



Productivity Managers' Network Handbook

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INTRODUCTION

Welcome to the Los Angeles County Quality and Productivity Managers Network!

We Network old-timers are fond of telling each other, "You can make a difference." Over the years this organization has grown and strengthened as fiscal pressures and the greater demand for public services have pointed to productivity and quality management as a vital solution to many of the problems facing local government. Never in our history have we faced so many challenges or so many opportunities to make a difference - in each of our departments, in the County and its cities, and in the lives of the citizens we serve.

This is an exciting and challenging time to be a member of the QPMN. From the energy crisis to the terrorist attacks and the implementation of the Countywide Strategic Plan, all these created a major focus on the current activities of the Network. The Network is working more closely than ever with the Quality and Productivity Commission in supporting the Countywide Strategic Plan and the Efficiency Initiative by identifying and sharing best practices and supportive activities. Indeed, perhaps more than ever before, each of us can directly influence the way County of Los Angeles does business.

It's a pleasure to have you with us as a member of the Quality and Productivity Managers Network. We value your participation and your friendship.

BACKGROUND

Los Angeles County is the most populous county in the United States, serving over 10 million residents - a population larger than 42 of the 50 states. Under State law, counties are responsible for providing a great variety of regional services to their residents, including health, welfare, justice, and public safety. To effectively handle these services requires the skilled efforts of more than 90,000 employees in 37 departments, numerous committees, commissions, and special districts of the County.

Historically, restrictions, such as the passage of Proposition 13 and the State property tax transfer, have been placed on the County's ability to raise and utilize the expenditures necessary to support the services it needs in order to function adequately.

In 1981, responding to increasing demands for County services, at a time of restrictions on revenue generation and spending, the County's governing body, the Board of Supervisors, initiated a formal productivity improvement program and a Quality and Productivity Commission to lead the way in carrying out a program of productivity improvement for Los Angeles County.

The 17-member Quality and Productivity Commission is composed of representatives from business, labor, industry, and academia who are appointed by the Board of Supervisors and its administrative agency, the Chief Executive Office (CEO). Its purpose is to provide the Board and the CEO with information and recommendations designed to promote productivity and service excellence. (See Appendix A, Quality and Productivity Commission's Roster and Committees).

Early in its history, the Commission realized that the cornerstone of any productivity improvement program must be widespread employee and management participation. Support at the individual department level makes implementation of Commission programs possible. Thus, in 1985, the Quality and Productivity Managers Network (QPMN) was formed.

ORGANIZATION

The QPMN is comprised of employee representatives from each County department, who have been designated as Quality and Productivity Managers by their department heads.

The QPMN is led by an Executive Committee composed of Chair or Co-Chairs, Vice-Chair(s) and Committee Chairs. The Chair(s) and the Vice-Chair(s) of the Network are elected by the membership. A nominating committee appointed by the Network Chair brings before the Executive Committee its recommendations for Chair and Vice Chair(s). These positions are then voted upon by the membership.

Currently, the QPMN has Quality and Productivity Managers and Alternates representing all County departments. Members serve voluntarily on a number of committees: Productivity and Quality Awards, Productivity Investment Fund, and Training Education. (See Appendix B, Quality and Productivity Managers' Network Roster and Organizational Structure)

**COUNTY OF LOS ANGELES
QUALITY AND PRODUCTIVITY MANAGERS' NETWORK**



Administrative Policy Manual

Policy No.: 1.0 Revised

Approved by QPMN:

Approved by QPC:

**Distribution: Quality and
Productivity Managers' Network;
Quality and Productivity Commission**

SUBJECT: EXECUTIVE COMMITTEE CHARTER OF THE MANAGERS' NETWORK

PURPOSE: To establish the membership, role and responsibilities, and procedures of the QPMN Executive Committee.

CHARTER: The Executive Committee is responsible for the general policy direction of the Network in consultation with Committee Chairs.

