



EE1: Going Live with Payment Schedule Projection and Budget/Commitment Control

October 9, 2014

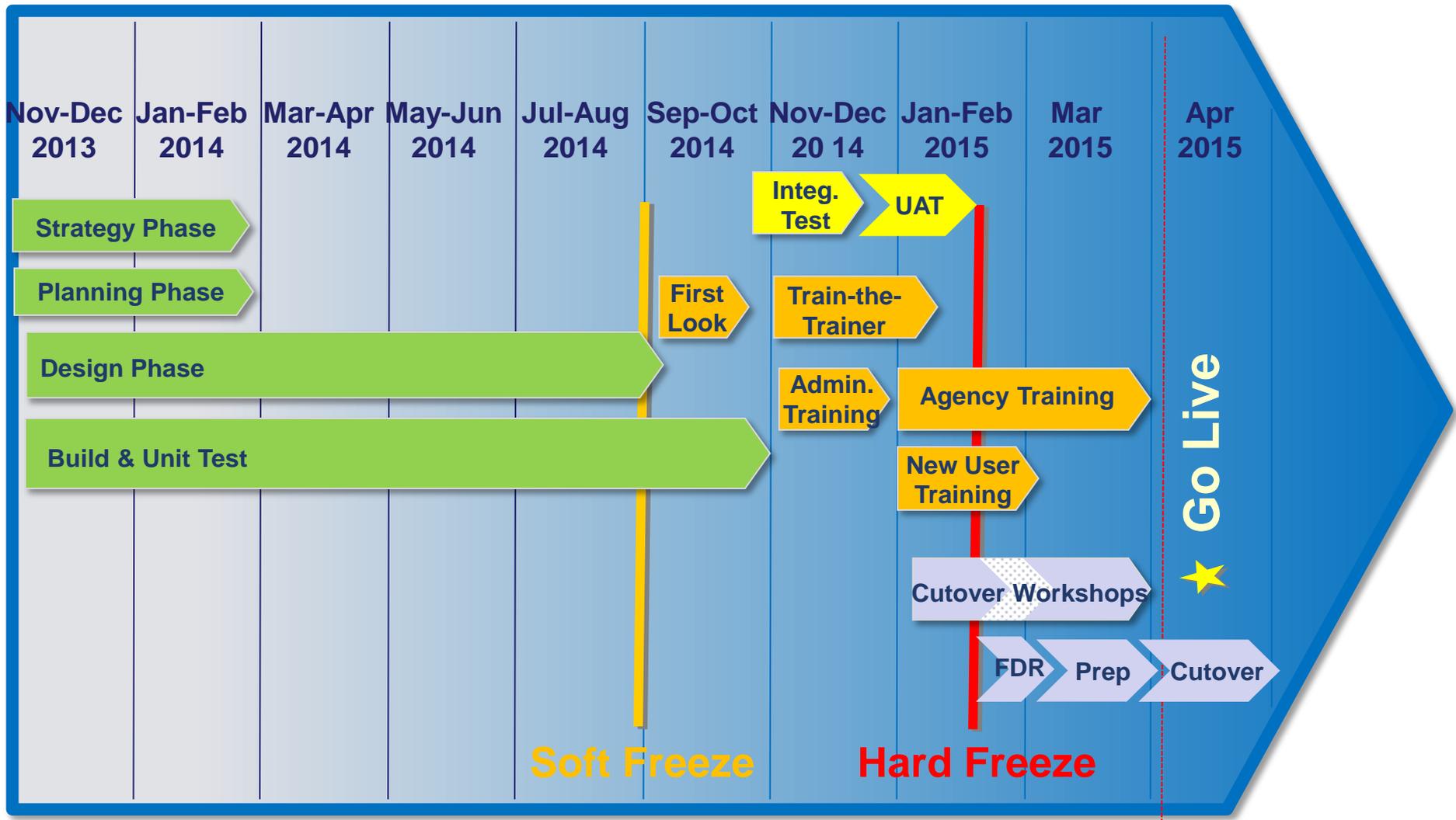
Session Agenda

- Introduction
- Commitment Control Management and Implementation
- Detailed Information about Commitment Control Updates
- PSP Management and Implementation
- Detailed Information about PSP Methodology

