



EE1

Bulkload Work Group

September 16th , 2014

Overview

- PSP/DOB Financial Plan Overview
- PSP Liquidation
- PSP Process
- Commitment Control in EE1
- Future Topics
- EE1 Timeline for Bulkload
- Testing and Training Information
- Workflow Updates
- General Q&A

PSP/DOB Financial Plan Overview

- To understand how and why EE1 is implementing Payment Schedule Projection (PSP), we must understand the goals of the DOB Financial Plan.
- One of the goals of this plan is to enforce that the state does not commit to purchases that it is not prepared to pay, in the past this has been accomplished by restricting availability of appropriated funding through the segregation ledger.
- Starting in April 2015, the state will be releasing nearly all of the appropriated funds in a single large lump sum, rather than a number of smaller amounts released throughout the year.

PSP/DOB Financial Plan Overview

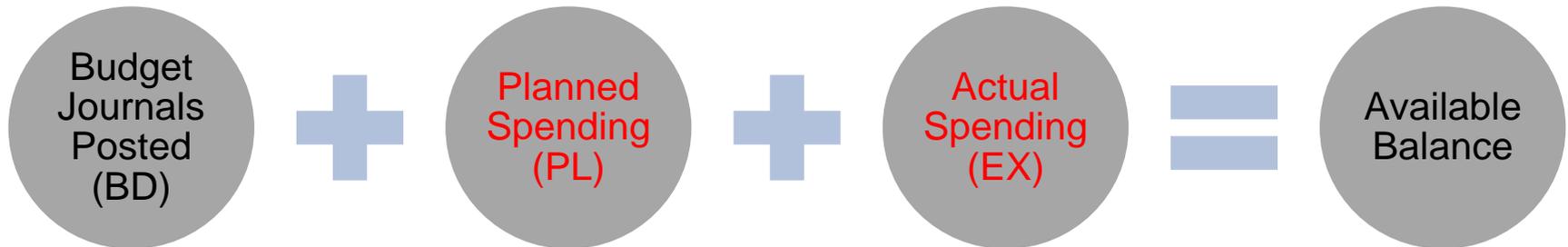
- To better control spending throughout the year the planned amount has been broken into quarters, but administered mostly once a year, rather than ad-hoc.
- While the Appropriation uses the Encumbrance to reserve funds for the whole year, the new planned ledger uses the PSP to reserve by quarter.
- To better understand these differences we should investigate the Financial Plan in more detail

DOB Financial Plan Overview

- Capital and Non-Capital Ledger Group Structure
 - Annual Budget (Level 1)
 - Quarterly Budget (Level 2, where control is placed)
 - Monthly Budget (Level 3, under discussion)
- Ledger Groups will consist of detailed ledgers for Budget, Planned, and Expended amounts
- Utilize Cumulative Budgeting
 - This means that available balances from prior quarters are applied to the current quarter within the same fiscal year.

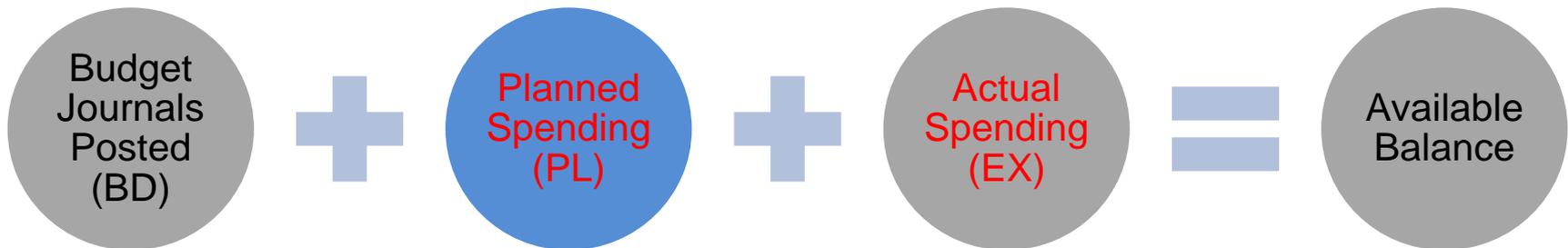
DOB Financial Plan Overview

- The DOB Financial Plan is represented by a set of ledgers used to control the state's outlay of cash
- Like appropriation/segregation, the balance is a calculation of the net of journals less the net of planned and actual amounts
- This calculation differs from Approp/Seg, as it recognizes a “planned” amount rather than encumbrance, and is controlled by quarter, rather than by year



