



State Accounting Office PeopleSoft Financials Upgrade

STEERING COMMITTEE MEETING MINUTES

DATE: 09/29/2005	TIME/LOCATION: 7:30 – 9:00 AM 1620 WEST TOWER
ATTENDEES:	Present: Lynn Vellinga (SAO), Tommy Hills (CFO), Celeste Osborn (CFO Office), Russell Hinton (Audits), Paul Burkhalter (DNR), Mike Nehf (ERS), Wayne St. Claire, Peggy Rosser, Deborah Belcher (GMS), Lonice Barrett (CNG), David Tanner, Sue Aiken (OPB), John Sartain (DHR), Doris Parker (DPS), Thomas Fruman (GTA), Bart Haberbosch, Sherrie Southern, Sunil Aluri, Betsy Prior (SAO) Scribe: DeVal Lott

AGENDA	
AGENDA ITEM	TOPIC
A1.	• Review of HCM Upgrade Status
A2.	• Review of Financials Upgrade Status
A3.	• Review of Extended Services Analysis Results
A4.	• Review of Recommendations
A5.	• Group Discussions
A6.	• Formal Vote on Recommendations

DISCUSSION	
AGENDA ITEM	MAIN POINTS, CONCLUSIONS/DISCUSSIONS, ISSUES, NEXT STEPS
A1	<p>Review of HCM Upgrade Status</p> <ul style="list-style-type: none"> • Completed deployment of HCM upgrade in July 2005. • Roll out of Self-Service to Pilot Agencies completed on September 15, 2005. Pilot agencies included: <ul style="list-style-type: none"> ➤ State Accounting Office ➤ Georgia Technology Authority ➤ Georgia Merit System ➤ Pardons & Parole ➤ Department of Corrections ➤ Office of Planning & Budget <p>Next rollout is tentatively scheduled for November time frame.</p>

A2	<p>Review of Financials Upgrade Status</p> <ul style="list-style-type: none"> • Completed Phase II Design on August 25, 2005 – extended beyond original work plan due to additional activities. • Phase III Development Underway – expected completion January 2006. • Phase IV Deploy will begin January 2006 – this phase includes testing and training. • Go Live is set for July 2006.
A3	<p>Review of Extended Services Analysis Results</p> <p>As part of Phase II Design effort, there were 65 change requests identified. Forty of these requests have been incorporated at no additional cost and twenty two were deferred, closed or cancelled.</p> <p>The following three changes have been deemed necessary for the success of the project but are outside the scope of the original contract:</p> <ol style="list-style-type: none"> 1) Payment Predictor – This functionality automates the matching of deposits to open Accounts Receivable in the AR Module. 2) Purchase Order Page Modifications – These modifications are aimed at reducing data entry errors and increasing standardization of processes in the area of contracts. This recommendation resulted from the collaborative efforts of DOAS Purchasing Office, Financial Upgrade project team and agency subject matter experts. 3) Pull Employee IDs from the HCM module – This modification will eliminate the use of state employee’s social security numbers in the financial system and instead will use the employee id number in all financials transactions. Next step in this process will be to disburse Travel payments from payroll. Currently travel payments are made in Accounts Payable.
A4	<p>Review of Recommendations:</p> <p><u>Chart of Accounts</u> – Objectives were to leverage new capabilities within the system that will support Centralized reporting and a new budget structure. By utilizing the “program” field, we will have a single point to monitor the program budgeting requirements. Subclass will also be carried forward.</p> <p><u>Recommendations:</u></p> <ul style="list-style-type: none"> ➤ Use the new Chartfield 1 to capture Program Budget values. ➤ Setup of new naming scheme for the Fund value in order to facilitate CAFR and statewide reporting. ➤ Allow agencies to use the Product chartfield and Chartfield 2 for their specific needs. <p><u>Program Budget Structure</u> – Objectives were to accommodate and standardize the new program budgeting requirement within the system and provide agencies with increased flexibility to manage and meet reporting requirements both internal and external to the organization.</p> <ul style="list-style-type: none"> • Program will be divided into sub-programs. • In version 8.8, budget control features have been redone. Budget field is now optional. Instead, transaction dates determine the budget year. This allows the flexibility for detail and reporting. • All budgets are loaded from scratch each year. A program is available to assist agencies in the load process. <p><u>Recommendations:</u></p> <ul style="list-style-type: none"> ➤ Add program budget ledger for agencies ➤ Add allotment budget ledger for appropriations ➤ Maintain Department budget ledger ➤ Configure Project ledgers ➤ Configure Federal budget ledgers