EE1 Overview

New Functionality	<p data-bbox="772 342 1081 592">Enterprise Services Automation (ESA)</p> <p data-bbox="1110 342 1420 592">eSettlements</p> <p data-bbox="1449 342 1796 592">Asset Lifecycle Management (ALM)</p>
Re-architecture	<p data-bbox="772 714 1081 963">Procurement Contracts</p> <p data-bbox="1110 714 1420 963">Bulkload Extracts</p> <p data-bbox="1449 714 1796 963">Budget/ Commitment Control</p>
Technical Upgrade	<p data-bbox="763 1063 1690 1220">PeopleSoft 9.2 Upgrade/ Technology Stack</p>

EE1 Project Timeline



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- Introduction
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- PSP Management and Implementation
- Detailed Information about PSP Methodology

Agency and NYS Benefits

- Significant Changes for KK Re-architecture:
 - Establish full segregation and enable reservation of funding at the time of requisition
 - Align approp/seg to support authority, not cash
- Budget/Commitment Control (KK) Benefits:
 - Better fiscal management – Agencies can manage a full year’s segregation from the start of the year
 - Simplified data entry - record all transactions at the segregation level; approp updates automated
 - Better cash management - enables entry of all procurement transactions within SFS
 - Project budgets can be reconciled to the appropriation

Agency Impacts: 1 of 2

■ Agency Processes

- Pre-encumbrances set aside budget authority
 - Reduction of budget errors at time of PO
 - Agencies can reserve budget for an important procurement
- New segregation systematically aligned with appropriation (e.g., 100 percent Segregation)
 - Reduction of manual workload; increased data integrity
 - Timely entry of State's encumbrances and liabilities
 - Agency full-year accountability and visibility to the budget
- Segregation to support authority control and the State's Financial Plan to support cash control
 - Better tools to plan and manage to the agency's budget
 - Real-time view of performance to the financial plan

Agency Impacts: 2 of 2

- Reserve concept put into place (Segregation and Financial Plan)
 - Ability to manage and limit the available segregation to reduce budgetary risk when needed
- Transaction single point of entry
 - “Generate Parent” automatically creates Appropriation impact from Segregation journal; and Project Parent from Child
 - Budget attributes maintained at the Segregation and systematically updated on the Appropriation
- Quarterly KK Financial Plan aligned with, and can be reconciled to the published Statewide Financial Plan
- Multi-year KK Financial Plan budgets to be established
- Additional Segregation Chartfields on Project Child

Questions and Answers

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April 2015 Budget Definitions

