Ohio Fiscal Academy 2017 - Cohort # 7

Capstone Project:
Pathways to Transition Success
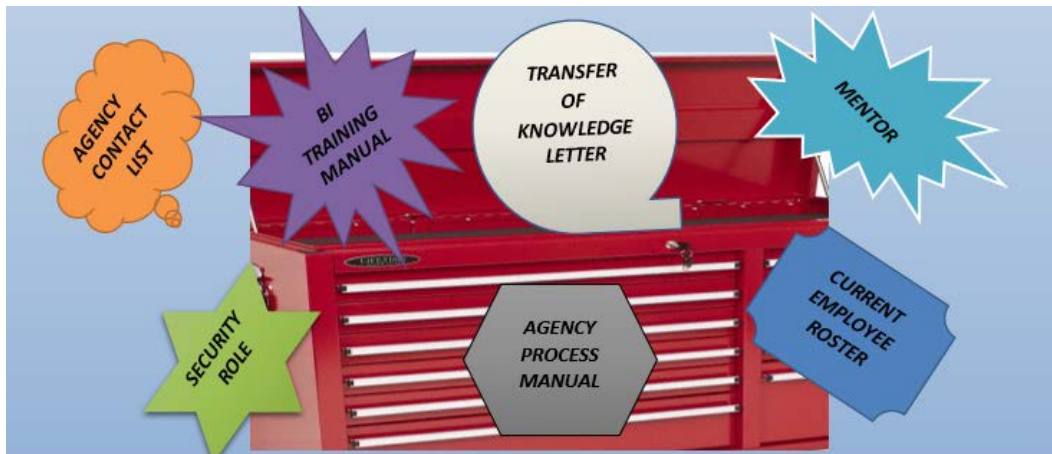
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DON'T BE SCARED

BE PREPARED

Pathways to Transition Success

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Executive Summary

According to *Ohio's Talent for Tomorrow and Beyond*, published by the Ohio Department of Administrative Services (DAS), the State of Ohio is losing a significant number of talented senior fiscal professionals due to retirements. This is resulting in a shortfall of experienced leaders in these roles.

The task of on-boarding capable talent for senior fiscal positions can be very challenging, which is further complicated by the fact that Chief Financial Officers (CFOs), Assistant CFOs, and other senior financial managers have critical roles in their state agency. It is imperative that new persons in these positions succeed and that they become proficient in their responsibilities in a timely manner. A smooth and efficient transition will increase the incoming CFO's morale, productivity, and performance.

A barrier to a timely and successful transition may result from an incoming CFO lacking the position specific experience, despite having the general skills, education, and talent to do the job. Therefore, the clinical objective of our project was to explore the development of a scalable template or toolkit that could be utilized by agency senior leadership and the current CFO to pass position specific information to the successor. We envisioned this toolkit to be very detailed and organized in a fashion as to the urgency of the tasks to be performed.

Our team used a variety of research methods, including a 13-question survey distributed using Survey Monkey. The survey targeted 38 CFOs and Assistant CFOs ranging from small to large state agencies to determine: (1) if the community of state agency CFOs find the proposed concept to have value, and (2) what content should be included in the template or toolkit. A private sector survey response was also received from a Mars Petcare Senior Accounting Specialist. Further, we also searched for relevant articles in business and graduate schools of business publications.

Our project did not focus on the HR aspect of selecting a candidate. Instead, our project focused on a solution to the scenario that an individual is placed into a situation where he or she has no current documented procedures available or a "go to person" to ask regarding how and when to perform specific tasks.

Our proposed solution includes the use of a knowledge transfer letter that, in addition to being a cover letter for the selected toolkit subjects, would discuss major issues the incoming CFO would likely encounter in the next 3 to 5 years. The major issues discussed would be high-level in nature, primarily focused on matters the incoming CFO needs to plan for in the future. Also, depending on the size of the state agency, a new CFO may need to have direction regarding specific tasks that need to be done and the frequency of those tasks. Further, a current procedures manual should be provided to the incoming CFO to allow the new CFO to perform or delegate these tasks consistently with established policies and procedures.

We identified a possible risk associated with the lack of a detailed toolkit of the type proposed herein. More specifically, any new senior fiscal employee, and especially one in such an important role as CFO, might unknowingly expose the agency to potential noncompliance with legal, contractual, or regulatory requirements if they are not provided with the information needed to successfully perform in their new position. This potential is a risk that any business enterprise should strive to mitigate.

Please note. Throughout this document, for brevity, we usually refer only to the CFO position; however, the proposed solution could easily be adapted for use with any senior fiscal position.

