



Audit, Facilities & Finance Committee

AGENDA

November 24, 2020 – 1:30 PM

VIRTUAL MEETING

Members are provided meeting access information to log in via Zoom. Members of the public may view the live stream of the meeting on YouTube. A recording of the meeting will be available on our site at its conclusion.

- 1. Welcome and Introductions**
 - a. [Statement regarding Virtual Meetings for PlanRVA.....page 2](#)
 - b. Roll Call of Attendees
 - c. [October 27, 2020 Meeting Minutes.....page 3](#)
- 2. Old Business**
 - a. [FY2020 Audit Report Follow Up page 6](#)
 - (i) [Timekeeping Procedures](#)
- 3. New Business**
 - a. [October 2020 YTD Financial Narrative and Statements page 9](#)
 - b. [Staff Time Summary.....page 19](#)
 - c. [Financial Management Policies page 21](#)
 - d. [Payroll Frequency Proposal..... page 26](#)
 - e. Office Lease Expiration – Brian Berkey, Cushman & Wakefield | Thalhimer
- 4. Adjourn**

Targeted adjournment is 3:00 pm



**Opening Statement for Electronic Meetings
PlanRVA Audit, Finance & Facilities Committee Meeting, November 24, 2020**

Due to the 2020 COVID-19 virus, meetings of the Richmond Regional Planning District Commission have transitioned to a virtual format in accordance with provisions of Virginia Code § 2.2-3708.2 and related legislation approved by the General Assembly of Virginia during the current period of the Governor's State of Emergency Declaration for COVID.

While we meet in a remote/virtual format, we remain committed to public accessibility and opportunity to participate. Staff provided notice of this meeting to members and the public on Tuesday, November 18, 2020. As this meeting will be recorded, audio and visual recordings and materials will be accessible through the PlanRVA website. Any member of the public participating as an observer during the meeting may submit comments or questions at any time via email at info@PlanRVA.org. Additional information for how members of the public may participate are included in the meeting materials and on our website.

For the members who are participating in the meeting today, we ask that you identify yourself first when speaking so we can accurately record the activities of the meeting. Please remember to mute your line when not speaking to minimize additional noise and feedback. You may unmute your line at any time to request acknowledgement from the Chair. Staff will be monitoring the chat functions throughout the meeting to assure we do not overlook anyone wishing to participate, as appropriate, in the discussion.

Does anyone have any questions regarding the process for assuring effective facilitation of this meeting or for how members of the public may participate?

By reading this statement, staff certifies that we have followed the approved procedures for appropriate notice of this meeting and the means by which we are convening.

Now, please indicate your presence by saying "HERE" when your name is called during the roll call. Staff members will also be asked to identify themselves and anyone else who wishes to identify themselves following the roll call of members will be invited to do so.

<PAUSE for Roll Call>



Audit, Facilities & Finance Committee
October 27, 2020 – 2:00 PM
Meeting Minutes
PlanRVA Office - James River Board Room

Link to meeting recording: <https://planrva.org/planrva-audit-finance-facilities-committee-meetings/>

Members:

Mr. Jim Holland, Chair
Ms. Patricia O'Bannon
Ms. Patricia Paige (virtual)
Mr. Canova Peterson

Staff Present:

Terry Eckhout, Director of Finance
Diane Fusco, Office Manager
Martha Heeter, Executive Director

Others Present:

Mr. Mark Rhodes, Dunham, Aukamp & Rhodes (virtual)

Welcome and Introductions

Chairman Holland called the meeting to order at approximately 2:00 PM.

Ms. Fusco took roll call and confirmed a quorum was present.

September 22, 2020 Meeting Minutes

Mr. Holland asked the committee to review the meeting minutes from the September 22, 2020 committee meeting. There were no changes or revisions.

On motion of Ms. Paige and seconded by Ms. O'Bannon the September 22, 2020 minutes were approved.

FY2020 Audit Report

Mr. Holland introduced Mr. Rhodes to present the draft audit findings.

Mr. Rhodes presented the preliminary audit findings. He noted a procedure that was not followed with regard to timekeeping that is being addressed but is not noted as a finding.

Mr. Rhodes continued with a review of the draft audit findings.

Mr. Rhodes noted a correction that should be made on page 12 for the draft audit to notate GASB 68 adjustment. Correct notation was noted on page 14 by Mr. Holland.

The committee discussed the balance sheet and fund balance purpose.

Mr. Holland indicated placement of colon or indentation would be appropriate on page 14 of draft audit document.

Mr. Rhodes discussed long term liabilities on page 33 which includes total lease payment.

Mr. Rhodes noted he still needed to follow up with Ms. Eckhout regarding indirect rates.

Mr. Rhodes moved on to internal controls and report of compliance with major programs. He noted there were no deficiencies found or noted.

Mr. Holland confirmed that Mr. Rhodes would make changes and corrections as noted. Ms. Heeter asked Mr. Rhodes to plan on attending the November 12 full commission meeting virtually.

Mr. Peterson asked Mr. Rhodes if there were any comments he would like to make, and it was agreed that staff would exit the room. Recording of the meeting stopped at this time.

September 2020 YTD Financial Statements

Ms. Eckhout reviewed the financial statements starting with the YTD balance sheet on page 47.

Ms. Eckhout pointed out a net loss YTD. Mr. Peterson noted concern of a net loss for two months in a row. He asked what the plan was for increasing revenues or decreasing cost.

Ms. Eckhout said an error was found in the FY20 audit that impacted the Lower Chickahominy grant and revenue.

Ms. Eckhout agreed to develop a worksheet to illustrate the methodology being used to allocate funds received locally and how this is applied to expenses.

Mr. Peterson asked about the number of staff and the number of hours that are billable. Ms. Heeter agreed to provide this information at the next committee meeting.

Ms. O'Bannon pointed out specific budget amounts and asked about the plan to eliminate some expenses. Ms. Eckhout mentioned savings in postage, coffee and RTD newspaper subscription.

Mr. Holland had to leave the meeting at 3:00 PM and asked that the meeting start time be moved up to 1:30 PM going forward. He confirmed he would like to see headcount information for the next meeting.

Ms. Eckhout mentioned an adjustment from the telecommunications vendor that will result in a credit due to over payment. She also noted a grant award received from insurance vendor to reimburse PPE expenses.

Ms. Heeter offered to supply a list of the areas of savings for the remainder of the fiscal year and include on the agenda for the November 12th Board Meeting.

