



Finance and Procurement

To effectively support County departments and constitutional officers in the provision of services to the residents and businesses of Loudoun County by professionally managing – on behalf of the County Administrator – organization-wide processes, and by providing sound advice in the areas of accounting, financial analysis, and procurement.¹

Department Programs

Accounting, Finance, and Operations	Activities
Provides timely and accurate financial analysis; accounting, processing, and reporting of financial transactions; financial and budgetary reporting; internal control and compliance monitoring; processing of employee payroll, accounts payable, and accounts receivable; and support of the Oracle system. Coordinates the annual audit and produces the Annual Comprehensive Financial Report (ACFR) and Citizens Popular Report to provide financial transparency to residents, bond holders, and grantors. Manages the payroll functions for the County Government.	<ul style="list-style-type: none"> Accounting and Financial Reporting Auditing Financial Operations – Payroll Services Financial Operations – Accounts Payable Financial Operations – Accounts Receivable Functional Systems Support
Procurement	
Responsible for the acquisition of all goods and services – including professional services and construction – that are required to meet the service needs of the growing population and of County Government operations.	<ul style="list-style-type: none"> Contracting Systems and Compliance Contract Administration
Finance and Procurement Administration	
Responsible for the Department’s administration, program evaluation, and grants coordination. Provides support in development, analysis, and execution of special projects and fiscal analysis based on best practices and data to improve program execution and outcomes. Provides support to the organization through the provision of grants coordination and program evaluation.	<ul style="list-style-type: none"> Internal Audit and Program Evaluation Grants Coordination

¹ In the FY 2024 reorganization, the Department of Finance and Budget was split to create the Department of Finance and Procurement and the Office of Management and Budget in the Office of the County Administrator.

**Finance and Procurement****Financial Information****FY 2024 Adopted Information¹**

	Expenditures	Revenue	LTF	FTE
Accounting, Finance, and Operations	\$5,071,390	\$4,500	\$5,066,890	29.00
Procurement	1,955,421	120,000	1,835,421	14.00
Finance and Procurement Administration	1,180,223	0	1,180,223	6.00
Total	\$8,207,034	\$124,500	\$8,082,534	49.00

FY 2024 Adopted Information – Capital Improvement Program²

	Expenditures	Revenue	LTF	FTE
Accounting, Finance, and Operations	488,784	488,784	0.00	3.00
Procurement	\$988,445	\$988,445	0.00	6.00
Total	\$1,477,229	\$1,477,229	0.00	9.00

¹ Sums may not equal due to rounding.² Sums may not equal due to rounding.



Finance and Procurement: Accounting, Finance, and Operations

Accounting and Financial Reporting

What We Do: The Accounting and Financial Reporting activity manages the centralized accounting system that processes, records, and reports all the County's financial transactions through the production of the ACFR and other internal and external management reports. All projects, grants, and funds are monitored and reconciled through this activity. This activity also ensures the availability of monthly and quarterly management reports used for budgetary control oversight, grant reports used to request reimbursement of grant funds, project financial status reports, and various other financial reports. Financial analysis and expertise are provided to all departments as is systems processing support for the general ledger, fixed assets, and projects and grants modules of the Oracle Enterprise Resource Planning (ERP) system. This activity ensures compliance with Governmental Accounting Standards Board (GASB) Statements, Federal Single Audit requirements, and accounting mandates as required. This activity implements new GASB Statements as required each year, which prescribe and result in evaluations and changes to accounting methods, disclosures, and reporting. An annual audited ACFR is presented to the Board of Supervisors' (Board's) Audit Committee by December 30 of each year, and is required to meet annual disclosure requirements under bond covenants.

Mandate Information: This activity is mandated by the Code of Virginia §§ 15.2-1541.1, 15.2-2511, and 15.2-2510, which requires the County to have centralized accounting systems for general government, annual independent audits, and submit a comparative report. The Federal Single Audit Act of 1984, amended in 1996, requires auditing of federal grants. The Code of Virginia Title 42.1 (Virginia Public Records Act) requires archival of records.

Who Does It: County staff provides this service.

Why We Do It: The continuous reconciliation of all funds and accounts of the County enables preparation of the Government Finance Officers Association (GFOA) award-winning ACFR, Popular Annual Financial Reporting Award Program, the Statement of Expenditures of Federal Awards, and the Comparative Report Transmittal Forms. Accurate reporting provides critical information for the Board and other financial statement users to make sound financial decisions and to maintain the County's triple-AAA bond rating. A triple-AAA bond rating is the highest rating given by the bond rating agencies and distinguishes the best financially managed jurisdictions with favorable current and future economic conditions. Jurisdictions with the highest ratings receive the lowest rates when financing projects, such as capital projects.