MEMBERSHIP: Membership consists of the Network Chair(s) and no more than 10 additional members, two of which rotate off each year and are replaced with members selected through a majority election by the full membership of the Network.

PROCEDURES: The Chair(s) and Vice Chair(s) of the Network are elected by a majority vote of the Executive Committee and serve for one year, unless special circumstances exist for adjusting the term. Chairs of Network Committees and Ad-Hoc Committees are appointed by the Chair of the Network. Vacancies on the Executive Committee after the annual elections will be appointed by the Chair(s) of the QPMN with the concurrence of the Executive Committee by a majority vote.

RESPONSIBILITIES:

1. Establish annual priorities for Network activities
2. Review and approve planned Network programs and events
3. Prior to implementation, the committee will submit any recommended changes to programs and events to the Quality and Productivity Commission Executive Committee for review and approval
4. Review and approve annual report, program guidelines, and other documents
5. Coordinate committees and ad hoc committee activities
6. Provide support and guidance to all Network Managers.

PRODUCTIVITY AND QUALITY AWARDS COMMITTEE CHARTER



Administrative Policy Manual

Policy No.: 2.0

Approved by QPMN: April 26, 2004

Approved by QPC: February 28, 2005

**Distribution: Quality and Productivity
Managers' Network; Quality and
Productivity Commission**

SUBJECT: PRODUCTIVITY AND QUALITY AWARDS COMMITTEE CHARTER

PURPOSE: To establish the membership, role and responsibilities, and procedures of the Quality and Productivity Managers' Network Productivity and Quality Awards (PQA) Committee.

CHARTER: The PQA Committee is responsible for assisting the Commission in the planning and execution of the annual Productivity and Quality Awards (PQA) Program, which recognizes projects implemented during the specified fiscal year. The Committee reports to the QPMN Executive Committee.

MEMBERSHIP: Membership consists of the Co-Chair(s) elected by the General Membership, Network Managers and their Alternates, and the Commission Liaison.

RESPONSIBILITIES: The Committee serves as the connecting link for various tasks and activities that begin with the issuance of instructions to all County departments for submission of entries, and that culminate with the Commission and Board of Supervisors Awards Ceremonies.

Quality and Productivity Commission Executive Staff and Quality and Productivity Managers' Network

- Prepare announcement letter and formal instructions to solicit PQA entries.
- Review and Evaluate PQA proposals.
- Plan and implement all aspects of the formal evaluation process, including site and catering arrangements; solicitation letters for participants; photocopying of all entries; preparation of letters to all departments announcing results.
- Prepare, order, and distribute the event invitations.
- Coordinate the event video production.
- Coordinate and attend visits to Top Ten projects.
- Prepare scripts for Board of Supervisors, Chief Administrative Officer, Master of Ceremonies, and PQA Chair(s).
- Order or arrange award banners, plaques and certificates.
- Coordinate Board of Supervisors Ceremony.
- Design and arrange for printing of Program Booklets.

PRODUCTIVITY INVESTMENT BOARD ADVISORY COMMITTEE CHARTER



Administrative Policy Manual

Policy No.: 14.0

Approved by QPC: October 3, 2005

**Distribution: Quality and Productivity
Commission**

SUBJECT: PRODUCTIVITY INVESTMENT BOARD (PIB) ADVISORY COMMITTEE CHARTER

PURPOSE: The role of the PIB Advisory Committee is to provide peer review and recommendations to the Productivity Investment Board on all PIF applications. The PIB Advisory Committee uses uniform policies, procedures and guidelines.

CHARTER: The PIB Advisory Committee reports to the Productivity Investment Board.

MEMBERSHIP: Membership consists of members of the Quality and Productivity Managers Network and members of the Central County staff as defined in the PIF guidelines. The Chair of the PIB Advisory Committee and other Productivity Managers are appointed by the Commission Chair with the concurrence of the Productivity Investment Board Chair. The Executive Director is a liaison non-voting member. The Advisory Committee meets four times per year or more frequently as required.

