

# Office of Finance



## MISSION AND SERVICES

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The Office of Finance collects and invests revenue as well as provides funds disbursement, accounting, debt management and risk management services in line with best practices to County residents and agencies in order to ensure the delivery of fiscally accountable and effective local government services.

### CORE SERVICES

- Revenue collection and investment
- Risk management
- Funds disbursement operations
- Debt management, including the preparation of documents for County bond issuances

### FY 2022 KEY ACCOMPLISHMENTS

- Substantial completion of the new Treasury Tax Billing and Collections System.
- Issued approximately \$399.4 million in secured tax-exempt bonds.
- Established a six-year debt capacity analysis for budgetary planning.
- Refinanced \$45.5 million in National Harbor debt resulting in \$10.1 million savings for the County.
- Issued the FY 2021 Annual Comprehensive Financial Report and received the Certificate of Achievement for Excellence in Financial Reporting for FY 2020.

### STRATEGIC FOCUS AND INITIATIVES FOR FY 2023

- Transition from legacy systems to the new Treasury Management system for revenue collections.

- Enhance staffing resources to ensure the continuity of operations.
- Lead a multi-agency effort to develop an indirect cost allocation program for federal grants to ensure that the County recovers maximum indirect cost.
- Ensure the periodic review of risk management reserves to identify potential policy changes to improve its fiscal integrity.

## FY 2023 BUDGET SUMMARY

The FY 2023 proposed budget for the Office of Finance is \$5,381,700, an increase of \$395,300 or 7.9% over the FY 2022 approved budget.

### Expenditures by Fund Type

Fund Types	FY 2021 Actual		FY 2022 Budget		FY 2022 Estimate		FY 2023 Proposed	
	Amount	% Total	Amount	% Total	Amount	% Total	Amount	% Total
General Fund	\$4,730,600	100.0%	\$4,986,400	100.0%	\$5,254,100	100.0%	\$5,381,700	100.0%
<b>Total</b>	<b>\$4,730,600</b>	<b>100.0%</b>	<b>\$4,986,400</b>	<b>100.0%</b>	<b>\$5,254,100</b>	<b>100.0%</b>	<b>\$5,381,700</b>	<b>100.0%</b>

### Reconciliation from Prior Year

	Expenditures
<b>FY 2022 Approved Budget</b>	<b>\$4,986,400</b>
<b>Increase Cost: Fringe Benefits</b> — Increase in the fringe benefit rate from 32.8% to 36.3% to align with projected costs	\$326,700
<b>Increase Cost: Compensation - Mandated Salary Requirements</b> — Annualization of FY 2022 salary adjustments	174,500
<b>Add: Compensation</b> — Funding allocated for a previously unfunded Payroll Supervisor (Accountant 3G) and two 1,000-hour positions to supplement the workload while current employees train on the payroll process	127,900
<b>Add: Compensation</b> — Two previously unfunded Document Reviewer (Account Clerk 4G) positions to support the Treasury division in improving the processing of property tax record filings	113,400
<b>Increase Cost: Technology Cost Allocation</b> — Increase in OIT charges based on anticipated countywide costs for technology	57,700
<b>Increase Cost: Operating</b> — Increase to support costs associated with the accounts payable forensics software and a legal contract for payroll services	49,600
<b>Remove: Compensation</b> — Reduction of three 1,000-hour positions to support tax system implementation; three positions will continue in FY 2023	(44,800)
<b>Decrease Cost: Operating</b> — Reduction in the banking services contract, office supplies, telephone and printing to align with three-year historical costs	(60,800)
<b>Decrease Cost: Recovery Increase</b> — Increase in recoveries due to salary increases and an increase in funded positions	(348,900)
<b>FY 2023 Proposed Budget</b>	<b>\$5,381,700</b>