PSP Overview

- The Payment Schedule Projection (PSP) is the term used to refer to the document that updates the planned ledger
 - Establishes the planned cash impacts of recurring costs (i.e., purchases) by distributing the PO amount across quarters for a given fiscal year using a planned ledger
 - PO Vouchers liquidate the PSP planned amount and record the actual expenditure
 - Non-PO Vouchers will only impact the Expense Ledgers, and do not trigger any PSP activity



PSP Process Overview

- The Planned Ledger is impacted through the following four stages

PO

- PO is created with chartfield distribution against total amount

PSP
Method

- PSP Method is selected based on the default hierarchy

Planned
Amount

- Planned quarterly amount is calculated based on chartfields and method

Planned
Ledger

- Calculated impacts are allocated to appropriate quarterly ledgers

PSP Process–Beginning Balance

Statewide Statutory Spending Authority Loaded to Appropriation and Segregation Ledgers

- Updates will be visible on the associated ledgers in the M041, KLB and KK files

DOB Defines Cash Ceiling (Outside SFS)

Planned Amounts Loaded to Financial Plan Ledger

- Updates will be visible on the associated ledgers in the M041, KLB and KK files

PSP Process–Planned Spending

Agency engages in procurement process for goods and services

- Pre-encumbrance may be required to ensure sufficient budgetary authority exists to support purchase
- PSP Method may be defaulted based on procurement type (Contract Profile)

Vendor selection completes, and agency identifies delivery schedule

- PSP Method may be defined based on specific agreement (Contract)

Purchase Orders are entered as Goods/Services are required

- PSP Method may be defined based on specific parameters around a single order (Purchase Order)

PSP Process–Budget Check

Statewide Budgetary Ledgers are checked for Statutory Authority

- If successful, the budgetary amount is encumbered
- If present, pre-encumbrance is liquidated
- Updates will be visible on the associated ledgers in the M041, KLB and KK files

PSP Method is applied to PO value, and compared to Financial Plan ledger balances

- PSP Method value is selected based on the default hierarchy and values effective at that time
- Projected amount is reserved in the planned ledger by quarter
- Updates will be visible on the associated ledgers in the M041, KLB and KK files

If either budget check is not successful than the impact of this transaction is not maintained, and the budget status is marked in error, and the PO cannot be dispatched to the vendor

- Failures will be recorded on the IDL and PO files

PSP Process–Expense/Liquidation

Invoice is entered in SFS, and budget checked against Statewide Ledgers

- If related to a PO the associated Encumbrance amounts are liquidated
- Updates will be visible on the associated ledgers in the M041, KLB and KK files

The voucher is then checked against the Financial Plan Ledgers

- If related to a PO, the associated Planned amounts are liquidated
- If successful, the voucher is marked as valid, and can be sent on for audit and payment
- Updates will be visible on the associated ledgers in the M041, KLB and KK files

If either budget check is not successful than the budgetary impact of this transaction is not maintained, the budget status is marked in error, and the Voucher cannot be sent for audit and payment until this is corrected

- Failures will be recorded on the IDL and VOH files

PSP Method Detail

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:

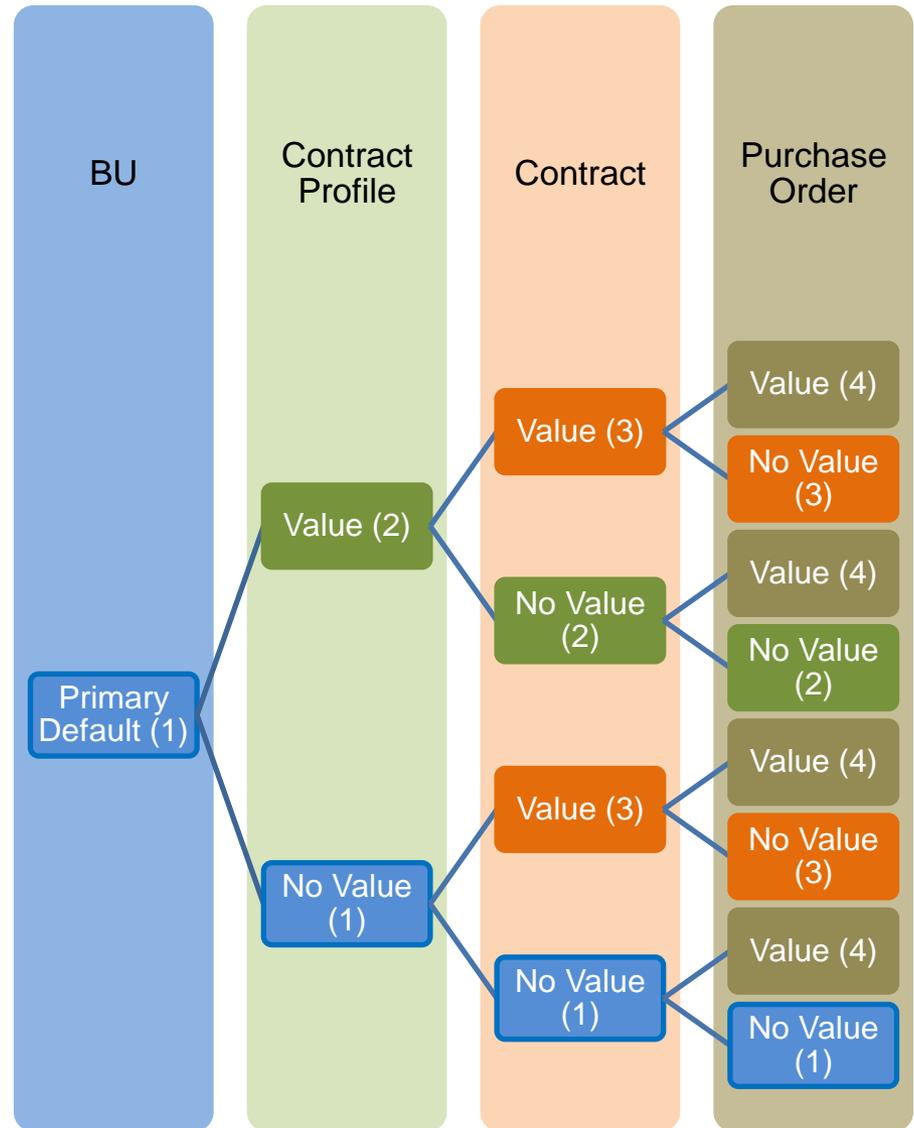
- **Source Type:** PO Date plus a number of Days; generally used when a single voucher will be produced from the PO
- **Allocation Type:** Allocates the PO Amount over Periods based upon Allocation Percentages
 - System date at time of budget check determines Period 1
- **Model Type:** Allows a single PSP method to have multiple different allocation rules based upon chartfield criteria

PSP Method Hierarchy

Applied to a PO, the PSP Method can be specified or inherited by:

- Business unit
- Contract profile
- Requisition
(omitted in our example)
- Contract

If a default value changes it will not force changes on processed documents.



PSP Liquidation

- To understand PSP Liquidation, we should look at how PO Liquidation works for Appropriation and Segregation Budgets.
- In this example an agency has \$100 in posted budget journals
- By reserving \$60 Encumbrance to cover the future expenditure the agency has reduced it's spending authority for new purchases, but not for purchases against this encumbered spending



- If the voucher was processed without referencing the PO it would fail, as most available funds have already been committed by the PO. Because this voucher referenced a PO it passed budget validation through the liquidation of the encumbered amount.

