



# Payment Schedule Projection (PSP) Overview and Panel

June 11, 2015

# Agenda

- PSP Purpose
- PSP Methods
- Managing PSP (agency roles)
- Panel Q and A

# What is PSP?

- A tool being introduced as part of the Enterprise Enhancement Project (EE1) scheduled to Go Live October 2015
- Developed to enhance controls over spending and support shift to 100% segregation upon budget enactment
- The PSP provides information on the projected cash impact of purchases at the time of obligation (i.e. when purchase order issued)
- Provides visibility to planned agency spending by quarter for the fiscal year and the carryout period

# Benefits of PSP

- PSP provides agencies with better fiscal control to manage cash impacts as part of the procurement cycle; prevents obligations with cash impacts that do not align with the cash plan.
- The PSP answers questions about projected cash impact:
  - How will a Purchase Order cash out?
  - What is the aggregate cash impact to the KK Financial Plan for all agency executed POs?
  - How does my agency's actual and projected cash out adhere to or deviate from my KK Financial Plan (i.e. cash ceiling)?

# KK Financial Plan

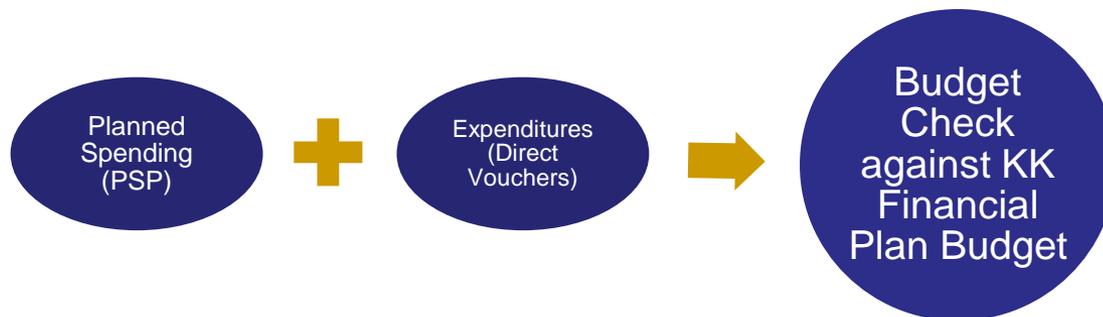
- **Successor to DOB KK - Two New Sets of Budget Definitions**
  
- Non-Capital Project Funds (Operating & Local Assistance):
  - KK\_PLANA1 – Monthly; Data Entry and Tracking
  - KK\_PLANA2 – Quarterly (Cumulative Year-to-Date);  
Budget – Planned – Expenditures
  - KK\_PLANA3 – Quarterly (Cumulative Year-to-Date);  
Budget – Expenditures
  
- Capital Project Funds:
  - KK\_PLANC1 – Monthly; Data Entry and Tracking
  - KK\_PLANC2 – Quarterly (Cumulative Life-to-Date)  
Budget – Planned – Expenditures
  - KK\_PLANC3 – Quarterly (Cumulative Life-to-Date);  
Budget – Expenditures

# KK Financial Plan

- The KK Financial Plan allows for the establishment of quarterly spending controls for Non Capital Project Funds. (Multi-year approach for Capital Project projections)
  - *These quarterly spending controls relate to DOB published cash flow included in each Financial Plan update*
- Validates that the actual and projected cash impacts do not exceed the established budgeted quarterly amounts
- As the fiscal year progresses, if an agency underspends in a quarter, the balance will be rolled into the next quarter (cumulative budgeting)

# PSP and KK Financial Plan

- The PSP is an input to the KK Financial Plan (planned amount)
- The PSP itself is not the KK Financial Plan



- Planned amounts in conjunction with expenditures (via direct voucher) use-up the available KK Financial Plan
- Vouchers issued without a PO update the KK Financial Plan without the benefit of the PSP (similar to today)

# Scope of PSP

- At go-live, Purchase Orders will serve as the “planned expenditure” component of the PSP’s, limiting planned spending to non-personal service and a small population of contracted local assistance payments
- In the future, PSP usage is expected to expand to include other types of agency spending in the PSP as this may provide a vehicle to better enable agencies to manage to their spending plans.