Pathways to Transition Success

Introduction

Background

Influx of New Ohio CFOs & Fiscal Professionals

According to DAS publication *Ohio's Talent for Tomorrow and Beyond*, the state of Ohio may be facing an "*unprecedented challenge*" with 16 percent of the State's workforce eligible to retire within the 2011-2016 period resulting in a shortage of experienced fiscal employees in key leadership roles. (DAS)

We believe it is imperative to the State of Ohio that new employees in these key leadership roles succeed and become proficient in their responsibilities in a timely manner. We propose that having a documented transition plan in place is an important tool for the agency to assist the new employee with being successful in their important role.

Scope of Our Project

We envision the target population for our project are CFOs and senior fiscal management of State of Ohio agencies, boards, and commissions.

We propose that in order to achieve a successful transition, there should be a focus on key fundamental skills, knowledge, competencies, tasks, procedures, and work flows.

This project was not focused on the Human Resources aspect of selecting a candidate for the position. Instead, the clinical objective of our project was to explore the development of a template or toolkit, a *Pathway to Transition Success*, which would be used by the agency and the current CFO to pass position specific information to the successor CFO. The toolkit suggested will be a generic template that would be scalable to fit each agency's specific needs. Once completed, the toolkit documents would list and describe tasks, procedures, and responsibilities that the new CFO could reference to assist them to successfully transition into their position.

The perceived risk associated with a lack of a toolkit of the type proposed is that a new CFO may not reach optimal performance in the position as soon as needed. This may expose the agency to potentially being noncompliant with legal, contractual, or regulatory requirements.

We have conducted research to determine: (1) if the community of state agency CFOs find the proposed concept to have value, and (2) what content should be included in the template or toolkit?

Research Strategies

Our research strategies were comprised of various methods including conducting a survey with current CFOs of state agencies, leadership from the private sector, and former graduates of the Ohio Fiscal Academy. We also searched the DAS website for any relevant information and incorporated internet searches on succession planning and transition processes from business publications, graduate schools of business, and current senior leadership. Finally, our group obtained task lists and job responsibilities from a variety of small to large State of Ohio agencies to examine some of the commonalities in fiscal leadership roles.

Findings

Analysis

President's Letter

Traditionally, the outgoing President of the United States leaves a letter in the Oval Office of the Whitehouse for the incoming President offering congratulations, well-wishes and advice. Bill Clinton left George Bush one of these letters (Rossman) and his words of encouragement were addressed as follows:

> *"Dear George,*
>
> *Today you embark on the greatest venture, with the greatest honor, that can come to an American citizen.*
>
> *Like me, you are especially fortunate to lead our country in a time of profound and largely positive change, when old questions, not just about the role of government, but about the very nature of our nation, must be answered anew.*
>
> *You lead a proud, decent, good people. And from this day you are president of all of us. I salute you and wish you success and much happiness.*
>
> *The burdens you now shoulder are great but often exaggerated. The sheer joy of doing what you believe is right is inexpressible.*
>
> *My prayers are with you and your family. Godspeed.*
>
> *Sincerely,*
>
> *Bill"*

These transition letters from president to president are not detailed, but rather give general direction and a "heads up" to the incoming president. The peaceful transfer of power from one president to the next is very involved and complicated. The transition letter helps ease the great burden of transition.

Our Survey of State Agency CFOs

Survey Questions

With the assistance of Training Officer Jason Vermilion of the Ohio Fiscal Academy, we distributed our survey via SurveyMonkey.com to 38 selected recipients who had been identified as state agency CFOs or their designees. Our survey asked several questions primarily focused on the transition process as listed on the next page in Table 1.

TABLE 1 – SURVEY QUESTIONS	
1	Which Agency do you represent?
2	What is your working title?
3	How many employees are assigned to your agency's fiscal division?
4	Does your agency have a documented process to ensure essential knowledge is transferred from an incumbent CFO to their successor?
5	If "Yes" to question number 4 above, is this documented process current?
6	Does your agency typically provide any period of time for the incumbent CFO to work directly with their successor to transfer essential position-specific knowledge?
7	If the answer is "Yes" to question number 6 above, how much time is typically provided for this knowledge transfer process? (*If you answer this question, please skip question number 8.*)
8	If the answer to question number 6 is "No," what method is used to transfer essential position specific knowledge to the successor?
9	Please answer the following questions. If the question does not apply select, "No". If "Yes," please rate on a scale of 1-10 how important the topic would be to the successor. - Does your AGENCY have current policies for the fiscal division? - Does your AGENCY have a current PROCEDURES MANUAL for the fiscal division? - How important is the budget development process for the successor? - How important is monitoring daily cash balances for the successor? - Does your fiscal office have a current list of internal and/or external subject matter experts (SMEs)?
10	Which software systems or applications does the CFO use on a regular basis in addition to OAKS?
11	In addition to OBM guidance, what other tools does your agency use for budget development?
12	What tools does your agency use to monitor daily cash balances?
13	What security/approver roles are assigned to your agency's CFO in the OAKS system?

