

Treasury Management within the Finance Department

Common Council Executive Committee

February 26, 2019



Proposed Approach

- Reclassify the City Treasurer position (CG 21) to a Treasury and Revenue Manager (CG 18-16).
- Have the position report to the Finance Director rather than the Mayor.
- All current positions within the City Treasurer's Office would continue to report to the reclassified position.
- The Finance Director would serve as the "Treasurer" under city ordinance and state law. Day-to-day responsibilities would be delegated to the Treasury and Revenue Manager.



PROPOSED

Finance Director
(21/23)

**Treasury &
Revenue**

**Treasury and Revenue
Manager
(18/16)**

Financial Operations
Leadworker ¹
(20/12)

Account Clerk ^{3 2}
(20/11) (2)

Admin. Clerk 1
(20/09)

Clerk Typist 2
(20/06)

**Accounting
Services**

**Accounting Services
Manager
(18/17)**

**GENERAL
ACCOUNTING**

Principal Accountant
(18/14)

Accountant 4 ³
(18/12) (3)

Accountant 3
(18/10)

Accountant 2
(18/08)

Acct. Tech. 3
(20/16) (2)

**PAYROLL
ACCOUNTING**

Principal Accountant ⁴
(18/14)

Accountant 3
(18/10)

Accountant 2
(18/08)

Acct. Tech. 2
(20/14)

**ENTERPRISE
ACCOUNTING/PROCUREMENT**

Principal Accountant
(18/14)

Accountant 4 ⁵
(18/12)

Accountant 2
(18/08) (2)

Buyer 2
(16/17) (2)

Acct. Clerk 3
(20/11) (2)

Special Worker

**Risk
Management**

**Risk
Manager
(18/15)**

Safety Coord.
(18/07)

Program Asst. 1
(20/11)

**ADMINISTRATIVE
SUPPORT TEAM**

Program Asst. 1
(20/11)

Adm. Supp. Clk. 2
(20/09)

Adm. Supp. Clk. 1
(20/06) (2)

DOCUMENT SERVICES

Doc. Svcs. Ldwkr.
(17/13)

Doc. Svcs. Spec. 2
(17/10)

**Budget &
Program Evaluation**

**Budget and Program
Evaluation Manager
(18/17)**

Admin. Support Clerk
(20/06)

**INTERNAL AUDIT AND
GRANTS MGMT**

Admin. Analyst 1 ⁶
(18/06)

Grant Writer
(18/08)

**BUDGET
DEVELOPMENT &
ANALYSIS**

Admin. Analyst 4 ⁶
(18/12)

Admin. Analyst 2 ⁶
(18/08) (2)

**DATA &
INNOVATION**

Admin. Analyst 4 ⁷
(18/12)

Admin. Analyst 3 ⁸
(18/10) (2)

¹Working Title: Treasury Leadworker

²Working Title: Program Assistant

³Working Title: Financial Systems Analyst (2)

⁴Working Title: Payroll Supervisor

⁵Working Title: Procurement Supervisor

⁶Working Title: Budget Policy Analyst

⁷Working Title: Data Projects Coordinator

⁸Working Title: Data Analyst



Legal Requirements

- [MGO 4.01](#) (“Finance Director”).
 - Finance Director performs duties of “Comptroller” as provided in [s. 62.09\(10\)](#), Wisconsin Statutes.
- [MGO 3.055](#) (“City Treasurer”)
 - Treasurer performs the duties of “Treasurer” as provided in [s. 62.09\(9\)](#), Wisconsin Statutes.



Related Duties

Treasury

- Revenue collection and bank deposits.
- Property tax process.
- Municipal services fee collection (water, sewer, stormwater fees).
- Cash flow monitoring and investment management.
- Direct customer interactions for payments (taxes, fees, bus passes, etc.)
- Physical processing of parking utility coin.
- Banking contract (accounts; credit card processing).
- Animal licenses
- Room tax collection and audit.
- Manage wire transfers (debt; real estate transactions).