# PSP Methods

- A **PSP Method** is used to determine how the projected expenditure of the PO will be recorded across Quarterly Budget Periods (or multiple years for Capital Projects)
- The list of PSP methods have been developed in a workgroup that included SFS, DOB, OSC & Agency experts for agency use
- Three Types of PSP Methods:
  - **Source Type:** PO Date + X number of Days
  - **Allocation Type:** Allocates the PO Amount over 1 or more periods based upon general allocation percentages (e.g. 50% first quarter 50% second quarter)
  - **Model Type:** Allows a single PSP method to have multiple different allocation rules based upon chartfield criteria (i.e. program XYZ spends out 10%, 25%, 25%, 40%, over quarters 1 through 4, respectively)

# Assignment

- A PSP is associated with each Purchase Order and distributes the PO amount across quarters in accordance with business rules and the default or assigned PSP method for the PO
- The PSP method will be defaulted systematically to the PO based upon configured agency defaults, but there is the ability to over ride the systematic selection on the PO, with proper security.
- DOB will have the ability to apply controls to PSP methods and to agencies to better manage the KK Financial Plan (e.g. preventing projections from exceeding lapsing dates).
- Agencies will have the ability to adjust the PSP method on a PO if needed to better plan out the PO spending pattern.

# PSP Adjustment Page

<b>Navigation</b>	Main Menu > Commitment Control > PSP > Processes > PSP Adjustment
<b>Security/Role name</b>	PSP Adjustment Processor
<b>Purpose</b>	<ul style="list-style-type: none"><li>▪ The PSP Adjustment page is where PSP projections can be viewed and adjusted for a PO, or a set of PO's subsequent to the initial PO PSP budget check.</li><li>▪ Provides an optional step to Preview the PSP Allocation in the SFS to view how the PSP Adjustment will affect the projected spending of a PO or a set of PO's.</li><li>▪ Allows agencies to adjust the PSP Allocation, which impacts the agency's planned spending, for a specific PO or a set of PO's.</li></ul>

# PSP Adjustment Actions: Re-Alloc

- The **Re-Alloc** option evenly spreads prior period projection percentages over remaining periods up through the last allocation period (based on PSP Method configuration).
- Re-allocate does **not** change the PSP Method on the PO and it does **not** change the initial period for the allocation.
- Upon subsequent budget check this will cause unliquidated funds to be adjusted based on those percentages for the current period and forward.
- This PSP Action is valid for Allocation and Model Projection Types.

*This benefits the agency by more evenly spreading unliquidated amounts on a PO to future periods where there is underspending relative to the projection.*

# PSP Adjustment Actions: Re-Calc

- The **Re-Calc** function re-establishes the percentage allocations for the current and future period based on the current PSP Method configuration
- Re-calculate does **not** change the PSP Method on the PO and it does **not** change the initial period for the allocation
  - Note: this does occur for PSP Mass Adjustments
  - This establishes an adjustment based on the current configuration of the PSP Method and current distributions on the PO
- Upon subsequent budget check this will cause unliquidated funds to be re-distributed based on those percentages for the current period and forward.
- This PSP Action is available for all PSP Projection Types
  - This is a better option than the Re-Alloc for the Model Type PSP Method as it maintains the percentage allocations by Chartfield combination

*This benefits the agency by re-calculating projection allocation percentages when prior period unliquidated planned amounts exist and the projection percentages need to be re-calculated and maintain alignment with the PSP Method configuration*

# PSP Adjustment Actions: Re-Plan

- The **Re-Plan** action provides the ability to re-plan unliquidated PO amounts by changing the PSP Method to use a new PSP Method
- The re-plan option does **not** re-establish the initial period.
- Using the re-plan option requests a change to the current prevailing PSP Method on the PO, and serves to establish an adjustment based on the selected PSP Method.
- The change of the PSP Method is fixed when the PSP Adjustment Action is successfully budget checked for that PO.
- This PSP Action is valid for all PSP Projection Types.