PROCEDURES:

1. Receive quarterly PIF proposals from the Executive Office of the Board of Supervisors
2. Review each proposal upon receipt
3. Meet with the staff responsible for initiating each proposal to seek clarification and to offer suggestions for improvement where appropriate
4. Evaluate the proposals using the PIF guidelines, discuss terms and conditions, provide peer review, and present recommendations to the Productivity Investment Board
5. Suggest recommendations on revisions to the PIF guidelines as needed

TRAINING AND EDUCATION COMMITTEE CHARTER



Administrative Policy Manual

Policy No.: 3.0

Approved by QPMN: April 26, 2004

Approved by QPC: December 13, 2004

**Distribution: Quality and Productivity
Managers' Network; Quality and
Productivity Commission**

SUBJECT: TRAINING AND EDUCATION COMMITTEE CHARTER MANAGERS' NETWORK

PURPOSE: To establish the membership, role and responsibilities, and procedures of the Quality and Productivity Managers' Network Training and Education Committee

CHARTER: The Training and Education Committee is responsible for planning, organizing, and evaluating programs for the Quality and Productivity Managers' Network membership, enhancing career skills and personal development in the areas of quality and productivity.

MEMBERSHIP: Membership consists of members of the Quality and Productivity Managers' Network.

RESPONSIBILITIES:

1. Evaluate the training needs
2. Arrange training and education for the membership
3. Evaluate the training needs and maintain a file of trainers and articles to assist Network Managers and other County employees in learning about quality and productivity methods.
4. Consult with the QPMN Executive Committee new ideas/needs for training
5. Submit a report to the QPMN Executive Committee for inclusion in the Quality and Productivity Commission's Annual Report
6. Provide orientation training for new Network Managers
7. Encourage Network Certification training and mentoring of Network Managers

**COUNTY OF LOS ANGELES
QUALITY AND PRODUCTIVITY MANAGERS' NETWORK**



Administrative Policy Manual

Policy No.: 4.0

Approved by QPMN: February 2008

Approved by QPC: April 2008

**Distribution: Quality and Productivity
Managers' Network; Quality and
Productivity Commission**

SUBJECT: NETWORK MANAGERS' ROLE AND STANDARDS FOR PARTICIPATION

PURPOSE: To establish Network Managers' Role and Expectations for Participation.

MEMBERSHIP: Membership is comprised of employee representatives from each County department, who have been designated as Quality and Productivity Managers and Alternates by their department heads. Members serve voluntarily on a number of Network and Commission Committees.

ROLE: The Network Manager has the opportunity of being the eyes and ears of his/her department in a vital area of County government. Network Managers have a pivotal role in coordinating the preparation and submission of their Departments' proposals for Productivity Investment Fund grants and loans, and PQA entries. Moreover, the Manager is his/her department's contact with other departmental Network Managers. He/she serves as a vital informational link between County departments, the Quality and Productivity Commission, and the Chief Administrative Office.

Each County department is represented on the QPMN. The role of Network Manager is a multifaceted one, encompassing leadership, training skills and supervisory capabilities. Most importantly, through their activities with the Network, Managers are able to actively pursue opportunities for their departments to be at the forefront in the competition for PIF loans and/or grants.

The Commission sponsors seminars to increase members' skills and knowledge of County productivity improvement methods, programs and resources. These seminars have included performance measurement and work simplification; developing and measuring productivity programs; absenteeism reduction, increasing creativity and team building.

The Network Manager's departmental role encompasses two essential areas: duties and responsibilities, and promotion of productivity concepts and service excellence.

