Statewide Financial System (SFS)

Procurement in the SFS:
Integration, Benefits, Impacts
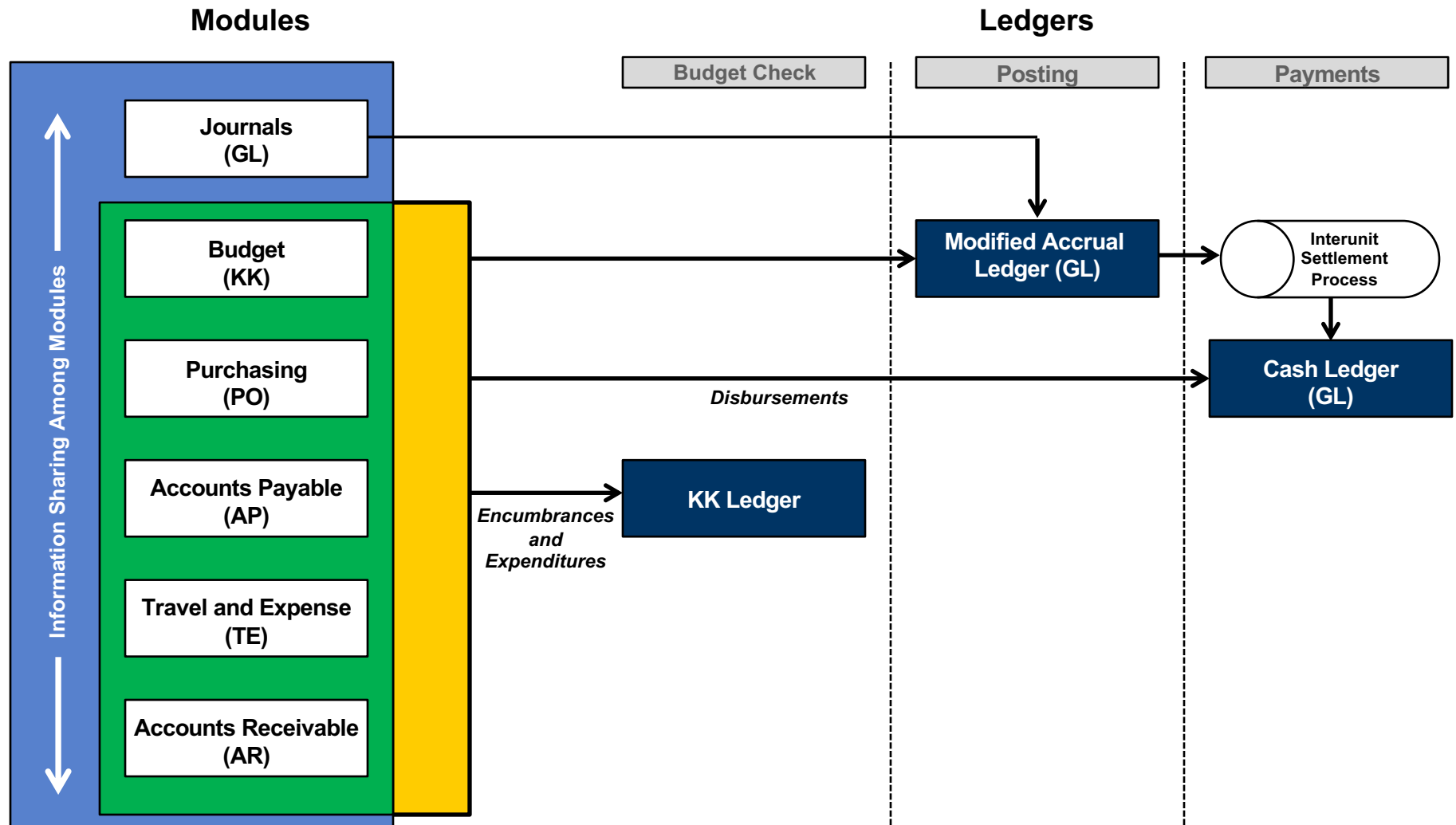
Presentation to the NYS Procurement Council