	<p><u>Accounts Receivable and Billing</u> – Commission for a New Georgia identified the need for the state to improve its methodology of internal billing and collection of accounts receivable. Problems reported include:</p> <ul style="list-style-type: none"> • No uniform statewide receivables or collection agency • No specific policy or guidance focusing on high dollar receivable collections • No specific policy or guidance focusing on significantly aged receivables • Varying abilities of collection efforts among state agencies. <p>Implementation of the billing module will provide a more effective method of processing transactions between agencies.</p> <p>Group discussion ensued surrounding the State’s authority to automatically take funds from one agency for another. From an executive level, it was stated that state entities be encouraged to utilize automatic payments for valid obligations. Non-discretionary payments should not be held up by the paying agency, and prompt pay should be the rule. Disputes between the billing agency and paying agency should be worked out after the fact.</p> <p><u>Recommendations:</u></p> <ul style="list-style-type: none"> ➤ Implement the Billing Module in DOAS as the only pilot agency. Other agencies will be phased in at a later time
	<p><u>Cash Management</u> – Primary objectives of the consolidated bank account include 1) reduce the number of bank accounts in the state and 2) to centralize the cash for investment by the Treasury. This will result in higher interest earnings on cash balances and will reduce redundant administrative tasks related to bank account administration.</p> <p><u>Recommendations:</u></p> <ul style="list-style-type: none"> ➤ Consolidate bank accounts and processes for a net savings to the state benefits include: <ul style="list-style-type: none"> ➤ Investment earnings will increase ➤ Bank fees will be reduced ➤ State staff will be reduced ➤ Estimated Cost Benefits Analysis: <ul style="list-style-type: none"> ○ First year net cost \$31,000 ○ Subsequent years net savings \$1.5m up to \$4.9m per year in additional earnings capability and savings. <p>Group discussed the perception among agencies that a new account means a separate new bank account. Russell Hinton told group that he would be speaking with the Attorney General’s office related to this matter. It is possible that legal changes are required to limit new bank accounts.</p> <p>Both Department of Public Safety and Department of Driver Services are already working toward consolidation by reducing accounts.</p> <p>Agencies identified as possible candidates for consolidated banking pilot are Department of Audits, OPB and SAO. Need to identify additional candidates. Timeline for cash management rollout would be September, 2006.</p> <p><u>Statewide Reporting</u> – Objectives were to improve statewide financial reporting for executive and agency management.</p> <p><u>Recommendations:</u></p> <ul style="list-style-type: none"> ➤ Build a consolidated statewide financial reporting system ➤ Shift to FY2007

	<p>Question was asked whether or not the goal is to have PeopleSoft as the enterprise system for the State of Georgia. It isn't yet known whether PeopleSoft can handle all the budgetary requirements; however, it would be advantageous to have more agencies on PeopleSoft, especially general fund agencies and authorities. PeopleSoft should be considered the "system of record" for the State. It was stated that the approach of creating a "data warehouse" would help facilitate statewide reporting.</p> <p>CAFR – Objectives were to improve timeliness of CAFR with PeopleSoft 8.8 and improved processes.</p> <p>Recommendations:</p> <ul style="list-style-type: none"> ➤ Utilize improved quality and control from COA and Budget changes ➤ Re-evaluate additional changes after 2005 CAFR
<p>A5.</p>	<ul style="list-style-type: none"> • Group discussed the current concept of doing transactions in accordance with budget basis, and converting to another ledger for GAAP reporting. The new structure will contain three ledgers; one base and two adjustment ledgers. The base ledger will be modified accrual. Group agreed for the need to move toward modified accrual versus cash basis. • Concerns were raised regarding the migration of the new COA and Budget structure to all non-PeopleSoft state entities, and the ripple effect or impact this change will have. Is there a training plan or communications plan in place addressing this issue? Additionally, will agencies be required to retool existing systems or request funds for new systems to accommodate the changes? It was noted this discussion will be carried forward to a future Steering Committee Meeting. • Question was asked whether there is a business continuity plan or disaster recovery plan in place. SAO responded that there is a plan in place, and it is tied to to GTA's business continuity plan since they maintain SAO's hardware . • Group discussed the need to address standardizing business processes statewide.
<p>A6.</p>	<p><u>Formal Vote on Recommendations</u></p> <p>Vote to accept recommendations were put before the Committee. Celeste Osborn made a motion to accept all recommendations and Thomas Hills seconded the motion. The vote in favor was unanimous for proceeding with the Upgrade Project Change Requests and the Extended Services Scope inline with the above recommendations.</p> <p>Meeting Adjourned.</p>