RESPONSIBILITIES:

- Serve as a resource/liaison between the Quality and Productivity Commission and his/her department.
- Represent his/her department to various QPMN, QPC Committees, and other departments.
- Collaborate with other departmental Network Managers with best practices to reduce duplication of efforts.
- Promote, support, and facilitate PIF and PQA submissions to ensure that proposals are effectively prepared.
- Promote service excellence and productivity improvement as a way of doing business.
- Solicit top management support interest in and support of quality and productivity programs.
- Sponsor quality and productivity programs.
- Monitor productivity through his/her department.
- Generate interest in the QPMN among other County employees and top management. by disseminating information about Network resources - a useful marketing tool

QUALITY AND PRODUCTIVITY COMMISSION

COMMISSION BACKGROUND

Ordinance

The Quality and Productivity Commission was established in 1981 as the Productivity Advisory Committee to provide the Board of Supervisors with information and recommendations relating to productivity and work measurement in the County.

In October, 1986, the Board changed the Committee to a Commission, with a three-year sunset provision. In 1989, and again in 2002, the Ordinance was amended to more accurately reflect the Commission's organization and purpose and to establish duties that were compatible with the County's productivity improvement efforts. The Ordinance is reviewed at the end of every 3-year period and the Commission mandate renewed.

The Commission brings valuable knowledge and expertise to the County through its members and other contacts with private business, industry, labor and academia. Commission members work closely with departments to create a permanent productivity culture in the County. These efforts have achieved local and national recognition.

Early in its history, the Commission realized that the cornerstone of any productivity improvement program must be widespread employee participation and management support. This is achieved through programs sponsored by the Commission, including:

- Productivity Investment Fund
- Productivity and Quality Awards Program
- Department Visit Program
- Commissioner Leadership Conference
- Event Sponsorships
- Newsletters, articles, and distributed materials

MISSION

To provide advice, assistance and support to the County's elected officials, managers and employees to promote the quality, efficiency, and effectiveness of County activities and public services.

GOALS

1. To promote an organizational culture within the County of Los Angeles in which concern, support and recognition for quality of performance, effectiveness, efficiency, innovation, and entrepreneurship are valued.
2. To encourage and advise County units in establishing cost saving, cost avoidance and revenue enhancing strategies.
3. To support a forum and center for discussion, promotion, and sharing of productivity and quality improvement methodologies, technology transfer, and exchanges with outside sources of relevant expertise to include academia, professional associations, unions, government, and the private sector.
4. To assist County management in identifying and resolving productivity and quality issues, and in evaluating alternative organizational and service delivery models.
5. To stimulate innovative and entrepreneurial productivity and quality improvement projects through alternative financial resources and to seek further nontraditional opportunities for financing these programs.

MEMBERSHIP

The Commission is comprised of 17 members who are appointed as follows:

- Five members: each of the five Supervisors appoints one member.
- Ten members appointed by the Board of Supervisors; jointly recommended to the Board by the Chief Executive Officer and the Commission Chair;
- Two ex-officio members: the executive secretary-treasurer of the County Federation of Labor, AFL-CIO, or his or her designee, and the chairperson of the Coalition of Los Angeles County Unions.

The term for each Commissioner is three years with a two term limit. However, this limit may be waived and, if a member is not replaced at the expiration of their term, they remain with the position until a successor is named.

COMMISSION COMMITTEES

Executive Committee

The role of the Commission's Executive Committee is to execute the strategic direction of the Commission, to evaluate progress of committees, and to recommend committee assignments. The Committee is also responsible for taking actions that need decisions between Commission meetings later to be confirmed by the full Commission.

Responsibilities

- < Visit all departments and meet with department heads within a two year cycle.
- < Respond to Board directives and concerns, such as building coalitions or collaborating with other governmental agencies in the area of quality and productivity.
- < Provide liaison with other organizations such as the Citizens Economy and Efficiency Commission and others as the opportunity may arise.
- < Prepare agendas for QPC meetings.
- < Allocate issues to appropriate committees and task forces for consideration.
- < Handle operational issues such as personnel or office arrangements.
- < Assign a representative to occasionally attend meetings of the Productivity Managers' Network in order to support the Network's programs.