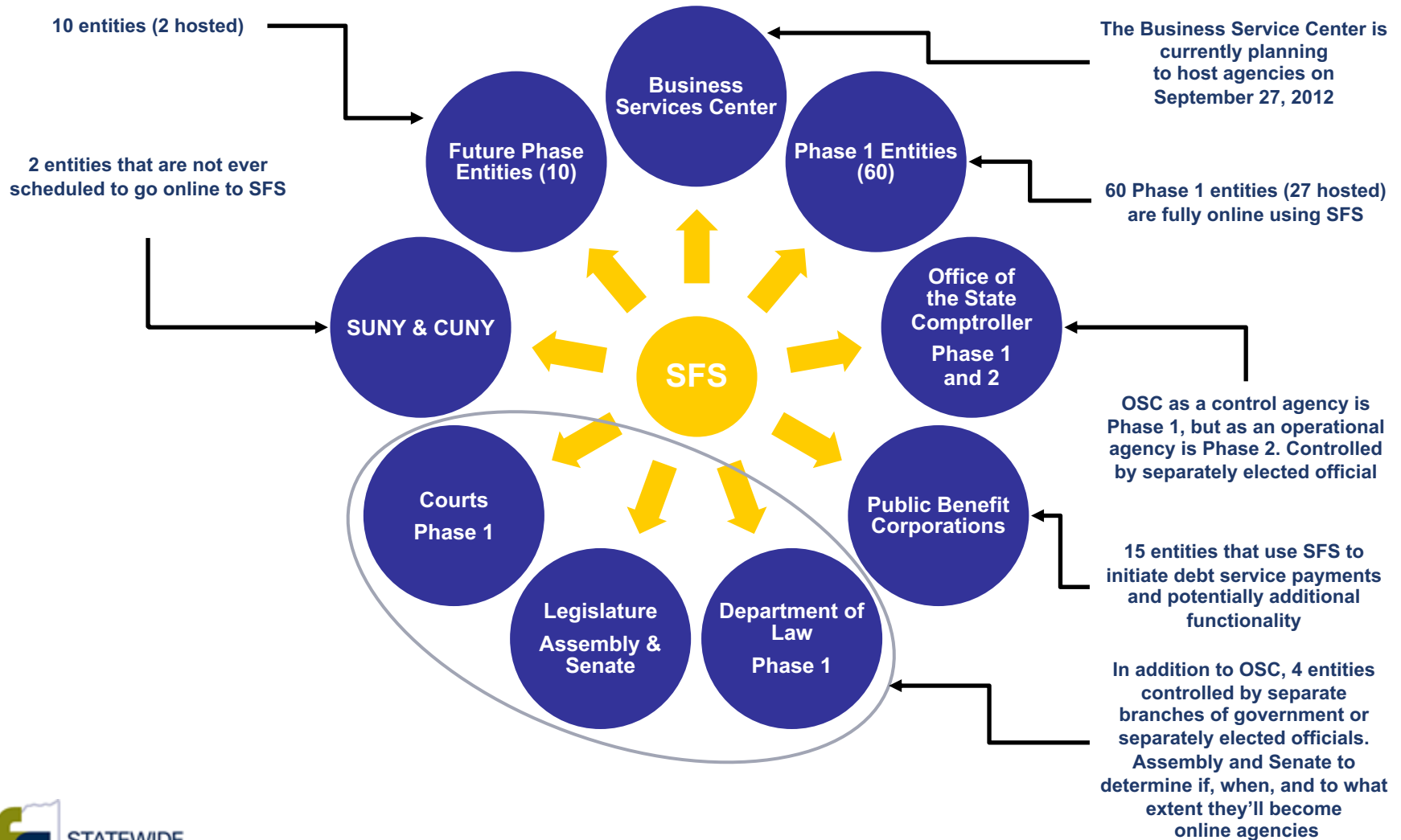### September 27, 2012

Contents

➢ SFS System Launch Overview

➢ Benefits of Conducting Business in the SFS

➢ Key Impacts for Purchasing Staff

➢ Questions?