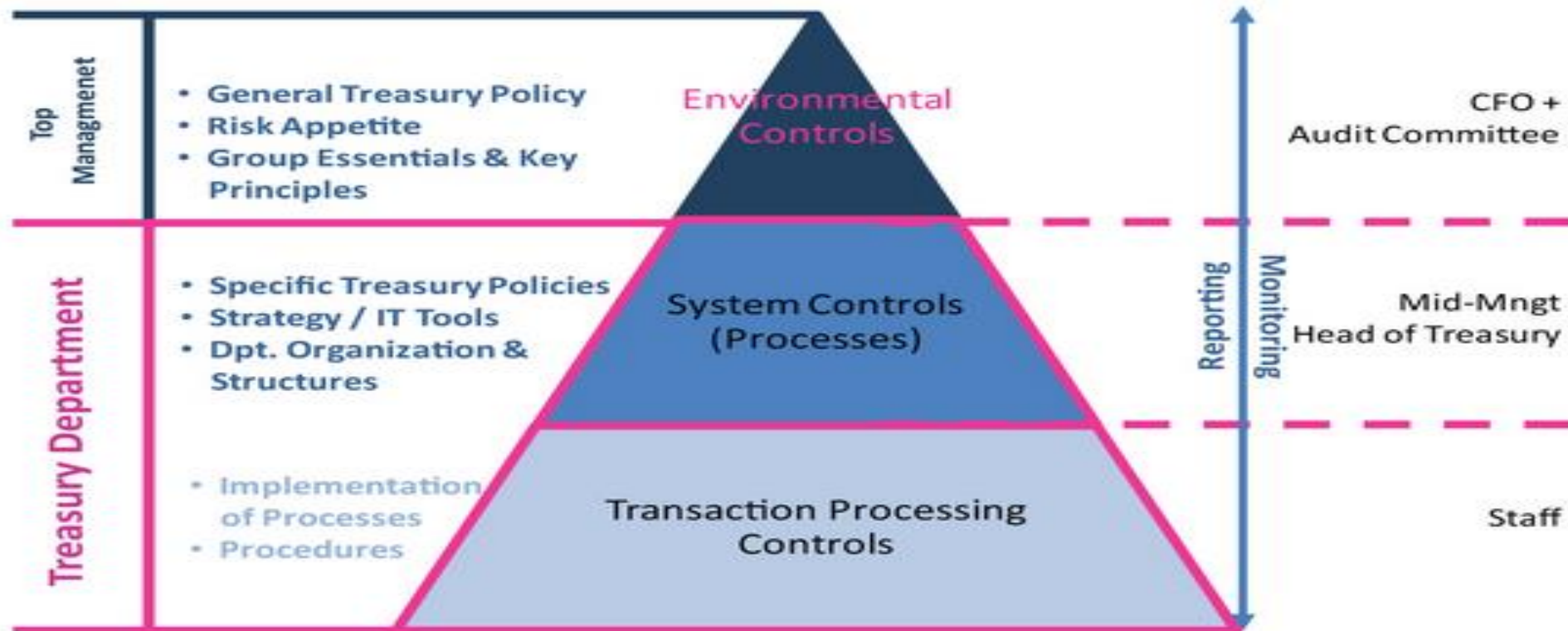
Finance / Accounting Services

- Accounts receivable.
- Bank reconciliation (do the payments received match the amounts deposited in the bank).
- Posting and reconciliation of revenues/receipts to general ledger.
- Unpaid revenues – processing and collection.
- MUNIS Administration
- Tyler Cashiering Administration
- Lead training efforts for both systems



Three Levels of Financial Controls

Figure 2 – Three Levels of Controls Applied to Treasury



Internal Control System – Common Features

- Management sets expectations – procedural manuals, training, expected behaviors.
- Hire and maintain competent personnel – avoid entry errors and minimize fraud.
- Segregation of duties – reduce errors and risk of fraud and collusion.
- Records maintenance – system back-ups to deter employee or managers from creating phantom transactions.
- Physical and intangible safeguard of assets – keep unauthorized personnel from accessing passwords, workflows, check stock, signature stamps, securities custody.



Segregation of Duties

- Back office staff – electronic funds transfers payments, debt, accounts payable, bank reconciliations, investments, tax settlements
- Front office staff – customer service
- Non-treasury staff -- provide EFT authorizations.
- Reporting and reconciliations in general ledger.
- Effective treasury management IT system
- Audit, credit and other risk monitoring



Limitations of Internal Controls

- Collusion
- Human error
- Management override
- Lack of segregation of duties.



Peer Group Comparisons

2014 City Human Resources Survey and Internet Review

State

- 6 of 10 largest cities (excluding Milwaukee) do not have separate city treasurer.
 - Kenosha
 - Racine
 - Appleton
 - Waukesha
 - Oshkosh
 - Eau Claire

Region

- Lincoln, NE – City Treasurer part of Finance Department.
- Wichita, KS – City Treasurer part of Finance Department
- St. Louis, MO – Separate office
- St. Paul, MN – City Treasurer part of Finance Department
- Des Moines, IA – Treasury function part of Finance Department
- Overland Park, KS – Treasury function part of Finance Department
- Dayton, OH – Treasury function part of Finance Department
- Sioux Falls, SD – Treasury function part of Finance Department



Opportunities from Treasury Merger

- Improve internal controls for cash handling, debt and revenue cycles.
- Improve staff utilization through cross-training – segregation of duties would still occur – the same employee would not perform segregated duties at the same time.
- Improve accuracy and timeliness of accounting and bank reconciliations.
- Reduce paper flow in treasury functions.
- Streamline administrative, communications, external audit testing and financial reporting.