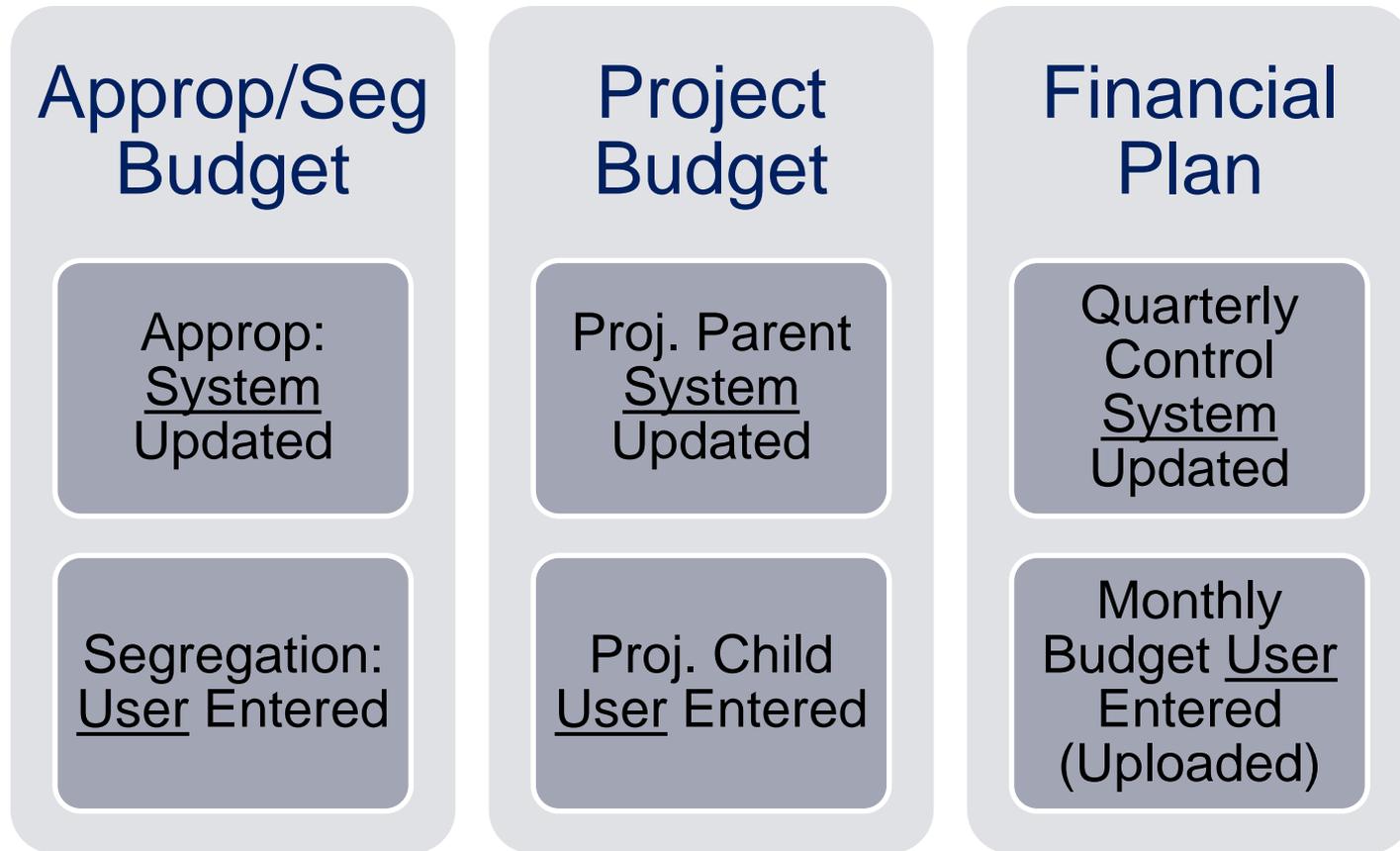
- **Appropriation** (KK_APPROP)
- **Segregation** (KK_SEG)
- **Project Budget** (KK_PRJP and KK_PRJC)
- ***State's Financial Plan** (KK_PLAN)
- **Agency KK** (KK_AG and KK_TRK)
- ***KK Operating Plan** (KK_OP_ORG and KK_OP_PGM)

* New ledgers for EE1

Appropriation/Segregation

- Users will no longer create budget entries/transfers directly into the KK_APPROP ledger group due to the use of Generate Parent
- A new summary budget reference will be recorded on all KK_APPROP budget records
 - Transactional budget reference “2015-16” becomes budgetary only budget reference “A201516”
- Pre-encumbrance
 - Pre-encumbrance = budget check of requisitions
 - Will impact available budget for approp/seg, project budgets, Agency KK and operating plans

Generate Parent



- Enter the transaction only once
 - Saves time for budget journals and transfers and keeps ledgers in sync automatically

Segregation Journals/Transfers

- Budget Journals and Transfers are entered at the Segregation level
 - Appropriation automatically updated and kept in sync
 - Appropriation attributes are entered at the segregation and systematically copied to the appropriation
- One Workflow
 - Single entry at the segregation supports a single workflow for transfers
 - Multi step budget transfer process reduced to a single step
- Simultaneous Update of Approp and Seg Ledgers
 - Single upload establishes the full segregation and approp