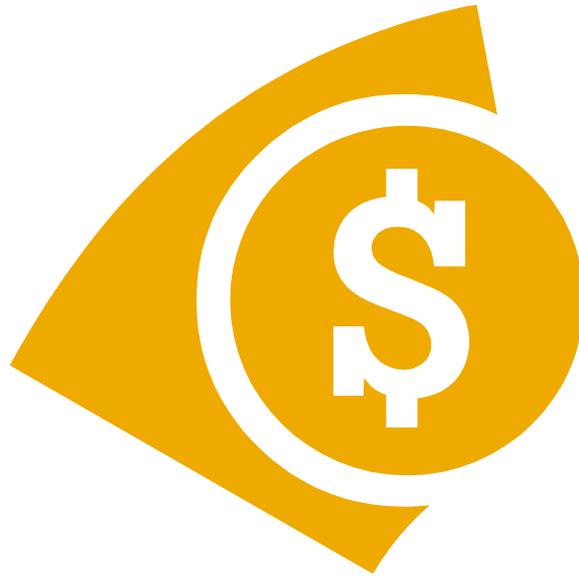
*This benefits the agency by reallocating percentages when a PO is determined to be progressing more like a different PSP Method than what was selected on the PO.*

# PSP Adjustment Actions: Re-Start

- If funds are not expended on a PO, specifically, there are *no* vouchers associated with it, the allocation and projection can be restarted beginning with the current period through the adjustment page with a **Re-Start** action.
- The **Re-Start** option *does* re-establish the initial period.
- This PSP Action is valid for all PSP Projection Types.

# Viewing PSP Adjustment Information

- Navigate to Main Menu > Commitment Control > PSP > Processes > PSP Adjustment



# PSP Available Reports

- KK Financial Plan Status report (NYKK4000)
  - The KK Financial Plan Status report provides information at the individual KK Financial Plan budget level and this is available to download to Excel
  - The report also enables a summarized view of Agency or State KK Financial Status for groupings of funds in PDF format
  - Users can access the report via the following navigational path: Main Menu > Commitment Control > Budget Reports > KK Financial Plan Status
  - Users need designation by their Agency Security Administrator (ASA) of the following role in order to run this report: (NYF\_AGY\_KK\_REPORTS)

# Report for Monitoring

- The summary report is a printable PDF version that provides KK Financial Plan totals by BU and Fund or Fund Rollup
- The detail report is a downloadable version to support KK financial Plan budget level information for a detailed agency view of the KK Financial plan within Excel
- Both report options show information for the four quarters of the fiscal year and a total for the year. They include Budget, Planned (PSP), Expense and remaining amount as report columns.

# PSP Available Reports

- PSP Adjustment Activity Report (NYKK4001)
  - Provides an overview of PSP Adjustment activity to support monitoring of PSP adjustment activity against PO's subsequent to the initial PO budget check. The report will be used to support improvements to PSP Method defaults and may be used by DOB to support future use of PSP controls by PSP Method or by Purchasing BU
  - Users can access the report via the following navigational path: Main Menu > Commitment Control > Budget Reports > PSP Adjustment Activity Report
  - Users need designation by their Agency Security Administrator (ASA) of the following role in order to run this report: (NYF\_AGY\_KK\_REPORTS)

# PSP Available Reports

## ➤ PSP Voucher Report (NYKK4002)

- Provides information relating to vouchering in excess of planned amounts. The report will be used to support improvements to PSP Method defaults and may be used by DOB to support future use of PSP controls by PSP Method or by Purchasing BU.
- Users can access the report via the following navigational path: Main Menu > Commitment Control > Budget Reports > PSP Voucher Report
- Users need designation by their Agency Security Administrator (ASA) of the following role in order to run this report: (NYF\_AGY\_KK\_REPORTS)

# PSP Available Reports

- PSP Allocation Summary Report (NYKK4003)
  - Provides a summary comparison between an agency's original PSP allocations for PO's and the actual expenditures recorded against these PO's
    - Alternately, the report provides the same comparison using the current PSP allocation
  - Users can access the report via the following navigational path: Main Menu > Commitment Control > Budget Reports > PSP Allocation Summary Report
  - Users need designation by their Agency Security Administrator (ASA) of the following role in order to run this report: (NYF\_AGY\_KK\_REPORTS)

# PSP Query

## Agency requirement

- PSP reporting tool to support PO level analysis when PSP budget checking errors occur

## Solution

- AnalyzeNY will solve the reporting need with EE1 implementation
- A public PeopleSoft (PS) Query will provide the interim solution
  - The query will allow the entry of budget ledger type and ChartField string parameters
  - The report will include a list of all POs related to the ledger and ChartFields at the line level
  - The report can be downloaded to Excel for use

