

The DMACC Business Office History

The Business Office was one of the first departments established at the College. The first chief business officer, Dale Belairs, was employed in the fall of 1966. He had a background in governmental accounting at the Iowa Mental Health Institute in Clarinda, Iowa. The office was initially housed in the first college office at 315 Walnut Street in Ankeny—a former post office. Approximately twelve college staff crowded into the building where they shared one multi-sex bathroom. The office moved to the new phasing campus in south Ankeny in the winter of 1968-69. Some of the early employees were Dee Priest, Martha Pestonik, Lillian Lorenz and Marge Cobin.

The major functions of the department remain much the same today: “to insure all financial actions and transactions are conducted to provide the responsible accounting of funds, satisfy all state and federal guidelines and to insure internal control to prevent fraud and/or mismanagement.” However, the scope and size of the department has increased markedly in the past 50 years. One of the major changes was the implementation of SCT Banner in 1996, a computer-based Enterprise Resource Planning (ERP) system that resulted in increased efficiency in recording and analyzing data, heightened accountability and increased availability of data by all college employees, which improved budgeting. Financial control was always centered in the business office with support and assistance provided to each individual campus location and periodic visits to the campus by business office personnel.

Major functions performed in the department and a discussion of their evolution to 2015

Financial Accounting—Initially an NCR Posting Machine was used to post and record transactions. Later, in collaboration with Des Moines Public Schools, a computerized system developed (MSG), which was later adopted statewide by the Iowa community colleges. It provided a system based on a 10-digit account code and a revised chart of accounts. An organization, Mid-Iowa Computer Center, evolved from the Des Moines Public Schools to provide services to clients, including the area schools. The executive director was Don Andrews. As the College grew in sophistication, it discontinued its membership and operated with its own staff and resources. The Department of Education created the Uniformed Accounting Manual to provide guidance in consistent accounting for college revenues and expenses.

Payroll Accounting—Kirkwood Community College developed a payroll system that was adopted by DMACC and implemented with modifications by the computer staff. Payroll was moved to Human Resources with the implementation of SCT Banner. The current financial system only maintains summarized payroll information provided by the Human Resources application in Banner.

Student Registration/Student Accounts—Students initially were manually registered at each of the three locations where classes were offered. Students came to the office area at each location where textbooks were also sold since no bookstore existed. Business office staff moved from location to location for this process. The two centers in West Des Moines offered both day and evening classes. Payment was accepted by both checks and cash. Monies were often kept overnight in the trunk of the business office employee’s auto and deposited in the bank the next morning. Money received at the central business office was hand-carried daily to the local bank. Later a security firm was contracted to transfer bank deposits. Then, an after-hours depository safe was installed in Building 1 on the upper campus, so all monies were secure at the end of each day. Later, the college accepted several credit cards for payment in the DMACC Bookstore then expanded it to the total institution.

State Reporting—The business office was responsible for preparing and filing reports related to all financial matters to the Iowa Department of Public Instruction. Reimbursement for expenses of vocational programs and general state aid required various forms to be completed (CE-4), which was initially prepared manually. As computer systems developed, state reporting was computerized. The major calculation required was to allocate and pro-rate indirect costs to each instructional program. This was done manually and was accompanied by numerous communications with the financial consultant in the Area College Branch of the Iowa Department of Public Instruction. Later an organization of the chief business offices of each area college was founded. The group met monthly with DOE liaisons to receive direction and discuss challenges and concerns. It was viewed as a major step in increasing efficiency and reducing the frustration of state reporting. The business officers’ group in conjunction with DOE created the Uniform Iowa Community College Accounting Manual. The manual provided a guide to ensure consistent reporting among all 15 community colleges. In

2010, the CE-4b report was discontinued. The business office continues to report on the AS15-F&D to the DOE. The DOE also has added a PSEO and Concurrent Enrollment Report that the business office completes on an annual basis.

Audits—College records were required to be audited annually by the State of Iowa Auditor’s Office. Later the regulations were changed to allow community colleges to contract with a private CPA firm for the audit and then submit copies of the audit to the State Auditor. The first firm employed to do the audit was Peat, Marwick and Mitchell. College leaders were pleased to have the services of this firm since it resulted in recommendations for improved practices and technical assistance in financial operations without political implications. The college auditor was changed to Denman & Company in 2003. The business staff also performed internal audits for funded projects and assisted the project director with the preparation of reports.

Organization of the Business Department—Initially, when the college was small, all functions reported directly to the controller. Later, when Eugene Snyder was employed as Vice President of Finance, two supervisor positions were established with staff reporting to them: Supervisor of General Accounting (John Wright) and Student Accounts (Bob Mann). These new positions reduced the work load on the current employees and resulted in increased efficiency. Later an inventory control system was established to catalogue and tag all capital equipment. The chief business officer and controller functions were performed by the same staff member until the mid-70s when a Vice President of Business position was created. At that point the controller reported to this position, who in turn reported to the President/CEO.