Survey Responses

As shown in Appendix A, sixteen of those surveyed responded, for a response rate of 42 percent. Seventy-five percent of the respondents were CFOs or Assistant CFOs with an average size fiscal office of 46 employees. The size distribution of agency's fiscal offices varied from the Ohio Department of Job and Family Services (ODJFS) having the largest fiscal office with 177 fiscal employees, followed by Medicaid with 93 fiscal employees. The smallest offices which responded to our survey were the Ohio Facilities Construction Commission (OFCC) and the Ohio Department of Higher Education (ODHE) with 8 fiscal employees.

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Responses to survey question 4 provided some significant support for the need for a documented transition process such as we have proposed in this project.

Responses to survey question 5 told us that of the four agencies which reported to have a documented process, all four reported their process to be current.

Question 4: Does your agency have a documented process to ensure essential knowledge is transferred from an incumbent CFO to their successor?

- 73.33% No
- 26.67% Yes

Responses to survey question 6 told us that the new CFO seldom is provided any period of time for training with their predecessor. This is concerning given the significant responsibilities of the CFO position.
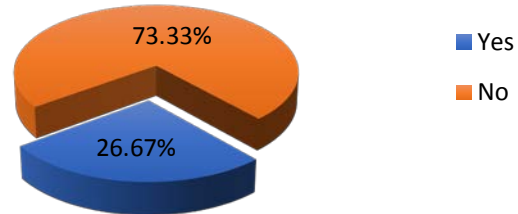
Survey question 7 asked a follow-up to those who answered "Yes" to question 6. Only 4 respondents answered this question.

Question 6: Does your agency typically provide any period of time for the incumbent CFO to work directly with their successor to transfer essential position-specific knowledge?

- No 80.0%
- Yes 20.0%

- One CFO was able to work with other employees and someone from an outside department to get the necessary job training;
- Two respondents answered a couple of months and 6 months; and
- The fourth respondent stated a year would suffice for sufficient knowledge transfer, but that he worked as an Administrator for several years to learn the role of the previous CFO.

Survey question 8 asked: If the answer to question 6 is "No," what method is used to transfer essential position specific knowledge to the successor? The responses varied widely.

- *"Briefing documents are prepared by various Bureau Chiefs in the office and a series of meetings are held to bring the new CFO to speed.*
- *No method established, need one!*
- *Same documents for any fiscal office. I have been with the agency 20 years.*
- *Aside from the knowledge brought in with the new CFO, under management transfers operational knowledge upward and agency senior management passes down knowledge/expectations.*
- *As in any position, the information must be learned by doing and asking. Even with complete documented policies and procedures, there is a learning curve. Also, just because a previous CFO did a certain process, does not mean that their successor will want to do the same things, or the same way. But, in the most recent transition, the assistant CFO did the bulk of the knowledge transfer.*
- *Historical files, e-mails, whatever the previous CFO decides to share.*
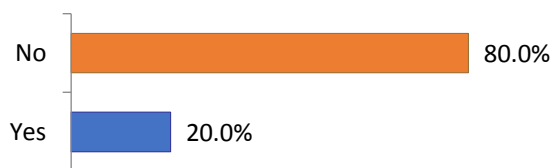
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- *We do not have a single specific method. We rely on a combination of approaches, which include documenting established processes to the greatest extent possible as well as training and cross-training fiscal staff on essential functions.*
- *Existing documentation and staff interviews.*
- *Documentation and discussion with current fiscal staff.*
- *One-on-one training. I'm not so sure a CFO manual would do any good because most of the issues I deal with on a daily basis are very unique one off type issues. I don't see the real benefit here and wouldn't have the time to start developing one."*

Survey question 9 was a multiple part question asking the respondents to rate items on a scale from 1 to 10 with 10 being the most important. A rating of 10 is equivalent to critically important.

- Having current policies for the fiscal division was rated as critically important by 6 respondents.
- Having a current procedures manual was rated as critically important by 5 respondents.
- The budget development process was rated as critically important by 4 respondents.
- Monitoring daily cash balances was rated as critically important by 2 respondents.
- Having a current list of internal and/or external subject matter experts was rated as critically important by 2 respondents. Further, 4 respondents reported they did not have such a list.

Responses to survey question 10 told us which software systems or applications the CFO uses on a regular basis in addition to OAKS. The list included the typical Microsoft Office suite of products, agency proprietary applications, as well as other state agency and regulatory websites.

Survey question number 11 asked: In addition to OBM guidance, what other tools does your agency use for budget development? See the Table 2, at right, for the responses and the frequency of responses.

TABLE 2	
Question 11 Responses	**Frequency**
Historical Trends	6
BI Reports	4
Spreadsheets	3
Caseload Projections	2
SOPPS	2
Actuary Guidance	1
COGNOS Reports	1
Estimates and Experience	2
Information Gathering From Individual Business Units	1
Internal Reports	1
LSC	1
Major Projects	1
Meetings with Internal and External Stakeholders	1
Proforma	1
SAS	1

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The responses to question 11 were also summarized in a slightly different manner to determine the types of budgeting used across fiscal offices. Most finance offices used historical trends and projections, 43 percent each, while only 14 percent used participatory budgeting. See graphic below.

