



# Agency Insight: EE1 Business Processes, Assets, and Projects

October 9, 2014

# Session Agenda

- Introduction
- Asset Lifecycle Management
- Managing Projects in SFS with ESA
- Business Process Impacts
- Question and Answer Session

# EE1 Overview

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

# ALM and ESA explained

## ▪ **Asset Lifecycle Management (ALM)**

- A set of PeopleSoft modules to support the full asset lifecycle, provides the ability to monitor and maintain an enterprise view of State assets, both financial and physical
- For EE1, ALM includes:
  - Asset Module
  - Real Estate Management
- Inventory is a separate module

## ▪ **Enterprise Service Automation (ESA)**

- A set of PeopleSoft modules to support the full project lifecycle, provides for the collection of costs and management of financial and operation information for projects. ESA includes:
  - Project Costing
  - Program Management
  - Grant (state as grantee)
  - Customer contracts

# Importance to the Enterprise

- Assets and Project Costing were not in scope for 2012
- Core functionality required to meet the overall State vision for SFS
  - An end to end system for accounting, procurement, travel, payments, project costing, financial management, asset management and reporting
  - Have all “future phase” agencies online\*

\*with the exception of the Legislature and the university systems

# Method of Deployment

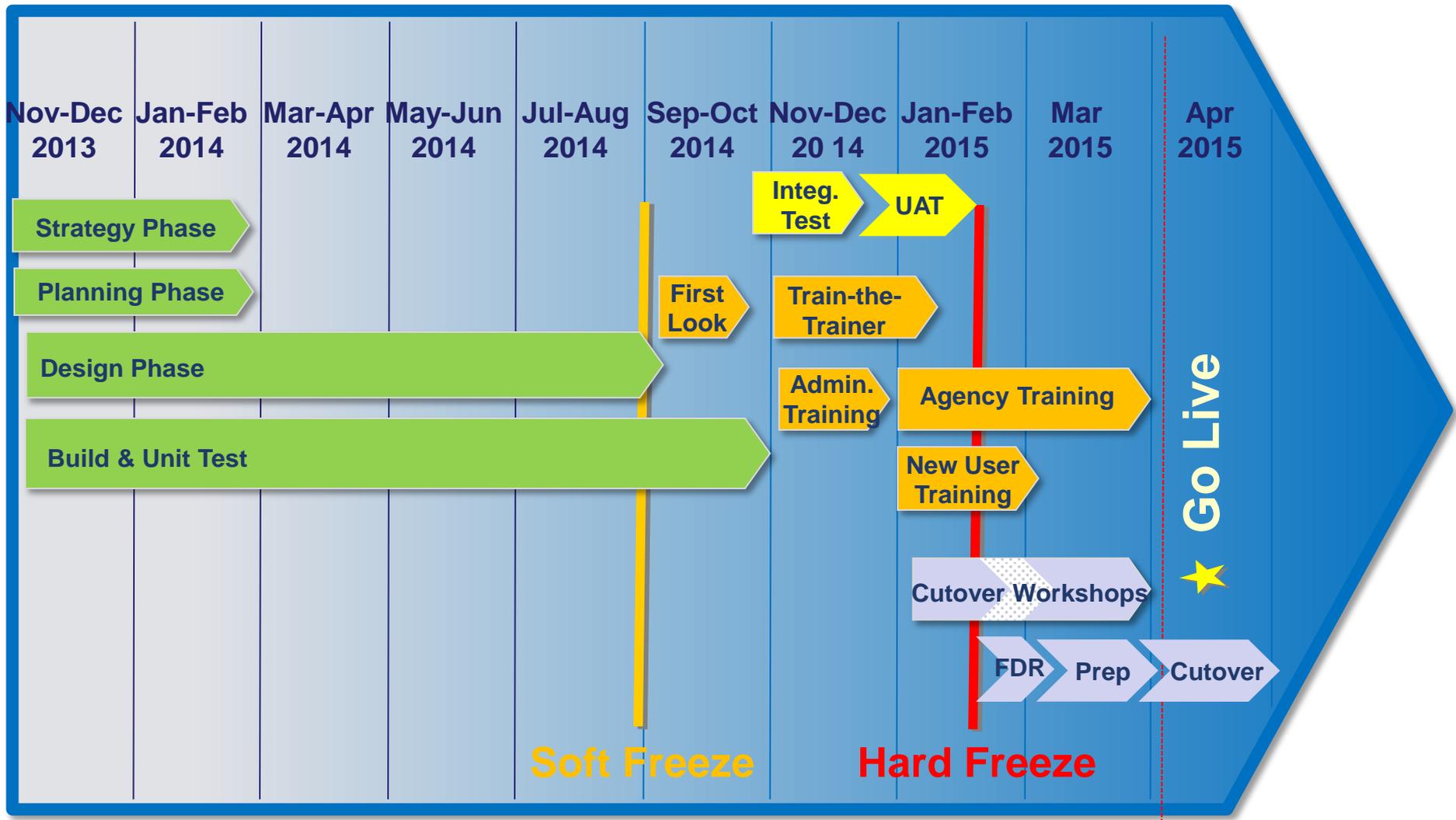
- **Lead agency model**

- Approach allows SFS to focus efforts to onboard a single agency while at the same time considering the statewide enterprise requirements
- OGS is a lead agency for ALM
- DOL is a lead agency for ESA

- **Post EE1**

- The ALM and ESA suite of tools will become a roadmap offering of SFS
- EE1 is creating tools that other Agencies will be able to use to understand the activities and efforts required to onboard to these modules

# EE1 Project Timeline



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# Asset Management

## ■ Current State

- OGS is using Performance Asset Management (PAM), a legacy system, to manage assets that are valued above a threshold
- Additional agencies optionally use PAM to manage assets that do not reach the threshold for OGS management
- Agencies utilize a Web form to communicate asset changes to OGS

## ■ Future State

- OGS will use the SFS to manage all the assets that are currently managed in PAM
- Additional agencies can optionally use the SFS to manage assets that do not reach the threshold for OGS management

# Real Estate Management

## ▪ **Current State**

- OGS is using a legacy system (RealNet) to manage leases

## ▪ **Future State**

- OGS will use the SFS to create and manage leases
- Enhanced tools will be available to make decisions about space utilization prior to commitment to a new lease
- The SFS will provide tools to manage lease-hold improvements required before occupancy
- RealNet will be retired and will no longer be used for anything other than review of lease history

# ALM Workflow – Current State

- Agencies utilize a web form to communicate asset changes to OGS