Department Visit Committee

The role of the Department Visit Committee is to gain an understanding of departmental operations and priorities and to assist the department toward realizing enhanced productivity and quality services.

Responsibilities

- < Visit all departments and meet with department heads within a two year cycle.
- < Utilize concepts which are key to the Commissioner's effectiveness: Promote Entrepreneurship, Sharing, Resolve, Recognize, Encourage, Exchange, Evaluate, Innovate, Advise, Assist, and Stimulate.

- < Identify interdepartmental issues or areas of common concern among departments.
- < Identify common functions across department lines for possible integration of projects.
- < Identify opportunities to provide support in the departmental planning and improvement processes.
- < Identify issues for full Commission consideration and/or action.
- < Identify the role of the productivity managers.
- < Identify employee involvement: How is the department doing this or if not, what could be the process for this.
- < Identify opportunities to assist the department in defining and analyzing its current functions, outputs and customers' satisfaction level.
- < Identify the process for change and overcoming organizational rigidity.
- < Identify what quality and productivity measurements are used, and how the measures and results are tracked over time.

[Department Visits](#)

[Finance Committee](#)

The role of the Finance Committee is to monitor the overall use of the Productivity Investment Funds (PIF) to ensure that they are effectively and productively used in support of PIF projects and in the operation of the Commission.

Responsibilities

- < Review the Commission's budget and make recommendations on the allocation of funds/expenditures.
- < Present recommended budget to the Commission prior to July 1st for adoption.
- < Keep the Commission apprised of the status of long-term fiscal strength of the Productivity Investment Fund and alert the Commission when the fund balance projection reaches \$1.0 million.
- < Review the PIF account and make recommendations.

[Plain Language Committee](#)

The role of the Plain Language Committee is to improve County communication by promoting use of language that is easily understood by everyone.

Responsibilities

- < Design/develop training opportunities for the dissemination of information.
- < Create awareness among county managers about the benefits of using Plain Language for customer interface.
- < Develop and maintain an active website for managers to access information, training, sample documents, and other “best practice” sites.
- < Provide computer based training for the Network Managers and appropriate staff to instruct themselves in the use of Plain Language documents and communication.
- < Enhance Plain Language awareness through Quality and Productivity Commission visits, awards, and other outreach opportunities.

[Plain Language](#)

Policy Committee

The role of the Policy Committee is to review and recommend to the Commission for adoption, policies, procedures and guidelines concerning Commission programs, initiatives and governance.

Responsibilities

- < Review all policies initiated by the committees and make recommendations to the Commission regarding their adoption.
- < Review all existing policies annually and update policies as requested or as required by the course of business.
- < Review and comment upon recommendations made by ad-hoc committees or task forces, if requested, to assure they don’t conflict with Commission policies.
- < Review recommendations made by any standing committee, if so requested by the Executive Director, Committee Chair, or the Chair of the Commission.
- < Monitor committee programs to ensure that they and the actions taken are within the charter and responsibility of the committee.
- < Address issues that transcend the purview of Commission committees.
- < Encourage individual commissioners and QPC committees to bring any unresolved or controversial issues of policy or governance to the Policy Committee for its deliberation and recommendation.

- < Review, when requested, legislation and/or ordinance changes that may impact quality or productivity.
- < Respond to directives and concerns from the Executive Committee of the Commission.
- < Report on Policy Committee activities on a regular basis at Commission meetings.
- < Maintain and update the Commission's Policy Manual.

Productivity Investment Board

The role of the Productivity Investment Board is to nurture and support creative programs to improve efficiency and effectiveness in all aspects of County service.

Responsibilities

- < Receive quarterly PIF proposals from the Quality and Productivity Office.
- < Review each proposal upon receipt.
- < Meet quarterly to evaluate the proposals, discuss terms and conditions, and formulate a recommendation to the Quality and Productivity Commission.
- < Ensure PIF funding does not replace or augment day-to-day operating budgets.
- < Ensure PIF funding does not by-pass actions or intentions of the Board of Supervisors.
- < Ensure PIF funding does not make or change County policy.

