
NOTICE OF MEETING

The regular meeting of the Incline Village General Improvement District Board of Trustees will be held starting at **6:00 PM** ~~2:00 PM~~ on August 24, 2023 in the Boardroom, 893 Southwood Boulevard, Incline Village, Nevada.

Public comment is allowed and the public is welcome to make their public comment via telephone (the telephone number will be posted to our website on the day of the meeting). The meeting will be available for viewing at <https://livestream.com/accounts/3411104>.

- A. ROLL CALL OF TRUSTEES*
- B. INITIAL PUBLIC COMMENTS - *Unless otherwise determined, the time limit shall be three (3) minutes for each person wishing to make a public comment. Unless otherwise permitted by the Chair, no person shall be allowed to speak more than once on any single agenda item. Not to include comments on General Business items with scheduled public comment. The Board of Trustees may address matters brought up during public comment at the conclusion of the comment period but may not deliberate on any non-agendized item.*
- C. GENERAL BUSINESS (for possible action)
- ~~1. **SUBJECT: Good Governance Workshop Part 2 – Training held from 2:00 PM – 4:00 PM**
Discussion may include an overview of developing standard operating procedures, checklists and other best practices for Board staff communications and general operations. Discussion may also work through general examples that all governments have, such as FAQs, public comments, complaint handling and public record requests and/or specific examples more relevant to the IVGID jurisdiction, such as a dog park, new beach building, a skate park or other sample topics.
Recommendation for Action:~~
 - ~~2. **SUBJECT: Recess - the Board of Trustees will recess from 4:00 PM to 6:00 PM**~~
 3. **SUBJECT: Review, Discuss, and Possibly Approve Actions and Expenditures as Necessary to: - pages 5 -15 (page 4 has been deleted)**
 - Address and resolve Issues Identified to the Board Regarding Non-Reconciliation of Bank Balances since July 1, 2022
 - Address Issues with Current Imbalances in the General Ledger Trial Balance
 - Perform a Complete Independent Assessment, and Remediation Plan, Pertaining to the Tyler Munis ERP System Implementation. Assess Resource Needs and Estimated Time Frame to Remediate and Complete a Successful Implementation.
 - Implement Adequate Full-time Staffing Levels in Finance Department to Address Regular Workload
 - Provide Direction and Timelines to Staff on the Board’s Priorities for the Finance Department Active and Special Project List
-

Incline Village General Improvement District

Incline Village General Improvement District is a fiscally responsible community partner which provides superior utility services and community oriented recreation programs and facilities with passion for the quality of life and our environment while investing in the Tahoe basin.

893 Southwood Boulevard, Incline Village, Nevada 89451 • (775) 832-1100 • EMAIL: info@ivgid.org

www.yourtahoeplace.com

NOTICE OF MEETING

Agenda for the Board Meeting of August 24, 2023 - Page 2 – Revision 1

Recommendation for Action: That the Board of Trustees:

Discuss Finance and Accounting Issues and Concerns Identified by the Director of Finance and the Audit Committee Chair and Possibly Approve Actions necessary to:

- Implement an Action Plan to Resolve Issues Identified to the Board Regarding Non-Reconciliation of Bank Balances since July 1, 2022 as an urgent priority
- Identify the Actions and Resources Required to be Able to Timely Close the District Accounts Each Month and Produce Reliable Financial Statements and Supporting Footnotes to Staff, Board of Trustees, and the Community
- Implement actions to Ensure Internal Controls and Processes are Sufficiently developed to Avoid Future Recurrence of the Identified Issues and Concerns
- Agree and Approve Full-time Staffing Levels in Finance Department that are Sufficient to Meet the Demands of the Current and Expected Future Workload
- Develop and Implement an Action Plan for Tyler Munis-Innoprise Data Reconciliation and Revise Ineffective Workflow Processes in Tyler Munis
- Enable the Annual Audit to be Completed by the State Mandated Deadline
- Restore Public Trust in Accuracy of IVGID Reported Financials
- Ensure that State Revolving Fund (SRF) Borrowings/Bonding for the Effluent Pipeline Replacement are not Adversely Impacted
- Provide Direction to Staff on the Board’s Priorities for the Finance Department Active and Special Project List

That the Board of Trustees make a motion to:

Direct Staff to Add Additional Full-Time, Permanent Personnel to the Finance Department as necessary Based on Identified Needs to Meet the Current and Expected Future Workload

