

Summit Re-Implementation Project

Powered by FinMAP

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

Seattle City Council Briefing
Finance and Neighborhoods Committee
May 23, 2018

Background: FinMAP

One City, One System

- Resolution 31332 established *Citywide Financial Management & Accountability Program* (FinMAP)
- 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 was successful implementation of PeopleSoft 9.2 on January 2, 2018

SRI: What is PeopleSoft 9.2?

- Oracle's PeopleSoft Version 9.2 is a financial management system
- 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 - not developed in PS 9.2

SRI: Business Changes

- To achieve FinMAP goals, SRI implemented standard practices as well as PS 9.2.
- Citywide Financial and Procurement Model (CFPM) provides the guidelines to City departments on how to properly process financial transactions
 - PS 9.2 is configured to support CFPM guidelines

SRI: Business Changes

Key outcomes of CFPM

- Record expenses based on work done (Projects) instead of who is doing it (Orgs)
- Charge expenses directly to General Fund and other funds
- Recognize indirect costs as part of total costs
- Standardize use of data values (ChartFields):
 - 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: Status

- Implementing CFPM and PS 9.2 requires dozens of procedural changes by City staff
- Common challenges staff face in adapting to CFPM and PS 9.2 include:

Time and Labor (payroll)

- Timesheet system user interface challenging in some circumstances
- Identification of incorrect accounting data prior to payroll processes
- Processes for correcting accounting data are difficult

Financial and Procurement

- Rules to allocate costs to funds (Funds Distribution) is complex
- Procurement processing is more labor intensive
- Automatic billing (Customer Contracts) is labor intensive
- Delinquency management process (Dunning Letters) late to start
- Reports are inadequate, difficult to interpret by non-financial staff

SRI: Continued Support

SRI continues to address departmental impacts by providing the following support:

- Department specific strategic sessions
 - Corrections to PO's and Vouchers
 - Corrections to Funds Distributions
 - Payroll accounting data assessment/correction tools
- Individualized support
- User training and workshops

SRI: Transition to O&M

- Extending SRI project staff through end of 2018
 - Provides additional staffing to help City staff adapt to new processes and evaluate CFPM/PS 9.2 performance
 - SRI management team oversight of development of O&M plan for PS 9.2 system – which will be managed jointly by FAS and ITD on on-going basis
 - Allows CBO, City Accounting, Payroll, Treasury and Procurement staff adequate time to adapt to new roles
 - Maintains the existing governance body as the channel to the Executive Level and CFO's around the City as departments adapt to changes

SRI: Project Financials

\$83.4M SRI Central Project

Phase I = \$12.9M (completed)

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

- \$54M spent through January 2018, with \$7.5M contingency remaining

\$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)

Questions and comments?