[Productivity Investment Board](#)

Promotion Committee

The role of the Policy Committee is to review and recommend to the Commission for adoption, policies, procedures and guidelines concerning Commission programs, initiatives and governance.

Responsibilities

The role of the Promotion Committee is to promote Quality and Productivity. The Promotion Committee reviews and promotes campaigns, contributes and makes suggestions for newsletter and annual report articles, and assists with PQA promotion activities.

- < Promote the Productivity and Quality Awards.
- < Initiate and review promotional campaigns.

- < Promote the website internally and externally.
- < Assist and review the annual report publication.
- < Assist and review the newsletter publications.

Promotion Committee

Strategic Foresight Working Group

The role of the Strategic Foresight Committee is to survey the local and larger environment and identify issues and trends that may affect the quality and productivity of County services.

Responsibilities

- < Identify factors that might affect Commissions' activities such as department visits, special projects, and the Productivity Investment Fund.
- < Discuss potential projects with the Chief Executive Officer.
- < Meet with department heads likely to have issues that impact quality and productivity.
- < Add or delete ideas for potential projects using the knowledge and expertise of the committee members together with suggestions from the full Commission.
- < Recommend actions to the Commission.

PRODUCTIVITY AND QUALITY AWARDS PROGRAM (PQA)

Since 1987, this program has honored more than 2,000 individual departmental productivity and quality improvement efforts deserving of recognition by the Board of Supervisors, the Quality and Productivity Commission, and the public.

Initially, entries are evaluated by the Quality and Productivity Managers Network. Site visits to departments that have ranked highest are made by members of the Quality and Productivity Commission and the Network. At a public ceremony, the Board of Supervisors gives special recognition to the Top Ten entries and the Grand Award Winner. At a gala event held proximate to the Board presentations, the Quality and Productivity Commission honors all participants with Awards.

[Productivity and Quality Awards](#)

PRODUCTIVITY INVESTMENT FUND (PIF) PROGRAM

Established by the Board of Supervisors in 1994 as a function of the Quality and Productivity Commission, the PIF is used by departments for a number of needs, including:

- Creative strategies for the enhancement of service delivery.
- Improvement of effectiveness and efficiency of operations.
- Cost savings and revenue generation opportunities.

The program consists of loans, grants, and loan/grant combinations which, from the Fund's inception to January 2011, have totaled more than \$77 million. Uses can include seed money to identify or attract matching grants from outside sources, or to fund pilot projects with the potential for wider impacts.

Projects should be geared toward improving the department's quality and/or productivity effort. Projects, however, need not show cost savings or revenue generation, but may demonstratively increase a department's quality of service to the public.

Loans are provided at an interest rate which is the County's pool rate, plus 50 basis points. Loans are generally repaid in three years, unless otherwise agreed, and grants usually do not exceed \$250,000, although projects promising outstanding innovation or service enhancement can receive additional funding.

In preparing a proposal, departments should refer to the PIF Guidelines which set forth the appropriate policies and procedures. Proposals are solicited quarterly and each departments Quality and Productivity Manager is notified of deadlines for submission. Once proposals are received, department representatives are invited to present their projects at a meeting of the Quality and Productivity Managers' PIF Subcommittee which in turn provides funding recommendations to the Quality and Productivity Commission's Investment Board. The Board's decision needs to be subsequently ratified by the Commission.

Proposals funded by PIF have included the establishment of the County marketing office, seed money to begin Human Resources' current Training Academy, financing for the courts' acclaimed Consolidated Criminal History Reporting System (CCHRS), and funding for the Fire Departments'

Project Lifesaver. The Commission also recently voted to be amenable to providing grants or loans to fund the writing of proposals for grants from outside agencies.

