



# Success Granted

The County of Riverside strengthens financial management measures for grant administration

BY JACQUELYN BEEDLES

**R**iverside County Workforce Development Department (WDD) operates through grant funding, and the organization's executive board wanted to make sure its grants were being administered as accurately and efficiently as possible—a decision that led to a complete overhaul of the department's internal record-keeping processes and procedures. A long and cumbersome 68-step process of recording information in two separate accounting systems was replaced by a

much more streamlined and efficient 12-step process in one accounting system. The project took careful planning, an investment of time, and perseverance to overcome the many challenges that arose along the way.

## Exploring the problem

The need for this drastic change became evident in the years following the pandemic. The workforce landscape in the County of Riverside, California, has changed significantly, and there is an abundance of need for the services the WDD supports. And with this increase in services being provided to

the community, the need to administer grant funding as efficiently as possible became glaringly evident. Significant changes were also implemented quickly to provide support during the pandemic, and monitoring changes in grant terms has become a standard practice supporting post-pandemic efficiency.

The organization has made attempts to streamline and upgrade its internal financial management, without success. It had been using a third-party software package to help track the spending of each grant, separate from the county's preferred accounting software, so all bookkeeping entries had to be posted

in both systems. The WDD fiscal team developed a process to properly administer the grant expenditure tracking in the third-party system and to enter the basic required information in the county's system for countywide financial statement reporting purposes.

In an earlier attempt at discontinuing the third-party software, project codes were created for tracking that were 20 characters long, and they needed to be included with every transaction in the county system—whereas the project codes the team used in the third-party software were only three digits long. This drastic (and inconvenient) difference did not encourage the team to implement the change. Without considering the effort involved, that attempt failed before it really got off the ground. This time, the WDD fiscal team listened to the feedback from its employees and redesigned the project codes to simplify them, making them closer to the three-digit codes the team was accustomed to using. This has proven to be much more user-friendly and effective.

Entries were made in the county's preferred system with general information, and then the efforts were replicated in the internal software to comply with the county's requirement. This meant the WDD fiscal team not only recorded their fiscal entries in the county's accounting software, but the information was also then entered into the third-party accounting software to include specific detailed items for each grant and provide reporting for each grant. While this process provided accurate and detailed accounting for each grant program internally, details and transparency weren't available in the county's accounting system. This process left WDD open for risk and critical issues.

The department suffered from significant delays in reporting because of the time it took to maintain two systems, along with disruptions in its operations when accurate financials could not be produced quickly enough to allow teams to know the status of their budget. The third-party software also required a lengthy process for each entry, which reduced productivity and caused frustration within the fiscal team.

Being able to clearly identify expenses and revenue sources is crucial to administering grant programs, especially when working with multiple grant awards. There had to be a way to provide these details in the county's software, and the team in charge of the new initiative were determined to find the way.

The fiscal team is responsible for accurately tracking and accounting for the spend down of federal grant monies. These federal grants have very specific guidelines, terms, and conditions. When it comes to the financial reporting, each expenditure has to be clearly identified, and expenditures have to be allocated appropriately and according to the allocation method agreed upon with the grantor. Information was documented in the county's software and payments were processed following the guidelines of the grant and the county. The team then entered the same voucher information into the internal software program to further include specific grant details and information to create reports for the grantor, based on each grant.

The risk of human error with the duplication of data entry, or worse, the risk of fraudulent activity, was too high. This process also left important information out of the county preferred accounting system, which led to the need for additional reporting to internal county departments to justify transactions and provide details when requested. This recycled work process and duplication of effort was not cost effective and left gaps for human error between the two systems. This became a risk the executive team didn't want to preserve. The mere idea of maintaining two sets of books is sure to give any executive a feeling of dread.

The executive management team at WDD realized this was a pain point for the department and gave direction to transition fully into the county's

software. Charged with this directive and understanding that two years had already passed without a successful transition, the new fiscal manager declared that FY 2023 to 2024 would be the year things were going to change—the year that the WDD fiscal team would successfully transition into one system.

Being able to clearly identify expenses and revenue sources is crucial to administering grant programs, especially when working with multiple grant awards. There had to be a way to provide these details in the county's software, and the team in charge of the new initiative were determined to find the way.

## Overcoming resistance

With change often comes resistance, and legacy team members feared the county's software wouldn't have the capabilities that the internal program offered. There was also fear and anxiety about the drastic change to the current procedures and methods for providing detailed information. All these concerns needed to be identified and addressed before the project could get off the ground.

On top of that, staff had become complacent and resistant to change, and pushback from employees slowed everything down, requiring additional time for training and communication. Concerns were addressed at weekly meetings, where the benefits of the new project were demonstrated. The organization didn't have the budget to purchase a new and robust system, but this change was needed to improve reporting and internal controls.

## This endeavor was designed to reduce risk, save time, money, effort, and streamline the department's processes for better reporting capabilities.

At every weekly meeting, the management team assured the line staff that they supported them in this transition and believed they would succeed.

Establishing trust and communication with the team helped ease their fear and anxiety. Including their perspective as the project team made decisions about how to implement created an environment of collaboration. This endeavor was designed to reduce risk, save time, money, effort, and streamline the department's processes for better reporting capabilities.

The project was not as simple as streamlining processes, however. It quickly became a complete overhaul of the fiscal team's current processes and procedures. The processes needed to be reviewed, the capabilities of the county's software needed to be researched, staff needed to be involved to ensure no step in their process was missed, and training needed to be provided to the team so they could learn the new processes and capabilities of the county's software.

