



Sunflower Project Business Process Workshop

General Ledger and Commitment Control



Welcome

General Ledger BPW Agenda



- Welcome**
- BPW Purpose and Objectives**
- Context for General Ledger**
- Ledgers**
- Transaction Budget Checking and Posting**
- Business Process Walkthroughs**
- Agency Impact Analysis**
- BPW Wrap-Up**

Welcome and Introductions



- Presenters:
 - Connie Guerrero, Enterprise Readiness Team Manager
 - Jennifer Dennon, Agency Readiness Team Lead

Ground Rules



- Turn phones to silent or vibrate
- Be courteous of presenters and other speakers
- Return promptly after breaks
- Participation is expected
- Questions are encouraged – if we can not answer today we will research and get back to you with an answer



BPW Purpose and Objectives

BPWs Objectives



After completing this workshop you should:

- Understand SMART business processes
- Understand key organizational impacts, as identified by the Sunflower Project
- Be prepared to conduct your agency's Agency Impact Analysis (Task ID 30)

What BPWs WILL Do...



- Provide detailed information on key process points
- Review potential agency impacts
- Introduce recommendations and action items to reduce the impacts of identified changes
- Provide tools for identifying alternate and/or additional impacts specific to your agency

What BPWs Will NOT Do...



- Provide system training
- Identify *every* process change and agency impact
- Evaluate process change impacts at the agency level

Note: The information contained in this presentation is accurate as of this point in the project. Further build and testing of SMART may alter information at which point updated topics will be communicated

Agency Business Process Analysis Timeline



BPWs are the first step in your business process analysis

| Aug 2009 | Sep 2009 | Oct 2009 | Nov 2009 | Dec 2009 | Jan 2010 |
|--|----------|----------|----------|----------|----------|
| Attend BPWs | | | | | |
| Complete Agency Impact Analysis | | | | | |
| Communicate Updated Business Processes to Agency | | | | | |

Business Process Analysis Areas



Agencies will need to consider the following areas for each business process:

- User Roles and Responsibilities
- Reporting
- Policies and Procedures
- Manuals and Desk Instructions
- Forms
- Document Storage



Meet and Greet





Context for General Ledger

General Ledger Overview



- The General Ledger in SMART is the module that contains the accounting transactions that make up the accounting system of record.
- The benefits of the SMART General Ledger are:
 - All financial transactions entered in SMART are recorded in the General Ledger
 - Accounting entries move through the system and do not have to be rekeyed in multiple systems
 - Automated budget checking provides a process to validate that transactions are within existing spending authority and cash balances

Concept Definition: Commitment Control



- Commitment Control is a function of budgetary accounting and encumbrance recording. Budget checking is the SMART process that checks transactions against the budgets and posts transactions to the ledgers.

General Ledger

Key Terms & Definitions



- **Account** - The SMART field that defines the purpose of the transaction and specifies the balance sheet target or operating target (expenditure or revenue object codes) on financial transactions.
- **Agency Use** - Used to fulfill agency-specific reporting requirements, as they relate to cost centers, activities and tasks for which an appropriate chartfield does not exist. Optional.
- **Available Budget** - For expenditure budgets, the amount available in the budget after deducting commitments and expenses from the budgeted amount while for revenue budgets, the revenue estimate amount less the recognized revenue amount.
- **Budget Checking** - The process of comparing expenditure or revenue transactions against a defined budget.
- **Budget Journal** - A transaction that establishes or updates budget amounts in the system.
- **Budget Keys** - The ChartFields that are required for all budget journals and all transactions for a given budget structure.

General Ledger

Key Terms & Definitions (continued)



- **Budget Ledger** - A ledger that defines the type of budget and the type of transaction that will be recorded in SMART.
- **Budget Period** - A time segment that is used to define when the system should divide budget information.
- **Budget Status** - An indicator for defining if budget is Open, Closed, or on Hold based upon whether a transaction has passed budget check for all applicable budgets.
- **Budget Translation** - Defines how the detailed chartfield values roll-up to a budgetary level.
- **Cash Basis** - Accounting method in which income is recorded when cash is received, and expenses are recorded when cash is paid out.
- **Combination Edits** - Function that defines rules about which ChartField values should be combined for accounting entries.
- **Commitment Control** - The process of budgetary accounting which enables the tracking or controlling of expenses against budgets and revenues against estimates.