Departments considering proposals are encouraged to contact the PIF Subcommittee Chair Marian Hall at (213) 738-2255, or the Commission's Executive Director Ruth A. Wong at (213) 974-1361, to ensure the proposal is generally consistent with PIF funding criteria and is composed to enjoy the greatest potential for success.

[PIF Guidelines and Form](#)

QUICK GUIDE TO PRODUCTIVITY INVESTMENT FUND LOANS AND GRANTS

There are several very important points summarized below that your department should know. This information has been taken directly from the official Loan and Grant Guidelines (Guidelines). They are not intended to replace them. We urge you to read the full Guidelines and become familiar with the content. We have also added some practical tips based on our experience that will help you avoid potential problems.

Approved Schedule for Withdrawals and Payments

Following approval of your proposal, your department will be sent an official letter approving the loan or grant or a combination thereof, along with a Schedule of Withdrawals and Payments (Schedule). This Schedule is based upon the information in your application. The CEO's Budget Services Office enters all this information into the Productivity Loan/Grant Tracking system which calculates the payment schedule. Departments do not calculate their own payment schedules.

To be sure that all involved parties are informed of the Schedule, the department head, Productivity Manager, Project Manager, and Finance or Budget Officer are required to sign the Schedule. As soon as all of your department representatives sign off on the Schedule, please send the approved copy back to the Productivity Office. Your account will then be activated and withdrawals can take place as scheduled.

Every project has several key players that must monitor the progress of the project until it is completed: the Project Manager, the Productivity Manager, and the departmental finance/budget person. If any of these key players transfer out of that role, it is that person's responsibility to train his or her replacement about the project and funding requirements.

Scheduled Withdrawal

In order to make your first Productivity Investment Fund (PIF) withdrawal, a Budget Adjustment (BA) may be required. All PIF Loan and Grant withdrawals must be budgeted as Operating Transfer In Revenue Account (Account 9911). Remember to round to the nearest thousands on the BA. For specific instructions on the paperwork required, refer to the official Guidelines. Any questions can be directed to CEO's Budget/Fiscal Services (Rick Hong, (213) 974-1176; Giles Quan, (213) 974-2582; or Jacqueline Bui, (213) 974-1458). The BA, and journal voucher (JV) for a PIF withdrawal must be sent to the Accounting Section of the Executive Office, Board of Supervisors (Ric Macaisa, (213) 974-3174). Do not send the withdrawal JV directly to the Auditor-Controller. The Accounting Section of the Executive Office will process your JV.

Scheduled Payments

PIF loan payments must be budgeted as Operating Transfers Out Appropriation Account (Account 6100). A BA is required if you do not have this Operating Transfers Out appropriation budgeted. If you need assistance, contact the CEO's Budget Services. Do not send Payment JV's directly to the Auditor-Controller. During the second quarter of each fiscal year, the Executive Office accountant will initiate the JV for your annual scheduled payment, based on the most current schedule we have for your account. The scheduled payment includes the *prior year's interest* plus any *principal* that is due. Interest is due each year, even if you are not yet scheduled to start making payment on the principal. The Operating Transfer Out Expense Account that should be used on the JV is Account 6102.

Budget

To eliminate the need for a BA each fiscal year, your departmental budget office should include in its Budget Request each fiscal year any scheduled PIF withdrawals or PIF payments. Remember scheduled withdrawals are budgeted as Operating Transfers In (Account 9911) and any scheduled PIF payments as Operating Transfers Out (Account 6100). The CEO budget analyst for your department should also be notified and kept informed about any PIF loans and grants and their status so that your PIF needs are included in the Proposed Budget.

Before the end of each fiscal year, the project and financial staff should confer to compare the planned versus actual expenditures for the fiscal year. If you have withdrawn money and will not be spending the entire amount during the same fiscal year, you must make sure the funds are encumbered

and carried over as a commitment to the next fiscal year. Ask your departmental fiscal staff for the best way to accomplish what is needed.