PSP Liquidation

- PSP Liquidation works similarly to Appropriation and Segregation, by reserving funds for future expenditure using a quarterly planned ledger as opposed to an annual encumbrance ledger

- PO Budget Check:



- Voucher Budget Check:



- Notice the liquidated amount releases the funding to be consumed by the invoice

Adjustments to the Planned Ledger

- Adjustments to the planned ledger occur by managing the PSP relative to one or more POs
- The PSP Adjustment Page is the tool available to users to perform adjustments to previously allocated or planned POs
- SFS will not allow modifying/changing the established PSP method on the PO itself once budget checked

Commitment Control (KK) in EE1

- New Business Processes:
 - Use of Generate Parent functionality
 - Global use of pre-encumbrance
 - Encumbering Travel Authorizations
 - PSP for DOB Financial Plan Budget
- Updated List of EE1 Budget Definitions
- Conversions
 - Appropriation/Segregation
 - Budget Attributes
 - Project Budgets
- Agency KK/Operating Plan

New – Generate Parent Budget

- With EE1 go-live the state will begin populating parent ledgers by exclusively using the generate parent functionality
 - This means that agencies will not have rights to enter journals against KK_APPROP or KK_PRJP
- Enforces that parent balance equals sum of child balances
- Saves time because budget maintenance can be done at the lowest child level and the system automatically handles the budget impacts associated with each of the higher parent budget levels

New – Encumbrance Changes

➤ Pre-encumbrance

- Approved Requisitions are budget checked creating a pre-encumbrance as they do today
- In EE1 the pre-encumbrance is included in the available balance calculation, and will consume budget

➤ Encumbrance

- Travel Authorizations submitted online will no longer be tracked as pre-encumbrances, but will be included in the encumbrance balance
- The DOB Financial Plan ledgers will include an alternative encumbrance technique known as PSP, discussed later in this presentation

EE1 Budget Definitions

- The following Budget definitions will be visible on the M041 and new KLB/KK Extracts:
 - Appropriation (KK_APPROP)
 - Segregation (KK_SEG)
 - Project Parent (KK_PRJP)
 - Project Child (KK_PRJC)
 - Agency KK (KK_AG and KK_TRK)
 - KK Operating Plan (KK_OP_ORG and KK_OP_PGM)
 - DOB Financial Plan (discussed earlier in the presentation)

Appropriation/Segregation Ledgers

- A new summary budget reference will be used in KK_APPROP
 - Transactional budget reference “2015-16” rolls up to budgetary only budget reference “A201516”
- Segregation will be loaded at 100% of Appropriation value
 - A new “reserve” concept will allow DOB to desegregate (make unavailable for spending) 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
 - Reserved funds will carry over year to year until they are designated as unreserved by DOB
 - All unsegregated appropriation balances as of EE1 go-live will be placed in reserve

Project Ledgers

- No planned structural changes for Project Parent
- The Project Child Budget Definition will provide a direct link 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

Conversion – Appropriation

- Life to Date reporting/inquiry will display two distinct records for each appropriation that has both Pre-EE1 and Post-EE1 activity
 - Historical Budget Journals for budget periods 2014-15 or earlier.
 - Expenditures corresponding to the Budget Journals to the budget periods 2014-15 or earlier
 - Re-established Budget Journals with the new Budget reference
 - Re-established Expenditures corresponding to the Budget Journals to the budget periods 2014-15 or earlier
 - Both the Budget Journals will be present in the KK Budget Journal Extract, and values reflected on M041 and KLB files
 - Both the GL Journals will be present in the GL Journal Extract

Conversion –Segregation

- Budget journals will be created to increase the KK_SEG to 100% of KK_APPROP in the new fiscal year
 - Unsegregated balances will be loaded to the reserved amount
 - DOB may elect to un-reserve these balances on an individual basis

Conversion – Budget Attributes

- SFS will convert the Budget Attributes such as Chapter, Section, Law, Title, Lapse Date, CCP Code and others.
 - The Pre-EE1 KK_APPROP appropriation level attributes will be converted to the KK_SEG ledger group.
 - Conversion will be necessary to create the new life to date budget attributes for KK_APPROP based upon the EE1 KK re-architecture change for Budget reference.
 - After EE1 go-live, the KK_SEG ledger group will be where the attributes will be maintained and a custom process will copy these attributes to KK_APPROP.
 - This conversion is to seed the current appropriation attributes into the KK_SEG ledger group.