Budget Amendments FY2021

Ms. Eckhout said the first two items listed are the budget amendments under consideration – Analysis of Impediments to Fair Housing Award and Community Impact Grant Award. There was some discussion on the two projects.

The committee did not have any issues with moving these budget amendments forward. The other amendments will be presented at the next committee meeting.

FY2022 Budget

Ms. Heeter said she and Ms. Eckhout have been reaching out to the jurisdictions to get some guidance on current economic conditions. Ms. Eckhout noted about half of the jurisdictions have responded and there is a desire to continue with the \$0.05 reduction on member dues and agreement to have the TPO assessments remain at \$0.05 per capita.

Ms. Paige noted that New Kent appreciates the dues reduction and reiterated that PlanRVA needs to be good stewards of the funds and try to eliminate the inconsistencies. Ms. Heeter acknowledged the concerns and noted the per capita decrease may be offset by population growth.

Grant Management System Proposal

Ms. Eckhout noted the agency's net losses need to be addressed before moving forward with any expense proposal.

Investment Proposal

Ms. Eckhout said the conflict of interest paragraph has been removed based on advice of the agency attorney, Eric Gregory.

There was agreement to include the original paragraph and proposed revisions when this information goes before the Board at the November meeting.

Adjourn

The meeting was adjourned the meeting at approximately 3:20 pm.

Recording Time in the Time Tracking Database

Work schedules are agreed upon between the employee and their senior manager¹.

Employees work either a regular schedule or a flex schedule:

- **regular schedule** an employee records 8 hours each day.
- **flex schedule** out of 10 days an employee records 9 hours for 8 days, 8 hours for 1 day, and 0 hours for 1 day.

Start time	Stop Time	
	8-Hour Days	9-Hour Days
6:30 AM	3:00 PM	4:00 PM
7:00 AM	3:30 PM	4:30 PM
7:30 AM	4:00 PM	5:00 PM
8:00 AM	4:30 PM	5:30 PM
8:30 AM	5:00 PM	6:00 PM
9:00 AM	5:30 PM	6:30 PM
9:30 AM	6:00 PM	7:00 PM

Entering Hours in the Time Tracking Form

A timesheet is established for each staff member in an Access database. The timesheet is populated with work codes available for use. Each staff member is provided a budget of hours to use as a guide for assigned work codes.

Enter the date, hours worked, and work code for all hours worked during the pay period. Enter notes as requested by your manager. Minimum time which can be entered is .25 (a quarter of an hour).

Flex employees enter work code 8000 with 0 hours on their flex day off.

¹ For purposes of timekeeping review and verification and approval to adjust a work schedule, “senior manager” means the senior most supervisor for the unit, as assigned by the Executive Director. In some cases, an employee may have a supervisor as well as a senior manager. In these cases, both the supervisor and the senior manager should be consulted with final approval from the senior manager.

Holidays are entered as 8 or 4 hours using the holiday work code 9091 depending on the state holiday and pay calendar which is published and maintained on the Virginia Department of Human Resources Management website (www.dhrm.virginia.gov/payandholidaycalendar).

If a holiday falls on a work day scheduled for 9 hours under a flex schedule, the employee must plan to work the additional hour on another day in the pay period.

Holiday leave may be taken on another subsequent day with prior approval from the senior manager if an employee needs to work on the scheduled holiday to meet a deadline or fulfill responsibilities. In this case, the 9091 Holiday code is entered for the date of the holiday along with the appropriate code(s) for hours worked on the holiday. This entry creates an overage in the hours worked when compared to expected hours for the period. The employee will then coordinate with the senior manager to schedule the time off at a subsequent date. When the holiday hours are taken the employee will include a "0 hours worked" entry for the day of leave taken. A note in the timesheet should be entered to explain and an email submitted to the senior manager.

A full day of annual (9096) or sick (9097) leave is 8 hours on the regular schedule and 9 hours on a flex schedule, or 8 hours on a flex schedule if taken on the scheduled 8-hour day.

Before working hours different than the agreed upon schedule, an employee should coordinate with their senior manager to have the schedule change approved.

8-Hour to Flex-Hours Reconciliation Excel Sheets

Employees working a flex schedule will work over or under the required hours in a pay period depending on their selected flex leave day. Employees should plan to adjust their schedule accordingly before December 31 to assure the accumulated flex leave time balances to 0 by the end of the calendar year. An excel worksheet for each employee approved for a flex schedule can be found on the Public Drive (<P:\Administration\time tracking\Flex tracking>) to assist with flex time tracking and planning. Changes to an employee's agreed upon schedule should be entered on this sheet. The employee and their senior manager use this spreadsheet to track how the employee's hours are lining up through the rest of the year.

Compensatory Time

Following prior approval, additional time worked in a pay period should be entered on the time card and charged to the appropriate work code. This will result in an overage that will be reflected in the time tracking database. When the employee uses the hours to take time off the hours are automatically deducted from the overage when the employee is "short" during that period. When this occurs, the employee should include a note in the timesheet to explain and send an email to their senior manager coordinating authorization to take the compensatory leave. The senior manager will forward this approval to the Director of Finance and copy the Office Manager in an email at the time the compensatory time is earned, noting the overage in the employee's time card, and at the time the

compensatory time is taken, noting the shortage in the employee's time card.

Time Tracking Approval

The employee must submit their entries in the time tracking database no later than two business days after the close of the pay period. At the close of the second business day, the timecards will be closed to employees for revision.

Once submitted, the employee's senior manager should verify the time and work codes align with work completed. The senior manager can either approve the time or request the employee revise it to address errors. The senior manager's verification must be completed by the third business day following close of the pay period.

Any discrepancies on a timesheet to the total number of hours for a pay period (over or under) should be communicated in advance and documented in an email to the Director of Finance and include the employee and senior manager.

If a change to the approved timesheet is needed after senior manager approval, the employee must email the senior manager with a request to make the adjustment and an explanation of the reason the changes are required. If the senior manager deems the changes necessary, they must email the Director of Finance to authorize the revision and reopen the pay period for revision.



**PlanRVA
Financial Report: October 2020**

Balance Sheet

The summarized Balance Sheet provides an overview of the assets, liabilities and fund balance for the month of October 2020.

The Commission is in a solid cash position currently with majority of funds deposited with the Department of Treasury through the Local Government Investment Pool. Most reimbursement requests are prepared at the close of the quarter resulting in an accumulation of Accounts Receivable to be paid in November.

Pending execution of the proposed Memorandum of Understanding with the Central Virginia Transportation Authority, expenses incurred for staff support are recorded in the Balance Sheet under "Other Current Assets- 1300- Due from CVTA".