That the Board of Trustees make a motion to:

Direct Staff to Identify and Evaluate any Consulting Resources Required to Support Special Projects as Prioritized by the Board

That the Board of Trustees make a motion to:

If Necessary, Direct Staff to Prepare a Scope of Work for a Request for Proposals to Solicit a Qualified Firm to Conduct a Forensic Financial Due Diligence Audit

That the Board of Trustees make a motion to:

If Necessary, Direct Staff to Begin the Process for Conducting a Public Hearing to Adjust the Budget as Needed as a Result of the associated costs of Recommended Actions of August 24, 2023

- D. FINAL PUBLIC COMMENTS - Limited to a maximum of three (3) minutes in duration.
- E. ADJOURNMENT (for possible action)

NOTICE OF MEETING

Agenda for the Board Meeting of August 24, 2023 - Page 3 – Revision 1

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before 9:00 a.m., Tuesday, August 22, 2023, a copy of this agenda (Revision 1) (IVGID Board of Trustees Session of August 24, 2023) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were e-mailed to those people who have requested; and a copy was posted, physically or electronically, at the following locations in accordance with Assembly Bill 253:

1. IVGID Anne Vorderbruggen Building (893 Southwood Boulevard, Incline Village, Nevada; Administrative Offices)
2. IVGID's website (www.yourtahoeplace.com/ivgid/board-of-trustees/meetings-and-agendas)
3. State of Nevada public noticing website (<https://notice.nv.gov/>)

/s/ Heidi H. White

Heidi H. White

District Clerk (e-mail: hwh@ivgid.org/phone # 775-832-1268)

Board of Trustees: *Matthew Dent - Chairman, Sara Schmitz, Michaela Tonking, Raymond Tulloch and David Noble*

Notes: *Items on the agenda may be taken out of order; combined with other items; removed from the agenda; moved to the agenda of another meeting; moved to or from the Consent Calendar section; or may be voted on in a block. Items with a specific time designation will not be heard prior to the stated time, but may be heard later. Those items followed by an asterisk (*) are items on the agenda upon which the Board of Trustees will take no action. Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to call IVGID at 832-1100 at least 24 hours prior to the meeting. **IVGID'S agenda packets are available at IVGID's website, www.yourtahoeplace.com; go to "Board Meetings and Agendas".***

MEMORANDUM

TO: Board of Trustees

THROUGH: Mike Bandelin
Interim General Manager

FROM: Bobby Magee
Interim Director of Finance

SUBJECT: Review, Discuss, and Possibly Approve Actions and Expenditures as Necessary to:

- Address and resolve Issues Identified to the Board Regarding Non-Reconciliation of Bank Balances since July 1, 2022
- Address Issues with Current Imbalances in the General Ledger Trial Balance
- Perform a Complete Independent Assessment, and Remediation Plan, Pertaining to the Tyler Munis ERP System Implementation. Assess Resource Needs and Estimated Time Frame to Remediate and Complete a Successful Implementation.
- Implement Adequate Full-time Staffing Levels in Finance Department to Address Regular Workload
- Provide Direction and Timelines to Staff on the Board's Priorities for the Finance Department Active and Special Project List

DATE: August 24, 2023

I. RECOMMENDATIONS

That the Board of Trustees:

Discuss Finance and Accounting Issues and Concerns Identified by the Director of Finance and the Audit Committee Chair and Possibly Approve Actions necessary to:

- Implement an Action Plan to Resolve Issues Identified to the Board Regarding Non-Reconciliation of Bank Balances since July 1, 2022 as an urgent priority

- Identify the Actions and Resources Required to be Able to Timely Close the District Accounts Each Month and Produce Reliable Financial Statements and Supporting Footnotes to Staff, Board of Trustees, and the Community
- Implement actions to Ensure Internal Controls and Processes are Sufficiently developed to Avoid Future Recurrence of the Identified Issues and Concerns
- Agree and Approve Full-time Staffing Levels in Finance Department that are Sufficient to Meet the Demands of the Current and Expected Future Workload
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- Ensure that State Revolving Fund (SRF) Borrowings/Bonding for the Effluent Pipeline Replacement are not Adversely Impacted
- Provide Direction to Staff on the Board's Priorities for the Finance Department Active and Special Project List

That the Board of Trustees make a motion to:

Direct Staff to Add Additional Full-Time, Permanent Personnel to the Finance Department as necessary Based on Identified Needs to Meet the Current and Expected Future Workload

That the Board of Trustees make a motion to:

Direct Staff to Identify and Evaluate any Consulting Resources Required to Support Special Projects as Prioritized by the Board

That the Board of Trustees make a motion to:

If Necessary, Direct Staff to Prepare a Scope of Work for a Request for Proposals to Solicit a Qualified Firm to Conduct a Forensic Financial Due Diligence Audit

That the Board of Trustees make a motion to:

If Necessary, Direct Staff to Begin the Process for Conducting a Public Hearing to Adjust the Budget as Needed as a Result of the associated costs of Recommended Actions of August 24, 2023

II. DISTRICT STRATEGIC PLAN

This action supports Long Range Principle #2, Finance; *"The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective*

financial policies for operating budgets, fund balances, capital improvement and debt management.”

- *Comply with State and Federal regulations.*
- *Develop and maintain a long term plan to sustain financial resources.*

III. **BACKGROUND**

Overview

Since July 2023 the Department of Finance has been conducting a self-assessment on daily, weekly, monthly, annual, and special projects that it believes need to be completed. This process has included staff-to-workload analysis, prioritization of Board initiatives, Audit Committee needs, and routine workload. With respect to routine workload, as noted in the previous staff report on August 9, 2023 a critical issue is the lack of monthly bank reconciliations, which is currently 14 months behind schedule, and for eight of those months the currently-vacant controller position was filled.

As a result of the self-assessment, on August 9, 2023 the Finance Department made a number of recommendations to the Board, including the addition of an Assistant Director of Finance. (Item F.5) The recommendation was ultimately not approved by the Board on August 9th; however, the Board directed staff to return with prioritized Project List and estimated costs for potentially using a consulting firm to complete certain portions of the work as a possible alternative. Staff reached out to Moss Adams for estimates on each project that could fit this definition, however estimates for these various projects have not been received at this time. The internal Active and Special Project list is below, with brief descriptions of the issues at hand and the current status of the projects as well as the recommended priorities. This list is a look at the additional workload outside of normal, routine daily tasks such as accounts payable, revenue, accounting, purchasing, etc. that the Finance team believes is important to address. Staff is seeking Board guidance on this proposed prioritization, which projects should be set aside until time permits, and which projects the Board may wish to contract with a consulting firm to complete.

As part of this process, Finance staff has continued to work with the various departments since the August 9, 2023 Board meeting to gain a better understanding of the increasing scope of work, and complexity of the work, that has occurred over the past several years. As the project workload continued to increase without corresponding finance department staffing changes, routine daily tasks have increasingly fallen by the wayside despite the best endeavors of staff. The accounting function of the Finance Department has seen its workload transition over the past several years from accounting and reporting to one that

includes fiscal and budgetary analysis, revenue management, external customer service, and support for special projects. The core functions of the Accountants, such as daily accounting, bank reconciliations, auditing, and financial reporting are no longer being utilized effectively due to the workload demands and changes over the past several years. The need remains to shift these duties on to more appropriate staff, which would allow the accounting team to return to the types of activities it should be focused on. Department Managers and Directors have been adversely impacted in running operations as the necessary financial information has become increasingly delayed.

As the complexity of the work has increased, so has the amount of projects to serve the Community. The table below demonstrates the increase in the IVGID budget since 2020. As the workload increased, staffing levels remained mostly static over this time period, which was a decrease in Finance staff from years prior to 2020.

				Original	Revised	Adopted
Fiscal Year	2020	2021	2022	2023	2023	2024
Revenues	(54,848,620)	(54,382,650)	(46,186,009)	(76,452,842)	(52,157,263)	(108,937,434)
Expenses	55,546,436	52,764,823	56,895,053	89,712,570	60,028,365	116,416,829
	697,816	(1,617,828)	10,709,044	13,259,728	7,871,102	7,479,395