General Ledger

Key Terms & Definitions (continued)



- **Control ChartField** - The SMART field used to determine whether a transaction will be subject to a budget structure.
- **Department** - The ChartField that defines in detail the agency organization structure, especially for tracking and reporting. The State uses this ChartField to capture the State and agency organization chart.
- **Encumbrance** - Amount of legal obligation to spend in the future.
- **Expense Budget** - A structure of budget (such as Appropriation) that records Budget, Expense, and Encumbrance.
- **Fund** - Chartfield that defines fiscal and accounting entity with a self-balancing set of accounts. Records cash and other financial resources, together with related liabilities and residual equities or balances, and any corresponding changes.
- **Modified Accrual** - Governmental accounting method in which revenue is recognized when it becomes available and measurable and expenditures are typically recognized in the period in which the liability is incurred.

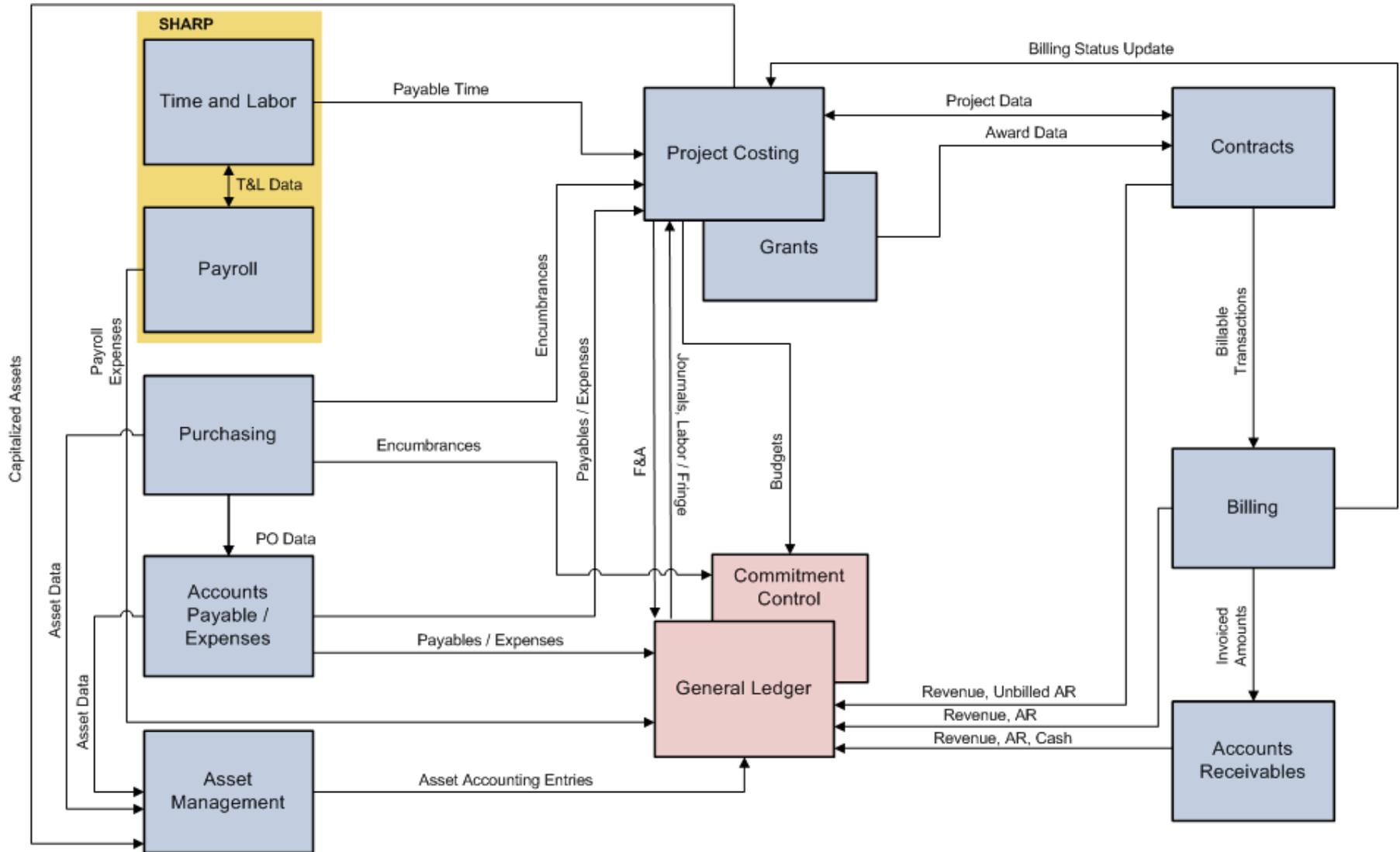
General Ledger

Key Terms & Definitions (continued)