Accounts payable in October are current liabilities with scheduled payments within 30 days.

Accrued Expenses in October consist of payroll costs incurred as of June 30, 2020. Revenue through June 30 was recorded, therefore expenses for the period are required for proper reporting. The accrued expense account stores reconciling items between statement of net position and balance sheet until financial statements are closed at year-end. Depreciation and capital purchases are normal differences.

Compensated Absences in October represent vacation leave benefits due to staff as of June 30, 2020. Adjustments to compensated absences are to be considered when an employee terminates employment. The compensated absence balance should represent employees currently working for the agency.

Deferred Revenue is funding received by the agency in advance of expenditure. Deferred Revenue in October consists of payments made in advance by member jurisdictions for annual dues, RRTPO assessments and awarded private grants paid in full.

Long Term Liabilities are reported in the Statement of Net Position column in accordance with generally accepted accounting standards. The reported difference amount of \$738,017 between columns represents amounts not current and due. The difference represents statement of net position liabilities for deferred rent, net pension liability and deferred inflows.

The Fund Balance consists of Fixed Assets and Unrestricted Reserve. The Commission concluded FY20 with an Unrestricted Reserve Balance of \$1,165,897 which has been decreased by the four months' accumulated net loss to arrive at the October 31 Unrestricted Reserve of \$1,162,783.



Profit & Loss Budget Performance

This statement provides an overview of Monthly and Year-to-Date Actual revenues and expenses with comparison to total budgeted revenues and expenses for Fiscal Year 2021.

The Year-to-Date revenues and expenses are compared to 33% of the Annual Budget as Year-to-Date results for October represent one third (or four twelfths) of the year. Variances between actual and budget can be quickly viewed in the "33% Total Budget" column; notes are provided to the side and at the bottom of the statement to provide additional information.

Revenue:

October's total Year to Date Revenue was \$899,952 which is 10.5% below the predicted Year-to-Date budget. The shortfall is primarily due to timing of pass through expenses (see Expense lines 7451:7459) as well as timing of grant awards in this fiscal year.

The revenue reversal in line 4110 is to address project overruns for the Lower Chickahominy project that runs on an annual cycle of October 1- September 30. Grant funds for this project were 100% expended in FY2020 ahead of schedule. A budget revision request is forthcoming to transfer local member dues to address this reversal.

Expense:

October's total Year to Date expenses were 27% under budget primarily due to timing of pass through expenses, which should catch up over the course of the fiscal year.

Total Net Income/Loss:

The first quarter's financial statements reported a Year-to-Date (through September 30, 2020) total net loss of (\$42,093). In October, we recovered \$8,857 of the accumulated net loss, bringing the year to date net loss at October 31 to (\$33,236). This sign of improvement is encouraging, but not sufficient to fill the gap. Staff is making adjustments to expenses in November and December to accelerate improvements.

The primary drivers of the accumulated net loss for the year are as follows:

- FY2020 overspend in the Lower Chickahominy project (4114) resulted in a negative adjustment to revenue in September. Funds from local member dues will be transferred to meet the adjustment pending approval. The renewal grant award for this project was available on October 1st and staff time going forward on this project is 100% reimbursable. This project deficit will not continue.
- Recovery of fringe expenses is not covering expenses for the first four months of the year; employee leave was higher than expected in the first quarter. We are monitoring employee leave carefully to make recommendations for additional budget adjustments to cover the expense above fringe cost recovery.



Fund Balance Projection

In June 2018 the Fund Balance fell below the \$1,000,000 established threshold. In 2019, the Commission approved a plan to reinstate the Fund Balance to \$1,000,000 by the end of Fiscal Year 2021. A Special Assessment was approved for collection over Fiscal Years 2020 and 2021. As of August 2020, all nine member jurisdictions have contributed the requested amount. The June 30, 2020 Fund Balance exceeds the \$1,000,000 target; audited financial statements for June 30, 2020 report the Fund Balance at \$1,165,897. The current Fiscal Year-to-Date results netted with local member contributions to Fund Balance reduce the Fund Balance to \$1,162,783.

This chart is provided to show historic and current data for the agency's maintenance of the \$1,000,000 designated fund balance. The blue bars represent the actual fund balance reported on the Balance Sheet. The orange sections represent the gap between the actual fund balance and the \$1,000,000 target.

Salaries- Monthly Actual vs Monthly Budget

Staff began tracking salary expenses relative to budget on a monthly basis in FY2020. Over time, this information will be useful for comparative purposes. The orange bars represent monthly salaries budgeted (1/12 of total annual salaries); the blue bars represent the actual salaries expended in each month. The points in each bar represent the percentage of salaries reimbursed by grants in the month and can be used as a measure of staff productivity. The portion of salaries that are not reimbursed by grants are costs associated with administrative functions of the agency and projects funded with local member dues and general assembly appropriations.

October's combination of lower monthly salary expenses and higher percentage reimbursed is a sign of progress in the fiscal year. Management will be monitoring this closely in November and December as we expected continued leave due to the scheduled holidays. With new grant awards commencing in the latter part of the first quarter and beginning of second quarter, we expect to see continued positive trends for percentage reimbursement of staff salaries.

PlanRVA
Statement of Net Position
Balance Sheet - YTD
October 31, 2020

	<u>Statement of Net Position</u>	<u>Balance Sheet</u>	
ASSETS			
Current Assets			
Checking/Savings			
1050 · LGIP-Virginia Dept of Treasury	753,949	753,949	
1070 · SunTrust Checking 8921	31,430	31,430	
Total Checking/Savings	785,379	785,379	
Accounts Receivable			
1200 · Accounts Receivable	615,496	615,496	
Total Accounts Receivable	615,496	615,496	
Other Current Assets			
1150 · Prepaid Expenses	15,597	15,597	
1250 · Miscellaneous Receivables	223,619	223,619	
1300 · Due from CVTA	71,060	71,060	
Total Other Current Assets	310,276	310,276	
Total Current Assets	1,711,151	1,711,151	
Fixed Assets			
1300 · Property & Equipment	351,457	351,457	
1350 · Accumulated Depreciation	(249,637)	(249,637)	
Total Fixed Assets	101,820	101,820	
Other Assets	259,333	0	
	2,072,304	1,812,969	
TOTAL ASSETS			
LIAI Liabilities			
Current Liabilities			
Accounts Payable			
2000 · Accounts Payable	58,964	58,964	
Total Accounts Payable	58,964	58,964	
Other Current Liabilities			
2050 · Accrued Expenses	58,863	70,921	
2500 · Compensated Absences	98,169	98,169	
2525 · Deferred Revenue	419,467	419,467	
2600 · Security Deposit	2,665	2,665	
Total Other Current Liabilities	579,164	591,222	
Total Current Liabilities	638,128	650,186	
Long Term Liabilities			
2800 · Deferred Rent Liability	22,959	0	
2900 · Net Pension Liability	584,259	0	
2950 · Deferred Inflows	130,799	0	
Total Long Term Liabilities	738,017	0	
Total Liabilities	1,376,145	650,186	
**Fund Balance (see proposed restatement below)			
Nonspendable	15,597	15,597	
Unassigned Fund Balance	680,562	1,147,186	
Total Fund Balance	696,159	1,162,783	
	2,072,304	1,812,969	259,331