**STAFF AND BUDGET RESOURCES**

Authorized Positions	FY 2021 Budget	FY 2022 Budget	FY 2023 Proposed	Change FY22-FY23
<b>General Fund</b>				
Full Time - Civilian	66	67	66	(1)
Full Time - Sworn	0	0	0	0
Subtotal - FT	66	67	66	(1)
Part Time	0	0	0	0
Limited Term	0	0	0	0
<b>Grants</b>				
Full Time - Civilian	0	0	1	1
Full Time - Sworn	0	0	0	0
Subtotal - FT	0	0	1	1
Part Time	0	0	0	0
Limited Term	0	0	1	1
<b>TOTAL</b>				
Full Time - Civilian	66	67	67	0
Full Time - Sworn	0	0	0	0
Subtotal - FT	66	67	67	0
Part Time	0	0	0	0
Limited Term	0	0	1	1

Positions By Classification	FY 2023		
	Full Time	Part Time	Limited Term
Account Clerks	24	0	0
Accountants	23	0	1
Accounting Services Manager	1	0	0
Accounting Technicians	3	0	0
Administrative Aides	3	0	0
Administrative Assistants	4	0	0
Administrative Specialist	3	0	0
Associate Director	2	0	0
Deputy Director	1	0	0
Director	1	0	0
Executive Administrative Aide	1	0	0
Info Tech Proj Coord	1	0	0
<b>TOTAL</b>	<b>67</b>	<b>0</b>	<b>1</b>

**Expenditures by Category - General Fund**

Category	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed	Change FY22-FY23	
					Amount (\$)	Percent (%)
Compensation	\$5,295,494	\$5,475,200	\$5,529,000	\$5,846,200	\$371,000	6.8%
Fringe Benefits	1,801,897	1,797,600	1,921,200	2,124,300	326,700	18.2%
Operating	1,166,509	1,246,700	1,337,000	1,293,200	46,500	3.7%
Capital Outlay	—	—	—	—	—	
<b>SubTotal</b>	<b>\$8,263,900</b>	<b>\$8,519,500</b>	<b>\$8,787,200</b>	<b>\$9,263,700</b>	<b>\$744,200</b>	<b>8.7%</b>
Recoveries	(3,533,300)	(3,533,100)	(3,533,100)	(3,882,000)	(348,900)	9.9%
<b>Total</b>	<b>\$4,730,600</b>	<b>\$4,986,400</b>	<b>\$5,254,100</b>	<b>\$5,381,700</b>	<b>\$395,300</b>	<b>7.9%</b>

In FY 2023, compensation expenditures increase 6.8% above the FY 2022 budget due to funding a vacant Payroll Supervisor (Accountant 3G) and Document Reviewer (Account Clerk 4G) and the annualization of prior year salary adjustments. Compensation costs includes funding for all 66 full time positions and three temporary/seasonal positions. One full time and one limited term grant funded position are funded via the American Rescue Plan Act grant program. Fringe benefits expenditures increase 18.2% to reflect an increase in the fringe benefits rate from 32.8% to 34.2% to align with projected costs.

Operating expenditures increase 3.7% over the FY 2022 budget, primarily due to an increase in the technology allocation charge. Other increases include adding the accounts payable forensics software and a legal contract for payroll services. These increases are offset by the reduction of the banking services financial custodianship and legal tax service contracts.

Recoveries increase 9.9% over the FY 2022 budget due to mandated salary increases and funding unfunded positions which included additional recoveries.

**Expenditures by Division - General Fund**

Category	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed	Change FY22-FY23	
					Amount (\$)	Percent (%)
Administration	\$491,530	\$434,300	\$642,500	\$575,100	\$140,800	32.4%
Accounting Division	1,913,414	2,120,600	1,954,100	2,100,300	(20,300)	-1.0%
Treasury Division	2,325,656	2,431,500	2,657,500	2,706,300	274,800	11.3%
<b>Total</b>	<b>\$4,730,600</b>	<b>\$4,986,400</b>	<b>\$5,254,100</b>	<b>\$5,381,700</b>	<b>\$395,300</b>	<b>7.9%</b>