Changes in Your Schedule – Important Facts

All scheduled withdrawals and payments must be made unless you write (email) the Productivity Investment Board (PIB) requesting a change. When you sign off on the Schedule for Withdrawals and Payments, it is like signing a contract that states how much money you will be taking out and repaying, the interest rate being charged, terms of the contract and due dates for repayment. All of your withdrawals and payments must be made in the scheduled quarter and for the exact amount unless you write the PIB to request a change prior to the due date. *This means that if you delay taking out your loan amount and you do not notify the PIB, you will still be charged as if you have withdrawn the loan in the scheduled quarter. There is no retroactive 'forgiveness' of interest. So if your scheduled withdrawal time approaches and you know that you are not ready to withdraw the money, immediately notify the PIB in writing, and state a new withdrawal date (specifying the fiscal year and quarter). When the change is approved, a new Schedule will be prepared that will reflect your change and the resulting revision in interest owed. Don't wait until after the due date for the scheduled withdrawal or payment! Make the request as soon as you know there will be a change needed.*

If your department does not withdraw funds as scheduled and does not notify the PIB within four quarters of the scheduled transaction, the loan or grant will be closed. Any payments made to that point will be retained in the Productivity Investment Fund.

REMEMBER: Changes in the terms and conditions for your loan or grant are possible, but they all require a written request to the PIB. Some changes can be done administratively, while others need approval by the PIB (see page 10 of the [Guidelines](#) for details for making changes). If you are not sure whether the change requires subsequent approval by the PIB, call the Productivity Office at (213) 974-1361 or (213) 974-1390 for clarification.

Monitoring Project

Some projects, especially large loans or grants, will be monitored to make sure that the monies are spent for the project as approved. Commissioners may request to make site visits to fund recipients. If it does not appear that the money is being used for the purpose as approved, the department will be asked to return the loan or grant. ***Money cannot be used to meet other departmental needs.***

Annual Report

At the beginning of each calendar year, departments are required to complete an Annual Report on the status of each of their projects until it is completed. When the project has been completed, a final report is required that summarizes total project expenditures and results of the project.

A FINAL NOTE: These tips may seem overwhelming, but if you follow them, you should have a smooth time with your loan or grant. Just remember that it is essential that the key players keep monitoring the project, and communicate with each other and the PIB, that way your department will get the full benefit of a low-interest loan or grant.

CHECK LIST FOR PREPARING A PIF PROPOSAL

Handy Tips to Complete your Proposal

1. **Be accurate.** Your numbers should add up. If you refer to a set of numbers in the budget, and then refer to it in the actual PIF form, the numbers should be consistent. Remember, you would never receive a business loan from a bank if there are inconsistencies in the monies.
2. **Submit a cover letter along with the forms, to the Chair of the Productivity Investment Board.** The letter must be signed by your Department head. The letter should clearly summarize the project to be funded, the amount requested, why funding is necessary, was the project discussed in the budget process, what will be achieved and how will the project lead to enhanced productivity. If the project is for information technology, you must include a statement. The project will be reviewed by the CIO.
3. **Use clear and concise language.** It is important that the information you are trying to convey is clear and understandable. Take a step back! Look at the project as a lay person – someone who does not work in your department and is not familiar with common ideas and jargon in your department. Explain why you are requesting the money and how it will be used.
4. **Submit a budget with your proposal.** Make sure things add up! Make sure the numbers in the budget can relate back to what you put in the letter or on the forms. Also, if the proposal includes buying items such as computers, and your budget states \$5,000 for a PC, expect to be questioned why it costs so much, and to substantiate your request.
5. **Read the proposal one last time to make sure it is complete and is submitted by the Deadline.**

6. **Obtain appropriate signatures on the forms.** Do not just type in the names. The department head or designees must sign the proposal.
7. **Ensure the Project Manager and other necessary staff attends the formal PIF and PIB presentations.** If basic questions cannot be answered about the proposal, it will generally be evaluated as incomplete.