STATEWIDE
FINANCIAL
SYSTEM

SFS System
Launch Overview

SFS April 2012: 50,000 Foot View

Modules

Ledgers

Information Sharing Among Modules

Journals (GL)

Budget (KK)

Purchasing (PO)

Accounts Payable (AP)

Travel and Expense (TE)

Accounts Receivable (AR)

Budget Check | Posting | Payments

Modified Accrual Ledger (GL)

Interunit Settlement Process

Cash Ledger (GL)

Disbursements

Encumbrances and Expenditures

KK Ledger

STATEWIDE FINANCIAL SYSTEM

SFS Customer Base: April 2012 Launch

10 entities (2 hosted)

The Business Service Center is currently planning to host agencies on September 27, 2012

2 entities that are not ever scheduled to go online to SFS

60 Phase 1 entities (27 hosted) are fully online using SFS

Business Services Center

Future Phase Entities (10)

Phase 1 Entities (60)

SUNY & CUNY

SFS

Office of the State Comptroller Phase 1 and 2

Courts Phase 1

Legislature Assembly & Senate

Department of Law Phase 1

Public Benefit Corporations

OSC as a control agency is Phase 1, but as an operational agency is Phase 2. Controlled by separately elected official

15 entities that use SFS to initiate debt service payments and potentially additional functionality

In addition to OSC, 4 entities controlled by separate branches of government or separately elected officials. Assembly and Senate to determine if, when, and to what extent they'll become online agencies

STATEWIDE FINANCIAL SYSTEM

System Launch: Positive Indicators

As of September 24, 2012:

➢ $52,193,320,115 in payments processed through the SFS

➢ 2,180,262 vouchers processed

➢ 68,697 vendors paid

➢ 15,300 vendors using SFS Self-Service (eSupplier)

➢ 123,802 total vendors registered in SFS

➢ 8,365 Agency traveler SFS user logins (unique)

➢ 14,897 Agency financial SFS user logins (unique)

STATEWIDE
FINANCIAL
SYSTEM

System Launch: Achievements

➤ System Go Live

- End Users have a general understanding of the system and business process

- Agency calls provide venue for enterprise communication

- User Groups provide agencies venue to share best practices and solve common problems

- Website redesign provides easier access to information – historical information was removed to prevent confusion

STATEWIDE
FINANCIAL
SYSTEM

System Launch: Areas Needing Improvement

- ➢ System Stabilization Efforts

    - ▪ Defects and incidents are becoming more complex – SFS working to improve quality and timeliness of response

    - ▪ Meeting SLA on extract delivery – better but not consistent

    - ▪ 1st time business events more challenging and time consuming for SFS and agencies than anticipated – for example FBIC, Lapsing

- ➢ Agencies need consistent and timely response to incidents

    - ▪ SFS reorganized to include a Customer Service Advocacy team whose goal is to review current business practices and implement strategies to improve response times

    - ▪ New tiered structure so that incidents can be escalated based on complexity

- ➢ Agencies need reliable and consistent information (reports)

STATEWIDE FINANCIAL SYSTEM

System Launch: Just Getting Started

➤ Planning efforts under way for road map to deliver future functionality

- Project Costing

- Asset and Inventory Management

- Data Warehouse

➤ Meet the needs of our customers

- Make things right

- Make things reliable

- Make things quicker

➤ Reports

- Provide data in a format that meets the need of the agencies business

- Provide understanding of how the data is represented in the reports

- Confirm reports represent data that remains constant (liability date)

Benefits of Conducting Business in the SFS

Benefits: Conducting Business in SFS

➢ Accurate, near real-time payment processing through integration across system modules