Given the known fact that many of the routine accounting duties have been shifted or delayed for multiple years, combined with the current need to get caught up on several seriously past due reconciliations, it is also recommended the Board direct staff to issue a request for proposals to find a qualified firm to conduct a Financial Due Diligence Audit. The recommended action differs from the annual audit. The purpose of the annual audit is to ensure that management has presented a true and fair picture of the organizations financial performance and position. The Financial Due Diligence Audit is a type of forensic audit. There are typically two types of forensic audits – a Financial Statement Audit, which is used to determine if there are fraudulent activities present, and the recommended Financial Due Diligence Audit. Both previous Finance Department staff and current staff have not seen, reported, or suspected any incidences of fraud which would necessitate a Financial Statement Audit. The recommended Financial Due Diligence Audit differs from the annual audit in that the procedures, scope of work, and depth to which the auditors dig into the agency’s finances and operations would be agreed upon with IVGID. In this case, the recommended action is to prepare a Scope of Work to include a wide range of areas including legal, operational, information technology, and a deep dive into all financial matters related to the District.

Prioritized Active and Special Project List

There are a significant number of projects and enhancements that have been identified as necessary based both on internal staff review and on previous guidance and direction from the Board. These are targeted on improving

transparency of financial reporting; providing for longer term investments and planning; rectifying issues impacting effective operations; correcting systems issues and enhancing system efficiencies.

These are prioritized as shown¹:

- Immediate and Urgent Priorities (0-3 months)
- Near Term Priorities (3-6 months)
- Medium Term Priorities (4-9 months)
- Longer Term priorities (6 months +)

Immediate and Urgent Priorities (0-3 months)

Number	Projects	Status	Notes
1	Munis Innoprise Data Reconciliation Project	Not started	Likely needs to be completed from scratch in order to tie back to FY 2022
2	Internal Controls Review	Beginning phase to develop a priority list	Audit Committee Request
3	Food and Beverage Deep Dive - Financials and Operations	Working with Golf Director; analysis to start soon	
4	Investments Review	Not started	Cash sitting idle in main account
5	Error on posted April financial reports (golf pages and utility main summary appears to show \$2M in transfer - only \$1M)	Not started	
6	Annual Audit	In progress	6-8 weeks behind schedule
7	Events Deposits	Need for year-end close	Currently two months behind
8	Munis Journal Entry Auto-Approval Project	Pending Tyler system review	All JE's on hold at the moment

Near Term Priorities (3-6 months)

Number	Projects	Status	Notes
9	Treasurer's Report Redesign	Currently in design	
10	Munis Workflow Redesign	Pending IT/Finance Availability	
11	Budget Presentation Redesign	Not started	
12	Tennis Center - CIP Projects	Not started	Needs budget review
13	Daily Cash Sheet	Being developed in house	
14	Change Contact on SRF Loan	On hold	
15	OpenGov - Not clear and up to date	Not started	

Medium Term Priorities (4-9 months)

16	Long Range Financial Plan	Not started	
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¹ Project numbers are used for identification and reference and do not indicate level of priority

17	CIP Study Session	Not started	Needs to go to the Board as time permits – work with Investment Committee
18	Facility Fees shown as revenues on financial reports - needs to be excluded	Not started	
19	Budget - Cash Flow Statement to State	Pending further Board direction	
20	Cost Allocation Plan Review	Not started	
21	PAFR Development		Create a Popular Annual Financial Report

Longer Term priorities (6 months +)

Number	Projects	Status	Notes
22	Purchasing Program Review	Not started	
23	Punch Card System Review	Not started	
24	Punch Card Contra Revenue Accounting	Not started	
25	Transparent Nevada (Nothing Since 2019)	Pending development of reports in new format	
26	P-Card System Review	Not started	
27	Rec Fee - Dwelling Unit Issue	Not started	
28	Tyler Invoicing Module	Not started	
29	Munis Purchasing Order Rollover Process	Not started	

Descriptions:

- 1 **Munis Innoprise Data Reconciliation Project** – As part of the conversion from the Innoprise ERP to Tyler Munis, a former Finance employee set up many of the processes for data to be migrated. Unfortunately it is a known issue that several pieces of the data did not transition correctly, and a full reconciliation of the data from Innoprise cutoff to Munis go-live needs to take place. To date this project has not started due to staffing resources.

- 2 **Internal Controls Review** – A complete assessment of existing Internal Controls has been flagged and requested by numerous individuals in the community. The Finance Department has been creating a priority list of items it believes it should be working on first; however, this project is expected to progress over a significant number of months given current workload and staffing resources. In order to expedite the process, either a fully-staffed department or consulting assistance would be required.