## General Fund - Division Summary

Category	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Proposed	Change FY22-FY23	
					Amount (\$)	Percent (%)
<b>Administration</b>						
Compensation	\$1,314,685	\$1,249,600	\$1,331,000	\$1,277,900	\$28,300	2.3%
Fringe Benefits	353,954	416,100	471,900	464,400	48,300	11.6%
Operating	154,749	143,100	170,600	188,700	45,600	31.9%
Capital Outlay	—	—	—	—	—	
<b>SubTotal</b>	<b>\$1,823,388</b>	<b>\$1,808,800</b>	<b>\$1,973,500</b>	<b>\$1,931,000</b>	<b>\$122,200</b>	<b>6.8%</b>
Recoveries	(1,331,858)	(1,374,500)	(1,331,000)	(1,355,900)	18,600	-1.4%
<b>Total Administration</b>	<b>\$491,530</b>	<b>\$434,300</b>	<b>\$642,500</b>	<b>\$575,100</b>	<b>\$140,800</b>	<b>32.4%</b>
<b>Accounting Division</b>						
Compensation	\$2,479,931	\$2,577,000	\$2,471,700	\$2,777,200	\$200,200	7.8%
Fringe Benefits	885,421	858,200	881,700	1,009,100	150,900	17.6%
Operating	367,918	381,300	393,600	398,000	16,700	4.4%
Capital Outlay	—	—	—	—	—	
<b>SubTotal</b>	<b>\$3,733,270</b>	<b>\$3,816,500</b>	<b>\$3,747,000</b>	<b>\$4,184,300</b>	<b>\$367,800</b>	<b>9.6%</b>
Recoveries	(1,819,856)	(1,695,900)	(1,792,900)	(2,084,000)	(388,100)	22.9%
<b>Total Accounting Division</b>	<b>\$1,913,414</b>	<b>\$2,120,600</b>	<b>\$1,954,100</b>	<b>\$2,100,300</b>	<b>\$(20,300)</b>	<b>-1.0%</b>
<b>Treasury Division</b>						
Compensation	\$1,500,878	\$1,648,600	\$1,726,300	\$1,791,100	\$142,500	8.6%
Fringe Benefits	562,522	523,300	567,600	650,800	127,500	24.4%
Operating	643,842	722,300	772,800	706,500	(15,800)	-2.2%
Capital Outlay	—	—	—	—	—	
<b>SubTotal</b>	<b>\$2,707,242</b>	<b>\$2,894,200</b>	<b>\$3,066,700</b>	<b>\$3,148,400</b>	<b>\$254,200</b>	<b>8.8%</b>
Recoveries	(381,586)	(462,700)	(409,200)	(442,100)	20,600	-4.5%
<b>Total Treasury Division</b>	<b>\$2,325,656</b>	<b>\$2,431,500</b>	<b>\$2,657,500</b>	<b>\$2,706,300</b>	<b>\$274,800</b>	<b>11.3%</b>
<b>Total</b>	<b>\$4,730,600</b>	<b>\$4,986,400</b>	<b>\$5,254,100</b>	<b>\$5,381,700</b>	<b>\$395,300</b>	<b>7.9%</b>

## DIVISION OVERVIEW

### Administration

The Administration Division oversees the activities of the office and has direct responsibility for coordinating and financing bond sales for capital projects including infrastructure, facility, equipment and technology acquisition.

The division administers a comprehensive insurance program designed to minimize the County’s exposure to risk in the areas of professional, general and automobile liability, fire and casualty loss and workers’ compensation.

### Fiscal Summary

In FY 2023, the division expenditures increase \$140,800 or 32.4% over the FY 2022 budget. Staffing resources remain unchanged from the FY 2022 budget. The primary budget changes include:

- An increase in personnel costs due to mandated salary increases and a change in the fringe

benefit rate from 32.8% to 36.3% to align with projected healthcare and pension costs.

- An increase in the OIT technology allocation charge and advertising for vacancies in specialized professional associations.
- A decrease in recoveries due to a position reclassification in the Accounting division.