Question 11: Summary of Budget Tools

42.86%	42.86%
	14.29%

RESPONSE PERCENT

■ Historical Trends ■ Projections ■ Participatory Budgeting
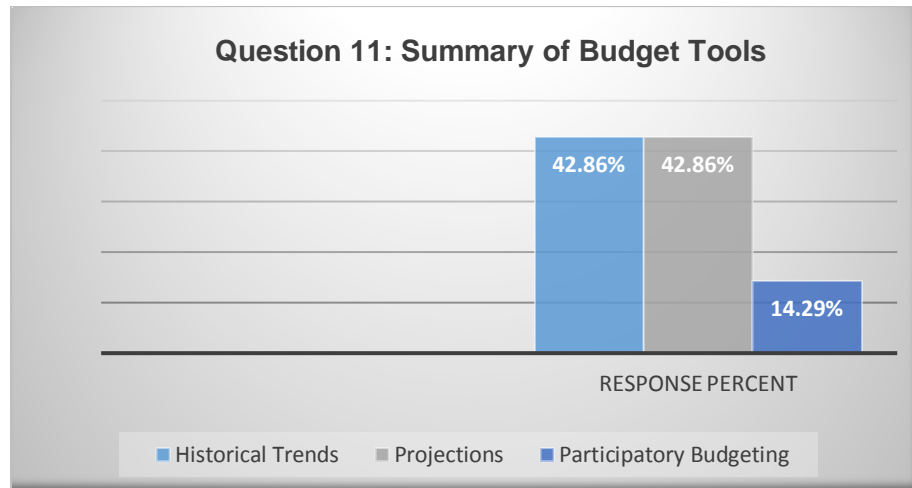
Survey question 12 asked: What tools does your agency use to monitor daily cash balances? We have captured the responses in Table 3 at the right for a list of the responses.

TABLE 3	
Question 12 Responses	**Frequency**
OAKS BI Reports	13
Excel Spreadsheets	2
Bank Daily Balance Reports	1
Cash Forecasting Tool	1
DPMS	1
Internal System	1
SharePoint	1

Survey question 13 asked: What security/approver roles are assigned to your agency's CFO in the OAKS system? See Table 4 at the right for a list of the responses.

TABLE 4	
Question 13 Responses	**Frequency**
Budget Approver	3
All	2
PO Reviewer	2
Read Access Only	2
AP Approver	1
Accounts Receivable	1
Chart Fields	1
FIN Security	1
Requisition Approval	1
Travel & Entertainment	1
Voucher Approval	1
Not Assigned or Do Not Know	7

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Graduate Schools of Business

Our research discussed in the *Graduate Schools of Business* and *Business Publications* sections of our Case Study has a succession planning focus as we see a strong link between succession planning and transition planning. We find that succession planning has more of a long term view and transition planning typically has a shorter term view. Both succession planning and transition planning have, as their core objective, the goal of ensuring the continued success of the entity, regardless of the persons in the key leadership roles.

You will notice in the following sections that there is a bias toward developing internal candidates for key leadership roles. We find that this bias is proposed for several reasons which primarily relate to internal candidates typically having a shorter transition period when assuming the responsibilities of a new position. Internal candidates typically have this head start, or advantage, over external candidates because they are already familiar with the culture and structure of the organization and its operations. Further, it is often the case that internal candidates have received substantial training within the organization and thus have a higher likelihood of transition success. These factors all tend to reduce risk for the organization.

Harvard Business Review

A Harvard Business Review article (Goldsmith) stated that one of the most frequently asked questions was: "W*hy does succession planning feel like such a waste of time?*" One of the main concerns facing many leadership vacancies is the lack of bench strength within their organization. When replacing planned and unplanned leadership roles many managers are concerned about the potential risks that their organization may be embarking on due to lack of internal experience and talent.

According to Marshall Goldsmith, ". . . *the executives we meet give their succession planning process a grade of C+ and they give their execution of succession plans a grade of D."* This reaffirms the idea that succession planning feels like a waste of time. Marshall presented "*four practical ideas on how you can get more impact from your organization's succession planning efforts.*"

1. *"Change . . . from Succession Planning to Succession Development"*

    Succession Planning should be involved with more of an individual experience and less planning as a mode of succession. Look at the current talent that is on your bench.

2. *"Measure outcomes, not process"*

    Consider using metrics that include how many vacancies in the past have been filled by internal candidates versus external candidates.

3. "*Keep it simple*"

    Don't over think the process or assess complicated criteria.

4. "*Stay realistic*"

    Don't make promises to candidates with false expectations. Be open and honest with prospective candidates especially if the talent was developed from within.