➢ Real-time budget checking

➢ Daily interfaces makes for easier reconciliation of bank accounts and credit card transactions
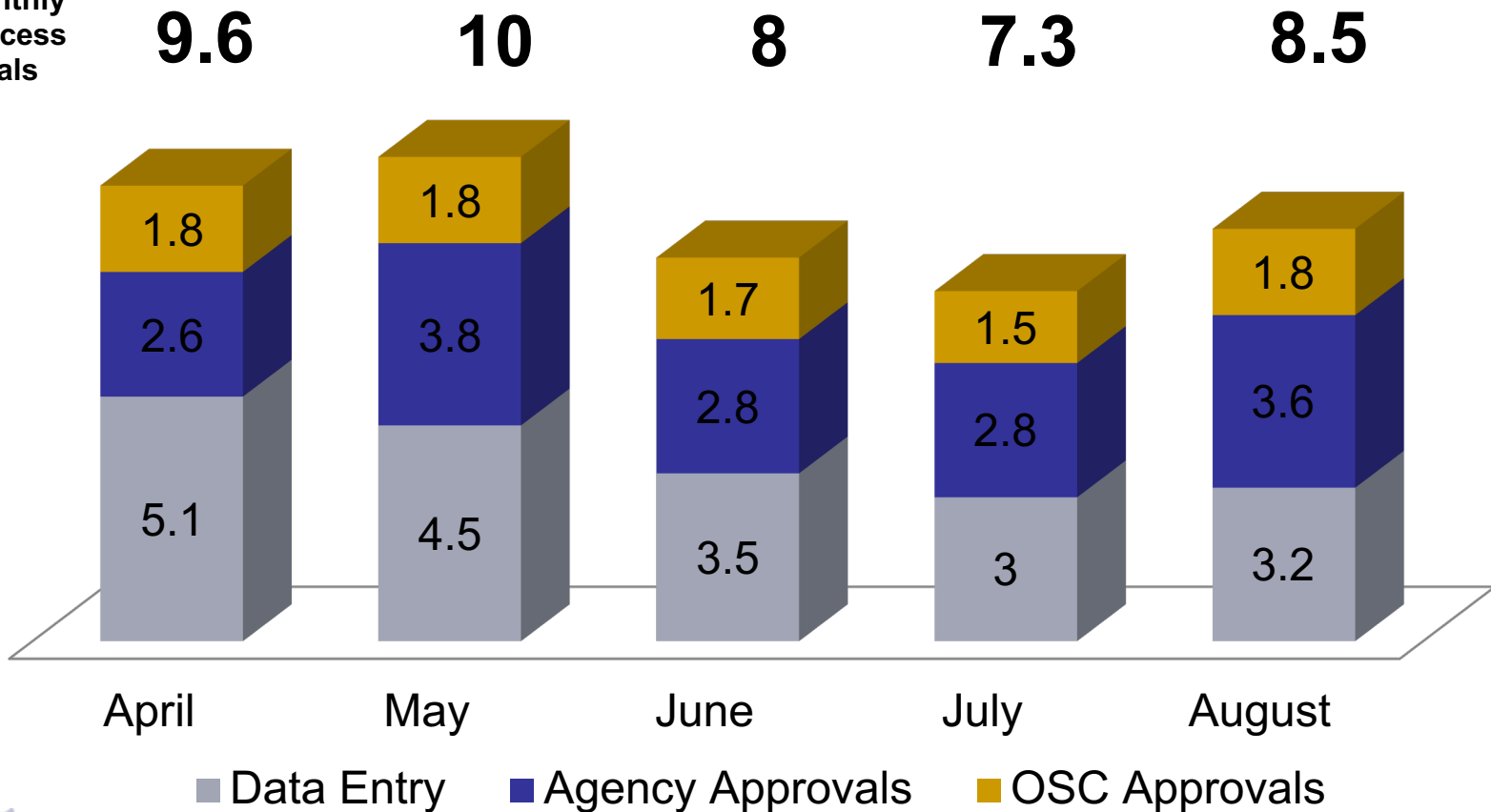
➢ Timely and accurate vendor payments

