



**Presentation to the Joint Interim
Committee on Ways & Means,
Subcommittee on Natural Resources**

January 11, 2022



Financial Management Plan Implementation

Presenters

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Agenda

1. Background
2. Summary of recommendations
3. ODF's implementation management plan
4. Progress on implementation
5. MGO's assessment of plan, progress



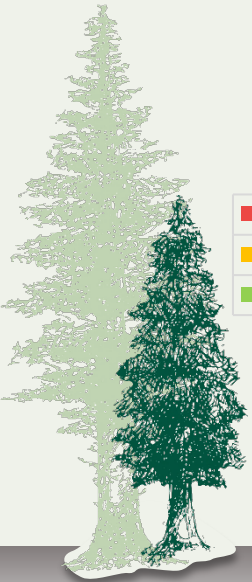
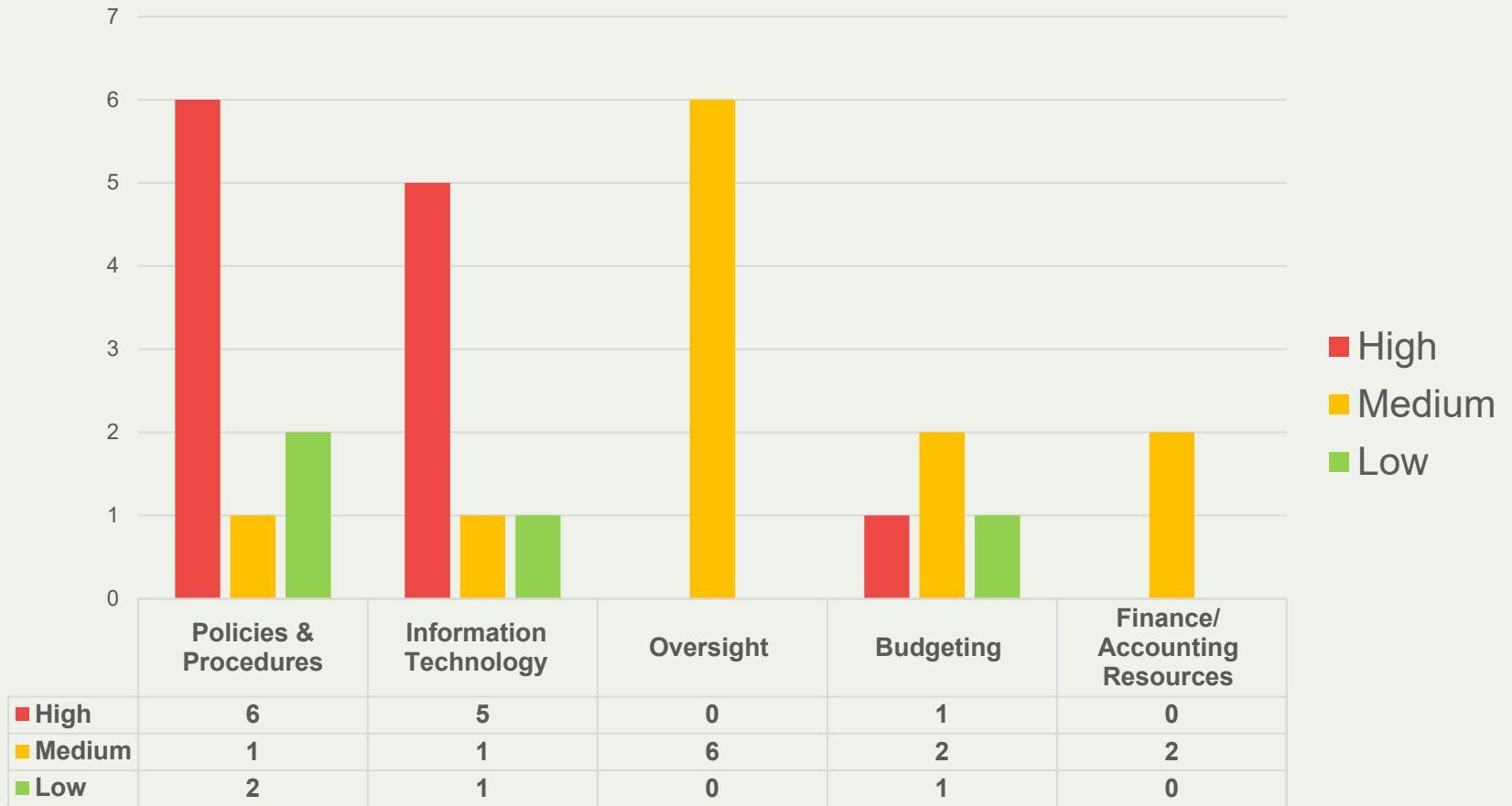
Background