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Stanford Graduate School of Business

Professor David Larcker of the Stanford Graduate School of Business (Larker) stated ". . . *the majority do not think that their organizations are doing enough to prepare for eventual changes in leadership at the CEO and C-suite levels, nor are they confident that they have the right practices in place to be sure of identifying the best leaders for tomorrow.*" According to Professor Larcker, many organizations underestimate the difficulty they face with succession planning. One of the problems identified with succession planning was dealing with grooming and developing successors. A list of "*Six Key Elements of Successful Succession Planning"* was provided.

1. *"Strategic Planning"* - What talent is needed to fill the leadership role?
2. *"Talent Assessment"* - Monitor your bench strength.
3. *"Recruiting"* – Develop a talent pipeline.
4. *"Performance Assessment"* – Allow employees opportunities for development.
5. *"Development"* – Have development plans in place.
6. *"Retention and Engagement"* – Recognize and reward talent.

Wharton School of Business

The Wharton School of Business emphasizes that organizations with a strong culture can have a successful leadership change if knowledge is transferred from developing a deep bench of potential candidates. According to Wharton faculty, ". . . *a succession plan is critical for most companies*" and developing talent from within will further advance the transparency of leadership changes. (Wharton School)

Business Publications

The Wall Street Journal – Risk & Compliance Journal

"Bryan Proctor, head of the Financial Officer Center of Expertise at Korn Ferry, discusses the market and boardroom dynamics driving greater board involvement in the CFO hiring process." (Proctor) Proctor states that a sudden departure of a CFO may leave some organizations unprepared for the unexpected vacancy. However, he does convey that having a solid bench of prepared talent creates promotability in a relatively short period of time. One of the problems facing many organizations with leadership change is internal talent does not get assessed until the need arrives. This is very unfortunate because external candidates are already being considered at this point. The best takeaway from Proctor is for organizations to take notice of current talent and give them exposure so when the opportunity presents itself the bench has deepened. When succession plans and knowledge transfers are in place it sends a positive message and eliminates skepticism regarding the organizations ability to handle sudden leadership changes. This is extremely important especially in the public sector arena.

CFO.com

Bryan Proctor from Korn Ferry also interviewed with CFO.com and shared some very interesting data regarding succession plans involving internal candidates. "*In calendar years 2015 and 2016, 59% of the CFOs appointed by the top 1,000 revenue companies were promoted from within. That was up from 51% in the four prior years.*" Proctor also emphasized that internal candidates produce less risk to the organization because they are familiar with the organizations culture and business environment. (McCann)

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Argyle Journal

Sandeep Reddy, Chief Finance Officer for Guess, said that many organizations put succession planning at the bottom of their to-do list, thereby subjecting their organization to potential risks. Reddy stated that organizations should have succession planning goals as part of their strategy for developing talent for the future. To accomplish this, organizations need to develop their talent early on and seek out those who have a passion for financial planning and a sincere interest regarding the organizations long term goals. Also, having a defined and strong culture is very important because it helps to promote and foster engagement and collaboration with colleagues. Another important key to succession planning noted by Reddy is to develop employees by cross training in multiple roles giving them the opportunity to acquire multiple skills. (Argyle Journal)

Heidrick & Struggles

Heidrick & Struggles have suggested that managing anticipated separations or vacancies is a key factor for minimizing risk regarding succession planning. (Dysart and Gwin) In the case of our states agencies, we can forecast retirements or vacancies in advance for those who participated in the Early Retirement Incentive Plan (ERIP). When an agency knows who may be applying for an ERIP, this provides ample time for managers to proactively begin their search for a successor. Heidrick & Struggles also suggested that promoting early engagement with potential successors is very important. Also, it has also been mentioned that knowing the organizations culture is very important to placing the right people in key leadership roles.

Accountemps A Robert Half Company

Accountemps describes succession planning as "*a strategy for identifying and developing people within your organization who can move up if a key employee suddenly leaves.*" Succession planning is very critical in all organizations but often taken lightly with little preparation for when it occurs. Below are "*7 Steps to Building a Succession Plan for Success.*" (Accountemps)

1. "*Be proactive with your succession plan*"

   Prepare someone in key leadership roles regardless of a vacancy. This proactive approach will be very valuable when a vacancy occurs.

2. "*Keep an open mind*"

   Take a look at your bench. Seek out those who have proven skills and competencies. Don't assume that the obvious candidate is the one who is second in charge.

3. *"Make the vision known"*

   Take the time to develop your talent in leadership skills and planning. Share your vision and succession plan with others. This may prove to be instrumental regarding having different ideas and opinions for succession planning.

4. "*Offer regular feedback to protégés*"

   Look for talent that has a proven record of achievement. Collaborate with colleagues getting feedback on those high performers; especially those who are currently working on a developmental plan.

5. "*Provide training to peak performers*"

   Reach out and encourage the top performers to enhance their soft skills and talent. Mentoring high achievers is a fantastic avenue for building a strong bench for the future.

