

## CURRENT PROCESS QUESTIONNAIRE

<b>Client:</b>	Contra Costa Transportation Authority	<b>Functional Area:</b>	Budget Administration
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*1. Does Client have a single system that records all the budget activities for the entire organization or are some of the transactions tracked elsewhere?*

The Authority uses a combination of Microsoft Excel and Minotaur to create and record budget activities.

Excel is used for the creation of all budgets. These include:

- The Annual Budget – This budget includes all operating expenditures for the fiscal year, along with the current year portion of all project budgets.
- The Strategic Plan – This multi-year plan is prepared for Measure J to outline how the Authority plans to expend funds for each upcoming project. The plan is updated every two years and typically includes activities for the next 5 to 7 years. Any budgeted expenditures beyond 7 years are lumped together under a separate “future” column.
- Financial Plan – a Financial Plan is prepared for each major project by the Authority’s Program Manager, Nolte

The Authority does not prepare a budget for Capital Improvement.

Project budget information is then entered into Minotaur manually. If a project is budgeted for the current year, but money is not spent by the end of the year, the project costs will be re-budgeted for the next year.

The authorization by the Board to expend funds for a project is considered an appropriation, and does not constitute the project budget itself.

*2. If the current BU system is not fully integrated to the core financial system, describe how the two systems are interfaced? How often?*

Budget information is manually entered into Minotaur and is not entered into the County system.

*3. Does Client utilize other applications to prepare and perform budget modeling activities?*

The Authority uses Excel exclusively for all budget preparation activities.

*4. Identify manual budget processes. This includes a general description of the process, reason that it is performed and why it is performed manually.*

All budget preparation work is performed entirely outside of the Accounting Systems. Preparation of the budget begins in March and the budget is submitted to the Board in May.

The preparation process starts with a meeting between the Director of Projects and each Project Manager to review their open contracts and resolutions. The Project Managers provide project estimates to the Director of Projects, including the amount expended in the current year and the

estimated amount to be spent next year. If the project is new, then the Project Manager will only provide the estimate for next year. Project budgets are rolled up by organization numbers and include revenue information, including grants and other income. In addition to grants, the Authority will also budget for anticipated sales tax and investment income.

Program estimates are reviewed by the Program Manager every year in order to update the basis that is used to calculate the amount that can be charged to local jurisdictions.

Allocations to local jurisdictions for bus operations and paratransit are also reviewed. The Authority reviews the actual expenditure information for the past 4 years for bus operations to determine the new estimate. Sub-recipients are notified by the Authority of all the new estimates.

The Finance Department calculates staff allocations and provides the allocation information to Department Heads to ensure the allocation is appropriate. Staffing costs are either allocated based on a spread or actual time charged to the organization number.

*5. What budget reports are current produced by the Client?*

The following reports are currently prepared by Authority staff:

- Revenues, Expenditures, and Changes in Fund Balance – The revenues in this report are not budgeted at the organization level.
- Annual Budget - Revenue Budget Detail
- Annual Budget - Expenditure Budget Detail by program and organization
- Expenditure Budget Detail – Measure C Projects
- Expenditure Budget Detail – Measure J Projects
- CMA Expenditure Budget - Line Item Detail
- Salary and Benefits Module
- Mid-Year Budget by organization and category
- Mid-Year Budget by resolution, sorted by organization/project number

*6. Does the Client prepare the budget by the lowest account level? Is the budget controlled at this level?*

The Authority prepares the operations budget at the lowest object code level. . Project budgets are budgeted at a more summary level, and not necessarily down to the object code level. As mentioned previously, only project budgets are entered into Minotaur.

*7. Describe how the Client monitors its expenditures to ensure that they do not exceed the budget*

It is the responsibility of the Project Managers to ensure that expenditures do not exceed open resolutions and contracts. Typically, the Project Managers develop their budgets based upon an optimistic outlook on project progress during the year. As a result, if there are any budget variances, they are usually under spent.

As mentioned earlier, a Financial Plan is prepared by each project and is used as a tool to monitor the budget by phase, resolution and contract number. If the Authority is responsible for managing the project, then a Financial Plan exists; however, if a local city is responsible for managing the project, then no Financial Plan is needed. The threshold for preparing a Financial Plan is \$10