How We Do It Now – Current Service Level: Current service level involves approximately 1,500,000 general ledger transactions annually, representing a workload of approximately 185,000 transactions reviewed and reconciled per analyst each year. In FY 2020, the Board approved one financial analyst to address the increasing volume and complexity of accounting transactions associated with increasing appropriations, larger and more complex capital projects with multiple sources of funding, and federal- and state-funded grants, in addition to working on the implementation of new accounting standards. This position reduced the volume of transactions reviewed and reconciled per financial analyst. Current service level reflects adding approximately 400 fixed assets each year in addition to conducting approximately 45 employee trainings annually on the chart of accounts, the general ledger module of the Oracle ERP financial system, and available reporting options. At current service level, 51 funds are managed each year, with approximately 11 federal awards managed with expenditures greater than \$1 million. Current service level also involves reconciling and analyzing approximately 380 active grant awards and approximately 600 active capital projects each year.

How We Plan to Do It in the Future – Recommended Service Level: Over time, as the complexities associated with compliance to additional GASB Statements, shifting capital project priorities, and federal and state funding parameters continue, staff will manage increasingly complicated requirements in reporting. In some instances, these shifts will result in a growth in the number of transactions; while in other instances, the volume of transactions may decrease while the level of research and time devoted to the transaction will increase due to the technical complexity. In FY 2023, analysts were grouped into teams with a team lead. Each team has a focus area, capital projects, grants and projects, and a general ledger; and staff has support from the team lead for technical accounting issues, as well as support from fellow team members to be able to accommodate flexibility in workload, special project initiatives, and customer service requests. The measure of the number of



Finance and Procurement: Accounting, Finance, and Operations

general ledger transactions will be tracked to indicate the progress toward stabilization and/or the need for more resources in the future.

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
Maintain a workload of less than 200,000 transactions reviewed and reconciled per analyst.					
Number of fixed assets added	564	315	394	340	340
Number of general ledger transactions	1,123,555	1,230,546	1,453,581	1,485,884	1,560,179
Number of general ledger transactions reviewed and reconciled by analysts	160,508	153,818	161,509	148,588	156,018
Number of transactions generated by new GASB Statements	425	596	418	400	400
Average annual continuing professional education hours per analyst	10	10	12	16	20
Assemble and provide a full accounting of the stewardship of financial resources.					
Total value of grant funds managed	\$177,475,313	\$156,626,993	\$150,310,609	\$164,458,343	\$167,747,510
Number of active grant awards	490	596	371	380	400
Number of active capital projects	401	329	542	596	620
Number of funds managed	47	49	50	51	52
Number of GASB Statements implemented	7	6	5	6	6



Finance and Procurement: Accounting, Finance, and Operations

Auditing

What We Do: The Auditing activity manages external and internal audits. This activity coordinates the collection of data needed to complete timely external audits and provides technical advice to the departments involved. In addition, internal audits may be coordinated and conducted as needed, and serve an important role in maintaining strong internal controls and preventing fraud. An annual audited ACFR is presented to the Board's Audit Committee by December 30 of each year, and is required to meet annual disclosure requirements under bond covenants.

Mandate Information: This activity is mandated by the Code of Virginia §§ 15.2-1541.1, 15.2-2511, and 15.2-2510, which requires the County to have centralized accounting systems for general government, annual independent audits, and the submission of a comparative report. The Federal Single Audit Act of 1984, amended in 1996, requires auditing of federal grants. The Code of Virginia Title 42.1 (Virginia Public Records Act) requires archival of records.

Who Does It: County staff provides this service.

Why We Do It: Adherence to Generally Accepted Accounting Principles (GAAP), Governmental Auditing Standards (GAS), and GASB Statements enables the County to receive an unqualified audit opinion from the County's external auditors, and allows the County to meet the federal requirement of Single Audit grant reporting. Additionally, annual audits provide an objective, independent examination of the County's financial statements. This increases the value and credibility of the financial statements produced by management, thus increasing user confidence in the information. Accurate reporting provides critical information for the Board and other financial statement users to make sound financial decisions and to maintain the County's triple-AAA bond rating.

How We Do It Now – Current Service Level: Current service level reflects approximately 14 audits each year.

How We Plan to Do It in the Future – Recommended Service Level: The County will be subject to an equivalent number of audits in the future, as required by the Code of Virginia and the Federal Single Audit Act. The implementation of new GASB Statements presents additional focus areas for external audits during the year of implementation and in subsequent years. Shifts to continued automation of systems and online payments will require enhanced auditing procedures in internal and external audits.

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
Complete audits as needed.					
Number of financial and ad hoc internal audits supported	14	14	14	14	14
Implement all GASB Standards within the prescribed timeframe.					
Number of GASB Standards implemented each fiscal year	7	6	5	6	6



Finance and Procurement: Accounting, Finance, and Operations

Financial Operations – Payroll Services

What We Do: This activity includes payroll processing of employee time and attendance reports for production of a bi-weekly payroll, and the submission of various payroll taxes and deductions, including garnishments. This activity processes the time and attendance entered by individual departments. Additionally, this activity includes submission of the Employer's Quarterly Federal Tax Return (Form 941) to the Internal Revenue Service (IRS) and the production of various state quarterly tax returns. This activity also produces W-2 Forms within IRS-required timeframes. This activity provides support and implements collective bargaining actions that impact payroll and specific groups of employees. This activity will process and validate payroll in accordance with the terms of the collective bargaining agreements, to ensure that provisions negotiated for specific bargaining units (e.g., benefits and leave) are applied correctly. Customer service is provided to all County employees and departments.