6. "*Do a trial run*"

   If you have a high performer and someone who is seeking a role with more responsibilities give them tasks as a trial run to see how they handle the challenge. This helps build confidence in the employee while promoting engagement and future leadership opportunities.

7. "*Use succession planning to develop a hiring strategy*"

   Once you have developed your succession plan start looking at candidates and the talent gaps. The priority now should be focused on getting the talent that best fits the role.

Private Sector Survey

Jim Lilly, a Senior Accounting Specialist who has twenty plus years of experience working for Mars Petcare in the finance department submitted a survey response answering the following questions. (Lilly)

1. What is the name of your company?

   "*Mars Petcare*"

2. What is your title?

   "*Senior Accounting Specialist*"

3. What division do you report to and what are your current responsibilities?

   "*Petcare Division of Mars. I report to the corporate office, our team closes the books for the entire network. My responsibilities include 4 co-pack sites and some support to three of the pet food factories.*"

4. Do you have a documented process to ensure essential knowledge is transferred from the current financial leader role to the successor?

   "*This is not complete as the sites are changing from an older system to SAP this year. One of my co-pack sites is already on SAP and the entire network will be on SAP by end of 2017.*"

5. If you have a procedures manual is it current?

   "*No, we don't have a procedures manual.*"

6. Does your Division/Department provide any period of time for the incumbent financial leader to work directly with their successor to transfer essential specific knowledge?

   "*Yes. That period of time is undefined.*"

7. If yes, how much time is typically provided for this knowledge transfer process?

   "*Un-defined. This is on an "as needed" basis.*"

9. How important is the budget process for the successor coming into the Division/Department?

   "*Very important. Actual results are measured vs. the annual budget, last year's results, and the latest estimate. Latest estimates are in my opinion the most closely watched as they are done each period. So when the period results are report, [sic] the finance mangers proceed to do another latest estimate for Year-To-Go.*"

10. Does your Department/Division have a current list of internal or external subject matter experts (SMEs) that provide guidance for certain topics?

    "*Yes, however the titles are different.*"

11. Does your Division/Department promote engagement and learning opportunities for your professional development?

    "*Yes.*"

12. Based on your experience can you summarize how your Department/Division set you up for success?

    "*Annual training on selective topics, bi-weekly reviews with our managers, and detailed development plans and objectives are measured each quarter.*"

Mr. Lilly mentioned in survey questions 4 and 5 that Mars Petcare is currently in conversion mode transitioning from an older ERP system to a new SAP system later this year. Mars does have updated procedure manuals, however, with the conversion ongoing their procedure manual is not current since the system has not yet been fully implemented.

DAS On-boarding Tools

We did locate some guidance and templates on the DAS website to assist state agencies with on-boarding new employees. This guidance is located on a webpage titled Agency Toolkit. It contains sections with new employee on-boarding procedures and templates for human resources, the supervisor, and a peer partner. "*The supervisor ensures the new employee appropriately assimilates to the work environment by . . . assigning a 'Peer Partner' to the new employee for* [sic] *first 60 days . . . and completing the Supervisor New Employee Onboarding Checklist, which outlines activities/tasks performed by supervisor."* (DAS)

"The 'Peer Partner' concept is designed to enhance the new employee's orientation and onboarding experience by pairing the new hire with a current employee to familiarize him or her with the 'norms' of the agency. A Peer Partner is not intended to serve as a replacement or substitute to the manager; however, they should be readily available to answer the new employee's questions about the work environment and culture of the agency. The Peer Partner establishes a mentoring relationship with the new employee, and in conjunction with the supervisor, ensures the new employee has the necessary resources to perform her job duties and is successfully assimilated into the agency." (DAS)

Conclusion

Recommendations

Just as with the transfer of power from one president to the next, a change in leadership for CFOs can be very challenging. Depending on the size of the fiscal office and the number of individuals that assist with day-to-day operations of the financial operation, the transition from one CFO to the next CFO can be very involved and complicated or it can be almost seamless. For this reason, we propose that there should be a general plan or transition letter left in place for the incoming CFO. This general plan should include major issues that will affect the fiscal office in the next 3 to 5 years. Also, there should be a detailed set of procedures or a toolkit to assist the incoming CFO with the required responsibilities and tasks associated with the office.

We believe the transition letter should address issues like major capital expenditures, related operational budget issues, and contingent legislation or the current direction of the government that could have an adverse effect on the state agency. The toolkit should be a detailed task list for the periodic tasks that the CFO must complete. These tasks should be explained through a step-by-step procedures manual and a list of Subject Matter Experts (SMEs) that the CFO can contact when difficulties are encountered along the way.