	FY 2022 Budget	FY 2023 Proposed	Change FY22-FY23	
			Amount (\$)	Percent (%)
<b>Total Budget</b>	<b>\$434,300</b>	<b>\$575,100</b>	<b>\$140,800</b>	<b>32.4%</b>
<b>STAFFING</b>				
Full Time - Civilian	12	12	0	0.0%
Full Time - Sworn	0	0	0	0.0%
<b>Subtotal - FT</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>0.0%</b>
Part Time	0	0	0	0.0%
Limited Term	0	0	0	0.0%

### Accounting Division

The Accounting Division is responsible for the timely and accurate recording and reporting of the financial activities of the County and the Redevelopment Authority to ensure conformity with legal requirements, administrative policy and Generally Accepted Accounting Principles. These activities are captured in several standard funds and account groups that include the General Fund; the Special Revenue Fund; the Debt Service Fund; the Capital Projects Fund; the Enterprise Funds, which include Solid Waste and Stormwater Management; the Internal Service Funds, such as the Self-Insurance Funds; the Trust, Agency and Pension Funds and the Fixed Assets and Long-Term Debt Account Groups. This division is also responsible for preparation of the Annual Comprehensive Financial Report, the State’s Uniform Financial Report and the Indirect Cost Allocation Plan. The latter is used to recover indirect costs and fringe benefits applicable to grants and contracts. This division also performs all accounting functions related to County accounts receivable, accounts payable and travel transactions.

The Accounting Division coordinates two other major activities within the Office of Finance. The payroll unit maintains and operates the automated payroll system and processes the bi-weekly County payroll and monthly pension payments. The financial systems staff is responsible for maintaining and operating the County’s automated accounting systems.

### Fiscal Summary

In FY 2023, the division expenditures decrease \$20,300 or -1.0% under the FY 2022 budget. Staffing resources decrease by one from the FY 2022 budget. The primary budget changes include:

- An increase in personnel costs due to funding a new Payroll Supervisor (Accountant 3G) and two 1,000-hour positions to supplement during training.
- A decrease in personnel staffing due to moving a full time position from the general fund to grant funding. The position will be supported by the American Rescue Plan Act grant.
- An increase in operating due to small increases in line items like periodicals and the OIT technology allocation charge.
- An increase in recoveries due to mandated salary increases.

	FY 2022 Budget	FY 2023 Proposed	Change FY22-FY23	
			Amount (\$)	Percent (%)
<b>Total Budget</b>	<b>\$2,120,600</b>	<b>\$2,100,300</b>	<b>\$(20,300)</b>	<b>-1.0%</b>
<b>STAFFING</b>				
Full Time - Civilian	32	31	(1)	-3.1%
Full Time - Sworn	0	0	0	0.0%
<b>Subtotal - FT</b>	<b>32</b>	<b>31</b>	<b>(1)</b>	<b>-3.1%</b>
Part Time	0	0	0	0.0%
Limited Term	0	0	0	0.0%

### Treasury Division

The Treasury Division collects and accounts for various taxes and fees including real property taxes, business personal property taxes, transfer and recordation taxes, telecommunication taxes and solid waste service charges. It also handles special area assessments for the County as well as taxes and charges for the State of Maryland, the Washington Suburban Sanitary Commission, the Maryland-National Capital Park and Planning Commission and all 27 municipalities. Other taxes administered include energy, mobile home and hotel/motel taxes. The Treasury Division is responsible for issuing tax certifications; auditing tax adjustments; processing circuit breaker refunds; administering various tax credit programs; collecting fees associated with evictions; administering the semi-annual tax payment program; and selling properties at tax sale for delinquent taxes. The division also has responsibility for the management of cash flow and the investment of all funds not immediately required for expenditure in an effort to maximize return.

### Fiscal Summary

In FY 2023, the division expenditures increase \$274,800 or 11.3% over the FY 2022 budget. Staffing

resources remain unchanged from the FY 2022 budget. The primary budget changes include:

- An increase in personnel costs for two previously unfunded document reviewer positions to improve document processing for transfer and recordation of land record filings.
- A decrease in operating due to a reduction in the banking services financial custodianship and legal tax consulting contracts to align with projected costs.
- A decrease in recoveries due to a reallocation of recoverable work to the Accounting division.