STATEWIDE FINANCIAL SYSTEM

Benefits: Conducting Business in SFS

➢ Efficient voucher creation tools

➢ Vendor self-service transaction inquiry

➢ Credit card reconciliation

➢ Integrated system with robust search capability

➢ Workflow allows end users to identify where a transaction is in the process

➢ Pooled roles provide flexibility in naming approvers , potentially giving more users the ability to approve transactions
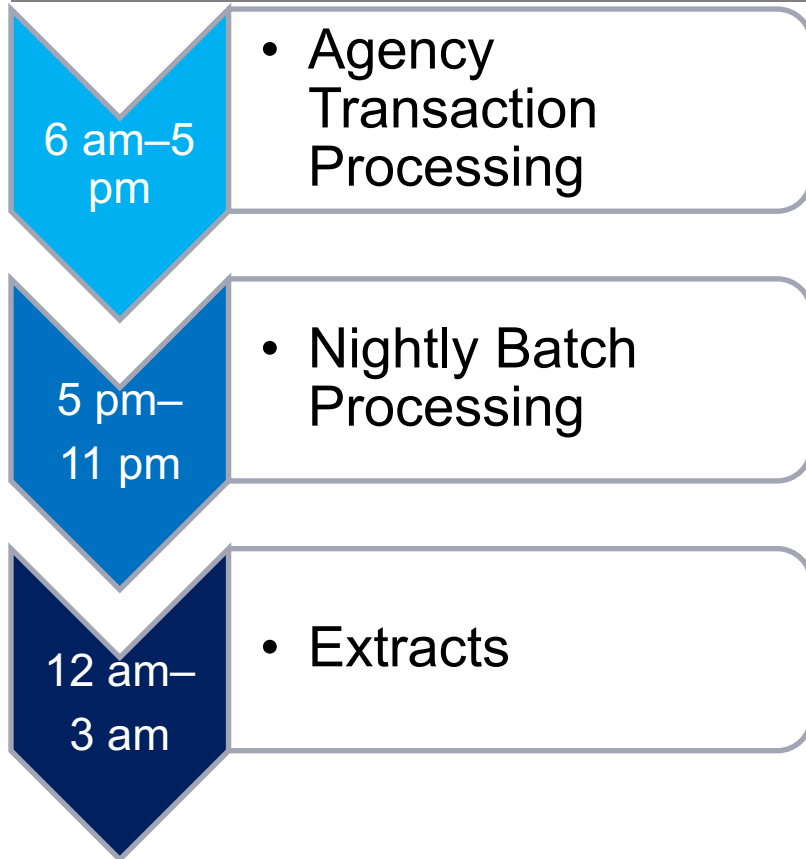
Voucher Processing

Average Processing Times
Month-by-Month
April – September 2012

Correlations to CAS

CAS (Cash Basis)

6 am–5 pm	• Agency Transaction Processing
5 pm–11 pm	• Nightly Batch Processing
12 am–3 am	• Extracts

SFS (Modified Accrual)

No start , no stop

Transaction Processing

24x7

Batch Processing

Reporting

Data always being processed

STATEWIDE FINANCIAL SYSTEM

Key Impacts for Purchasing Staff

Key Impacts for Purchasing Staff

➢ Requisitions, Purchase Orders and Receipts can all be viewed in one place by system users

➢ Requisitions, Purchase Orders, and Vouchers approved through Workflow

➢ Approver is notified of transactions via worklist

➢ Statewide Vendor ID must be included on most purchasing transactions

➢ Electronic Procurement Card reconciliation instead of Plot Sheets

➢ Procurement Contracts and Encumbrances (Purchase Orders) are created separately

STATEWIDE FINANCIAL SYSTEM

Questions?

