



CFO MEETINGS

June 22, 2010



State Accounting Office
of Georgia
Fiscal Leadership for Georgia

Agenda

- Welcome and Introductions
- Project Updates
 - ❑ Working Capital
 - ❑ Payroll SSC
 - ❑ Project Improve
 - ❑ SB389 (formerly SB300)
- Year-end Close Items
- BCR Reporting
- Year End Items
- ARRA
- Communications



Working Capital Optimization

- ✓ Automate payments
 - ❑ 50% of payments electronic by the end of FY2011
- ✓ Leverage Payment Terms / Extend DPO
 - ❑ Increase DPO by 10 days by the end of FY2011
 - Do NOT pay early without Prompt Payment Discount (PPD)
 - Modify standard payment terms
 - ❑ Earn at least \$1 million from PPD by end of FY2011
 - Negotiate and take prompt payment discounts
- ✓ Eliminate Paper
 - ❑ Reduce processing costs by 50% by end of FY2011
 - Image invoices and other paper documents
 - Receive electronic invoices
 - Automate approvals



Work Stream Updates

- ✓ Work streams have been identified and formed.
 - ❑ Vendor Conversion
 - ❑ Vendor Payment Terms
 - ❑ Payment Methods
 - ❑ Vendor Maintenance
 - ❑ Process Improvement
- ✓ Updates from the following:
 - ❑ Vendor Maintenance
 - ❑ Vendor Conversion
 - ❑ Travel Automation



Early Success

- ✓ Direct Deposit for Travel
- ✓ Draft new vendor maintenance forms
 - ❑ To be issued by Friday, June 25, 2010
- ✓ Develop Gateway Solution
 - ❑ Bank of America and Wachovia accounts to be configured in July.
 - ❑ SunTrust and CB&T to follow
- ✓ Vendor Group Re-org



Where Are We?

- **Payroll Shared Service Center Implementation**
 - Four New Agencies Joining - 07/01/10
 - Several New Agencies Joining - FY 2011
 - Staff Implications
 - Service Level Agreements
 - Payroll Quick Reference Guide
 - Investigating Tax Consolidation

- **Direct Deposit Update**
 - 6,000+ New Enrollees
 - Exemption Requests
 - Paper Check Mailing Process - Reminder



Why are Internal Controls on the Radar Screen?

- ❑ Enhance Accountability of Stimulus and ARRA funds
 - Enhanced Accountability to Stakeholders (Taxpayers)
 - Inquiries by stakeholders including the Federal Gov't
- ❑ Compliance and Internal Audit function
- ❑ Bond rating agencies
- ❑ Competitive advantage of some for-profits for federal dollar and foundations
- ❑ Belief that government should be as good as those it regulates
- ❑ OMB Circular A-123 on Management's Responsibility for Internal Control
- ❑ OMB Circular A-133 on Audits of Institutions of Higher Education and Other Non-Profit Organizations



Purpose and Rationale

- ❑ Purpose of IMPROVE
 - To provide accountability for internal controls to the State government
 - To establish internal control standards for Georgia State government
 - To increase fiscal accountability and awareness within the State government
 - To provide a common framework around risk definition and understanding
- ❑ Why IMPROVE is needed
 - Opportunity for Georgia to leverage the leading practices that have been implemented in the private sector, as well as the State government.
 - Solidify Georgia's status as a national leader in governmental accountability and fiscal management.



Project Timeline

- ❑ CEO and CFO Kick-off Meetings (June 2010)
- ❑ Training Sessions (1-day)
 - Group One – June 15, 2010
 - Group Two – June 29, 2010
 - Group Three and Overflow sessions – TBD
 - TCSG and Board of Regents
 - Refresher Course – September 8, 2010
- ❑ Agency Initial Assessments Completed
 - Entity Level Assessment
 - Cycle Assessments
- ❑ Internal Control Manual – (September 8, 2010)
- ❑ Internal Control Policies Issued (2QFY2011)
- ❑ Top-Down, Risk-Based Process – Phased Approach
 - September 2010 – May 2011



Year-end Close Items

- ✓ Close Periods
- ✓ Payroll
 - ❑ Labor Distribution – 07/15/10
 - Hourly Pay Groups Can Be Released for FY 2010 (Make Request Before July 16th)
 - Accrue Fringe Vouchers for Hourly Pay Groups
 - Salary Pay Groups Should Be Released After July 16th
- ✓ Reserve request and approval process



Year-End Reporting

✓ BCR

- Potential change in report format
- Included/Excluded analysis
- Early Return of Surplus
- June Allotment Reduction