	FY 2022 Budget	FY 2023 Proposed	Change FY22-FY23	
			Amount (\$)	Percent (%)
<b>Total Budget</b>	<b>\$2,431,500</b>	<b>\$2,706,300</b>	<b>\$274,800</b>	<b>11.3%</b>
<b>STAFFING</b>				
Full Time - Civilian	23	23	0	0.0%
Full Time - Sworn	0	0	0	0.0%
<b>Subtotal - FT</b>	<b>23</b>	<b>23</b>	<b>0</b>	<b>0.0%</b>
Part Time	0	0	0	0.0%
Limited Term	0	0	0	0.0%



## SERVICE DELIVERY PLAN AND PERFORMANCE

**Goal 1** — To ensure optimal revenue collection, financial and investment services are provided to County stakeholders in order to effectively obtain the funds to support County services.

**Objective 1.1** — Increase the percent of real property tax revenue collected.

FY 2027 Target	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimated	FY 2023 Projected	Trend
100%	100%	100%	100%	100%	↔

### Trend and Analysis

The Office of Finance is responsible for cash and investment management, billing and collecting the County's real and personal property taxes, conducting the annual sale of tax lien certificates, processing documents for transfer and recordation tax collection, managing various property credits and collecting other business taxes. Real property taxes are the largest source of revenue for the County. The annual sale of tax lien certificates is a tax collection technique to recover payment of delinquent taxes by auctioning liens against a property. While the number of tax liens varies, the sale of the tax liens mitigates the loss of uncollected revenues. Real property tax collection rates have remained consistent at close to 100%.

### Performance Measures

Measure Name	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimated	FY 2023 Projected
<b>Resources (Input)</b>					
Revenue collection staff	21	22	22	23	26
<b>Workload, Demand and Production (Output)</b>					
Tax payments processed	482,464	481,639	492,103	500,000	503,000
Tax sale certificates processed	2,122	1,528	1,859	1,800	1,800
Tax lien certificates sold to purchasers	89%	94%	95%	92%	92%
Revenue collected through payment services (millions)	\$88.7	\$115.9	\$162.7	\$179.0	\$196.9
Tax inquiry calls received	0	38,214	47,744	50,000	50,000
Client lot liens processed	0	222	209	225	225
Tax bills generated	380,392	376,234	391,801	393,960	396,130
<b>Efficiency</b>					
Tax payments processed per staff member	23,631.0	21,893.0	29,368.0	21,739.0	19,346.0
<b>Impact (Outcome)</b>					
Real property taxes collected	100%	100%	100%	100%	100%
Personal property taxes collected	97%	94%	94%	94%	94%

**Goal 2** — To provide management/advisory services and training to County agencies in order to minimize the County's risk exposure.

**Objective 2.1** — Reduce risk management payments to claimants (millions).

FY 2027 Target	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimated	FY 2023 Projected	Trend
\$45.0	\$34.0	\$52.0	\$39.0	\$39.0	↑

**Trend and Analysis**

The Risk Management Office provides management oversight over the County's Risk Pool (County, Board of Education, Community College & Memorial Library) claims administration servicing contract for third party liability, property claims and first party employee(s) workers' compensation claims. Other essential functions include the management of the County's self-insurance program as approved by both the County Council and the State of Maryland.

The number of new risk management claims processed decreased ten percent from FY 2019 to FY 2020 and decreased another nine percent from FY 2020 to FY 2021. FY 2022 claims are expected to increase over FY 2021 as a result of claims connected to the COVID-19 pandemic. In-person safety training classes have not been conducted since March 2020. The goal is to begin some in-person classes in March 2022.

FY 2020 actuals for "Claims reported and closed" have been restated for accuracy.

FY 2019 actuals for "Claims received per adjuster" have been restated for accuracy.