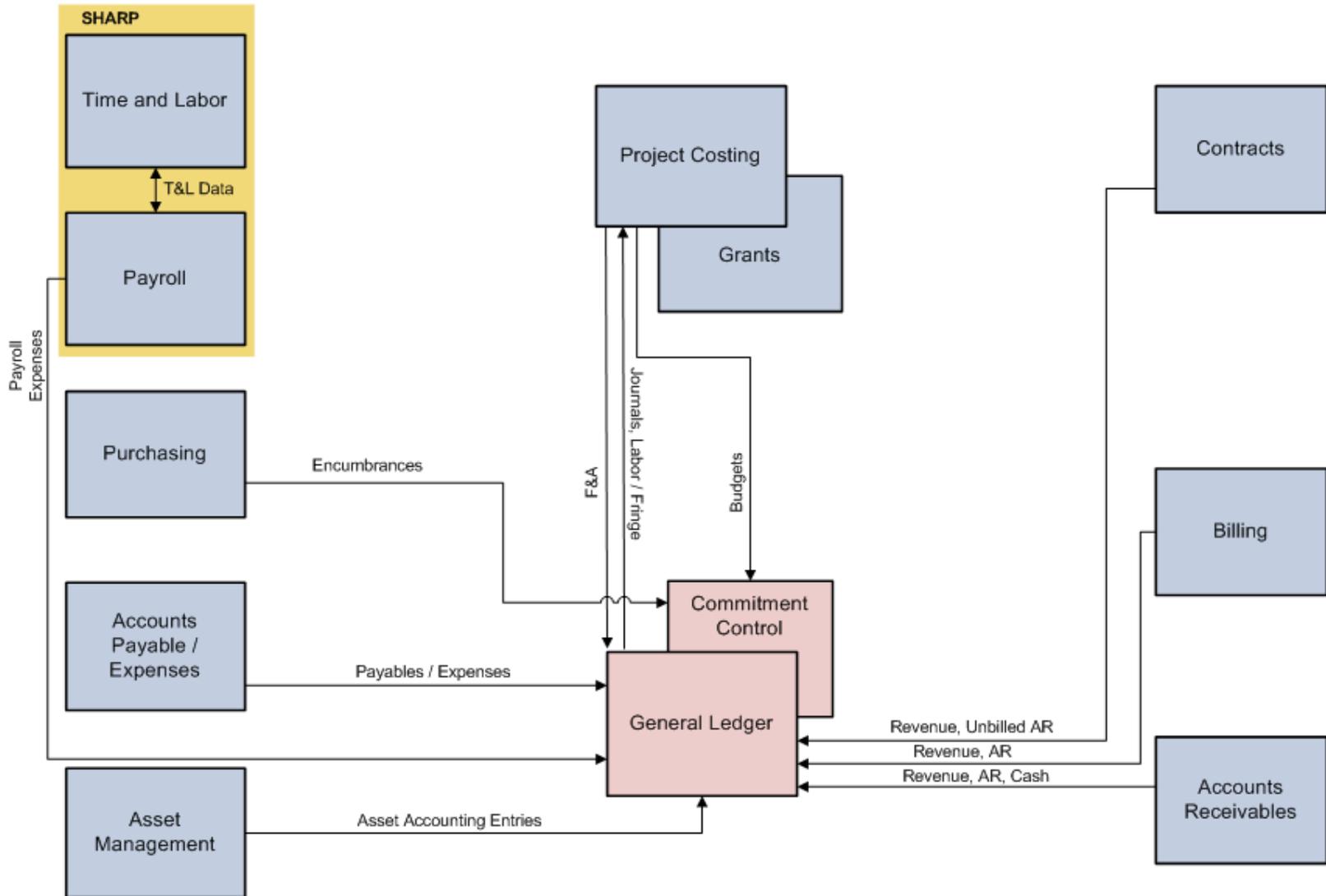


- **Program** - The ChartField that captures the cost of providing a specific good or service in response to an identified social or individual need or problem.
- **Project ID ChartField** - The ChartField that tracks grant and project financial activity, which can cross budget years, funds, and departments. It is the gateway to the project costing module functionality.
- **Revenue Budget** - A structure of budget that records estimated, recognized and collected revenue.
- **Ruleset** - A set of rules for the budget calendar, budget key ChartFields, and translation trees.