Conversion – Project Budgets

- Budget journals will be created to increase the KK_PRJC to 100% of KK_PRJP.
 - The active Project Child Budgets, those having remaining available balance as of 3/31/2015, will be closed and new project child budgets will be created for the available remaining balance as of 4/1/2015, reflecting the new Project Child Budget Definition.
 - These Journals will include the Budgetary Program, Budget Reference and change to Account translated to the corresponding account level based upon the Capital or State ruleset level used for KK_APPROP to align with these budgets.
 - Program and Account will be based on Historic expenditures and pro-rated.
 - Budget-ref is defaulted to 2014-15.

Agency KK – AGY and TRK Ledgers

- Agency KK definitions not actively used or no longer relevant will be retired as of 4/1/2015
- Revisions to existing Agency KK definitions will be considered for 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

Future Topics

Sept 30th – Bulkload User Group and Testing/Troubleshooting

October 7th – Bulkload User Group Meeting

October 14th – Review of Conversion Results

November 4th – Bulkload User Group Meeting (Election Day)

(propose discontinuing temporarily due to bi-weekly meetings)

November 18th – Testing/Troubleshooting

AR/BI/Treasury transactions – to be provided on SFS Secure

M101 Field Mapping – to be provided on SFS Secure

Note: Each session will also include time allotted to conversion items and/or business process change impacts as available.

EE1 Project Timeline for Bulkload

Sep-Oct

Begin
Inbound
Testing

Begin full
operations
testing

Nov-Dec

Retest
Defect
Solutions

Conversion
Data
Provided

Jan-Feb

Hard Freeze
(Limited SFS
Changes)

Mar-Apr

Final Testing
Go Live Prep

Testing Areas Definitions

Integration Testing

- Tests the integrated business processes for a transaction from start to finish
- Also to test the strength of security, the completeness of the workflow logic, and the conversion of data

Conversion Testing

- Tests the conversion of data from the current system, any retiring systems and its success of transformation into EE1.

Performance Testing

- Tests to fine tune system to operate at optimal performance levels

User Acceptance Testing

- Provides the opportunity for the user community to become familiar with the system and get a first look at the final design prior to the Dry Run and Go-Live

Dry Run

- Performed to prepare for deployment and establish / reinforce system and Agency readiness at go-live

Conversion Test Information

- How will inbound profiles change?
 - Agencies will be automatically configured for PeopleSoft formats
 - A clean-up effort of SSIDs will be done to remove legacy configurations that are no longer valid.
 - Your agency can initiate this at any time independently of EE1

- Converted Data in Integration Testing Environment
 - Note: Black-out Time periods for conversion will be required
 - Exception Reports will be posted to secure site and new extracts will be produced for conversion window
 - Guidance will be given on how to identify converted records on the extracts

Bulkload Testing

- SFS will start with a small number of layouts, building to the full 28 inbound and 44 outbound formats as available
- Only one bulkload test environment will be supported at a time
- Interaction with other test plans (anomalous data)
 - Integration testing is not limited to bulkload agency transactions
 - Other test plans may produce unexpected data in extracts
 - Agency test plans should recognize such scenarios and adjust / accommodate resources/testing as needed

Current/Future Test Availability

Current Development Test

- **Layout version:** Generally 1.06, but may change without notice
- **Naming:** DFIN _ , 20 max characters
- **Contact:** SFS Help Desk
sfs.sm.HelpDesk@sfs.ny.gov

Future Integration Test

- **Production snapshot date:** September 4th at 3:51AM
- **Naming:** TST1 _ , 20 max characters
- **Inbound:** Vouchers (1.08), Expenses (1.08) and Refunds (1.08)
- **Outbound:** IDL, ENL only for initial test window

Training Information

SFS EE1 Training Information

- First Look Sessions (September)
- Delta Training (December)
- SFS New User Training (December)

Training Slides will be posted with this presentation

SFS EE1 First Look Sessions

- Visit SFS Secure to find more information
 - [First Look Info](#)
 - [First Look Schedule](#)

Workflow Updates

- Inter-unit Budget Transfers will be approved by the sending agency (Header BU) before being routed to the receiving agencies for approval
- Interagency GL transactions
 - Submitted via bulkload must have already received all required agency approvals before entry in SFS and will route directly to OSC.
 - Submitted online must be approved online by any agency involved, regardless of bulkload status, much like inter-unit budget transfers

Questions