Mandate Information: This activity is mandated by the Code of Virginia §§ 15.2-1541.1, 15.2-2511, and 15.2-2510, which requires centralized accounting systems for general government, annual independent audits, the submission of a comparative report, and payroll deductions. The federal law Title 26 of the United States Code requires tax withholdings and annual reporting of wages. The Code of Virginia Title 42.1 (Virginia Public Records Act) requires archival of records.

Who Does It: County staff provides this service.

Why We Do It: This activity ensures accurate payroll processing of more than 110,000 payments annually, and the timely submission of various payroll taxes and deductions, to avoid penalties and federal violations. Accurate and timely submission of quarterly 941 reports and W-2 Forms to the IRS ensures compliance with all federal and state laws. Accurate enactment of terms of collective bargaining ensures compliance and avoids penalties associated with bargaining and employment agreements.

How We Do It Now – Current Service Level: Current service level reflects approximately 6,000 W-2 Forms processed and 166,000 employee payments per year, which represents a workload of more than 33,000 employee payments annually per payroll staff member. At current service level, payroll is processed within five business days of submission; and less than 1 percent of payroll checks are voided and reissued with a manual check.

How We Plan to Do It in the Future – Recommended Service Level: Future service levels will reflect additional subsets of employee payments related to collective bargaining units. These payments are anticipated to align with current pay periods; however, the bargaining agreements could contain stipulations for pay dates that are different from standard County pay dates. This shift will result in additional payroll transactions related to tax and benefit payments in addition to employee payments. The measure for the number of employee payments will be tracked to indicate the progress toward stabilization and/or the need for more resources in the future. Additionally, the County may allow remote work outside of Virginia, which would create additional filing requirements for state withholding and unemployment taxes.

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
Maintain a maximum workload of 25,000 employee payments per staff member.					
Number of W-2 Forms processed	6,009	5,679	6,340	6,000	6,000
Number of employee payments made	152,878	130,509	158,430	166,352	174,699
Average number of employee payments made per staff member	30,576	26,102	31,686	33,270	34,934
Percentage of manual and voided payroll checks	0.18%	0.24%	0.20%	0.20%	0.20%



Finance and Procurement: Accounting, Finance, and Operations

Financial Operations – Accounts Payable

What We Do: This activity includes the payment of all supplier payments of the County and the timely production of the annual IRS information returns (Forms 1098 and 1099). The supplier administrator sets up all new suppliers, ensures compliance with federal requirements to meet the employee versus independent contractor status, and verifies all taxpayer information as provided on the IRS Form W-9. Support is provided to all departments for the processing of all accounts payable transactions. Checks, Automated Clearing House (ACH) payments, and wire transfer payments are audited and processed. Annual 1098 and 1099 forms are mailed to suppliers as required by the IRS. Customer service is provided to suppliers and County departments.

Mandate Information: This activity is mandated by the Code of Virginia §§ 15.2-1541.1, 15.2-2511, and 15.2-2510, which requires centralized accounting systems for general government, annual independent audits, and the submission of an annual comparative report. The Code of Virginia §§ 2.2-4347 through 2.2-4356 and Title 26 of United States Code require timely payments and annual reporting of certain payments to suppliers. The Code of Virginia Title 42.1 (Virginia Public Records Act) requires archival of records. Payments are made in accordance with the Virginia Prompt Payment Act, which states that payments are to be made within 45 days of receiving invoices.

Who Does It: County staff provides this service.

Why We Do It: Accounts payable staff monitors the activity to ensure timely payment of invoices and the accuracy of dates so that all transactions are recorded in the proper fiscal year.

How We Do It Now – Current Service Level: At current service level, invoices are paid in less than 15 days, 70,000 operating checks are issued, and approximately 1,200 new suppliers and supplier changes are verified and processed each year.

How We Plan to Do It in the Future – Recommended Service Level: More electronic payments to vendors are anticipated. This shift will reduce the number of checks physically handled by staff and will increase the number of electronic payments processed. This shift in service will require additional scrutiny in the areas of supplier bank account set up and control of payment transmittals while reducing staff time associated with sorting, folding, and printing checks.