- OGS maintains assets in a third-party system outside of the SFS called Performance Asset Management (PAM) which is an OGS custom application

# ALM Workflow – Future State

- Assets would be added, inspected, transferred, disposed of, and retired within the SFS
  - New custom page supports adding assets with inspection information for review by OGS approvers
  - PeopleSoft Form Configuration will be utilized for asset inspection, maintenance, and transfer workflow
    - The use of forms for the Asset Transfer workflow in particular will eliminate the employee data requirements and allow transfers to easily flow to OGS approvers via role mapping without an additional employee link of custodian to approver.
  - Disposal workflow will utilize delivered workflow pages and configuration
  - Mass Approvals of Asset additions, modifications, and transfers will be handled via Excel to CI
  - Mass Approvals of Asset disposals will be handled through a delivered page

# ALM: Inventory

## ▪ **Emergency Inventory**

- Designed specifically to meet the needs of the state during emergency situations (i.e., Hurricane Sandy)
- Quick deployment of life sustaining supplies
- Quick deployment of equipment to be used during the disaster response
- Reclamation of equipment post deployment

## ▪ **Traditional Inventory**

- Warehouse management tools
- Visibility of items and quantities that are in storage
- EE1 is supporting OGS with their Warehouse inventory consolidation

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# Managing Projects Using ESA

- Enterprise Services Automation - a set of PeopleSoft modules that include:
  - Project Costing
  - Program Management
  - Grants
  - Customer Contracts
- Important Distinction about Grants and Customer Contracts
  - Grants – New York State as Grantee (ESA) vs. New York State as Grantor (Grants Gateway)
  - Customer Contracts – New York State seeking reimbursement of services performed (ESA) vs. New York State paying for services provided (Procurement)

# ESA Definitions

- ESA Agency – an agency that has been configured to use the ESA modules
- Activity – the lowest level detail of a project to which costs are collected
- Project – a collection of activities to track services provided, the creation of a product or result
- Source Module – module from which transactions are collected (Accounts Payable, Travel & Expense, General Ledger, Accounts Receivable)
- Customer Contracts – An agreement for NYS to provide services and/or products
- Federal Grant – an agreement with the Federal Government for NYS to perform a set of services or create a product

# ESA - What is Changing?

- The one-to-one relationship between project and federal grants is not required
- A model where a defined project will be used to track all activities associated with producing a product, service, or result
- Manages agency projects, project budgets, including the funding sources supporting those projects, sub-allocations, and the alignment of project budgets with the appropriation/ segregation by funding source