DMACC controllers:

- Dale Belairs
- Irv Steinberg
- John Tometich
- Joe Robbins
- Ben Voaklander

Long time business office employees:

- Darwin Schmig
- David Abegglen
- John Wright
- Bob Mann
- Robin Luke

Board Secretary Position—Initially the chief business officer also was appointed by the College Board to be board secretary. This practice continued until President Borgen suggested it would be more efficient to have a separate board secretary. Helen Minor, Executive Secretary to the President, was first appointed to this position. Since that date the position has been staffed with an employee who reports directly to the President.

The title of the college executive who was responsible for business operations has changed over the years. The original title, business manager, was changed to controller in 1970. Throughout the history the position was a direct report to the College Superintendent/President (CEO). The offices reporting to the position have varied slightly over the years, primarily when the position of chief information officer became a direct reporter to the CEO. The other major additions to business operations related to business development and training, which was assigned to the position during the administration of President Borgen.

Cash Management—In addition to financial accounting, the chief business officer has always had the responsibility for cash management: assuring that cash is on hand to pay the college’s obligations, investing excess cash to generate income. This process involves determining how long cash can be invested (days, weeks, months) based on the cash inflows and outgoes. Cash investments have returned a significant return in periods where interest rates were high. At the college, cash could be invested from both operations and the plant fund. It was also quite common to borrow in anticipation of receipts from mill levies that were approved for several years. This process allowed purchase of capital items earlier than otherwise possible that allowed students access to current equipment and usage of buildings earlier than originally scheduled. All cash investments were reviewed by DMACC’s attorneys or counsel for financial institutions.

The college has had several banking partners during its history including First National of Ames, Community State Bank, and its current banking partner Bankers Trust. The college also contracted with Bankers Trust in 2004 to manage its investment activities.

Grant Accounting—For many years grant accounting was performed by staff in the grants office. Based on increased grant activity at the college, a grant specialist position was created in 2006. The position was assigned to the business office. The position ensures compliance with all federal, state, and local regulations and requirements associated with the contracts and grants that the college receives.

260E New Jobs Training Program (NJTP)—The college sells bonds to finance the NJTP for local businesses in the college’s district. The businesses receive training funds from the bond sale to train new employees. The businesses then divert state tax withholding on those new positions to the college to pay back the bonds. The business office is responsible for ensuring compliance with the program, collecting the withholding, paying the training funds to the businesses, and repaying the bonds.

Budget Process—The annual budget process is managed by the Business Office. The College is required to have its annual Certified Budget filed with the Polk County Auditor by March 15th. The budget process begins with the President’s Finance Committee setting the budget parameters in early January and the Business Office developing the proposed budget based on those parameters. The proposed budget is then presented to the Board at the February Board Retreat and the Board provides their input during the retreat. The Board then approves the publication of the proposed budget and sets the public hearing for the March Board Meeting. At the March meeting, a public hearing is held, and the proposed budget is adopted by the Board. The newly adopted budget is then filed with the Polk County Auditor by the Business Office. The Iowa Department of Management and Education also receive copies of the adopted budget.

Technology/Business Partners—The Business Office has been able to maintain a steady staffing level over the years through the use of technology and business partnerships. In 1996, the Business Office implemented SCT Banner-Finance as its new accounting system. In 2001, the Business Office partnered with FACTS Tuition Management to provide our students with a new, more automated payment plan process. In 2007, the Business Office partnered with Higher One to provide electronic refund disbursements and eliminate the writing and disbursement of refund checks. The college also partnered with Nelnet to implement QuickPay, a new PCI compliant solution to accepting credit cards. The implementation of new technologies has allowed the Business Office to better manage its resources and maintain its staffing levels, even when faced with some very large enrollment increases during that time.

Major Challenges—Early business office employees recalled these challenges:

- Converting accounting systems to the “new” computer systems (several times),
- Satisfying the Auditors from the Iowa State Auditor’s Office,
- Preparing reports on a timely basis,
- Carrying out the requirements of HR 623, a training program, that allowed Iowa employers to receive compensation for expenses of salaries and training,
- Resolving budget issues as a result of enrollment decreases in 2002, 2013, & 2014,
- Responding to reductions in State Aid which resulted in substantial increases in student tuition,
 - 1966 – 50%-State, 25%-Tuition & 25%-Property Tax
 - 2005 – 49%-Tuition, 32%-State, 8%-Property Tax & 11%-Federal/Other
 - 2010 – 53%-Tuition, 33%-State, 7%-Property Tax & 14%-Federal/Other
 - 2015 – 56%-Tuition, 31%-State, 7%-Property Tax & 6%-Federal/Other
- Funding increased costs for health insurance, and
 - 2000 - \$2,707,931
 - 2005 - \$4,609,607
 - 2010 - \$7,315,885
 - 2015 - \$9,413,401
- Increasing bad debt expense as result of increased enrollments and cost of tuition.
 - 1996 - \$85,472

- 2000 - \$250,083
- 2004 - \$271,897
- 2008 - \$449,032
- 2012 - \$1,231,123

The business office will continue to be the financial steward for the college. It will have to adapt to future technologies to continue to increase efficiencies and utilize its limited resources to their fullest potential. The mission of the office will be to ensure the financial integrity of the college's financial systems and reports.