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
Process accounts payable within 15 days from receipt to payment.					
Number of operating checks	88,423	64,159	92,738	70,000	70,000
Number of new suppliers and supplier changes verified and processed	2,200	1,223	1,200	1,200	1,200



Finance and Procurement: Accounting, Finance, and Operations

Financial Operations – Accounts Receivable

What We Do: This activity includes the management and collection of non-tax revenues due to the County. All computer interfaces from external systems are validated and processed to record tax and non-tax revenue of the County. External systems include the Land Management Information System (LMIS), PCI—the Treasurer’s tax revenue system, and Rec Trac—Parks, Recreation, and Community Services’ registration and payments system. The accounts receivable administrator sets up all new customers. Systems processing support and technical advice are provided to all departments for the processing of all accounts receivable transactions. All non-tax payments received by the County must have a corresponding invoice in Oracle. These invoices are monitored for accuracy of revenue recorded and aging of receivables. Departments are notified when invoices become past due and are followed up with to collect past due amounts. Departments are trained in proper invoice and credit memo recording in Oracle; and system processing support is provided to all departments. Subsidiary system interfaces are validated and processed daily; and support is provided to departments to address any interface issues.

Mandate Information: This activity is mandated by the Code of Virginia §§ 15.2-1541.1, 15.2-2511, and 15.2-2510, which requires centralized accounting systems for general government, annual independent audits, and the submission of an annual comparative report. The Code of Virginia Title 42.1 (Virginia Public Records Act) requires archival of records.

Who Does It: County staff provides this service.

Why We Do It: This activity monitors and follows up on outstanding receivables and ensures the accuracy of dates so that all transactions are recorded in the proper fiscal year.

How We Do It Now – Current Service Level: At current service level, approximately 97 percent of accounts receivable invoices are current (meaning, the invoices are not more than 30 days old and are not past due).

How We Plan to Do It in the Future – Recommended Service Level: Activities in the current period are targeted at proper training of departmental staff outside of Finance and Procurement to enter receivables as they become known. This focus will enhance reporting and tracking of revenues and cost recovery. Interfaces to systems outside of Oracle are expected to increase; and the Department will be involved in the set up and implementation of new interfaces so that the general ledger coding, tracking of receivables and revenue, and flow of information into Oracle is properly captured in a timely manner.

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
Work with departments to ensure that at least 95 percent of accounts receivable invoices are current.¹					
Percentage of accounts receivable invoices that are current ²	97%	68%	97%	97%	97%
Number of receivable and general ledger revenue interface files reviewed, validated, and posted in Oracle	5,541	5,926	6,222	6,000	6,000

¹ Current means that the unpaid invoice due to the County is not more than 30 days old and is therefore not past due.

² The presented data is as of the end of the fiscal year, June 30. The Department monitors performance based on set dates, typically the last day of the quarter throughout the year, and the last day of the fiscal year.



Finance and Procurement: Accounting, Finance, and Operations

Functional Systems Support

What We Do: This activity includes system administration of the Oracle ERP financial and human resources-related systems, including general ledger, projects and grants, accounts payable, accounts receivable, fixed assets, cash management, payroll, and time and labor. Support is provided to departments for security and technical/functional assistance. System upgrades and patches are coordinated, including large- and small-scale testing events. Functional production issues and service tickets are created, researched, and resolved. Additionally, financial reports for internal and external use are created and validated.

This activity includes functional-technical assistance to departments for the financial and relevant human resources-related modules of the Oracle ERP system. Department users report system issues to Functional Systems Support staff, who research and resolve them with a business process solution, training, configuration changes, or development or assistance via the Department of Information Technology (DIT). Service tickets are logged for all issues requiring assistance from DIT/managed services and/or Oracle support. Service tickets are prioritized and assigned to DIT development staff. Functional Systems Support staff performs initial user testing. Once accepted by Functional Systems Support staff, changes move to user acceptance testing and are then deployed in production through the Change Control Process. This activity also leads the financial operational portion of any department-requested reorganizations.

Mandate Information: This activity is not mandated by federal or state code.

Who Does It: County staff provides this service.

Why We Do It: This activity ensures the proper functioning of the County's critical Oracle system, which enables financial and human resources functions and provides ready access to financial and payroll information.

How We Do It Now – Current Service Level: Current service level includes approximately 112 service tickets completed annually, within ten days on average.

How We Plan to Do It in the Future – Recommended Service Level: This area of service has an integral role in system configurations for collective bargaining processing in payroll, report creation for GASB Statement changes, and interface additions for accounts receivable and revenue transactions from non-Oracle systems; it also takes the lead in department reorganizations. Growth in any of these areas will result in increased service requests from Functional Systems Support staff.

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
Complete service tickets in less than 65 days.					
Number of service tickets initiated	135	142	155	120	112
Number of service tickets completed	120	126	117	112	106
Number of open tickets at the end of the fiscal year	15	2	38	8	6
Average number of days to complete tickets	34	17	29	10	9



Finance and Procurement: Procurement

Contracting

What We Do: This activity is responsible for the acquisition of all goods and services required to meet the needs of the growing population and government operations, including professional services and construction. This activity is separated into capital and operating teams, with each being led by an assistant purchasing agent (APA). This activity prepares and issues formal and informal competitive solicitations, negotiates contracts, mediates contract disputes, and conducts supplier outreach programs (in coordination with Contract Administration staff). This activity facilitates formal competitive procurement processes – Invitations for Bid (IFB) and Requests for Proposal (RFP). IFB is a competitive, sealed bidding process where the award is made to the lowest responsive and responsible bidder. RFP is a competitive negotiation process where the award is made to what is deemed the ‘best proposal’ and where cost is not the only factor. Further, this activity also facilitates informal competitive processes as well as cooperative, emergency, and sole-source contract awards in addition to contract renewals for both formal and informal contracts.