**Performance Measures**

Measure Name	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimated	FY 2023 Projected
<b>Resources (Input)</b>					
Adjusters	21	20	21	22	23
Safety trainers	1	1	1	1	1
<b>Workload, Demand and Production (Output)</b>					
New risk management claims processed	2,488	2,236	2,033	2,300	2,400
Risk management claims closed	3,328	3,540	3,047	3,300	3,400
Employee safety training classes conducted	79	46	0	6	12
Web-based training sessions	0	14	1,284	7,000	7,500
Claims settled through the Office of Law	494	423	381	400	400
<b>Efficiency</b>					
Claims received per adjuster	118.5	111.8	96.8	104.5	104.3
<b>Quality</b>					
Claims reported and closed	1%	1%	2%	1%	1%
<b>Impact (Outcome)</b>					
Risk management reserve payments to claimants (millions)	\$30.0	\$34.0	\$52.0	\$39.0	\$39.0

**Goal 3** — To provide funds disbursement operations to County agencies in order to pay County obligations.

**Objective 3.1** — Increase the percent of all County obligations paid on time.

FY 2027 Target	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimated	FY 2023 Projected	Trend
99%	93%	97%	98%	98%	↑

**Trend and Analysis**

County obligations include payroll (active and retiree), vendor invoices and other obligations. The percentage of all County obligations paid on time has remained consistent at approximately 97%. All payroll payments are made on time. The percentage of vendor payments paid on time has remained above 80%, but decreased from 89% in FY 2019 to 82% in FY 2021 due to a change in the mix of payments. Mass juror payments were discontinued while the Circuit and District courts were closed due to the COVID-19 pandemic.

**Performance Measures**

Measure Name	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimated	FY 2023 Projected
<b>Resources (Input)</b>					
Payroll staff	6	6	6	6	6
Accounts payable staff	6	6	6	6	6
<b>Workload, Demand and Production (Output)</b>					
Payroll payments	263,740	264,488	244,531	250,000	252,000
Vendor payments	79,911	67,118	42,075	57,258	60,000
<b>Efficiency</b>					
Payroll payments per payroll staff person	43,957.0	44,081.0	40,755.0	41,667.0	42,000.0
Vendor payments per accounts payable staff	13,319.0	11,184.0	7,013.0	9,543.0	10,000.0
<b>Quality</b>					
Payroll obligations processed without error	100%	100%	100%	100%	100%
Payroll payments issued by due date	100%	100%	100%	100%	100%
Vendor payments issued by due date	89%	86%	82%	87%	90%
<b>Impact (Outcome)</b>					
County obligations paid on time	95%	93%	97%	98%	98%

**Goal 4** — To provide debt management services to ensure that County government has access to low-cost borrowing for long-term investments in infrastructure, facilities, equipment and technology.

**Objective 4.1** — Maintain the number of bond rating agencies awarding the County an AAA rating (the highest bond rating) at three.

FY 2027 Target	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimated	FY 2023 Projected	Trend
3	3	3	3	3	↔

### Trend and Analysis

Bond ratings are key determinants of the County's cost of funds for long term capital projects including education, public safety, infrastructure, administrative facilities, equipment and technology. The County has maintained its AAA ratings from all three major agencies since FY 2012. Actuals from prior years for "County resident personal income" have been restated to reflect the use of a new source, namely, the Maryland State Comptroller's Assessment of "Net taxable income" for Prince George's County. Calculations for Net direct debt as a percent of County resident personal income have been adjusted accordingly.

### Performance Measures

Measure Name	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimated	FY 2023 Projected
<b>Resources (Input)</b>					
County resident personal income (millions)	\$19.6	\$20.3	\$20.3	\$21.0	\$21.6
<b>Workload, Demand and Production (Output)</b>					
Annual general fund net debt service (millions)	\$125.9	\$153.3	\$150.1	\$170.9	\$179.4
<b>Efficiency</b>					
Net direct debt as a percent of County resident personal income	7%	8%	0%	0%	0%
<b>Quality</b>					
Net direct debt per capita (thousands)	\$1.42	\$1.70	\$1.64	\$1.73	\$1.81
General Fund expenditures that are annual debt service payments	3%	7%	7%	8%	8%
<b>Impact (Outcome)</b>					
Bond rating agencies giving the County the highest rating	3	3	3	3	3