CFO-Fiscal Professional Transition Toolkit

Our research and findings led us to create a CFO-Fiscal Professional Transition Toolkit. Based upon our survey feedback coupled with the eligible number of state employee retirees, we believe a shared benefit would result for both the State and incoming employee by implementing a transition toolkit. We would envision this toolkit as a supplement to the generic content of the DAS Supervisor On-Boarding Checklist shown in Appendix B.

Our toolkit would include a basic, but scalable, pathway that would provide new CFOs an efficient and successful transition. However, this will not be possible unless the current fiscal incumbent participates in the transition process. The current fiscal incumbent, in coordination with management, would select the applicable sections from the toolkit for the specific position to be filled. This coordination is necessary so that management which will be working with the new employee can ensure a smooth and efficient transition. The toolkit we propose would include the following content outline.

1. Knowledge Transfer Letter

    The knowledge transfer letter is a very important part of the toolkit. We felt it would give somewhat of an informal, but personal, touch highlighting any upcoming deadlines and important business matters at hand. The knowledge transfer letter should be tailored to address the mission and specific needs of the agency. The knowledge transfer letter basically serves as the cover letter for all of the toolkit content selected as applicable by the incumbent CFO. Below is a sample list that may be contained in the knowledge transfer letter.

    *   Employee organization chart
    *   Critical deadlines that must be met
    *   Agency Mission Statement
    *   Audits
    *   Employee Reviews
    *   Budget Deadlines

- Financial Reporting
- Vacancies within department
- Meetings or future commitments
- Guide to accessing financials

2. State Agency Organization

- Structure of the agency
- Table of Organization
- Division liaisons to fiscal office

3. Fiscal Office Organization

Every agency should have an updated employee roster available. This is something that needs to be maintained, especially for a new fiscal leader. Once the transfer of leadership occurs the new fiscal leader may need to contact staff regarding unforeseen weather related closures, emergency power outages or anything that may require the fiscal leader to contact staff.

4. Fiscal Office Employee Specific Responsibilities

It is important to identify which employee, office, or section within the fiscal office is responsible for the following:

- Operating Budget
- Capital Budget
- Payroll
- Cash Forecasting
- Controlling Board Requests
- Accounts Receivable, Revenue and Billing
- Procurement & Payment Cards
- Accounts Payable
- Internal Audit
- Federal audit liaison
- State audit liaison
- Financial Reporting
- Cost Allocation
- Federal Grants
- Subrecipient Monitoring
- Asset Management

5. Fiscal Office Inter-Agency Responsibilities

Each State of Ohio agency should have an updated state and federal agency contact list available; especially for a fiscal leader who has recently on boarded. The following examples are what we felt important:

- OBM Budget Analyst contact
- OBM Security Roles contact
- OBM Financial Reporting contact
- Bank contact names

- DAS Purchasing contacts
- DAS HR Labor relations contact
- DAS Asset Management contact list
- DAS Payroll Support contact List
- Treasurer of State contact

Note: Each agency may have agency specific needs; some more, and some less than others.

6. Reports, documentation and data **received by** the fiscal office:

- Financial Reporting
- Payroll Reports
- Inventory Report
- DAS insurance premium notices (for payment) for fleet, lands and buildings
- Private insurance claims and requests for settlements
- External agency payment requests and support for those payments (BWC premiums, ODJFS premiums, OSS utilization fee, DAS processing fees for payroll and benefits)
- AG settlement requests/processing
- Software licensing amortization (needed to calculate SWCAP)
- Accounts receivable items – returned warrants, citations and payments

7. Reports, documentation and data **produced by** the fiscal office:

- Cash Report
- Inventory Report
- MBE participation and calculations to agency goals
- EDGE participation and calculations to agency goals
- Vendor Threshold Report
- Project costing reports (data produced to calculate the cost of a project, to include IT upgrades, Federal Highway projects, grants)
- Expenditures for grants
- Inventory yearly certifications
- Purchasing – Open POs, encumbrances, contracts, etc.
- Travel expenditures
- Budget – amount spent per cost center, capital projects, operations cost, overtime cost
- SWCAP, overhead rates, benefits rates

8. Business Intelligence (BI) Training

Enterprise Learning Management (ELM) training is a very valuable tool that can be accessed via myOhio website. Below is a list of some training classes that are available.

- BI 141 Standard Reports and Report Books - General Ledger
- BI 147 Standard Reports and Report Books - Asset Management
- BI 143 Standard Reports and Report Books - Workforce Profile
- BI 211 Query Studio Basics - General Ledger
- BI 217 Query Studio Basics - Asset Management
- BI 221 Report Studio Basics - General Ledger
- BI 227 Report Studio Basics - Asset Management
- DAS BI 301 Report Studio - Advanced Functionality
- DAS BI 302 - Advanced Report Studio

9. Security Roles

Security roles are critical regarding the access an employee might have especially in a fiscal leadership role. It is important to verify what access is needed to perform the current job. It may be suggested to mirror the security role of their predecessor to ensure all necessary system access is available. The SAFE Policy Manual has all the necessary information needed to help better understand the process of security roles. Please reference this path for guidance. (SAFE Policy Manual > General Guidelines > OAKS FIN Security)