In addition, staff advises the Board, County Administration, and departments on procurement matters; and staff provides training on procurement policies and procedures, contract administration, and use of e-procurement systems and delegated authority.

Mandate Information: The Virginia Public Procurement Act (Virginia Code § 2.2-4300 et seq.) requires specific competitive processes for the acquisition of goods and services at and above a state-specified threshold amount. The Procurement Division carries out those competitive processes through the Loudoun County Procurement Resolution that was adopted by the Board in 2011.

Who Does It: County staff provides this service.

Why We Do It: This activity ensures that contract awards are made in a fair and impartial manner with avoidance of the appearance of impropriety, while giving qualified suppliers access to the County’s business. The Procurement Division strives for innovation and excellence in its operation and service delivery to management, departments, and suppliers. The procurement function is not one that is typically outsourced given the nature of the work performed.

How We Do It Now – Current Service Level: At current service level, approximately 65 IFBs and RFPs are issued each year. Processing IFBs and RFPs includes drafting, issuance, evaluation, and award activities. Additionally, Contracting staff processes more than 500 contract awards, renewals, and amendments annually. All these actions require coordination of legal review with the County Attorney’s Office. Although the Board has approved several new contracting positions, the impact of those new positions has not yet been fully realized due to recruitment and retention challenges. The continuing trend is that purchases that previously were made through a simple purchase order or Purchasing Card (PCard) transaction are now requiring agreements to be reviewed and negotiated. Furthermore, efficiencies gained from using cooperative contracts are being countered by the requirement for third-party agreements that require review and negotiation as well. As such, each APA and the Division Manager are spending a significant amount of time performing contracting tasks to aide in filling the void to ensure timely processing of procurement transactions for departments. At current service level, there are approximately 20 new term contracts per year and an average of 700 active contracts each month.

How We Plan to Do It in the Future – Recommended Service Level: Over time, as the complexities associated with both small- and large-dollar purchases persist, Contracting staff will manage more increasingly complicated procurement transactions, which will extend completion timelines. New procurement delivery methods will be evaluated for the delivery of construction; and information technology goods and services will need to be evaluated to address the evolution of the County’s needs. This shift will require additional staff training and education.



Finance and Procurement: Procurement

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
Process IFBs and RFPs within 17 weeks.					
Number of IFBs/RFPs issued	63	52	55	58	60
Average number of weeks to process IFBs/RFPs	27	23	23	21	20
Provide more contract access to departments.					
Average number of active contracts each month	742	803	801	825	830
Number of new term contracts	20	18	21	23	25
Total value of purchase orders for contracts	\$248,030,297	\$318,124,052	\$233,770,471	\$235,000,000	\$240,000,000
Achieve an external customer satisfaction rating of 4.00 (out of 5.00) or higher.¹					
Average external customer satisfaction rating	5.00	4.75	4.79	4.70	4.80

¹ The external customer service rating is calculated each year by the tabulation of customer service response cards that are filled out by external customers either at the Procurement Division front desk or submitted with responses to IFBs and RFPs.



Finance and Procurement: Procurement

Systems and Compliance

What We Do: This activity performs compliance reviews of procurement transactions by County departments and provides support, oversight, and training of e-procurement systems to both internal and external customers. This activity also manages all delegated procurement authority given to departments. In addition, this activity manages the PCard Program that provides a more efficient and cost-effective way to handle smaller-dollar transactions.

Mandate Information: The Virginia Public Procurement Act (Virginia Code § 2.2-4300 et seq.) requires specific competitive processes for the acquisition of goods and services. The Procurement Division carries out those competitive processes through the Loudoun County Procurement Resolution that was adopted by the Board in 2011.

Who Does It: County staff provides this activity.

Why We Do It: This activity helps to ensure that the County follows all procurement requirements and guidelines while providing efficiencies in the procurement process by delegating small purchase activities to departments, which allows the Procurement Division to focus on high-dollar, complex procurement transactions. In addition, this activity generates revenue for the County from rebates incorporated into the contracts for office and facilities supplies as well as from the PCard Program, all of which are managed by the Procurement Division. The Procurement Division strives for innovation and excellence in its operation and service delivery to management, departments, and suppliers.

How We Do It Now – Current Service Level: Current service level reflects an average monthly value of approximately \$900,000 spent on PCards. At current service level, approximately 18 percent of total purchases are made via PCard, approximately 70 percent of department purchases are from delegated authority, and the percentage of the value of delegated authority purchases compared to the total value is approximately 12 percent. Current service level maintains the value of contract rebates at approximately \$215,000 annually. The single transaction limit for PCards was increased from \$5,000 to \$10,000; and the number of PCards issued has increased by approximately 20 percent in the last four years to promote efficiency in the processing of small-dollar procurement transactions.

