



EXCELLENCE EQUITY & OPPORTUNITY

2023-30 STRATEGIC PLAN

March 13, 2025

Executive Limitation 6: Financial Administration



Executive Limitation #6: Financial Administration

With respect to the actual, ongoing condition of the Division's financial health, the Superintendent shall not fail to take reasonable steps to avoid allowing any fiscal condition that places the long-term financial health of the Division in jeopardy, causing a material deviation in spending from the budget adopted by the Board, or spending that is inconsistent with achieving the Division's Strategic Plan goals. The Superintendent shall not fail to be fiscally responsible and ensure all expenditures are kept within projected revenues of the Division. The Superintendent shall not fail to provide strong financial controls and an accurate, full, and transparent accounting of how taxpayer dollars are spent in support of the Division.

Executive Limitation #6: Financial Administration

1. Expend only those funds that have been received in the fiscal year to date, unless the Board authorizes additional expenditures through the use of reserves or other revenues are made available through legal means.
2. Administer purchases in accordance with the Fairfax County Purchasing Resolution, Board procurement policies, and state and federal laws.
3. Prevent the organization from creating obligations over a longer term than revenues can be safely projected, or establishing provisions for modifying obligations in the event of revenue loss.
4. Ensure that payroll and legitimate debts of the Division are promptly paid when due.
5. Make all reasonable efforts to collect any funds due the Division from any source.
6. Seek all state and federal funds to which the Division is or may be entitled.
7. Keep complete and accurate financial records by fund categories and accounts in accordance with established fiscal accounting procedures as reflected in Generally Accepted Accounting Principles.

Executive Limitation #6: Financial Administration

8. Effectively and efficiently develop systems of internal control that span all operating environments, mitigate risks to acceptable levels, address risks related to financial reporting, are funded appropriately, and support sound auditing practices.
9. Obtain, generate, regulate or use relevant, quality information to support the functioning of the organization.
10. Provide annual guidance on carrying forward unspent funds that provides a minimum threshold for schools to retain, and creates a plan for the reallocation of any additional unspent funds that is responsive to Division needs and strategic priorities.
11. Publish a public and transparent annual report that indicates the financial health of the Division including revenues, expenditures, and costs of major programs.
12. File required financial reports accurately and on time.

Financial Administration and Consistent Business Processes

FCPS business processes and internal controls for financial management do not change frequently and are primarily governed by Generally Accepted Accounting Procedures (GAAP), therefore EL-6 is mostly continuing evidence. Further, financial management is cyclical and having stable business processes is considered a strength. The following reflects why stable and consistent business processes are important:

- Financial procedures are designed to comply with state and federal regulations. Frequent changes could result in non-compliance and legal complications.
- Consistent financial procedures ensure transparency and accountability, which are crucial for maintaining public trust in FCPS operations.
- Established internal controls are designed to minimize FCPS risk, including fraud and misuse of public funds. Frequent changes could result in loopholes or vulnerabilities.
- Consistent processes provide clear audit trails, making it easier for the FCPS School Board and external auditors to review and verify financial activities.
- Stable financial procedures support long-term planning and decision-making, which is essential for effective FCPS policies and budgeting.
- Consistency and stability in financial procedures allows for meaningful comparisons of financial data over time, helping the FCPS School Board and others assess financial performance and policy effectiveness.

#2: Administer Purchases in Accordance with Policies

- The Office of Procurement Services implemented a standard contract approval and notification template in October 2024 (FY 2025) for contract approval and contract notification actions in accordance with Policy 5011: Authority to Contract. The new template provides consistent details including but not limited to historical, current, and budgetary information.
- Contracts requiring approval during the summer recess, when the School Board does not meet, will be submitted to the School Board in advance of the summer recess. A summary list of all contracts will be provided, including information detailing the negative impact if not approved. The standard contract approval template for each contract will be included as an attachment.

#4: Ensure Payroll and Debts are Paid Promptly

- The FCPS pay method is consistently reviewed. In the MyPath HCM replacement project the FCPS pay method will change and, while there will be occurrences of leave without pay, the employee's hourly rate will now be consistent across all pay periods.
- Providing all leave balances up front to employees reduced the instances of leave without pay transactions from FY 2023 to FY 2024 by 22 percent.

#6: Seek All State and Federal Funds Entitled to the Division

- The Office of Budget Services pursues all applicable grant opportunities.
- The Department of Financial Services works with program managers to ensure reimbursements are up to date.
- FCPS has continued to monitor the federal landscape for additional information.
 - FCPS will continue to pursue all federal opportunities that align with the Division's goals and Strategic Plan.
- FCPS reconciles to the state budget at every stage of the budget process. Notably, as part of the Governor's budget for FY 2026, FCPS staff identified a state data error that would have resulted in a \$2.6 million reduction in State funding to FCPS and made VDOE aware of the error allowing for correction.

#7: Keep Complete and Accurate Financial Records

- FCPS continues to be recognized for its outstanding financial reporting.
 - Association of School Business Officials (ASBO) and Governors Finance Officers Association (GFOA) awards for Financial Reporting for the Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR) for FY 2024.
 - Awards for the Educational Employees Supplementary Retirement System (ERFC) pension plan for FY 2024.
 - Meritorious Budget Award and the Distinguished Budget Presentation Award for FY 2025 Approved Budget.
 - Clean audit opinion for FY 2024 financial statements.

#11: Publish a Public and Transparent Annual Report on Division Financial Health

- The Transparency Portal allows the public to search financial data of FCPS. It allows users to search and view summary information about payments to specific vendors and budget versus actual expenditures. The financial data available on this site is unaudited and therefore have not been reviewed for accuracy by an outside party.
- An audited Annual Comprehensive Financial Report (ACFR) for each fiscal year is prepared annually.



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