How did we get here?

- In the past decade, Oregon's fire environment has changed drastically.
 - More intense, complex, and expensive.
- Funding structure and financial processes haven't kept up.
 - Not designed or funded for this.
- Solving the problem in two parts:
 - Improve fire finance function—MGO recommendations.
 - Bring options for an updated funding structure to decision makers in 2023.



Summary of MGO Recommendations



ODF Implementation Management Plan

MGO Project Status

STEP 1: Design

- Assessment of IMP by recommendation
- Review identified actions/deliverables to assess whether the recommendation was addressed

STEP 2: Implementation

- Assessment of the completed status of deliverables
- Walkthrough of supporting documentation (if transactional, review of one transaction)

STEP 3: On-Going Monitoring

- Assessment of risk reduction by implementation
- For deliverable status changes, assessment of implementation (STEP 2)



MGO Implementation Management Plan Template - Deliverable Status Log

MGO Recommendation # and Title: #3 - Cost Share Collections

ET Sponsor: Fire Protection Division Chief

Due Date: 06/30/2021

Last Update: 05/26/2021

Purpose: This document contains key deliverables for implementing recommendations presented in the MGO Report, April 2021.

Rating: MGO Recommendation:

High Formal procedures related to cost share partner collection efforts should be implemented and include, at minimum, monthly reconciliation and collection meetings with the respective cost share partners. Additionally, roles and responsibilities should be clearly defined between ODF Operations and Administrative Branches as related to collection efforts.

Note: This recommendation is dependent upon the cost-share partner's attendance.

(MGO) Action Plan:

1. Implement a formal ongoing meeting scheduled with key partners and their respective decision makers. Meetings should occur at least monthly, and should include individuals from the ODF Administrative Branch.
2. Prior to the meeting, the ODF Administrative Branch and the key partners should individually perform reconciliations from accounts receivable to accounts payable.
3. Meetings should include discussion of variances noted, reasons for unapproved invoices or errors identified, barriers to collection, and estimated timeframes for collection of outstanding balances.

Cost-share partners include but are not limited to: Forest Service, BLM, BIA, National Parks, and US Fish and Wildlife Services.

MGO Observation:

Collection efforts with cost share partners are performed on an as needed basis, as noted during our inquiries with key ODF Operations and Administrative Branches personnel. Additionally formalized policies and procedures related to on-going cost share collection efforts, including definition of roles and responsibilities, do not exist.

Note: This recommendation is dependent upon the cost-share partner's attendance.

MGO Potential Impact / Risk:

The lack of formalized policies and procedures as related to on-going cost share collection efforts could result in an increase in the aging of past due balances, negatively impacting the availability of cash. Additionally, duplicative efforts related to collections could occur due to the lack of clarity regarding roles and responsibilities between ODF Operations and Administrative Branches.

ODF Management Response:

ODF agrees with this recommendation. Routine meetings established in recent years with our interagency fire partners and their full commitment to close outstanding invoices has allowed ODF to catch up on past fire collections, leaving less than \$9 million in outstanding recoveries from other fire agencies. Codifying this meeting framework in our cost-collection process would provide consistency in ongoing collection efforts, clearly defined roles across the Operations and Administrative Branches, and standards for discussing variances, reasons for unapproved invoices or errors identified, barriers to collection, and estimated timeframes for collection of outstanding balances. Formalizing our collection procedures with interagency partners has been ongoing and is prudent. As we are actively implementing new accounts receivable technology (Sage A/R), our procedures for collections processes will capture aging of past-due balances and reporting mechanisms to reconcile with accounts payable.