How We Plan to Do It in the Future – Recommended Service Level: This activity will continue to delegate small purchase needs to departments to support efficiencies while reviewing those transactions for compliance with procurement policies, procedures, and laws. Additional training for departmental purchasing staff will be needed as the County continues to see turnover in departments to ensure that delegated procurement authority remains in compliance. Additionally, it is expected that the number of PCards will continue to increase to support small-dollar purchases. An increase in the number of PCards will require additional monitoring by the Procurement Division to mitigate the potential for fraud.

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
Increase department use of delegated purchasing programs.					
Average monthly value of PCard spending	\$759,655	\$1,122,900	\$1,292,524	\$1,400,000	\$1,420,000
Percentage of PCard spending versus total spending	10%	11%	11%	11%	11%
Percentage of purchases by departments via delegated authority	57%	65%	66%	66%	66%
Percentage of the value of delegated authority purchases compared to the total value of all purchases	7%	10%	13%	14%	14%
Maintain a value of contract rebates greater than \$200,000.					
Total value of contract rebates	\$217,459	\$169,641	\$238,823	\$225,000	\$230,000



Finance and Procurement: Procurement

Contract Administration

What We Do: This activity provides training to contract administrators in departments and supports departments and suppliers in resolving contract disputes. This activity is also responsible for the administration of some countywide contracts. This activity participates in external supplier outreach events to educate suppliers on how to do business with the County.

Mandate Information: The Virginia Public Procurement Act (Virginia Code § 2.2-4300 et seq.) requires specific competitive processes for the acquisition of goods and services. The Procurement Division carries out those competitive processes through the Loudoun County Procurement Resolution that was adopted by the Board in 2011.

Who Does It: County staff provides this activity.

Why We Do It: This activity mediates contract disputes before it becomes necessary to initiate the formal claims process. In addition, training is provided to help prevent conflict by educating departments on good contract administration practices. The Procurement Division strives for innovation and excellence in its operation and service delivery to management, departments, and suppliers.

How We Do It Now – Current Service Level: Current service level includes participation in approximately 13 supplier outreach events annually. At current service level, this activity also provides online training to department contract administrators.

How We Plan to Do It in the Future – Recommended Service Level: As the County continues to grow, so will the number of contracts. As a result, strong contract administration practices will be imperative to ensure appropriate use of County funds and to ensure that the County continues to obtain high-quality goods and services. It is expected that additional live training will be provided to supplement the online training currently available to better support contract administrators. Furthermore, it is likely that the Procurement Division will be required to provide enhanced support to departments and to the supplier community if a disparity study is conducted and it is determined that changes to procurement practices are needed to enhance participation of specific supplier groups.

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
Market the benefits of conducting business with the County to potential suppliers.					
Number of supplier outreach events	12	11	13	13	14
Average external customer satisfaction rating (out of 5.00) ¹	5.00	4.75	4.79	4.70	4.80

¹ The external customer service rating is calculated each year by the tabulation of customer service response cards that are filled out by external customers either at the Procurement Division front desk or submitted with responses to IFBs and RFPs.



Finance and Procurement: Finance and Procurement Administration

Internal Audit and Program Evaluation

What We Do: This activity conducts various evaluations and internal audits of the County's processes and programs. Audits are routinely directed by the Board based on many factors such as necessary improvements to internal processes, to prepare for state or federal compliance audits, or to determine effectiveness of programming or functional areas. Department directors may also request program evaluation services as they plan to implement new processes, assess the efficiency of existing processes, or plan for staffing changes. These audits and evaluations are separate and apart from the required annual financial audits managed by the Department of Finance and Procurement and those routinely done by the Treasurer's Office. This activity results in recommendations for program and process improvements, as well as risk mitigation strategies. Audits can be department focused (e.g., audit of Housing Choice Voucher and Affordable Dwelling Unit Programs in the Department of Housing and Community Development); or audits can be countywide (e.g., audit of countywide policies and procedures). Staff provides recommendations internally to department and executive leadership and to the Board's Finance Government Operations and Economic Development Committee (FGOEDC) for completed evaluations. Due to the limited resources available to administer this activity, internal audit projects are generally scheduled based on the planned level of detail and the staff capacity of the departments engaged.

Internal audits evaluate efficiency and effectiveness of County programs, services, and processes; strengths and weaknesses of internal controls and processes; whether existing systems and processes are operating as intended; and whether programs are in compliance with relevant regulations, requirements, and best practices. County staff selects program evaluation or audit firms through an RFP process, with audit firms selected who have expertise in the audit areas. The audit firms typically have a multi-year contract with the County in order to be on-call when evaluation services are requested. When an evaluation is requested, Finance and Procurement staff works with the department and the audit firm to identify subject matter experts who can provide strategic, substantive advice on how to improve programs based on their knowledge of best practices in the field and their professional expertise. Following each internal audit, Finance and Procurement staff works to engage department stakeholders to ensure that recommendations are implemented. Department staff later reports on how recommendations have been implemented and their impacts on programs.