Segregation Balances

- New appropriations to have 100 percent segregation supporting procurement best practices
- The new reserve concept will allow the reserve of a portion of the available budget without impacting the overall appropriation
 - Transactional budget reference “2015-16” becomes budgetary only budget reference “R201516” to signify the reserved amounts
 - Segregation budgets with the “R” reservation in the budget reference will not be available for transactional use
- Reserved funds will carry over year to year until they are lapsed or designated as unreserved
 - All unsegregated appropriation balances as of EE1 go-live will be placed in reserve

Segregation/Approp Generate Parent

Favorites ▾ Main Menu ▾ > Commitment Control ▾ > Budget Journals ▾ >

ORACLE

Budget Header | Budget Lines | Budget Errors

Unit DOB01 Journal ID NEXT

*Ledger Group KK_SEG 🔍

Control ChartField Fund Code

Budget Header Status None

*Budget Entry Type Budget Transfe ▾

Parent Budget Options

Generate Parent Budget(s)

Use Default Entry Event

Parent Budget Entry Type

Interchange ▾

Budget Reference Change

Tree Viewer

SetID SHARE	Last Audit Valid Tree
Effective Date 01/01/2000	Status Active
Tree Name KK_SW_BDRF	KK Statewide Budget Reference

Close Display Options Print Format

0000000 > **A195051**

Collapse All | Expand All Find First Page 6

- 0000000 - TREE ROOT NODE
 - A194950 - APPROP FY 1949-1950
 - [1949-50] - Fiscal Year 1949 - 1950
 - [R194950] - RESERVE FY 1949-1950
 - A195051 - APPROP FY 1950-1951**
 - [1950-51] - Fiscal Year 1950-1951
 - [R195051] - RESERVE FY 1950-1951

Project Budget

- Similar to KK_APPROP, there will be no budget entries to the Project Parent ledger group
- There will be no structural changes for Project Parent
- Project Child Budget Definition will be configured as a Child Budget to the Project Parent Budget Definition
 - Project Child budgets will equal the Project Parent

Project-Segregation Alignment

- The Project Child Budget Definition can be reconciled to the Appropriation/Segregation Budget Authority
 - Project child budget definition is being redesigned to meet a critical need communicated by agencies
 - Project child budget will include the same budgetary chartfields as the segregation
 - Non-capital project definition to align use of account with the segregation

Project Budget – New Chartfields

Budget Header | Budget Lines | Budget Errors

Unit DOB01 Journal ID 0001055046 Date 04/05/2015 Budget Header Status Posted

*Process Process

Lines Personalize | Find | View All | First 1 of 1 Last

Chartfields and Amounts | Base Currency Details

Line	Ledger	PC Bus Unit	Account	Fund	Dept	Program	Bud Ref	Project	Activity
1	KK_PRJC_BD	NYS01	00000	30700	1050000	80920	2015-16	Y16D1	GENERAL

From Line To Generate Budget Period Lines

Totals

Total Lines 1 Total Debits 0.00 Total Credits 30,000.00

KK Financial Plan Basis

- KK Financial Plan is based upon the published Statewide Financial Plan
 - The KK Financial Plan will be loaded as monthly amounts
 - Monthly rolls up to → Quarterly rolls up to → Annual/LTD
 - Capital separated from State Ops & Local Assistance
 - Fund Code determines which KK Financial Plan definition is used
 - KK Financial Plan is reconciled to the State's published Statewide Financial Plan on a quarterly basis

KK Financial Plan Available Balance

- The KK Financial Plan Quarterly Budget used for control of Planned and Actual spending
 - + Budget
 - (minus) Planned Ledger (PSP)
 - (minus) Expenditures
 - = Available Balance
- Annual and Life-to-Date summary financial plan definitions to control expenditures (Budget minus Expense)

KK Financial Plan

- Cumulative Budgeting enabled for Quarterly control
 - Prior quarter available amounts considered
 - Example: \$5000 per quarter budget with \$4000 used in Q1
 - \$1000 available from Q1 would be available in Q2 = \$6000 available
- Multi-Year budgets supported
 - Planned spending projections go beyond the current year
 - Financial Plan in KK must therefore go beyond the current year
 - Basic need for capital spending
 - Planned spending projections go into the lapsing period
 - Financial Plan in KK must support the carryover period