Discussion at AFFC April 29th meeting. Balance Sheet liabilities are not current and due

\$1m is target

PlanRVA
Statement of Net Position
Balance Sheet - YTD
October 31, 2020

TOTAL LIABILITIES & Fund Balance

Unrestricted Reserve - End of FY 20 (adjusted)	1,165,897
Net Surplus (Deficit) October YTD 2020	(33,236)
Special Assessments Collected FY21	30,122
Unrestricted Reserve - 10/31/20	<u><u>1,162,783</u></u>

PlanRVA
Profit & Loss Statement
October 2020 YTD

	Oct-20	Sep-20	Aug-20	Jul-20	YTD Actual Total	Annual Budget	33.33% Total Budget	YTD Notes for Variance
Income								
4100 Federal Funding								
4101 MPO FHWA/PL Funds - Fed share	82,911	70,113	78,809	99,483	331,316	1,204,736	27.50%	
4102 MPO Sect 5303 Funds - Fed share	21,993	26,540	21,316	21,635	91,484	433,984	21.08%	
4105 MPO Pass-Through	0	3,956	6,420		10,376	450,077	2.31%	
4110 DEQ-FY18/19Coastal - TAC	867	(743)	898	478	1,500	8,612	17.42%	
4111 FY20 Rural Coastal VA Mktg	115	0	0	0	115	9,095	1.26%	
4112 FY20 Lower Chickahominy	2,147	0	0	0	2,147	18,087	11.87%	
4113 FY20 Coastal TA & Resiliency	136	0	0	0	136	44,990	0.30%	
4114 FY18/19 Coastal - Lwr Chickahominy	4,981	(19,877)	6,869	8,027	0	114,918	0.00%	
4115 CBRAP - WIP3/Fed Share	2,525	1,426	4,220	8,032	16,203	20,460	79.19%	Project ending date 12/31
4120 VDEM SHSP	6,941	7,222	6,297	3,228	23,688	95,650	24.76%	
4130 VDEM Pass-through grants	8,502	0	0	0	8,502	216,125	3.93%	
4140 Hazard Mitigation	956	2,130	745	0	3,831	140,625	2.72%	
4190 Analysis of Impediments/Fair Housing	16,650	17,181	9,355	0	43,186	5,000	863.72%	Budget amendment forthcoming in Nov
Total 4100 Federal Funding	\$148,724	\$107,948	\$134,929	\$140,883	532,484	\$2,762,359	19.28%	
4200 State Funding								
4201 MPO FHWA/PL Funds - State share	10,364	8,889	9,726	12,435	41,414	150,592	27.50%	
4202 MPO Sec. 5303 - State share	2,749	3,316	2,665	2,705	11,435	54,248	21.08%	
4205 State MPO Pass-Through	0	989	1,605	0	2,594	112,519	2.31%	
4210 VDOT Rural Planning	753	(81)	0	915	1,587	58,000	0.00%	
4220 Hazard Mitigation Plan	595	568	0	0	1,163	0	0.00%	

	Oct-20	Sep-20	Aug-20	Jul-20	YTD Actual Total	Annual Budget	33.33% Total Budget	YTD Notes for Variance
4230 State Appropriation	9,549	9,549	9,549	9,549	38,195	113,900	33.53%	
Total 4200 State Funding	\$24,010	\$23,230	\$23,545	\$25,604	96,388	\$489,259	19.70%	
4300 Local Funding								
4301 TPO Assessment	4,204	4,204	4,204	4,204	16,816	50,447	33.33%	
4310 Local Membership Dues	45,440	45,440	45,440	45,061	181,381	544,903	33.29%	
4315 Service/Fee Income	15,451	29,614	0	0	45,065	0	0.00%	Budget amendment forthcoming
4320 Capital Region Collaborative	1,459	168			1,627	24,290	6.70%	
Total 4300 Local Funding	\$66,554	\$79,426	\$49,644	\$49,265	244,889	\$619,640	39.52%	
4400 Private Funding								
4410 Restricted Contributions					0			
4360 FOLAR Grant	6,246	6,246	6,246	6,246	24,983	74,957	33.33%	
Total 4410 Restricted Contributions	\$6,246	\$6,246	\$6,246	\$6,246	24,983	\$74,957	33.33%	
5000 Other Income								
5001 Interest Income	335	164	578	132	1,209	0	0.00%	
5010 Miscellaneous Income	525	0	0	0	0	0	0.00%	
Total 5000 Other Income	860	164	578	132	1,209	0	0.00%	
Total Income	\$246,393	\$217,013	\$214,941	\$222,129	\$899,952	\$3,946,215	22.81%	10.5% below budget
Expenses								
6000 Salary & Wages								
6100 Wages - Local	29,570	30,136	35,310	23,631	118,647	1,442,094	8.23%	
6101 Leave Wages	11,554	13,979	15,707	23,568	64,808	150,000	43.21%	(1) staff member ill
6102 Leave Paid Out					0	10,000	0.00%	
6105 Salaries - Part Time Chargeable	8,963	8,533	12,825	15,037	45,358	0	0.00%	

