal Manager	11	1 Accounting Sect. Spvr. (15) 2 Accounting Specialist II (18) 2 Accounting Clerks (20)
Fire	Tessie Lookhoff	Fire Fiscal Manager	11	1 Fire Fiscal Specialist (17) 2 Accounting Specialist (18)
Public Works	Worth Busbee	Public Works Fiscal Manager	11	1 Accounting Specialist II (18) 1 Administrative Assistant (19)
Public Works	Ben Gray	Assistant to Director	10	None
Families Parks & Recreation	Denise Aldridge	Fiscal Manager	11	2 Accounting Specialist II (18) 1 Accounting Clerk (20)
Economic Development	Linda Rhinesmith	Economic Development Manager	9	1 Receptionist
Centroplex (EDV)	Cindy Mitchum	Business Manager	9	3 fiscal staff (Assistant Business Manager and 2 staff below)
Centroplex (EDV)	Susan Geller	Assistant Business Manager	10	1 Accountant II (13) 1 Accounting Specialist II (18)

## FISCAL MANAGEMENT RESPONSIBILITIES

### Responsibilities Particular to Housing Department

Responsibility	Paulette's Assignments	Norma's or Her Staff's Assignments
Development and submission of financial portions of grant applications; fiscal compliance for grants (quarterly and annually reports)	Coordinates and submits financial portions of grant applications; develops and reviews financial information related to grant utilization and reporting. Performs financial monitoring of subrecipients	Develops program strategies for grant applications; periodically reports on program accomplishments; performs program compliance monitoring
Maintain HUD accounting system (IDIS) with details for all departmental Federal grant receipts and expenditures	For all Federal grants: tracks financial status of projects; ensures Federal grant funds are drawn; prepares monthly reports; reconciles City general ledger and IDIS reports to each other	Sets up activity numbers for payment processing; records disbursements; and requests reimbursements

### Responsibilities Common to All Departments\*

Responsibility	Paulette's Assignments	Norma's or Her Staff's Assignments
Annual budget	Coordinates, analyzes, prepares and submits annual budget for each project	Develops budget strategies for utilizing the grant funds
Monitoring budget; budget variance explanations	Explains budget to actual variances through analysis and input from managers	Controls budget by project to meet strategic objectives
Budget Revision Requests	Prepares budget change requests including fiscal impacts	
Business Plan and Quarterly Performance Reports	Participates in strategy and prepares plan and quarterly reports for submission	Proposes strategy and provides accomplishments
Fiscal Policies and Procedures	Establishes fiscal and accounting procedures for efficiency and control	

\*Source: Various Fiscal Managers' job descriptions

**FISCAL MANAGEMENT RESPONSIBILITIES**

**Responsibilities Common to All Departments\*** (continued)

<b>Responsibility</b>	<b>Paulette's Assignments</b>	<b>Norma's or Her Staff's Assignments</b>
Funds for special projects when feasible	Identifies from general fund	Identifies from Federal and Florida funds
Incoming payments	Ensures reimbursements of general fund expenditures are obtained from grantors; records these in general ledger; and ensures they are deposited to City accounts	Tracks these and ensures they are meeting agreement provisions and properly/timely utilizing grant funds
Disbursements	Reviews and approves limited number of disbursements	Reviews and approves most disbursements (Housing Development Supervisor, Housing Coordinator and Division Manager)
Accounts payable	Processes limited number of accounts payable	Processes most accounts payable; e.g. rehabilitation, new construction and down payment assistance
Supplies	Executive Assistant orders the minimal supplies	
Payroll		Managers sign off
Advising staff on financial matters	Consults on financial matters frequently with all levels in Housing Department	
Information for annual audit	Prepares schedules and documentation for annual audit	

\*Source: Various Fiscal Managers' job descriptions

**ALLOCATION OF HOUSING MANAGER’S TIME**  
(Estimated by Auditee)

<b>Responsibilities</b>		<b>Current</b>	<b>Future</b>
<b>Financial</b>		~ 65%	~ 55%
Budget	Annual, monitoring, BRC, Performance Measures, Business Plan, etc.	20%	
Ordinary Fiscal Work	Accounts Receivable, Accounts Payable, General Ledger, etc.	10%	
Reconciliations of Accounts	HUD (IDIS), SHIP are ongoing; annual and quarterly reporting; internal comparisons, etc.	25%	
Compliance	Documentation of all expenditures; Grantor monitoring, City external auditor report, etc.	10%	
<b>Assistant to Director</b>	Represents Department on certain Citywide committees; Performs for Director as assigned.	~ 15%	~ 25%
<b>Special Projects*</b>	7 major projects in FY 04	~ 20%	~ 20%