As provided in the OAKS FIN User Manual, "*it is the responsibility of the CFO or agency FIN Security Designee to review existing security roles, add new or update existing roles, delete old roles, and ensure that users of OAKS FIN have the access they need to do their jobs and no more access than they need.*" (Ohio OAKS)

10. Mentor

Seeking out a mentor allows for the mentee to seek guidance. A mentor can be someone from within the organization or from the outside. The value of having a mentor is to provide advice and share knowledge to assist in developing professional growth. Having a mentor can be an advantage to both the mentee and the organization. If appropriate, this could be a Peer Partner as discussed in the DAS On-Boarding Tools section.

11. Agency Procedure Manual

Agency procedure manuals prove to have significant value especially for those who are new to the agency. However, if manuals are referenced as a useful tool, they must be updated. Below is an example outline of content from a procedure manual that is currently being utilized at a state agency.

ADMINISTRATIVE SECRETARY PROCEDURES

- Mail Distribution
  - o Incoming Mail Distribution
  - o Incoming Mail Procedures
  - o OPERS Forms (PEDAKN)
  - o OPERS Forms (PEDAQUE)
- Vendor Process
  - o Vendor Information Form
  - o W-9 Taxpayer Information Number
  - o Authorization form for Direct Deposit
- OPERS Independent Contractor Process
  - o Sample OAKS Acknowledgement
  - o Updating OPERS Spreadsheet
- Distribution Monthly Reports for Courts of Appeals
  - o Cover Letter
  - o Monthly Budget Summary Report
  - o Monthly Detail Expense Summary Report
  - o Vendor Report

Pathways to Transition Success

Appendix A

State Agency Survey Respondents

Agency Acronym	Survey Respondent
AGO	Christina Frass
COM	David Hannan
DMR	Kimberly Mowry
DOT	Richard Winning
DPS	Matthew Martin
DSA	Kenyatta A. Chandler
DYS	Shawn Smith
EDU	James Quinn
EPA	Chris Geyer
EPA	David Chovan
INS	Kurtis Wingo
OBM	Peter King
ODHE	Jim Bennett
ODM	Michelle Horn
DAS	Anna Garver
DPS	Barbara Hamilton

Pathways to Transition Success

Appendix B

<p align="center">Supervisor On-Boarding Checklist</p>

New Employee Name: _____

Division/Office/Bureau/Unit:		Start Date:	
Location:		Supervisor:	
Classification:			
	Major Activities/Tasks to Complete		☑ Box if Complete
Phase 1: Pre-Arrival	Assign peer partner (co-worker) and meet with that person to discuss roles and expectations		☐
	Send memo to co-workers/team members (see example)		☐
	Prepare new employee's workspace (clean desk/workstation, stock basic supplies, safety equipment, computer, phone, etc.)		☐
	Prepare first day/week information to cover with employee		☐
	Schedule time with new employee (1 on 1) on first day and throughout the first 2 weeks		☐
Phase 2: First Day	Provide for the employee: • Identification Badge • Computer and/or phone password/login instructions • Organization telephone directory • Uniform (if applicable)	• Business cards • Peer partner meeting scheduled • Additional supplies/keys/equipment (if applicable) • Formal Orientation scheduled • Name plate	☐
	Review important locations (facility tour): • Restrooms / break/lunch room • smoking area • copier / fax machine • emergency exits	• mailroom / file room / supply room • lockers • conference rooms • recycling • related/adjacent departments/offices	☐
	Introduce to co-workers/team members		☐
	Review job description, responsibilities, performance expectations, etc.		☐
	Review Job Training Plan (if applicable)		☐
	"Touch base" meeting (end of day to answer questions, review important information, discuss office culture, provide encouragement, reinforce positive expectations, etc.)		☐
	Extras: welcome sign, candy at workstation, lunch w/employee		☐
Phase 3: First 7-14 Days	Attend introductory meeting with employee and peer partner		☐
	Review work schedule, provide timesheet/timecard instruction		☐
	Review files/projects/documents		☐
	Review emergency procedures/evacuation instructions/manual		☐
	Review work practices, procedures, protocols, etc.		☐
	Ensure necessary paperwork has been completed by HR (insurance, tax forms, etc.)		☐
	Establish baseline goals for performance		☐
Phase 4: First 30-60 days	Ensure employee has attended (registered for) formal New Employee Orientation		☐
	Continue to provide meaningful work		☐
	Review and monitor progress toward initial goals		☐
	Provide regular feedback and training as necessary to assist employee with development		☐
	Ensure required training has been completed (Ethics, EEO, Securing the Human, etc.)		☐
	Meet with peer partner to receive feedback		☐
	Meet with employee to discuss experiences and how they align with expectations		☐

(DAS)

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