## Availability

- The PS Query is currently in user testing and should be available next week
- A second query to list all POs at the distribution level is in progress

# PSP Roles

Role Mapping Guide:

***SFS Secure > EE1 > Agency Security > Agency Role Guide***

PO Requestor – LVL1	The PO Requestor - LVL1 role provides the same functionality as the current PO Requestor role; in addition this role also provides access to update the PSP Method.
PO Processor – LVL1	The PO Processor - LVL1 role provides the same functionality as the current PO Processor role; in addition this role also provides access to update the PSP Method.
PO Contract Processor – LVL1	The PO Contract Processor – LVL1 role provides the same functionality as the current PO Contract Processor role; in addition this role also provides access to update the PSP Method.
PSP Adjustment Processor	PSP Adjustment Processor role provides access to PSP Adjustment page and the PSP Allocation process. This role should be provisioned to users who are part of your agencies Budget Department.

# Agency PSP Method Guide

- Link to the Agency PSP Method Guide
  - SFS Secure > EE1 > Budget /KK > Right side of page under resources Agency PSP Method Guide
  
- The Agency PSP Method Guide provides additional details regarding the PSP Methods available in SFS:
  - Determining which PSP Method best fits
  - Lists a description of the PSP Methods, the Allocation and examples on when to use it for each individual method

# PSP Budget Check Level

- While planned spending is populated on a very granular PO by PO basis, budget checking occurs at the higher control level established by the KK Financial Plan
  - For example: Agency, Fund, FP category (i.e. NPS)
- This allows for flexibility in development and selection of PSP method, as it is expected that projected cash spend out may not occur exactly as projected (occurring either earlier or later than projected)
- The budget check ensures that spending in aggregate does not exceed the KK Financial Plan budgeted amount

# Managing PSP

- Establish PSP defaults for their BU
- Monitor PSP projections to actual results and adjust PSP methods as needed
- PO's and PO Change Orders must be successfully PSP budget checked to be dispatched and paid
- Agencies are accountable to manage their cash projections within the established KK Financial Plan quarterly budgeted amounts

# Managing PSP – Common Questions

- Where do we view PSP Budget checking errors?
  - SFS Secure > Job Aids Library > Visit our job aids home page for details > Payment Schedule Projection > JAA-PSP000-002 Viewing PSP Budget Exceptions
  
- How do we change the default PSP method for the Agency BU?
  - Agency submits an incident to the SFS Helpdesk requesting an update from the existing default to the new requested default.
  
- What should be tested in the ABP test environment?
  - Procure to Pay end to end process (Req to Voucher);
    - Perform PSP adjustment and review impacts to planned budget (Re-Start, Re-Alloc, Re-Calc, Re-Plan adjustment actions)
  - Contract release end to end process (auto sourced PO)
  
- Where can I see my PSP method selected for a PO?
  - Main menu go to Purchasing > Purchase orders > Add/Update POs > Find an Existing Value > Enter PO ID > Header Details

# PSP Questions and Answers

## ➤ PSP Panelists:

- Mary Ryan, Division of Budget
- Ed Bouryng, EE1 Project Director
- Bonnie Gold, EE1 Project Officer
- Dave Stewart, Statewide Financial System
- James Sutton, OCFS
- Lisa James, ITS

## ➤ Q and A Guidelines:

- Web participants should type in questions – all will be addressed.
- On-site participants should raise your hand – use microphone for all questions.

# PSP Reference Material

- SFS Job Aids:
  - SFS Secure > Job Aids Library > Visit our job aids home page for details > Payment Schedule Projection
  
- PSP Job Aids:
  - JAA-PSP000-001 Update the PSP Method and PSP Adjustment Action on the PSP Adjustment Page
  - JAA-PSP000-002 Viewing PSP Budget Exceptions
  
- Role Mapping Guide:
  - SFS Secure > EE1 > Agency Security > Agency Role Guide
  
- SLMS Courses:
  - Budget/KK First Looks (Course Code: SFSEE1 Budget)
  - PSP Primer (Course Code: PSP101)
  - Budget/KK Delta training (Course Code: SFS-D511-2014)