<p>million.</p> <p>Another tool used by the Authority to monitor budgets is the monthly status reports. When an invoice is received, it is logged into Minotaur. The system will then produce a monthly status Ad Hoc report that provides the rate of spend down.</p>
<p><i>8. How does Client treat year end open encumbrances?</i></p>
<p>The Authority does not currently use encumbrances as a tool to manage budgets.</p>
<p><i>9. How often does the Client amend its Adopted Budget during the year?</i></p>
<p>The Authority only makes one mid-year adjustment to the annual budget.</p>
<p><i>10. Are Department Managers accountable for budget variances? What tools are given to the departments to compare actual to budget information? (Monthly budget reports?)</i></p>
<p>Project managers are responsible for explaining budget variances. If they are over budget, they will have to re-allocate funds from other sources.</p> <p>Every time the Strategic Plan is updated, the Annual Budget and the Mid-Year Budget will also have to be updated to reflect the changes. Events that could impact the project budget include contractor claims, court related right of way issues, etc.</p> <p>Project Managers build budget contingencies into the Financial Plan as a separate budget line item.</p>
<p><i>11. Identify the unmet needs for each functional area/department.</i></p>
<p>The following unmet needs have been identified:</p> <ol style="list-style-type: none"> <li>1. The Authority does not have an integrated Budget Module. As a result, all budget information is prepared in Excel. Furthermore, budget tracking is performed manually by reviewing the Financial Plan and the Ad Hoc Reports. It is not a pro-active process.</li> <li>2. Although project budget information is entered into the Minotaur System, it does not track annual operating costs.</li> <li>3. Cost allocations are prepared manually without the use of any templates.</li> <li>4. The Authority does not have a robust ad hoc reporting tool. As mentioned earlier, all budget reports (Annual Budget, Strategic Plan and the Financial Plan) are prepared using Excel. A report writer will also provide the necessary tools for Project Managers to better manage their project budgets.</li> <li>5. The current system does not provide encumbrance functionalities to manage budgets.</li> <li>6. The Authority does not use any electronic workflow tools to assist with the budget preparation and approval processes.</li> </ol>
<p><i>12. Determine how new technology might be able to address these unmet needs.</i></p>
<p>The Authority would benefit from a new Budget Module that provides:</p> <ol style="list-style-type: none"> <li>1. Electronic workflow to facilitate the budget approval processes</li> </ol>

2. Budget preparation capabilities including customization of budget forms, budget modeling and forecasting
3. A centralized database that would allow departments and Project Managers to set up and enter their own budgets.
4. Integration with the General Ledger, Projects, Grants and Contract Management/ Purchasing
5. The ability to track multiple budget versions
6. Allocation of shared expenditures based on user defined rules.
7. The ability to attach scanned images or hyperlinks to the budget records.
8. The ability to track, inquire and report on multi-year budgets for projects and grants.
9. A web-based budget preparation application with user friendly screens, menus, and drop down help features.
10. A report writer with complete flexibility and adaptability to the users' requirements. The report writer should enable users to create and run customized reports quickly and easily. At a minimum, the report writer should provide:
  - Real-time reporting and inquiry.
  - Support the creation of multiple report types, such as conditional reports, sub-reports, and drill down reports.
  - Graphical documentation, including bar charts, line charts, pie charts, Gantt charts, etc.
  - A report design wizard to guide users through the report creation process.
  - The capability to view their report on screen while it is in development.
  - A HTML preview that allows report authors to see how reports will look when published to the web.
  - The ability to perform auto saving of the report after a user-defined period of time has passed.
  - Vertical rulers and guides to facilitate report design and formatting.
  - The option to select from automatic/template report styles and the auto arrangement of report fields that have been selected to appear on the report.
  - The ability to use a click-and-drag graphical user interface to facilitate report writing.
  - The ability to setup (multiple) user defined subtotals and totals within a report.
  - The drawing of lines, boxes, circles, ovals, and boxes with rounded corners.
  - The ability to move and resize objects and select multiple objects to format at once.
  - Font formatting by style and size.
  - The setup of horizontal or vertical page numbering.
  - The report writer should allow hyperlinks to be embedded into reports.
  - Users to redo an action and undo multiple times (to undo a series of actions).
  - Users to setup report and page footers.
  - The ability to create multiple detail sections within a report.

- Automated alerts and checks that quickly find broken links, formula errors, and dependency issues.
  - A formula editor to assist in adding formulas to the report.
  - The ability to export to XML, PDF, HTML, XLS, etc.
  - Users the ability to create shortcut buttons.
  - Allow for unlimited sorting.
  - The ability to customize report prompts and setup prompts based on dynamic values. This means that report designers do not have to maintain static prompt value lists within individual reports. Instead, they can reuse existing prompts stored in the repository.
  - For calculations based on report columns such as adding or subtracting from one column from another or setting up analysis/variance columns.
  - Dynamic query against multiple tables and columns and query criteria for advance users (SQL).
  - The ability to report or inquire on any data field within the budget preparation module.
  - The developing customized reports that can extract information from several subsystems (budget preparation, General Ledger, Grants, Projects, etc.) and produce them on the same report.
  - The ability to copy reports and make specified changes to them without altering the original report.
  - The ability to run reports on multiple years for project and grant activity. The system should accommodate running reports on a specific project or activity number for a multi-year period.
  - The organization of reports (for example, in user defined folders).
  - Security definitions to allow the System Administrator to define read/write access for each report.
11. The ability to maintain the Strategic Plan as a budget version. The system must allow a format that mimics the Authority's current Strategic Plan.
  12. The ability to maintain other budgets, such as the Annual Budget, Mid-Year Budget and the Financial Plan (i.e.: Project Budget).
  13. The ability to track the reason for a budget amendment.
  14. The ability to track project contingencies, including how much has been exhausted against the contingency.
  15. The ability to amend budgets multiple times during the year.
  16. The ability to budget the amount of program funds that will be allocated to local agencies and the amount of actual expenditure incurred by the local agencies. For instance, if \$500,000 was budgeted for bus operations, but the local agency only incurred \$100,000, the Authority would like to monitor the amount budgeted (\$500,000), the amount spent (\$100,000) and the outstanding balance (\$400,000).
  17. The ability to allow users to budget down to the lowest level of detail. For instance, the Authority currently has the need to separately budget right of way costs.