Agency KK

- Agency KK definitions not actively used or no longer relevant will be retired as of 4/1/2015
- Submitted revisions to existing Agency KK definitions will be applied effective 4/1/2015
- No new Agency KK definitions will be considered for 4/1/2015

KK Operating Plan

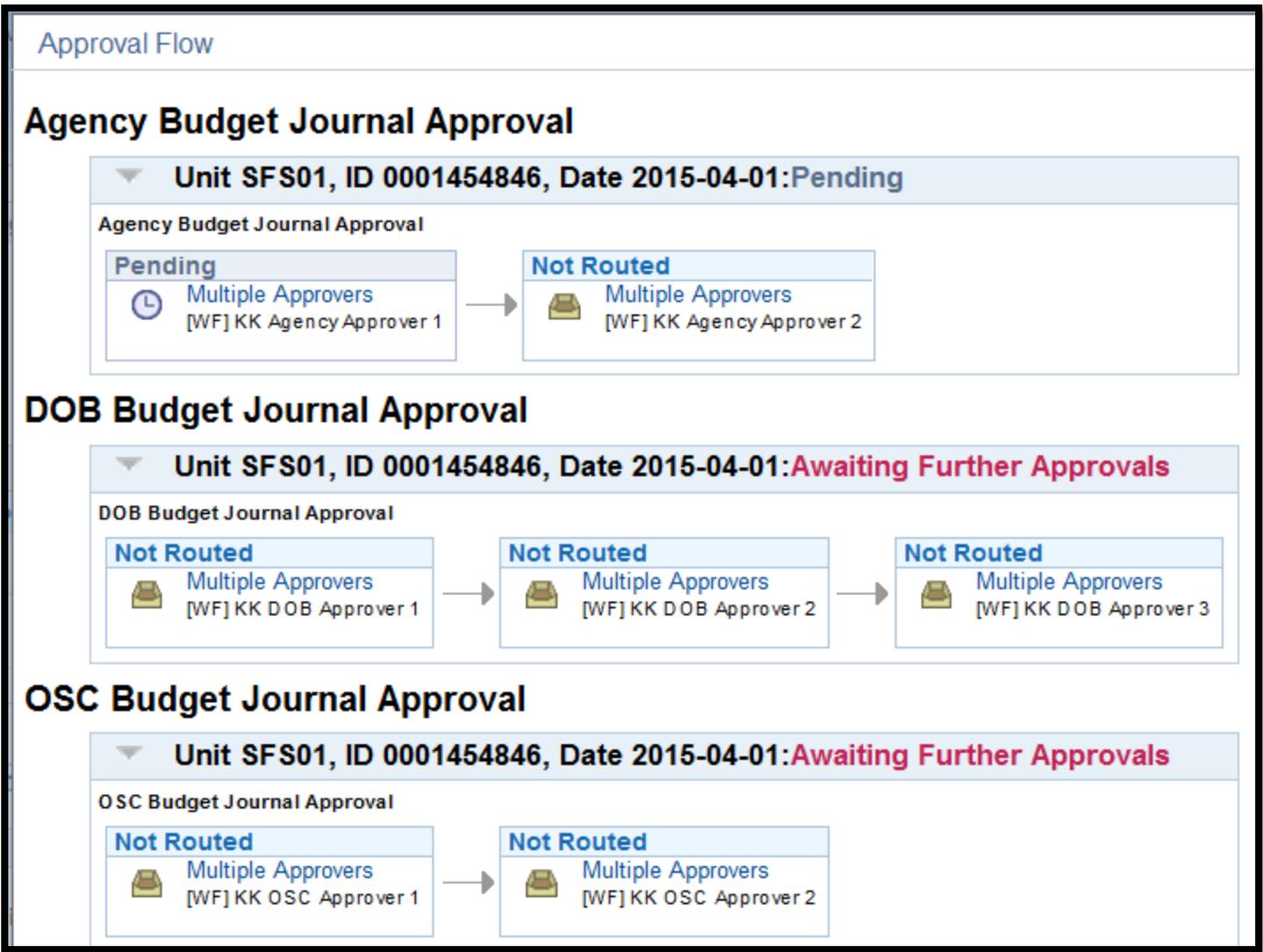
- EE1 Go-Live will be the first step in the transition from current Agency KK structure to the new standardized KK Operating Plan structure
- Two New Standard KK Operating Plan Definitions
 - Organizational Operating Plan – KK_OP_ORG
 - Programmatic Operating Plan – KK_OP_PGM
- EE1 will be identifying volunteer Pilot Agencies among the existing Agency KK users for 4/1/2015 rollout of these new definitions