Mandate Information: This activity is not mandated by state or federal law.

Who Does It: This service is primarily provided by contracted auditing firms. County staff conducts some program evaluations but primarily manages audit contracts, coordinates with departments to implement the audit, and follows up with department leadership on the implementation of audit recommendations. Staff also reports to the Board and executive management as required.

Why We Do It: This activity helps to evaluate and continuously improve County operations. Ensuring that audit recommendations are implemented, this activity helps the County provide more effective and efficient services. Internal audits assist departments in analyzing issues and organizational challenges and formulating appropriate actions. Additionally, this activity provides departments with an external examination of compliance for programs that may be receiving an audit in the coming years.

How We Do It Now – Current Service Level: Current service level involves conducting approximately two internal audits annually. In FY 2019, staff time was reallocated to support the 2019 Comprehensive Plan and to support performance measurement for preparation of the FY 2020 Program Review. Starting in FY 2021, staff time was reallocated to audits and program evaluations; and since that time, staff has received a significant increase in requests for program evaluations as departments prepare for improvements. Therefore, staff has enhanced service to accommodate requests and improve service levels but has not increased the number of employees assigned to evaluation duties.

How We Plan to Do It in the Future – Recommended Service Level: Over time, County departments have identified numerous areas for improvement; and staff anticipates that this increase in requests for evaluations and audits will continue at a rate of seven requests per fiscal year. This increase is more than three times the rate that was reported in FY 2020. Staff anticipates that the need for standardized evaluations with valid recommendations will continue to grow as the County's



Finance and Procurement: Finance and Procurement Administration

population growth stabilizes and as departments identify needs for improvements based on changes to population demographics of newer residents.

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
Perform at least two internal audits each year to evaluate and improve County operations.¹					
Number of audits and program evaluations completed	3	2	1	2	2
Number of audits and program evaluations requested	5	7	5	7	8
Number of audits and program evaluations in process but not yet completed	2	5	4	5	6

¹ These internal audits are in addition to the County's required annual financial audits conducted by the Department of Finance and Procurement and the regular audits performed by the cash auditor in the Treasurer's Office.



Finance and Procurement: Finance and Procurement Administration

Grants Coordination

What We Do: This activity provides resources and guidance to County agencies on applying for and managing competitive grants from external sources, in addition to administering several County-funded grant programs. Each year, the County receives millions of dollars of commonwealth and federal funds. These grant funds supplement taxpayer funds to support County initiatives and the purchasing of capital assets. Most of these funds come from grants that are non-competitive, or are formula allocations from federal or state agencies that are funded upon application. Management of the application process and funding of non-competitive and formula grants is generally managed at the department level. Competitive grant funding requires a more extensive application and award process, as well as higher levels of post-award reporting. The Grants Coordination activity focuses on supporting departments to apply for and monitor competitive grant funds and administration of three County-funded grant programs. During the COVID-19 pandemic, this activity was expanded to include coordination, monitoring, and reporting of larger countywide federal grants. Since Loudoun County received its first portion of Federal American Rescue Plan Act (ARPA) funds, a total of 24 projects have been partially or fully funded, which range in purpose from support of small businesses and nonprofit organizations; to design and pre-construction of water and wastewater projects; to human services support such as telehealth, community support services, and housing initiatives. During the period of performance, 20 quarterly Project and Expenditure Reports will be completed, and eight annual Recovery Plan Performance Reports (including initial and final reports) will be completed.

As the County's centralized grant management resource, this activity actively searches for – and supports the application and management of – federal and state funds. These activities include consulting with departments on their needs for external funding or programming that could utilize additional federal or state dollars, and then providing advice and counsel to departments in the areas of reporting and compliance. In addition, Grants Coordination staff works with departments that have positions dedicated to grants management – and more closely assists departments that do not have dedicated grants staff – to help identify grant opportunities and assist with managing the grant application, administration, and reporting processes. As such, this activity is the clearinghouse for active grant applications, and processes grant application summary forms for departments. The purpose of this task is to analyze the grants being sought by departments, ensure that there is an adequate budget for any matching funds, and identify and resolve areas of duplicate applications across departments.

The Grants Coordination activity also maintains the centralized grant management software, which is the software of record for grants at the County. This software reconciles financial reports and data from grant funds, with grant performance and reporting required for all funding agencies. Staff will be implementing the full complement of services through the grant management system beginning in the fall of 2023.

In addition to actively seeking, applying for, and supporting the management of external funds, this activity also conducts grant training (e.g., grant management, data management and collection, evaluation methods, budgeting, etc.) for County departments and nonprofit organizations. This training supports the wider Loudoun community in diversifying funding and strengthening the sustainability of services for the County's most vulnerable residents. Grants Coordination staff also provides training that is specific to each of its three annual grant processes: the Human Services Nonprofit Grants Program (HSNP), Restricted Transient Occupancy Tax (TOT) Tourism Grants, and the Conservation Easement Assistance Grants Program.