- 3 **Food and Beverage Deep Dive - Financials and Operations** – This item was requested for further analysis by the Board. The Finance department, working in conjunction with the Golf Director, has identified a need to take a closer look at the Food and Beverage function from both a finance and an operations perspective. While this project is considered important, it has not progressed any further from the Finance team due to staffing resources.

- 4 **Investments Review** – The Finance department has identified a need to conduct a review of the District’s investment portfolio related to pooled and idle cash resources. Investments must be made with careful precision in accordance with the District’s Investment Policy.
- 5 **Error on posted April financial reports (golf pages and utility main summary appears to show \$2M in transfer - only \$1M)** – This item has been flagged by several individuals and brought to the attention of the Finance Department. At this time it is unknown if this is a one-time-only data entry error, or a system error that caused the reports to not reconcile. The scope of the issue, and possible corrections or improvements, are unknown at this time.
- 6 **Annual Audit** – Routine annual work, currently estimated at 6-8 weeks behind schedule. The Board approved a contract with Baker Tilly for accounting support related to the Fiscal Year 2022/23 year-end close on August 9, 2023. (Item F.5) The Finance team is focused on getting this item back on track, and ongoing training of existing staff is currently underway. The existing Incline Village General Improvement District (IVGID) accounting staff does not have anyone with previous governmental audit experience.
- 7 **Events Deposits** – As the accounting function of the department continues to fall further behind on routine items such as bank reconciliations and capital asset accounting, another item that has recently been set aside is the reconciliation of deposits related to events. As the priority has shifted to getting caught up on last year’s end-of-year accounting processes and close, the Events Deposits reconciliation has fallen behind by over two months. It is currently unknown when these activities will resume on a normal schedule.
- 8 **Munis Journal Entry Auto-Approval Project** – In early August, it was noted that the Tyler Munis system had begun to auto-approve all accounting journal entries (JE). The Finance team immediately placed all JE’s on hold and contacted Tyler in search of a solution. This has been a priority item for Finance, and the team has attempted to find the reason why this new issue happened. The team at Tyler has also looked at the internal mechanisms, but to date has not been able to identify why the system made this change. This item will continue to be a priority for Finance utilizing existing resources.
- 9 **Treasurer's Report Redesign** – The Finance Director identified this item in early July 2023 as something that could be improved upon at the staff level. Discussions were held with the Interim General Manager where concepts were identified for possible inclusion. Separately, the Treasurer reached out to the Finance Director with a similar request, and it was agreed that the

Finance Department would create a draft concept report for the Treasurer's consideration. This project is currently underway in-house, and a draft concept report is expected to be completed sometime in September 2023.

- 10 **Munis Workflow Redesign** – The Munis Enterprise Resource Planning (ERP) system contains a workflow process for managing repetitive processes and tasks which occur in a particular order. The current workflow processes in the District's ERP were designed by a former employee, and there is consensus among the Finance and IT teams that the previously-designed process is cumbersome, has duplication of effort issues, and actually slows the overall work down.
- 11 **Budget Presentation Redesign** – The Finance Department, in response to Board and community input, wishes to create a series of budget reports and documents that will make it easier for the public to understand exactly what is contained within the budget, and how budget-to-actuals are being monitored at periodic points throughout the year. This project will be handled in house; however, due to staffing constraints the report design phase has not started at this time.
- 12 **Tennis Center - CIP Reallocation Assessment** – The Finance Department has been working with the Parks and Recreation department on a financial needs analysis for existing tennis courts. Recommendations are expected to come forward from both departments in this fiscal year as the project continues. The recommendations are expected to address both financial and operational needs.
- 13 **Daily Cash Sheet** – As a matter of best practice, at any given time the Director of Finance and the General Manager should be able to identify how much cash is on hand in the District's "checking account". Currently there is no process in place for daily cash reconciliation of the district's various accounts; rather, it is completed on a monthly basis. This project is currently on hold due to staffing resources
- 14 **Change Contact on SRF Loan** - The previous Finance Director had started working on the SRF Loan for the effluent pipeline project. To date, this item has not transitioned to existing staff due to timing resources.
- 15 **OpenGov - Not clear and up to date** – This item was flagged by individual Board members and the Audit Committee for further research and possible recommendations for improvement. The scope of the issue, and possible corrections or improvements, are unknown at this time.
- 16 **Long-Range Financial Plan** – As a matter of best practice, the Finance Department would like to create a long-range financial plan which lays out

expected multi-year revenues, expenditures, known CIP projects, expected impacts from inflation and/or recessionary events, etc. This project has not started due to staffing resources.