Workflow

Streamlined Workflow

- Agency approval roles are being reduced to two levels
- Inter-unit budget transfer approval
 - Sending Agency approval, then routed to receiving agency
- Ability to insert ad-hoc approvers
- Visibility to approval path and approval history
 - See how it is going to route before submission to workflow
- Enhanced functionality in identifying budget entries pending user approval

Enhanced Visibility into Workflow



Enhanced Search Capability

Favorites ▾ | Main Menu ▾ > Commitment Control ▾ > Budget Journals ▾ > Manage Control Budget Journal

ORACLE

Manage Control Budget Journal Approval

Search Budget Control Journals

To locate journals that require your approval (or journals that previously required your approval), edit the criteria below and click the Search button.

Business Unit	<input type="text" value="OSC01"/>		Requester	<input type="text"/>	
Journal ID	<input type="text"/>		Budget Entry Type	<input type="text"/>	▾
Journal Date From	<input type="text" value="09/22/2014"/>		To Journal Date	<input type="text" value="09/22/2014"/>	
*Approval Status	<input type="text" value="Pending"/>	▾	*Approval Level	<input type="text" value="Header"/>	▾

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Payment Schedule Projection (PSP)

- The PSP answers questions about cash impact:
 - How will a Purchase Order impact the KK Financial Plan?
 - Can I afford to issue the PO per my KK Financial Plan?
 - What is the cash impact to the KK Financial Plan for all of my POs
- The PSP supports planned spending visibility:
 - Existing inquiries support view of “planned” cash
 - Bulkload extracts support view of “planned” cash
 - A new report supports budget status including “planned” cash

PSP Basics

- The PSP is an input to the KK Financial Plan
 - Planned amounts use-up the available KK Financial Plan
 - The PSP itself is not the KK Financial Plan
- The PSP requires a PO
 - The PSP uses the PO to plan-out cash impacts
 - Vouchers without a PO update the KK Financial Plan without the benefit of the PSP (similar to today)
 - Vouchers with a PO reduce PSP amounts and increase expended amounts on the KK Financial Plan

PSP Basics

- Actual Vouchering/Spending is not controlled to the PSP plan for a PO
 - Planned spending is known at the PO level
 - However, control is at the aggregate Financial Plan
- Selection of PO spend out should be based on best estimates
 - The PSP is an estimate and there are tools available to the agency to make adjustments after the initial PO as needed
 - Again, control is at the aggregate KK Financial Plan level

Agency and NYS Benefits

- Designed to meet our changing needs
 - Guiding Principles: Flexibility, User Experience, Cash Control
 - By following the PO encumbrance, expansion of use of the PO supports expansion of PSP use
 - Use of Delivered “Planned” Ledger supports further expansion of the PSP
- KK Financial Plan support within SFS:
 - Enables 100% Segregation
 - Improves fiscal management and reduces cash risk
 - Better aligns SFS value with the NYS business process
 - Automates controls performed outside of the system

Agency Impacts: 1 of 2

- Agency Processes

- POs and PO Change Orders must be successfully PSP budget checked to be dispatched and paid
 - Control aligns with the EE1 procurement re-architecture
- Agencies are accountable to manage their cash projections within the “Planned” ledger
 - As an estimate, not required to be exact
 - Cash projections are not controlled by PO but at the State’s Financial Plan level
 - Optional PSP controls can support more accurate projections
- Address PSP-related budget checking errors
 - Agencies are able to make needed adjustments to the PO or refine PO projections within their Purchasing Business Unit