	Oct-20	Sep-20	Aug-20	Jul-20	YTD Actual Total	Annual Budget	33.33% Total Budget	YTD Notes for Variance
6110 Salaries - Full Time Chargeable	66,930	67,313	62,679	64,062	260,984	0	0.00%	
6200 Payroll Taxes	8,812	8,794	9,422	9,377	36,405	115,464	31.53%	
6500 Benefits								
6512 Healthcare	18,116	18,116	17,957	18,290	72,479	225,133	32.19%	
6531 VRS Retirement Contribution	10,758	10,758	10,758	10,758	43,032	101,880	42.24%	
retirement)	1,153	1,153	1,153	1,153	4,612	0	0.00%	
6535 Hybrid 401 A (matching funds)	379	379	379	379	1,517	0	0.00%	
6541 LTD	970	970	970	970	3,879	10,565	36.72%	
6542 Hybrid VRS ST & LT Disability	175	175	175	175	700		0.00%	
6550 FSA/HSA Section 125 Plans	105	105	105	106	421		0.00%	
6580 Payroll Fees	156	165	160	166	647	3,000	21.58%	
6590 Training	900	1,340	165	15,667	18,072	85,000	21.26%	
Total 6000 Salary & Wages	\$158,541	\$161,916	\$167,765	\$183,339	\$671,561	\$2,143,136	31.34%	1.5% below budget
7720 Legal Fees - Other	0	0	(3,000)	3,000	0	7,500	0.00%	
7721 General Counsel	2,000	2,000	2,000	2,000	8,000	24,000	33.33%	
Total 7720 Legal Fees	\$2,000	\$2,000	(\$1,000)	\$5,000	\$8,000	31,500	25.40%	
7730 Contracted Services	\$0	\$0	\$0	\$0	0	25,000	0.00%	
Total 7100 Professional Fees	\$2,000	\$2,000	(\$1,000)	\$5,000	\$8,000	\$56,500	14.16%	
7200 Office Expenses								
7220 Computer Operations								
7221 Virtual Desktop Operations	8,975	8,970	9,026	8,960	35,931	95,000	37.82%	
7222 Software	489	2,000	586	395	3,470	35,000	9.91%	
7223 Broadband/network/telephone	1,216	1,195	1,313	3,294	7,018	9,750	71.98%	Adjustment of (\$1,128) to be settled in Nov
7224 Desktops & Support	1,076	1,192	1,076	1,076	4,421	12,000	36.84%	
7226 Technology services	0	0	2,577	0	2,577	10,000	25.77%	
Total 7220 Computer Operations	\$11,756	\$13,357	\$14,578	\$13,725	\$53,416	\$161,750	33.02%	on budget
7230 Printing	2,579	2,909	2,579	3,813	11,880	37,400	31.77%	
7235 Supplies	207	226	2,721	1,566	4,720	10,000	47.20%	

	Oct-20	Sep-20	Aug-20	Jul-20	YTD Actual Total	Annual Budget	33.33% Total Budget	YTD Notes for Variance
7245 Postage	0	0	22	0	22	2,000	1.10%	
7250 Advertisements	0	0	0	0	0	7,500	0.00%	
7290 Miscellaneous Expenses	2,103	1,865	0	0	3,968	10,000	39.68%	
7295 Bank Fees	85	85	100	115	385	1,500	25.67%	
Total 7200 Office Expenses	\$16,730	\$18,442	\$20,000	\$19,219	\$74,391	\$230,150	32.32%	
7400 Program Expenses								
7410 Organizational Dues	848	1,223	1,337	1,248	4,656	17,500	26.60%	
7420 Travel - Board					0	3,500	0.00%	
7425 Travel - Agency	0	8	0	76	84	32,500	0.26%	
7430 Books & Periodicals	310	12	12	12	346	1,000	34.60%	
7450 Pass-through and Matching funds								
7451 Pass Through Funds - MPO	0	10,198	8,025	0	18,223	593,550	3.07%	} will offset federal revenues
7452 Pass Through Funds (VDEM)	8,502	0	0	0	8,502	216,125	3.93%	
7454 Pass-through funds - Lower Ck	0	0	0	0	0	100,000	0.00%	
7457 Pass-Thru Hazard Mitigation	0	0	0	0	0	120,000	0.00%	
7459 Other Pass-Thru Expenses - AI	16,650	12,075	9,355	0	38,080	0	0.00%	Budget amendment forthcoming in Nov
Total 7450 Pass-thru and Matching funds	25,152	22,273	17,380	0	64,805	1,029,675	6.29%	
Total 7400 Program Expenses	\$26,310	\$23,516	\$18,729	\$1,336	\$69,891	\$1,084,175	6.45%	Pass-thru is 27% below budget
7600 Infrastructure								
7210 Rent	20,875	20,875	20,875	20,190	82,815	249,156	33.24%	
7240 Insurance	573	573	573	573	2,292	7,390	31.02%	
7680 Depreciation Expense	2,103	2,103	2,103	2,103	8,411	21,575	38.98%	
Total 7600 Infrastructure	23,551	23,551	23,551	22,866	93,518	278,121	33.62%	
Total Expenses	227,132	229,425	229,045	231,759	917,361	3,792,082	24.19%	
Net Operating Income	\$19,262	(\$12,411)	(\$14,104)	(\$9,631)	(16,884)	\$154,133	-10.95%	
Other Expenses								
7900 Capital Expense Projects	5,423	0	5,947	0	11,370	20,000	56.85%	
7950 Transfer to/from Reserves	0	0	0	0	0	101,888	0.00%	
7951 Trf to Reserves - Fund Balance Goal	0	0	0	0	0	32,245	0.00%	
7952 Trf to Local Match	4,981	0	0	0	4,981	0	0.00%	
Total Other Expenses	10,404	0	5,947	0	16,351	154,133	10.61%	

	Oct-20	Sep-20	Aug-20	Jul-20	YTD Actual Total	Annual Budget	33.33% Total Budget	YTD Notes for Variance
Net Income (Loss)	\$8,857	(\$12,411)	(\$20,051)	(\$9,631)	(\$33,236)	\$0	0.00%	

Notes:

YTD Net Loss is (\$33,236)