HSNP is a community-building program in which County General Fund dollars are awarded on a competitive basis to local nonprofit organizations that provide a wide variety of services to Loudoun County residents, including health and human services and related infrastructure-of-care services, particularly for underserved residents. This competitive process receives an average of 55 organizational applications per year, and is responsible for coordinating training and reviews, recommending funding allocations, and supporting monitoring.

Restricted TOT Tourism Grants (also called 'RTOT Grants') are competitively awarded to local events and activities, with the goal of increasing tourism-related revenue by attracting visitors from outside the County. The RTOT Grants Program was paused for FY 2021 and FY 2022 due to the pandemic. Beginning in FY 2023, staff reintroduced the program



Finance and Procurement: Finance and Procurement Administration

and administered the competitive process for eight applicants. Staff anticipates that as the RTOT Grants Program becomes better known, the number of applications will increase.

Additionally, this activity administers other County non-competitive funding programs as directed by the Board, such as the Conservation Easement Assistance Grants Program. This program began in 2019, and provides grants to land trusts representing qualified landowners whose annual income falls within certain criteria to offset some of the costs associated with placing their land into a protected conservation easement.

Mandate Information: This activity is not mandated by state or federal law.

Who Does It: County staff delivers these services.

Why We Do It: The Grants Coordination activity provides County departments and their partners with enhanced ability to strategically apply for grants that address Board-identified initiatives and key department needs. In addition, the Grants Coordination activity leverages grant funding to supplement the use of local tax funding. This activity supports monitoring and oversight of federal and state grant requirements, and ensures the responsible distribution of local tax funds to funds to qualifying residents. HSNP provides funding for services that complement or enhance human services provided by the County, and strengthens the relationship between the County and community service providers. The RTOT Grants Program leverages funding received from transient occupancy taxes to support the development and marketing of programs and events that will generate additional TOT revenue. The Conservation Easement Assistance Grants Program provides necessary funds to qualifying residents who may not otherwise be able to place their land in conservation easement, and thus preserves Loudoun's agricultural and historical character for future generations.

How We Do It Now – Current Service Level¹: At current service level, this activity supports departments in identifying grant funding opportunities, assists with grant writing and editing as well as coordinates grant submissions, and monitors approximately 32 competitive federal and state grants each year. For federal and state grants that are non-competitive or continuations, this activity processes 50 grant application summary forms per year. Furthermore, current service level involves two applicant training programs in addition to reviewing, scoring, and supporting the quarterly monitoring of approximately 40 HSNP applicants and grantees. For non-human services grants, this activity includes one training program for RTOT Grants Program applicants in addition to coordinating reviews, scoring, and monitoring for up to 15 grantees. This service level is an increase from FY 2020 service level by approximately 50 percent.

How We Plan to Do It in the Future – Recommended Service Level: The recommended service level will depend on the continued alignment between Board initiatives and state and federal grant programs. In FY 2022, the United States Treasury announced the Infrastructure Investment and Jobs Act (IIJA), which allocated approximately \$1.7 trillion in federal funds to states and competitive grants to local jurisdictions that support infrastructure improvements. The Grants Coordination activity is responsible for providing strategic advice, which may change over time.

¹ A grant is defined as any non-County funding that requires an application or executive-level approval, or which is conditional upon meeting performance standards. Competitive grants are applied for without guarantee of receiving funding. The majority of County grants are non-competitive allocations from federal or state agencies that will be funded upon application. The Current Service Level section only tracks the grants that pass through the Department of Finance and Procurement for assistance or approval.

**Finance and Procurement: Finance and Procurement Administration**

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
Increase the number of competitive grant applications that are supported by the Department.					
Number of grants for which the County applied, reviewed by the Department	20	32	33	35	36
Number of federal and state grants identified as aligning with Board initiatives and department needs	30	37	47	60	68
Increase the efficiency and clarity of the application process for HSNP by FY 2021.					
Number of nonprofit grant applicants	48	62	74	76	78
Number of nonprofit grant applicants funded	34	39	41	42	43
Percentage of nonprofit grant applicant survey respondents that reported the process was "average" or "very easy" ¹	n/a	n/a	67%	63%	68%
Average score for nonprofit grant applicants ²	81	85	85	91	91
Manage the RTOT Grants Program.^{1, 3}					
Number of TOT grant applications reviewed	n/a	8	17	18	19
Number of TOT grants awarded	n/a	6	14	15	16
Manage the Conservation Easement Assistance Grants Program.					
Number of applications received	1	3	5	6	7
Number of applications approved	1	2	2	3	4

¹ The n/a indicates that the Department was not measuring data for this measure at that time.

² Nonprofit grant applicants are scored on a scale of 0 to 100.

³ TOT applicants must demonstrate their project's eligibility, provide required documentation, and meet the minimum scoring criteria to receive funding. If eligible requests exceed the amount of funding, only top scoring applications will be funded.