- **Service Location** - The chartField that captures the concept of location (state, county, city, district, building, etc.). This will allow the State to track spending in relation to a geographic designation.

SMART



Commitment Control and General Ledger Integration



Commitment Control and General Ledger Topics and Processes



This Business Process Workshop includes the following topics and processes:

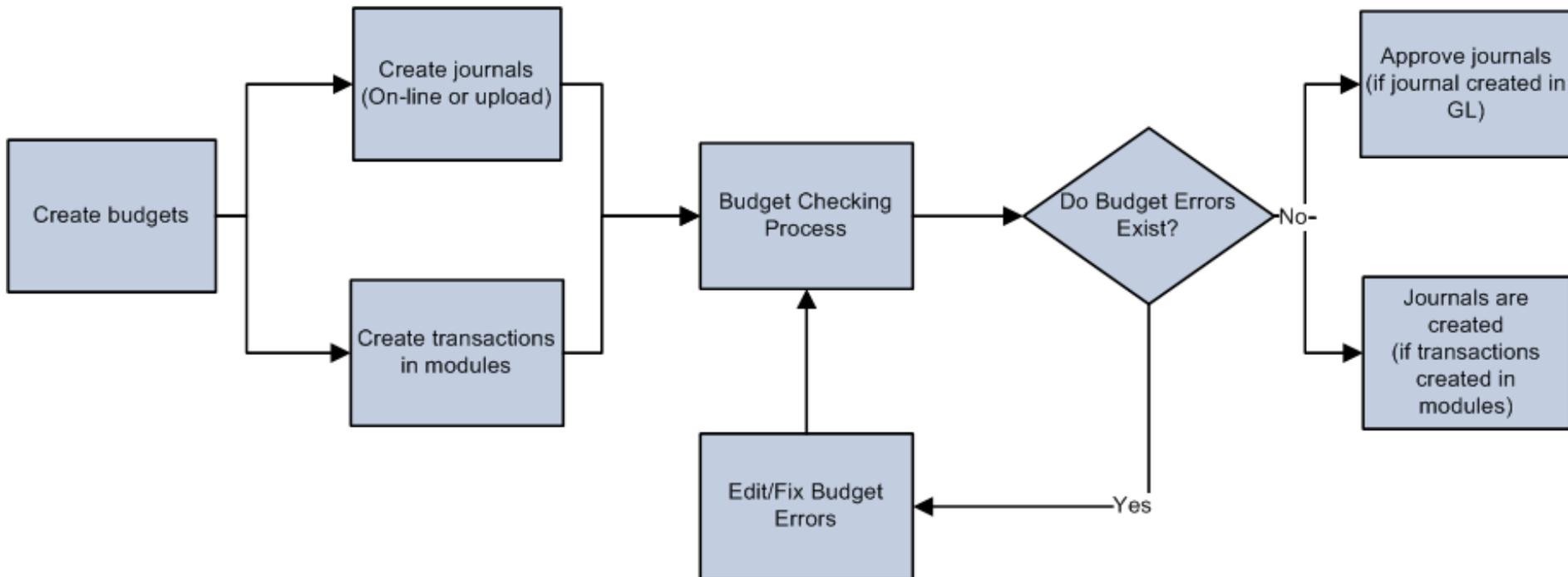
- Ledgers
 - Actuals Ledger
 - Appropriation Budget
 - Operating Budget
 - Project Budget
 - Cash Control Budget
 - Revenue Estimate
 - CAFR Reporting