Total Income is underbudget 10.5%; 59% delta on salary reimbursements

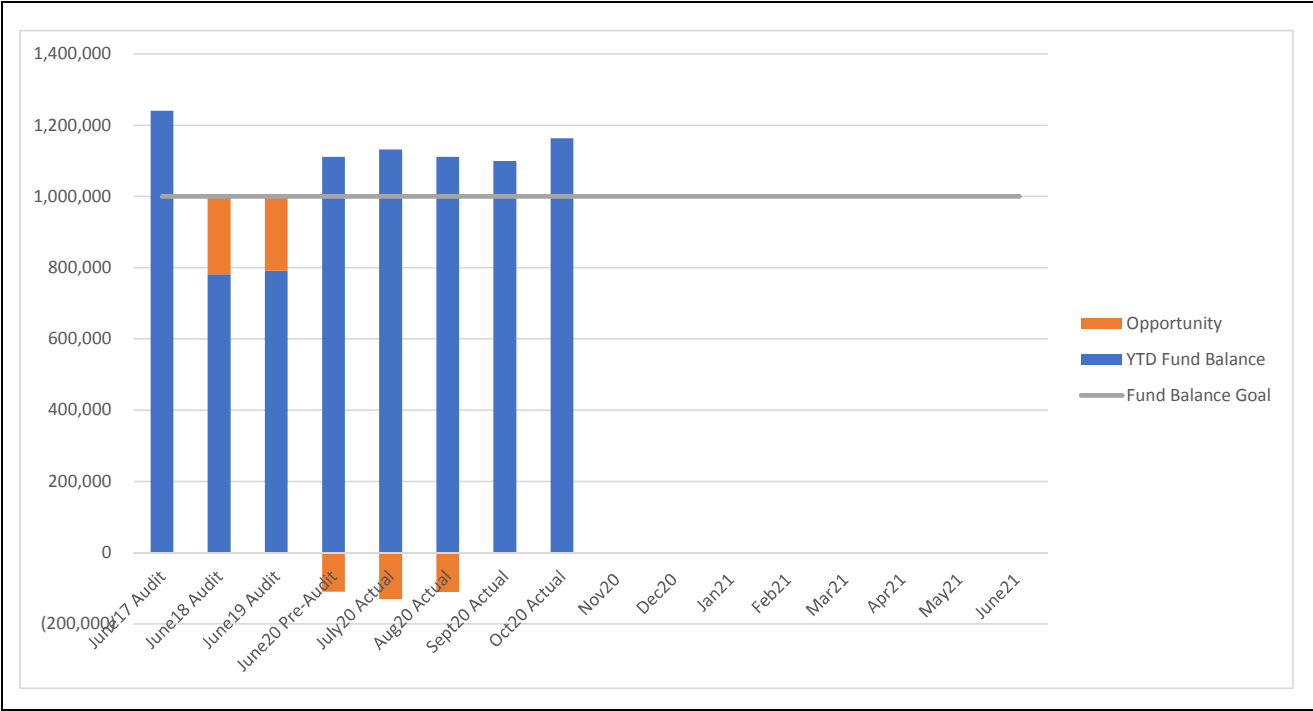
Salaries & Wages are in line YTD with budget

Program Expenses are 27% below expected due to program deadlines extended

Computer Operations and Office Expenses are on budget

Transfer to Local Match \$4,981 for FY19 Lower Chickahominy grant

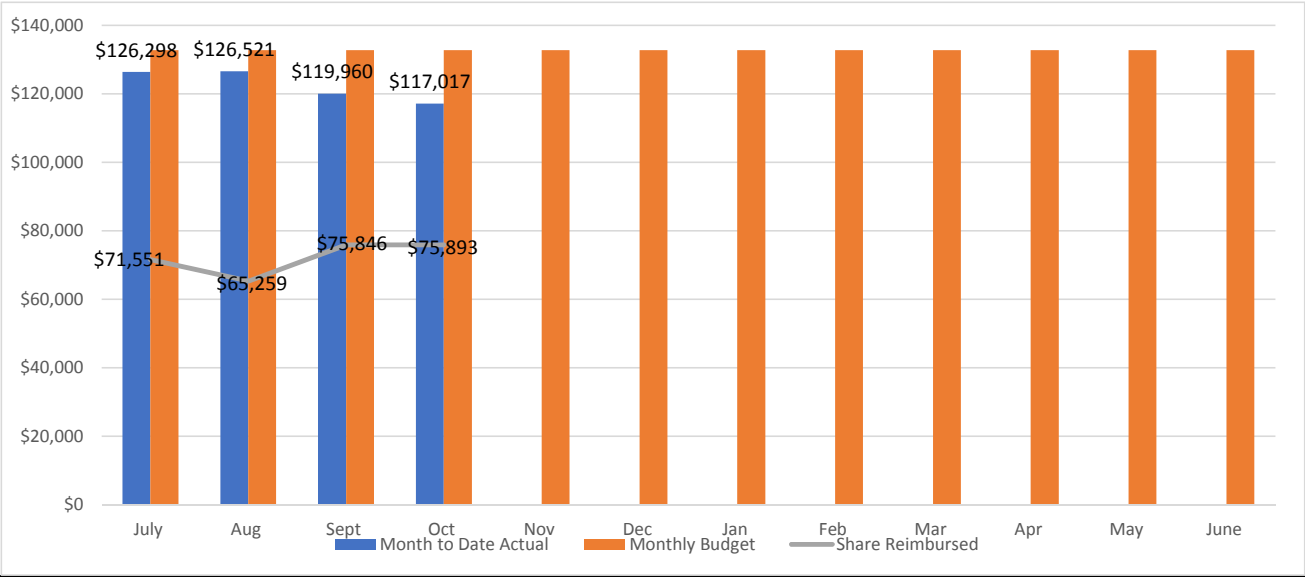
**Plan RVA
Fund Balance Projection
Fiscal Year 2020-2021**



The goal is to meet \$1 million target fund balance by Jun 21; change to accrual accounting in FY19 prevents detailed comparison prior to FY 19.

Unrestricted Reserve - End of FY 20 (adjusted)	1,165,897
Net Surplus (Deficit) October YTD 2020	(33,236)
Special Assessments FY21	<u>30,122</u>
Unrestricted Reserve - 10/31/20	<u><u>1,162,783</u></u>

Salaries - Monthly Actual vs Monthly Budget



Summary of Staff Time

	Annual Forecast	YTD	Variance
Indirect	15.93%	17.79%	1.87%
Leave (Fringe)	10.75%	11.89%	1.14%
General Fund (State Appropriation/Member Dues)	4.84%	6.13%	1.29%
Grant/Reimbursable (incl Local Match)	68.48%	64.19%	-4.29%
Leave	10.70%	11.89%	1.18%
Administration	15.90%	17.84%	1.93%
Community Development	0.76%	0.64%	-0.12%
Data, Research & Analysis	4.44%	5.25%	0.81%
Emergency Management	5.39%	5.00%	-0.40%
the Environment	10.31%	10.95%	0.63%
Strategic Partnerships	0.14%	0.01%	-0.13%
Transportation	52.35%	48.43%	-3.91%

