

Summit Re-Implementation Project

Powered by FinMAP

One City, One System ***Transparent, Consistent, Reliable***

Seattle City Council Briefing
Affordable Housing, Neighborhoods & Finance Committee
August 2, 2017

Background: FinMAP

One City, One System

- Resolution 31332 established FinMAP in 2011:
Citywide Financial Management & Accountability Program
- FinMAP Goals:
 - Timely, reliable access to accurate & complete financial data from a common source
 - State-of-the-art financial operations
- Summit Reimplementation Project (SRI) - first key FinMAP deliverable

What is Summit?

- Current financial management system: Oracle's PeopleSoft Version 8.8
- Records & classifies financial transactions and functions (payroll processing, accounts receivables/payables, procurement, financial controls and asset management)
- System of record for financial statements & management reporting
- City Budget loaded and tracked in Summit - not developed in Summit

SRI: Business Changes

New PeopleSoft 9.2 - City depts. will:

- Record expenditures based on work done (Projects) instead of who is doing it (Orgs)
- Charge the General Fund and major funds directly
- Recognize indirect costs as part of total project cost
- Standardized ChartFields to capture:
 - What was the nature of the transaction? **ACCOUNT**
 - Who did the work? **ORG**
 - What work was done? **PROJECT and ACTIVITY**
 - What revenues were earned and used? **FUND**
 - Where did the revenue come from? **FUNDING SOURCE**

SRI: Business Benefits

SRI benefits:

- Links costs and revenues for the first time (*Project Cost Accounting*)
- Improves total cost of service information (*Indirect Cost model*)
- Accrues underspend where revenue is collected vs. accumulating in operating fund (*Direct Fund model*)
- Centrally analyzes and reports expenditures
- Minimizes accounting system customizations

SRI: Department Support

Department Impacts - Significant changes in recognizing costs and revenues, procuring services and payroll

SRI support provided:

- Detailed end-to-end business process documentation & workshops
- Individualized dept. readiness checklists & scorecards
- Individualized support
- Early, hands-on access into the system
- User training

SRI: Current Status

Milestones completed

- Initial 9.2 system test successful; subsequent testing cycles initiated (minimal issues identified)
- Department workshops
- Refined and streamlined project plan
- Detailed process documentation
- Prioritized list of dept. operating systems integrating into new system
- Accelerated hands-on access to system

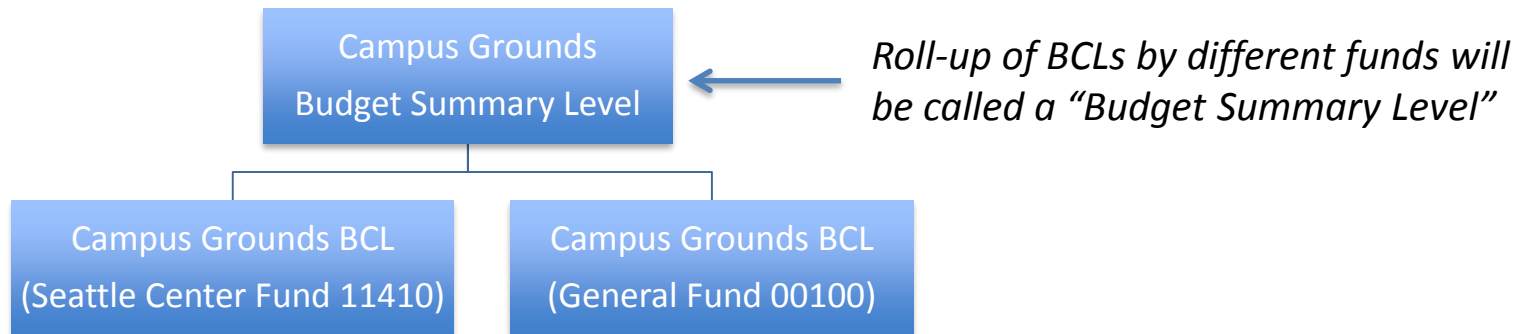
SRI: Current Status

Key Efforts for January 2018 go-live:

- Dept. business process engagement (ongoing)
- Dept. set up of accounting structures (Aug-Sept)
- Integration test planning & execution (April-Dec)
- Production infrastructure testing (July-Aug)
- Cutover planning & execution (Aug-Dec)
- Final staff orientation & system testing (Oct-Nov)
- Final cutover (Dec 2017)
- Staff training (Oct 2017-Mar 2018)
- Go-live – anticipated January 2nd 2018

SRI: Budget Impacts

- Processes for 2018 Proposed & Adopted Budgets unchanged
- Continued reporting in budget book at Budget Control Level (BCL) & Program level
- New budget term due to direct fund model – Budget Summary Level



- Depts. & CBO convert 2018 Adopted Budget to 9.2 structure for re-adoption by Council
- Train Council/staff on new dept. project structures

SRI: Key Risks

Tight schedule - closely watching:

- Overall testing (Integration, User)
- Complex data builds – tests dept. understanding of Citywide Finance and Procurement Model (CFPM)
- Staff training & orientation – evaluating success of dept. staff training

SRI: Project Financials

\$83.4M SRI Central Project

Phase I = \$12.9M (completed)

Phase II = \$70.5M (\$65M Central Project + \$5M EP2P)

- \$35M spent through June 2017, with \$7.5M contingency remaining uncommitted

\$47M SRI Department Implementation

- Includes SPU and SCL
- Estimate reflects 2015-2016 actuals, 2017 Adopted & 2018 Endorsed Budget

= \$130M Total SRI Project + Dept. Costs (Est)

SRI: Next Steps

- Closely monitor progress & key milestones
- Keep City Council informed of significant changes to project schedule or budget
- CBO to continue working closely with Council Central staff on Council's review & adoption of 2018 Budget

Questions and comments?