### Streamlining—a lot

The department's executive team was aware of GFOA's best practices and recommended aligning organization management with GFOA's Best Practices for Grant Administration. The department started by identifying the requirements of its grant awards, along with the reporting requirements, and then researched the capabilities of its accounting system. After that, it determined the steps needed to make full use of the county's preferred accounting system and project costing module, based on

those capabilities, to produce detailed grant revenue and expenditure reporting for county partners and grantors.

The steps the team identified were:

- Review reporting requirements for each grant.
- Fully understand the current procedures of the team.
- Research the capabilities of the county's software program.
- Communicate with other grant departments about their accounting procedures.
- Connect with subject matter experts to train on the new capabilities that were required.
- Create the structure within the county's software to support our needs.
- Create new procedures to enter in one system only.
- Train staff on new procedures and ease their fear and anxiety over the change.
- Test! Test! Test!

When WDD documented each step involved in the process for preparing a voucher for payment and the proper recording in both systems, it identified approximately 68 steps from start to finish. The process began with the creation of a requisition that flows through an approval workflow to become a purchase order. Without a purchase order, vouchers can only be paid for a small number of vendors that meet specific requirements. Once the purchase order is produced, a voucher can be entered and a payment processed. All vouchers were coded to a general accounting string, and very little description was added.

If WDD had been using only the county's system, the details would be added during this step, and this would be the end of the process to produce a voucher. But the department needed to include the grant coding and detailed descriptions in this first vouchering step so they wouldn't have to record it in another system. So WDD's process continued once a voucher was produced, and the information for that invoice

and voucher were then entered into the internal software program to capture the details needed for grant reporting.

Once the specific reporting requirements for each of WDD's awarded contracts was reviewed, the team felt armed with the knowledge of exactly how it wanted its reporting to be. Its focus turned to employees and clearly understanding the steps each person took to complete their tasks, process payments, prepare journals, and document the grant revenues and expenditures. This step took time and care, as management knew the importance of including the staff's input for the change to be successful.

While WDD was working to fully understand its grants and current procedures, it also contacted the county's IT team and auditor controller's office for guidance, assistance, information, and training on the available features within their system that would help us reach the department's goal. The financial team also reached out to other departments that receive grant funding to enquire about their procedures, and to WDD's surprise, many of them were interested in the department's project and were keen to hear of its success, considering implementing new procedures for their departments.

WDD developed a structure within the county's system to allow for the proper tracking and recording of grants. This began with creating a department identification string for each awarded grant. This department identification allowed the department to run reports quickly and easily for each grant. WDD also wanted to track different allotments of awards, so it created specific project codes by grant and allotment. Now it had a system that could provide a report for all spending in each grant and then further break out the details by allotment. The department also uses cost categories when reporting to WDD's grantor and decided it was important to include these cost categories in the system as well, so program codes were created to use in place of cost categories. That gave WDD the ability to run reports out of the county's system based on grant, allotment, and cost category, and this detailed coding allowed the





The County of Riverside's streamlined procedures improved the efficiency of their grant administration process. Above, the Opportunity Young Adult (OYA) Career Pathway Grant Program provides training to future healthcare workers.

department to enter all the information required into the county's system. The department no longer required the use of an internal program.

## Getting started

The finance team felt that the department had the information, structure, tools, and training to get started. As with all new ventures, failures and bumps along the way are to be expected. WDD decided to continue running both systems while it made sure the new procedures had addressed all its needs. As it tested, the department identified holes and developed methods to adjust its procedures. With procedures developed, WDD will implement a process to create documented training, to continue to support the team and to be prepared with succession planning in the event of staffing changes in the future. The department will continue to learn and grow, finding new ways to make use of the new capabilities of its

procedures and the grant project costing available in its accounting system.

The project was successful as of July 2024, with WDD out of the dual system and operating solely within the county's software. The department has the required details to provide fiscal reporting and to support its transactions in an audit. This was a long and difficult process, but WDD is pleased with its results. While the deployment was difficult, the department's initial performance exceeded expectations, and it has already observed significant positive impacts. Being able to reduce the number of steps involved in recording transactions gives WDD the freedom to implement additional review steps to ensure accuracy.

## Conclusion

This project has proved to be a resounding success! The team is more productive and less overwhelmed. All key features work seamlessly, enhancing operational

capabilities and reporting. The team has reported a high level of satisfaction, noting improvements in usability, productivity, and morale. WDD will continue monitoring the system to ensure it maintains its high level of performance and to address any minor issues that may arise.

The organization's efforts toward optimizing its accounting methods have made it possible to prepare specialized and ad hoc reporting more quickly and efficiently, with better control over the timing of its reporting. This result, especially, has been exceptional. Time management has yielded significant benefits for the team and the department, freeing up time to offer individualized training sessions aimed at fostering employee growth. Investing in employee growth promotes a positive work environment and boosts overall morale. The department is now able to prepare projections and forecasting to further enhance the benefits of its grant management efforts. It's no longer necessary to wait for a second system to be updated and reconciled before reports can be produced. Team morale has also improved as workloads have been reduced, giving employees a sense of relief. Many of them were hesitant about the change, but now that everything is in place and operating smoothly, they're experiencing the benefit.

The project team put in a huge effort to see the project through to fruition, despite the difficulty and roadblocks, so its success is especially sweet—particularly after the failure of several previous attempts. And of course, the other not-insignificant reward is improving productivity and saving time and money, so these savings can be directed back into the County of Riverside community. ■

*Jacquelyn Beedles is the fiscal manager for the County of Riverside Workforce Development Department.*