Agency Impacts: 2 of 2

- Agency configuration and training for “Go-Live:”
 - Training on new policies, processes, and functionality
 - *EE1 will be offering training focused on the PSP*
 - *Agency users participating in PSP related User Acceptance Testing will gain hands-on experience*
 - Prior to “go-live,” configuration is needed
 - *PSP Workgroup involves many agency representatives defining our April 2015 PSP configuration starting point*
 - *Agency security assignments to manage the PSP*
 - During “go-live,” conversion impacts
 - *Contract POs will need to be re-created offering an opportunity to adjust projected spending by contract or PO:*

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PSP Method

- Centrally maintained Statewide configuration
- The PSP Method is used to determine how the Projected Expenditure of the PO will be recorded across Quarterly Budget Periods
- Three Types of PSP Methods:
 - Source Type: PO Date + X number of Days; generally used when a single voucher will be produced from the PO
 - Allocation Type: Allocates the PO Amount over 1 or more Periods based upon Allocation Percentages
 - Model Type: Allows a single PSP method to have multiple different allocation rules based upon chartfield criteria

PSP Method: Source Type

- Example PSP Method: PO Date + 120 Days

SetID SHARE PSP Method S_PO+120

PSP Method Find | View All First 1 of 1 Last

Effective Date 04/01/2015  Status Active 

Description Source PO Date + 120 days

Projection Type Source

*Source Date Table PO_HDR  *Source Date Field PO_HDR.PO_DT 

Projected Days 120

*Calculation BQ   Maximum Number Of Periods
Calendar

PSP Method: Allocation

- Example PSP Method: 2 Periods Even

SetID	SHARE	PSP Method	A_P1-2_E
PSP Method			Find View All
Effective Date	<input type="text" value="04/01/2015"/>	Status	Active
Description		<input type="text" value="Alloc Spread Evenly Period 1-2"/>	
PSP Model ID 00000014			

	Period	Percent
1	1	<input type="text" value="50.00"/>
2	2	<input type="text" value="50.00"/>
3	3	<input type="text" value="0.00"/>
4	4	<input type="text" value="0.00"/>
5	5	<input type="text" value="0.00"/>

PSP Method: Model Example 1 of 3

- Example PSP Method: 10YR DOT Highway Construction by Program

SetID	SHARE	PSP Method	M_10YHWY	
PSP Method			Find View All	
Effective Date	<input type="text" value="04/01/2015"/>		Status <input type="text" value="Active"/>	PSP Model ID 00000052
Description	<input type="text" value="Highway Capital Construction"/>			
Projection Type	Model			

PSP Method: Model Example 2 of 3

PSP Charfield Allocation Find | View All

Effective Date 04/01/2015 **Status** Active **PSP Model ID** 00000052

Chart Field Value/Percentage by Period Find | View All First

Model ID 00000052

Description

		Find		◀ 1-40 of 40 ▶
	Period		Percent	
1	1	<input type="text" value=""/>	1.00	
2	2	<input type="text" value=""/>	3.00	

PSP Method: Model Example 3 of 3

PSP Chartfield Allocation Find | View All

Effective Date 04/01/2015 **Status** Active **PSP Model ID** 00000052

Chart Field Value/Percentage by Period Find | View All First

Model ID 00000053 **CFV SetID** SHARE **CFV Set** DOT_HWY_PG

Description

		Find	◀ 1-40 of 40 ▶ >
	Period	Percent	
1	1	<input type="text" value="1.25"/>	
2	2	<input type="text" value="3.75"/>	

PSP Inheritance

- User Experience - Options to inherit the PSP method to the PO include:
 - Purchasing business unit – overall default
 - Contract profile – *within* each Purchasing Business Unit, this supports defaults by type of contract
 - Requisition – useful for non-contract and where there is no contract default set
 - Specific contract – primary default for any related PO

Purchasing Business Unit Contract

- Profile defaults

The screenshot shows the Oracle Purchasing Business Unit Contract Profile configuration page. The page is titled "ORACLE" and has a navigation bar with three tabs: "Document Numbering", "PSP Control", and "PSP Contract Profile". The "PSP Contract Profile" tab is selected and highlighted in yellow.