- 17 **CIP Study Session** – The Finance Department, after considering community input, wishes to create a study session where the entire 5-year CIP plan can be looked at in greater detail, and additional community input received. This project is currently on hold due to staffing resources. This aspect will also be considered by the newly appointed Capital Investment Committee.
- 18 **Facility Fees shown as revenues on financial reports – potentially needs to be excluded** - This item was flagged for research and possible recommendations for improvement by individual Board members and the Audit Committee. The scope of the issue, and possible corrections or improvements, are unknown at this time.
- 19 **Budget - Cash Flow Statement to State** – At the Direction of the Board and the request of members of the public, a revised budget and cash flow statement will be required to submit to the State. This project is currently on hold pending further analysis and recommendations, based on staff availability.
- 20 **Cost Allocation Plan Review** – As a matter of best practice, organizations should periodically review the methodology behind an effective cost allocation plan. Finance staff has identified the need to look closer at the historical practices behind the current plan as departments throughout the District have requested additional information for understanding how this program works.
- 21 **Development of a Popular Annual Financial Report (PAFR)** – This item is an easy to read explanation of the items contained within the Annual Comprehensive Financial Report (ACFR). It assists with communicating to the public budgetary and financial information in ways that are user friendly to the community. It is a communication document designed to explain the concepts in an easy to read way for the general public, and is not a document that is in the required financial formatting of the Federal or State governments that is generally understood by governmental finance professionals.
- 22 **Purchasing Program Review** – Identified by the former Finance Director, a comprehensive review of the District's overall Purchasing program with related policies and procedures, and training should be undertaken to bring the District up to a procurement best-practices organization, in full compliance with all Federal, State, and Local laws, rules, and regulations.

- 23 **Punch Card System Review** – The Finance Department has been tasked with a financial review of the Punch Card System and the related accounting transactions. The scope of the issue, and possible corrections or improvements, are unknown at this time.
- 24 **Punch Card Contra Revenue Accounting** – This item was flagged for research and possible recommendations for improvement by individual Board members and the Audit Committee. The scope of the issue, and possible corrections or improvements, are unknown at this time.
- 25 **Transparent Nevada (Nothing Since 2019)** – Finance staff reached out to Transparent Nevada to inquire why there has been no data posted for IVGID since 2019. The website indicated that while data had been received, it was not in a format acceptable for publication on its site. Staff will have to manually manipulate the data into the required format, and will handle this in-house.
- 26 **P-Card System Review** – As a matter of best practice, organizations should periodically review P-Card systems and related transactions. IVGID began this process several months ago as part of its overall internal controls review project; however multiple additional areas need to be actively evaluated prior to closing this project out with solid recommendations for improvement.
- 27 **Rec Fee - Dwelling Unit Issue** - This item was flagged by individual Board members and the Audit Committee for further research and possible recommendations for improvement. The scope of the issue, and possible corrections or improvements, are unknown at this time.
- 28 **Tyler Munis Invoicing Module** – The accounts payable function of Finance is currently centralized, with a heavy data entry emphasis on behalf of both vendors and departments. Preliminary discussions have been held with IT on suggestions for streamlining and improving this process to free up staff time for other pressing needs. This project is currently on hold due to staffing resources.
- 29 **Munis Purchasing Order Rollover Process** – As part of the end-of-year / beginning-of-year process, existing purchase orders need to be closed out manually, and re-entered into the system manually. Currently there are approximately 200 existing purchase orders that need to be closed and converted in order for vendors to be paid in this fiscal year. The recent focus on been on getting vendors paid against last year’s invoices. This rollover project has not yet started due to staffing resources.

V. ALTERNATIVES

The recommended action is for the Board to provide its view on the priority list of the active and special projects. Alternatively, if the Board wished to provide only an enhanced funding level, staff could work with a consulting team to identify which items would be the priority, given the available financial resources. The Board could also direct staff to continue working within existing resources, with the understanding that many of the projects identified on the Active and Special Project List would be on hold indefinitely.

The consequences of inaction could lead to additional incorrect financial reporting, failure to meet State Department of Taxation deadlines, and inadequate oversight of all financial processes.