Staff Composition 2018-2021

Allocation of Staff Time by Program Area

Program Area	FY2018	FY2019	FY2020	FY2021- Budget	
Agency Administration	3.97	3.64	3.77	3.61	18.0%
Community Development	1.72	0.29	0.58	0.17	0.8%
Data, Research & Analysis	0.69	0.52	0.67	0.97	4.8%
Emergency Management	1.59	1.11	1.17	1.20	6.0%
Environment	1.13	2.13	2.34	2.32	11.6%
Strategic Partnerships	2.26	0.85	0	0.03	0.2%
Transportation	10.85	10.76	12.69	11.79	58.7%
Total FTEs	22.21	19.3	21.22	20.08	

Position Type Total Persons on Staff by Position Type

Full Time, Regular	23	23	20	19
Part Time, Regular	2	2	1	1
Part Time, Temporary	9	12	6	7
Total Persons	34	37	27	27

FY2021:

1 intern completed paid summer internship in mid august; replacement is signed on for paid summer internship through October 31

1 intern converts from ~40 hours/week to ~20 during paid fellowship thru May, 2021

1 intern remains at ~20 hours/week during paid fellowship thru May, 2021

2 interns convert from paid to unpaid (Bonner Scholars) August 20th thru May, 2021 with exception of Winter Break

New position approved; part time/temporary begins in November



MEMORANDUM

November 18, 2020

To: PlanRVA Audit, Finance, and Facility Committee

Re: Financial Management Policies

The following is a listing of current policies under review/development for future consideration. Staff is working to review existing documentation and will recommend policies/procedures for Committee review over the next several months. We are currently reviewing sample policies from peer organizations from within the Region and the Commonwealth.

- Code of Ethics
- Conflict of Interest
- Whistleblower Protection
- Fraud and Related Impropriety
- Freedom of Information Act Requests
- Records Retention
- Financial Management*
- Audit
- Procurement
- Employee Travel and Reimbursement
- Budget Development
- Operating Cash Management
- Capital Asset Accounting
- Purchasing (Credit) Card Usage
- Computer & Electronic System Use

We have prepared the enclosed draft policy related to Financial Management for Committee consideration during the November 24, 2020 meeting. In addition to direction regarding the proposed policy, staff requests direction with regard to prioritization of the above listed (or other) policy review and/or development.

Financial Management (Financial Operations)

- I. Purpose.** The purpose of this policy is to provide the general policy guidance for the financial management of the Richmond Regional Planning District Commission (PlanRVA). The objectives of these policies include:
- Establishing a framework for strong internal controls and adequate design of internal controls over all significant accounts and processes.
 - Ensuring proper management approval and review of financial transactions.
 - Achieving operational efficiencies through standardization of accounting and reporting practices.
- II. General.** PlanRVA will organize and maintain its financial operations in a manner consistent with federal, state, and local laws and regulations as well as with proper business practices (e.g., Governmental Accounting Standards Board - GASB).
- III. General Guidelines**
- A. Financial planning and budgeting shall be consistent with the following guidelines:**
1. Consistency with Commission policies, strategic plan, project plans and expressed priorities.
 2. Clarity with respect to any assumptions used in budget development.
 3. Manage cash flow of revenues appropriated by the Commonwealth of Virginia, member jurisdictions and grantors for the purpose of fulfilling the requirements of the Regional Cooperation Act and the Annual Work Program.
 4. The operational and pass through budget will contain: sufficient level of detail to enable a reasonably accurate projection of revenue and expenses; visibility of revenue and expenses (to include labor costs).
 5. Planning and budgeting process that provides for Commission approval of annual budget plan prior to the start of a new fiscal year.
 6. A detailed mid-year (fiscal year) budget review will be held by the Finance Committee, with recommended adjustments made to the Commission as needed.
 7. Use of the prescribed accounting methods based on GASB guidance.

B. Maintenance of financial condition and ongoing monitoring will be consistent with the following guidelines:

1. The financial condition of the Commission shall be reviewed, as a minimum, by the Finance Committee and the Commissioners on a quarterly basis.
2. Annually the Finance Committee and the Commissioners will review the annual audited Financial Statements.
3. Expenditures shall be consistent with the approved budget. The Executive Director may make administrative budget line item adjustments within program areas at his/her discretion; the Executive Committee may approve minor budget line item adjustments within or between program areas (<\$10,000); the Finance Committee shall make advance recommendation to the Commission for approval any adjustments greater than \$10,000 whether between or within program areas.
4. PlanRVA will maintain an operating reserve of \$1,000,000 sufficient to fund noncurrent liabilities in the event of a shut down or significant economic crisis. This reserve may be used with approval by the Finance Committee to cover unanticipated expenditure increases in the budget. If used, the Executive Director will present a plan to the Commission for refilling the reserve during the next fiscal year budget process- by the end of the next fiscal year.

C. Financial records shall be maintained consistent with following guidelines:

1. Financial records will be retained in accordance with the PlanRVA Records Retention Policy.
2. The Chart of Accounts shall be used and structured in a manner that is supportive of the PlanRVA operations in conformance with Generally Accepted Accounting Principles (GAAP) and an appropriate basis of accounting.

D. Bank and other financial accounts shall be organized and maintained consistent with following guidelines:

1. The Director of Finance, upon approval and with signature authority of the Executive Director, opens and closes all bank and other financial accounts (e.g., checking, safe keeping, investment) in accordance with the Virginia Security for Public Deposits Act.
2. In accordance with the Procurement Policy, the Executive Director has signature authority on all accounts. The Executive Director is authorized to sign checks and authorize payments up to \$3,000. Checks over \$3,000 must be countersigned by the Commission Treasurer. In all cases, expenditures must be consistent with the approved budget or a separate approval by the Commission.
3. Specific prior approval of the Commission is needed for any capital expenditure that exceeds \$5,000.
4. In all cases, appropriate documentation will be maintained consistent with state records management requirements.
5. Bank and other corporate financial information (e.g., rules and regulations, account numbers) shall be retained, maintained, and updated as directed by the Director of

Finance.

6. No petty cash or other 'Cash on Hand' will be permitted.

E. Capital assets shall be accounted for along the following general guidelines and in accordance with the Capital Asset Accounting Policy number 17:

1. Depreciation account shall be maintained for office & technological equipment and furnishings valued above \$5,000 at the time of purchase or acquisition. Such assets shall be depreciated over their useful life, typically four (4) years for computer hardware and peripherals, five years (5) for office equipment and seven (7) years for office furnishings.
2. Disposal of PlanRVA assets acquired by sale, loan, or gift requires documented written approval by the Director of Finance.
3. The Office Manager shall conduct an annual inventory of PlanRVA assets including – computer hardware/peripherals, office equipment and furnishings for the annual audit. They will initiate and maintain a tagging system and inventory for capital items.