# DOL Current State

- DOL is using a legacy internal financial management system (FARS) to manage approx. 350 federal grant projects/activities, 30 state funded programs and 40 revenue contracts
- DOL bulkloads the majority of transactions into the SFS
- DOL currently direct enters budget journals to SFS and utilizes the SFS T&E module
- Billing and Accounts Receivable is managed through manual processes
- DOL performs its own federal cash draw downs based on estimated cash needs on a periodic basis

# DOL Future State

- DOL will directly use the SFS to manage the majority of financial processes (KK, PO, A/P, TE, GM, PC, CA, PM, BI, AR, GL)
- SFS will capture and record distributed payroll costs and time distribution hours to federal and state project/activities via a LATS interface
- Distributed payroll costs reconciled to payroll expenses on a bi-weekly basis and pulled into Project Costing
- DOL federally required cost allocation processes performed in SFS
- Costs from the various source modules captured in Project Costing for federal reporting purposes
- OSC will manage federal cash draws for DOL
- Revenue contracts will be associated with customer contracts

# DOL Conversion

- Grants and Projects will be converted into the ESA modules
  - Only open and active grants will be converted
  - One customer contract per grant award
  - Multiple customer contract lines for grants with multiple CFDA's
  - One project with at least one activity will be defined in the SFS to enable billing/reimbursement of costs
  - Life-to-date costs (which are currently aggregated under one federal project) will be properly accounted for under individual projects and grants

# DOL Impact and Benefits

- Consolidated accounting processes and requirements in one system
- Support for state enterprise initiatives

# Future Agency Conversions

- Depends on the current use of the SFS for grant and projects and individual agency needs
- Agency tracked
  - More like DOL conversion
- SFS tracked
  - Lighter conversion
  - Use of ESA grant, project, and contract structures

# ESA vs. Non ESA Agency

- For EE1 go-live DOL is onboarding for ESA
- For Agencies that are not using ESA at EE1 implementation:
  - Continue to use the Commitment Control module to control and manage projects budgets
  - OSC is still the point of contact for Federal Grant project setup
- As Agencies come on board to the ESA module, the Agency Security Administrator must request the ESA roles be added to their self service configuration for provisioning. This would occur once an onboard date has been determined

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# Requisition Processing Impacts

Benefits: Streamlines the procurement process & Improves Procurement Intelligence

- Contract Requisition Type
  - Capture Contract information at point of requisitioning
  - Reservation of Funds as Pre-Encumbrance
- General Purpose Requisition Type
  - Appropriate use of NYS Items to support procurement of certain commodities
  - Automate PO creation from approved requisitions

# Contract Processing Impacts

Benefits: Separates Contract and Purchase order controls. Consistent approach to contract management, Leverages delivered functionality

- Auto Contract Numbering removes smart coding
- Contract lines function as the overall contract control
- Corporate Contract indicator on Statewide Master contracts only
- Stand alone contract PO's created as Contracts
- Contract Amendment processing leverage delivered functionality and maintain funds reservation

# Purchase Order Processing Impacts

Benefits: Purchase order provides a secondary control for managing State obligations. Automates the contract management process

- Purchase order no longer functions as part of contract creation
- Staged Contract releases used to automate creation of POs
- Eliminate the force closing PO's during FYE & Lapsing
- Electronic dispatching of POs to vendors

# Commitment Control Impacts

Benefits: Agencies are able to enter all procurement activity; real-time use of the State's Financial Plan, budgets maintained in SFS; reduced operational workload

- Segregation systematically aligned with appropriation (e.g., 100 percent segregation)
- Segregation Reserve concept put into place
- Segregation to support authority control and the State's Financial Plan to support cash control
- Quarterly State Financial Plan aligned with and can be reconciled to quarterly cash-flow estimates
- Multi-year State Financial Plan budgets to be established

# Payment Schedule Projection Impacts

Benefits: Better information and Incorporation of cash planning and controls within SFS

- POs must be successfully PSP budget checked to be dispatched and paid
- Agencies are accountable to manage their cash projections within the Planned ledger
- Cash projections are not controlled by PO but at the State's Financial Plan level
- Significant variation from agency cash ceilings may lead to tightening controls

# Project and Grant Management Impacts

## Benefits: Better adoption of organizational responsibilities

- Agency responsibilities in SFS for on-boarding agencies
  - Managing projects to support project management
  - Managing grants, grant lines, and billing
  - Ensures efficient collections from federal grantors
- Agencies are accountable to manage their revenue contracts in customer contracts module
- SFS supports process control, issue resolution, and configuration
- OSC manages the grants drawdown; data reconciliation and integrity; serves as best practices guide

# Questions and Answers