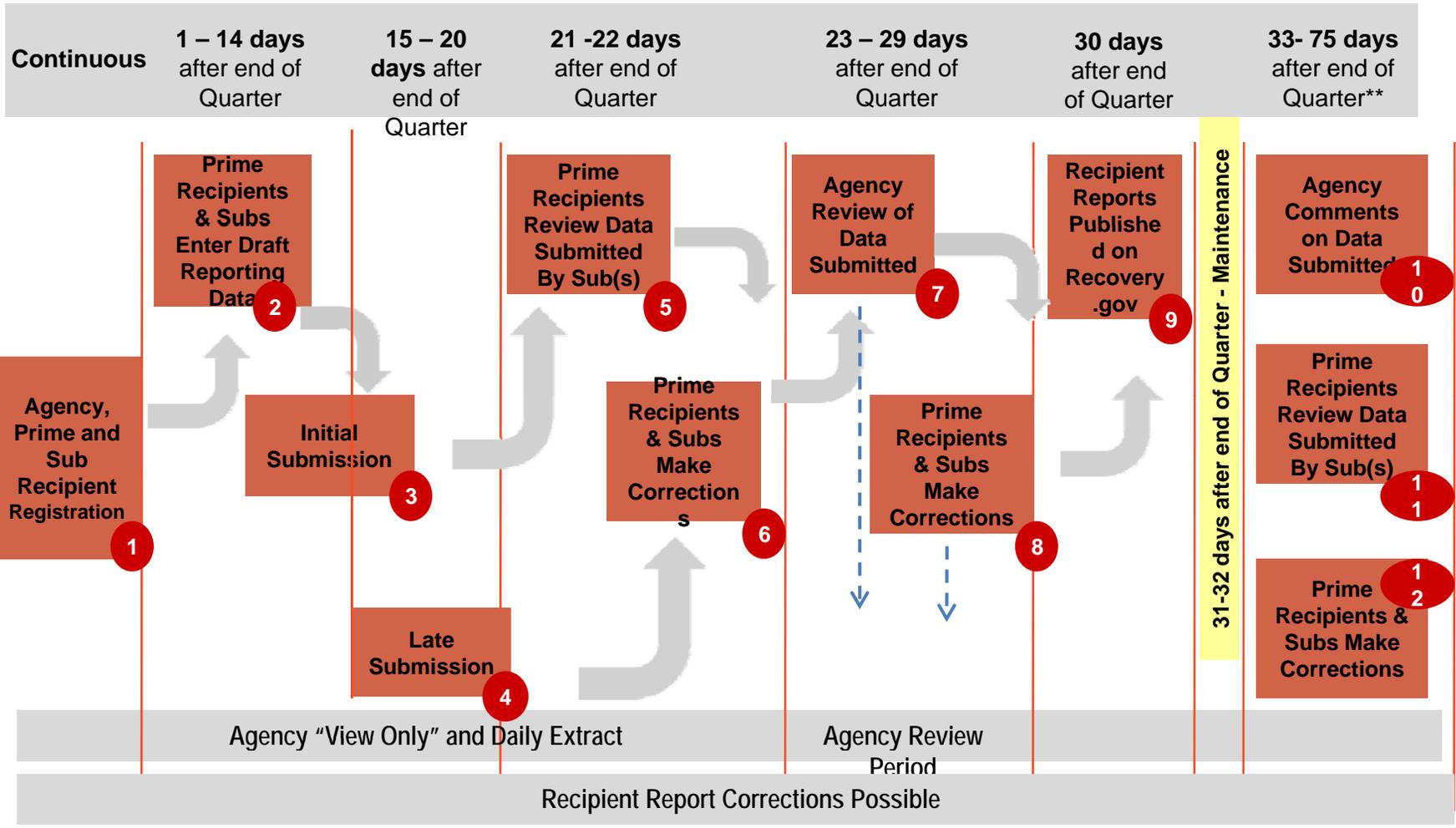
✓ CAFR

- Year-End Forms Update/Training
 - Lease Accounting Update
 - Collateralization request letter has been updated
 - Fund Balance Training – August 17th & 18th
 - Inter-Organization Transaction Training – August 24th & 25th



ARRA

Reporting Timeline and Activities



July 10th 1512 Reporting Timeline

- ✓ **July 1-14:** Recipients Report *(Encourage all agencies to post before July 14th)*
- ✓ **July 15-20:** Recipients Report- Marked as Late
- ✓ **July 21-22:** Recipient Review
- ✓ **July 23-29:** Agency Review
- ✓ **July 30:** Data is published on Recovery.gov
- ✓ **August 3- September 14:** Continuous QA Period
- ✓ **September 16:** Final Continuous QA data published on Recovery.gov



Communications

- ✓ Policy Drafts for Comments RE: Capital Assets
 - ✓ Accounting Directive RE: Lease Term and Copiers
 - ✓ Multiple PeopleSoft-related communications issued in connection with FY10 close and FY11 open
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- ✓ Next CFO meeting – August 17th (Tier I) & August 19th (Tier II)