F. The accounts of the Authority shall be audited consistent with the following guidance and in accordance with the Audit Policy:

1. Accounts shall be audited annually by a certified public accountant qualified to audit municipal entities and authorities in Virginia.
2. As a minimum, the audit contract shall be re-bid at least every five (5) years. If the contract is renewed with the prior firm, the firm must designate a different audit manager.
3. The Finance Committee will review the audit and make appropriate recommendations to the Executive Director and the Commission.

G. Travel costs and expenses shall be consistent with the Financial Policies including Procurement Policy and Administrative Policy.

H. Credit (Purchase) card(s) may be used only for business-related expenses consistent with the Financial Management –Purchase Card Policy.

1. All accounts shall be held in the name of the Richmond Regional Planning District Commission and not based on personal credit. Any unauthorized charges will be the responsibility of the employee making the charge. The employee may be subject to disciplinary action including dismissal. Employee personal charges must be reimbursed immediately, or the charge will be deducted from the employee's next payroll deposit.

IV. Responsibilities.

- A. **Commission.** The Commission is responsible for providing broad financial guidance and oversight, to include approval of budget parameters, annual program plans and

the annual budget.

B. Finance Committee. The Finance Committee shall be responsible for advising the Commission on all financial matters and overseeing financial activities undertaken by professional staff, including:

1. Reviewing, commenting on, and recommending the annual budget presented by the Executive Director.
2. Reviewing, commenting on, and recommending any budget amendments presented by the Executive Director.
3. Overseeing PlanRVA's financial policies (e.g., investment, procurement) and making appropriate recommendations.
4. Monitoring contracts for incidental services, including incidental financial services, and recommending task orders.
5. Monitoring the PlanRVA's expenditures for compliance with policies and guidance of the Commission.
6. Reviewing annual revenue estimates.
7. Approving the selection of an audit firm and audit work plan supporting the annual preparation of financial statements including meeting with the auditor before the audit begins and when it has concluded.
8. Assisting with other financial activities as may be directed by the Commission.

C. Director of Finance Reporting to Executive Director.

1. Manages the Commission's finances on a day-to-day basis.
2. Executes the Commission-approved budget.
3. Develops financial mechanisms/procedures to ensure financial accountability and transparency.
4. Ensures that there are written procedures (financial operation policies) for the fiscal operation of the Commission.
5. Provides monthly financial management reports to the Executive Director, Senior Staff, Finance Committee and Commission.

MEMORANDUM

November 24, 2020

To: PlanRVA Audit, Finance, and Facility Committee

Re: Proposal to Transition Payroll Frequency From 24 to 26 Pay Periods

PlanRVA staff are currently paid on a semi-monthly cycle and receive 24 paychecks each year with pay periods consisting of 80, 88, or 96 hours.

This proposal recommends changing the frequency to a biweekly system which would increase the number of paychecks each year to 26 pay cycles.

The 26 pay period process will promote consistent paydays and the agency's third-party payroll provider, ADP, advises no increase in payroll processing fees.

Converting to a biweekly payroll will eliminate confusion over pay period hours as each pay period will have 80 hours with a fixed hourly rate of pay for each staff member for billing purposes.

This request will apply to the pay cycle beginning Saturday January 2, 2021 to Friday January 15, 2021 with a paycheck date of Friday January 29, 2021. There is a holiday on Monday, January 1st and in lieu of additional pay to staff members, we are recommending that the 8 hours of holiday pay be included in vacation leave. Staff researched other jurisdiction payroll calendars to support the new established pay cycle.

Proposed amendments to the personnel policy to facilitate this change are included on the next page of this proposal.

Upon approval of the recommendation, this communication will be provided to staff with a minimum notice of 30 days.

Personnel Policy Changes for Proposed Payroll Frequency Change

The personnel policy will be updated to include the change to payroll processing using 26 pay periods. Proposed text amendments to the existing personnel policy are included below.

4.2.1 (a)

(a) Annual Leave

All full-time employees are eligible for one day (8 hours) of flexible leave available at the beginning of each calendar year in addition to annual leave which is earned according to length of service as outlined below. Please note leave will be accrued each pay period with the exception of months with 3 paydays (twice per year). The third paycheck in a month will not include leave accruals or voluntary deductions.

Less than 5 years of service: **84** hours per ~~month pay period~~ for each complete ~~month pay period~~ employed through the first five years, or a total of 12 days per annum;

5, but less than 10 years of service: **105** hours per ~~month pay period~~ for each complete ~~month pay period~~ employed beginning on the first day of the ~~month pay period~~ following the 5th anniversary, or a total of 15 days per annum;

10 but less than 15 years of service: **126** hours per ~~month pay period~~ for each complete ~~month pay period~~ employed beginning on the first day of the ~~month pay period~~ following the 10th anniversary, or a total of 18 days per annum.

15, but less than 20 years of service: **147** hours per ~~month pay period~~ for each complete ~~month pay period~~ employed beginning on the first day of the ~~month pay period~~ following the 15th anniversary, or a total of 21 days per annum;

20, but less than 25 years of service: **168** hours per ~~month pay period~~ for each complete ~~month pay period~~ employed beginning on the first day of the ~~month pay period~~ following the 20th anniversary, or a total of 24 days per annum;

25 or more years of service: **189** hours per ~~month pay period~~ for each complete ~~month pay period~~ employed beginning on the first day of the ~~month pay period~~ following the 25th anniversary, or a total of 27 days per annum.

4.2.1 (b)

(b) Sick Leave

Sick leave is earned at the rate of ~~10–5~~ hours ~~for~~ each ~~month, pay period employed,~~ or 15 days per year. There is no limit on the amount of sick leave an employee may accumulate. For any partial pay periods of employment, leave will be prorated by the number of business days, including holidays, employed relative to the total number of business days, including holidays, in the pay period.

6.1. Payroll

Employees will be paid ~~every two weeks or every other Friday on the 15th and last day of each month; when those dates occur on a Saturday, Sunday, or Holiday, employees will be paid on the immediately preceding business day.~~ Payroll is processed in advance of the actual pay day, so employees will be paid based on hours worked in the previous pay period.

6.2. Payroll Deductions

Standard payroll deductions are made each pay period from the pay for each employee and are paid into the proper benefit account for the employee. Additional payroll deductions will also be made for those employees who are covered by benefits requiring such deduction or through election of additional benefits or programs offered by the Commission or as required by law. Because there are 26 pay periods each calendar year, two months allow for three paychecks. The third paycheck that occurs during these months will not include accrual of leave or voluntary payroll deductions.