Deliverable Identification		Owner	Estimated Completion Date	Deliverable Status		Approver(s)	Deliverable Review				Supporting Documentation	
v	Deliverable Name			Status Indicator	Status		District Business	LT	ET	BOF		
MILESTONES												
	Monthly AR/AP aging meetings with key partners (MGO)	Protection Division Finance Manager	Done	●	Complete	Fire Protection Division Chief	n/a	n/a	n/a		Calendar and Email	
	Quarterly AR/AP aging meetings with key partners (MGO)	Fire Protection Division Chief	Done	●	Complete	Deputy Director for Administration	n/a	n/a	n/a		Calendar and Email	
	Aging Meeting Process Review w/Operations and Administrative Branch	Fire Protection Division Chief	05/24/2021	●	Complete	Deputy Director for Administration	n/a	n/a	n/a		Email	
	Documentation of current meeting process for procedural incorporation	Protection Division Finance Manager	05/24/2021	●	Complete	n/a	n/a	n/a	n/a		Email	
POLICY AND PROCEDURES												
ODF Policy (list topics and define milestones)												
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
ODF Procedures (list topic(s), define each)												
	AR Collections on Federal Cost Shares (USFS, BLM, BIA, etc.) Procedures (MGO)	Financial Services Manager	06/30/2021	●	Not Started	Assistant Deputy Director for Admin	Jul-21	Jul-21	n/a			
	AR/AP aging meeting (reconciliation processes, agenda topics) Procedures (MGO)	Financial Services Manager	06/30/2021	●	Being Initiated	Assistant Deputy Director for Admin	n/a	n/a	n/a			
ODF Greenbook (list sections, define action needed)												
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
ODF Guidance or Memorandum (list sections)												
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
IT SYSTEM CONSIDERATIONS												
	Sage AR Accounts Receivable integrated into collection procedures once deployed	Financial Services Manager	09/30/2021	●	Not Started	Assistant Deputy Director for Admin	TBD	TBD	n/a			
COMMUNICATION PLANNING												
	Follow up on conversations with partners in writing, for clear, broad understanding. Share with appropriate agency leadership	Fire Protection Division Chief	TBD	●	Not Started	Public Affairs Manager	TBD	TBD	TBD			
TRAINING NEEDS												
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
MAINTENANCE NEEDS POST-IMPLEMENTATION												
	Administration Fiscal Year Operating Plan core duties updated	Financial Services Manager	06/30/2022	●	Not Started	Assistant Deputy Director for Admin	n/a	n/a	n/a			
	Fire Protection Deputy	Fire Protection Deputy	06/30/2022	●	Not Started	Fire Protection Division Chief	n/a	n/a	n/a			

ODF Implementation Management Plan

- Identify a clear path, specific deliverables, and accountability mechanisms
- Provide a roadmap for staff to understand expectations and requirements
- Identify the details and tracking mechanisms to provide consistent, regular reports on our progress



ODF Progress on Implementation

4 of 28 recommendations are complete

- Those 4 completed are moved to enhanced status for modernization or maintenance
- 20 are in progress
- 4 are not started yet

Successes

- Early implementation of agency reorganization #20
- Policy and procedure development
- Leverage for further implementation



ODF Implementation Management Plan

MGO Observations

- **STEP 1: DESIGN**

- Status – Initial assessment completed, processes/ procedures/ policies identified appear to address the recommendations included in our prior report

- **STEP 2: IMPLEMENTATION**

- Status – In progress, update to provided during the subsequent board meeting

- **STEP 3: ON-GOING MONITORING**

- Status – To be completed in conjunction with Step 2
- Significant risk reduction noted resulting from early implementation of a portion of recommendation #20, MGO to confirm status





Questions?