Summit Re-Implementation Project

Powered by FinMAP -

One City, One System Transparent, Consistent, Reliable

Seattle City Council Briefing
Affordable Housing, Neighborhoods & Finance Committee
September 21, 2016

Current Issues

- Insufficient linkage of expenses with their supporting revenues
- Inefficient and cumbersome processes to monitor City's fiscal health, meet regulatory reporting requirements, ensure internal control & info security, and support performance based budgeting
- Audit issues
- Inconsistent financial management practices
- Accounting system difficult to maintain

FinMAP

One City, One System

- ➤ In 2011 the City Council adopted Resolution 31332 establishing a Citywide Financial Management and Accountability Program - FinMAP
- State of the art financial operations
- Standardizing how we do business
- Summit Re-Implementation (SRI) is the first key deliverable for FinMAP

FinMAP: Key Business Changes

- Standardize use of variables ("Chartfields") in accounting system
- Accumulate costs <u>and</u> supporting revenue with Project Chartfield
- Directly attribute costs and supporting revenue to Fund Chartfield
 - Assigns cost details in each Fund
 - Reduces size and scope of most operating funds
- Minimize use of accounting system customizations

FinMAP: Other Business Changes

Business practices implemented over time:

- Payroll processing
- Indirect cost model
- Billing, payment, and accounts receivable processing
- Procurement and vendor payment processing, including Enhanced Procure to Pay (EP2P) for select, early departments

Making it happen

Phase I Timeline

2013-2015: Develop scope & cost

Phase II Timeline

2015: Initiated Phase II

2016: Design and build new 9.2 Summit system; develop and educate departments on new business practices

2017: Complete build and testing of new system; help departments adapt to new business practices

2018: Launch (1st quarter), troubleshooting

Making it happen

Phase II Budget & Funding

- ➤ **Budget:** \$65.6 million, plus \$5.3 million for Enhanced Procure to Pay (EP2P) = \$71M (20% contingency)
- Funding: Central Project allocated to City's six funds (like other Summit-related costs); EP2P costs allocated only to early participating departments
 - Supported by LTGO debt issuances in 2016, 2017 and possibly 2018; and direct payments by SPU and SCL

Making it happen

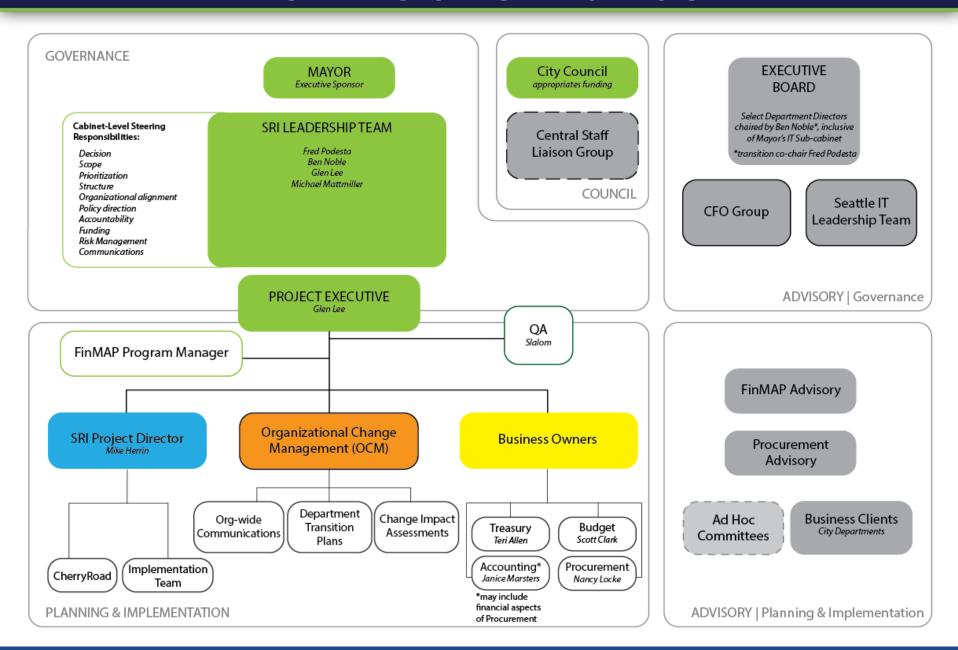
Department challenges

- > Assessing impact of standard policies and processes
- Adopting new technical and business processes
- Training staff
- Living with more oversight and internal controls

Solutions

- Citywide learning sessions
- Sessions with individual departments
- > Hands on support
- Ongoing communication

SRI Governance



Next Steps

In coming months

- New Business Rules and Practices: Key Concept Sessions & Working Papers
- Department Prototyping: Synthesis of New Business Rules/Practices and System Configurations
- Organizational Change Management:
 - Change Impact Assessments & Transition Plans for All Departments
 - Help Departments Begin Preparing 2018 Budget
 Utilizing New Business Rules and Practices

Discussion

Questions and comments?