**\*Special Projects—FY 04**

Major projects or events Housing Manager assisted Housing Department Director to accomplish:

- Planned and administered a Housing Fair featuring numerous community partners.
- Ensured Housing participation in other agencies’ events, such as a Lynx event, WAGES, that promoted public transportation and ride sharing.
- Brought program brochures to production working with Housing staff and Communications.
- Planned Community Development Week featuring partner agencies and displays in City Hall.
- Kicked off Employer Assisted Down Payment Assistance program for City employees.
- Created a Housing Department presence at Commissioners’ picnics.
- Set up accounting for City-owned “Orlando House.”

**\*Special Projects—FY 05**

- Projects similar to FY 04, subtracting the Orlando House, and adding a Land Trust program.

## CONCLUSIONS/SUGGESTIONS

**(1) We recommend that the Housing Department Director, in order to perform or enhance the six fiscal management responsibilities described in Schedule 1, establish an Accounting/Financial staff position to serve as assistant to the Housing Manager.**

*As the Housing Manager takes on more responsibilities for special projects, there will be an even greater need for a financial or accounting assistant.*

- The Housing Department is expanding/adding programs, and assigning new program-related projects to the Housing Manager.
- The proportion of these projects to the total responsibilities of the Housing Manager increased in FY 04. See Schedule 5.
- The Housing Manager has implemented new procedures and enhanced the productivity, accuracy and timeliness of financial functions; further efficiencies could be gained by adding a financial or accounting assistant.

*We believe it is appropriate for any new financial or accounting employee to report to the Housing Manager.*

- The Housing Manager has primary responsibility for the department's fiscal management duties and the technical qualifications and experience for this role.
- Overuse of the Housing Manager for lower-skill duties is not a cost-effective use, and can hinder needed management level contributions.
- The existing Financial Specialists perform specialized duties to fulfill program objectives (such as housing rehabilitation and new construction, down payment assistance, and subrecipient project monitoring), report to other managers and do not have an established connection to the Housing Manager.
- A new accounting staff possibly could be given some duties currently performed by staff assigned to programs (possibilities: recording accounts payable in JDE and IDIS; setting up vendor and activity numbers for new cases if staff can meet tight time frames; obtaining signed checks for closings; maintaining and monitoring notes/liens over the years until forgiven or paid back to Housing).

## CONCLUSIONS/SUGGESTIONS (Continued)

**(2) We recommend that the Housing Department Director request a Human Resources determination, through its review process, for a possible grade and salary increase regarding the Housing Manager position.** At the beginning of FY 04 the Human Resources Division suggested that the Housing Department wait for six months for a reevaluation; a full twelve months has been completed upon which to gauge the duties of the position and abilities of the Housing Manager. The Housing Manager is currently enrolled in a Masters in Business Administration program and has an accounting degree. She performs three primary roles:

- The Assistant to the Director for administrative purposes;
- The Fiscal Manager; and
- The primary resource to hold special events and establish new programs.

For comparison, Schedule 3 indicates some management and fiscal positions in other City departments. The Housing Manager function may be comparable to the other City Department Manager and Business Manager functions (Grade 9), while carrying the added responsibilities and technical requirements of the Assistant to Director (Grade 10), and Fiscal Manager functions (Grade 11).

**(3) We recommend the Housing Department Director consider the following enhancements, which we identified in connection with our review of the Housing Department financial staffing resources and procedures.** While these may alleviate some pressures on current staff and improve accuracy, tracking, etc., we do not anticipate that they will eliminate the need for an additional accounting assistant for the Housing Manager.

- Request MB&A staff to format JDE reports to track periodic financial activities, reduce duplicate efforts, and reduce reconciliation steps.
- Evaluate how spreadsheets of the Housing Division Manager and the Housing Coordinator may assist the Housing Manager to reconcile and monitor accounts.
- Institute selected financial self-reporting procedures for grant subrecipients, and checklists or programs for financial monitoring of subrecipients in the field.
- Establish a checklist for Financial Specialists to ensure required documents are in SHIP rehab/construction files, to implement a recent grantor recommendation.
- Assign an assistant to confirm that documents are present in program files, and avoid any delay that could make it difficult to obtain documents if missing.
- Inquire whether the City's Web technology can let lenders to update their own contact information, to reduce staff time to maintain this extensive database.