Appendix

Business Benefits: Purchasing & Contracts

Improved data for buying and purchasing	**Standardization of purchasing process**	**Electronic approvals of requisitions and purchase orders**
Standard statewide Vendor File managed by OSC Vendor Management Unit	**Automatic download of purchase card transaction data for review and reconciliation**	**Better managed and controlled organizational spending**
Automated and simplified receiving process	**Key data field validation during and shortly after transaction entry**	

STATEWIDE FINANCIAL SYSTEM

Integration of Business Processes

Business Process	Benefit of Integration (Silo → Enterprise)
Payment Release	New processes provide better controls between OSC and Treasury for the release of big money items such as investments and funding transfers.
Payment Status	Using one online system for payment status, including cancellations, reconciliations, and escheatment processes, provides up-to-date information to agencies.
Budgets and Approvals	SFS greatly simplifies budget checking and approvals through automated workflow, multiple levels of budget control and reduction in paper processing for agencies, OSC and DOB.
Vendor Payments	An online, accessible statewide vendor file streamlines processing and provides additional information to vendors on their payments.

SfS
STATEWIDE
FINANCIAL
SYSTEM

Integration for Payment Status

Using one online system for payment status, including cancellations, reconciliations, and escheatment processes, provides up-to-date information to the agencies.

Prior to SFS (Silo)	After SFS (Enterprise)
OSC maintained a shadow system, Remittance Management System (RMS), to perform cancelations, reconciliations and annual escheatment process for Comptrollers refunds and unclaimed funds.	SFS became the single source for cancelations, reconciliations and annual escheatments. The shadow system is still maintained but only as document management tool.
No integration existed between the main accounting system and shadow system to easily track the reissuances which resulted in the need for multiple bank accounts to track second and third reissuances.	Outbound Interfaces from SFS provided RMS the info on check issuances, cancelations and reconciliations.
Agencies did not have access to the RMS and could not easily know the status of the check whether it is paid or not.	All reissuances could be easily tracked to the main issuance eliminating the need to maintain multiple bank accounts.
	Agencies have access to verify the status of the check and any related reissuances.

Integration for Budgets and Approvals

SFS greatly simplifies budget checking and approvals through automated workflow, multiple levels of budget control and reduction in paper processing for agencies, OSC and DOB.

Prior to SFS (Silo)	After SFS (Enterprise)
Agencies, OSC and DOB maintained separate systems for tracking agency budgets, statewide appropriations and segregations, and DOB Cash Control budgets.	Agencies, OSC and DOB are able to use single system for tracking agency budgets, statewide appropriations and segregations, and DOB Cash Control budgets.
Agencies have to obtain paper approval of their budget certificates before submitting in the central accounting system for OSC approval.	Automated end-to-end workflow involving all stakeholders (agencies, DOB and OSC) eliminated the need for manual/paper based approval for budget certificates and provided timely status.
CAS only enforced controls for Appropriations and Segregations. Agencies/DOB used their own systems for tracking the budget spending.	Agencies and DOB able to set up their own budgets along with statewide budgets, and enforce all budget controls on the transaction at the same time.
No functionality to enforce controls on grant related expenditures based on the grant liquidation date.	Functionality to capture liquidation date for grants and enforce controls on grant spending accordingly.

SFS STATEWIDE FINANCIAL SYSTEM

Integration for Vendor Payments

Online statewide vendor file, accessible to agencies and vendors, streamlines processing and provides information to vendors on their payments.

Prior to SFS (Silo)	After SFS (Enterprise)
No single statewide vendor master file; agencies maintained their own vendor masters.	Single statewide vendor master file maintained centrally by OSC; can be accessed by all agencies.
Vendors did not have easy access to the information that State maintained about their addresses and bank accounts.	Self-Service portal for vendors to view and update their addresses and bank account information.
Vendors did not have information on what vouchers comprised a particular payment amount.	Self-Service portal for vendors to view the underlying vouchers for a particular payment and contact respective agencies for any clarifications.