Below the navigation bar, the page displays the configuration for Unit ABC01. The main section is titled "Contract Profiles" and includes a search bar with "Find | View All" and navigation controls for "First", "1 of 2", and "Last". The configuration fields are:

- Contract Setid: SHARE
- Contract Profile: CP000001
- PSP Method: MODEL1

Below the "Contract Profiles" section, there is a section titled "Charfield Values Setid/Set Information" with a search bar and navigation controls for "Find | View All", "First", "1 of 1", and "Last". The configuration fields are:

- CFV SetID: SHARE
- CFV Set: 17501

At the bottom of the page, there are five buttons: "Save", "Return to Search", "Notify", "Add", and "Update/Display".

PSP Inheritance and Maintenance

- Users with the appropriate security will be able to:
 - Establish defaults on the requisition or contract
 - Override defaulting inheritance and update the PSP method directly on the PO
 - Use the Adjustment Page to revise the projection for one or more POs within a Purchasing Business Unit

Entry of the PSP Method on the PO

PO Header Details

PO Details

Supplier: SHERIFF OF-001
*PO Type: GEN
*Billing Location: ABC01
Origin:
 Use One Ship To

PO Date: 10/06/2014
Budget Status: Not Chk'd
 Tax Exempt
ID: 14740026K
Letter of Credit ID:
Ship To:

PSP Method

View PSP Allocation

Currency

Currency Code: USD
Rate Date: 10/06/2014
Rate Type: CRRNT
Exchange Rate Detail
Base Currency: USD
Exchange Rate: 1.00000000

Process Control Option

Dispatch
*Method: Print
Acknowledgements required for: Not required
Accounting Date: 10/06/2014
Accounting Template: STANDARD

OK Cancel Refresh

PSP Example – Lapsing Control

- PO #1 Budget Checked: 10/15/2015 for \$10,000
- Allocation Type – 4 even quarters 25% each
 - PO Lapse Date for PO Chartfields is 6/30/2016
- Cash Projection impacted by lapsing control
 - Fiscal 2015-16, Q3: 25%
 - Fiscal 2015-16, Q4: 25%
 - Fiscal 2016-17, Q1: 25% + 25% = 50%
 - Projections can be limited by fiscal year or lapse date
 - Projections can cross multiple fiscal years
 - Lapsing and year-end controls are optional configurations
 - Generally lapsing control will be used for non-capital

Example – Law of Averages

- Only \$5000 cash is available in Q3
- Two new POs with a Q3 impact of \$5000
 - PO #1 Planned spending in Q3 is \$2500
 - PO Vouchered in Q3 for \$3000, exceeding the PO plan
 - PO #2 is a copy of PO #1 Planned for Q3 \$2500
 - PO Vouchered in Q3 for \$1500, less than the PO plan
- Both POs and both Vouchers are successful
 - Available Financial Plan Budget \$5000
 - PSP Used all \$5000 with PO #1 and PO #2
 - Vouchers in total equaled \$4500
 - End result: Budget \$5000, Planned \$500, Expended \$4500

Agencies that Bulkload to SFS

- PSP Impacts
 - PSP Method ID is an optional field added to the Procurement Contract and Purchase Order interfaces (Inbound/Outbound)
 - Procurement Contract Header (PCH)
 - Purchase Order Header (POH)
 - Just like on-line, default values will be derived based on hierarchy.
 - New KK Extracts provide details on the Financial Plan ledgers
 - KK Ledger Balances (KLB)
 - KK Source Data (KTH/KTL)
 - Planned Ledger is the ledger that the PSP is related to
 - M041 extract will include Financial Plan Ledger balance but not the Planned Ledger

Questions and Answers