- Transaction Budget Checking and Posting

- Creating a journal entry

- Approving a journal entry

Commitment Control and General Ledger End-to-End Process



General Ledger Roles & Responsibilities



| User Role | Responsibilities |
|------------------------------|--|
| Agency Budget Processor | This role will be responsible for maintaining agency budgets after they interface from the IBARS system and entering new agency budget journals into the system. |
| Agency Budget Approver | This role will be responsible for approving and posting agency-level budget journals. |
| Kansas GL Processor | This role will be responsible for entering and maintaining journals. |
| Kansas GL Approver | This role will be responsible for approving journals in the workflow process before it goes to Accounts & Reports for approval. |
| Kansas GL Viewer | This role will be responsible for viewing the general ledger data entered by other employees. |
| Agency ChartField Maintainer | This role will be responsible for updating ChartFields, including Service Location, Agency Use, Project Costing chartfields. |



Ledgers

Concept Definition: Ledgers



The General Ledger contains multiple ledgers. Each ledger captures a different type of financial data for a different purpose.

SMART contains the following ledgers:

- Actuals Ledger
- Appropriation Budget
- Operating Budget
- Project Budget
- Cash Control Budget
- Revenue Estimate
- CAFR Reporting

Concept Definition: Actuals Ledger



- The Actuals Ledger stores consolidated financial transactions for actual expenses, revenues and cash balances (non-budgetary transactions). Actuals Ledger is a separate ledger from Cash Budget and Appropriation Budget.
- Actuals are posted on the ledger in the required chartfields Fund, Budget Unit, Account, Department and Program
- Optional chartfields Location and Agency Use are recorded on the Actuals ledger if configured by the agency

Concept Definition: Appropriation Budget



- The Appropriation Budget is the spending authority granted by the legislature at the Agency, Fund, and Budget Unit level.
- The Appropriation Budget is centrally maintained. Transactions that exceed spending authority will fail when budget checked against the Appropriation Budget. Transactions cannot be processed and recorded until they pass budget check.

Concept Definition: Operating Budget



- The agency Operating Budget is the budget reflected in IBARS and approved by the Div. of the Budget, Legislature, and the Governor.
- Operating Budgets are managed at the Department, Fund, Budget Unit, and Program. The Agency may elect to further define the operating budget in additional detail.
- Any additional detail added to the Operating Budget by the agency is maintained by the agency.

Concept Definition: Project Budget



- The Project Budget is the budget established by the agency and associated with a specific project. Establishing a Project Budget is optional.
- Project budget structures include three options:
 - Dept. ID, PC Business Unit & Project/Activity
 - Dept. ID, PC Business Unit, Project/Activity, and Service Location
 - Dept. ID, PC Business Unit, Project/Activity, and Fund

Concept Definition: Cash Control Budget



- The Cash Control Budget stores information about the agency's actual cash balance. Cash Control Budget is a separate ledger from actual expenses, revenue and appropriation budget.
- The Cash Control Budget maintains detail on cash balances in order to facilitate budget checking against the cash balance
 - The information in the Cash Control Budget is not truly a budget – it is a reflection of cash balances.
 - However, it is structured like a budget in SMART so that financial transactions can be “budget-checked” against cash balances.
- Cash Control Budgets are managed at the Fund chartfield. Transactions are budget checked against the Cash Control Budget.

Concept Definition: Revenue Estimate



- The Revenue Estimate Budget stores information about the agency's recognized and collected revenue.
- Revenue Estimate Budgets are managed at the Fund and Budget Unit chartfield level.

Concept Definition: CAFR Reporting



- The Comprehensive Annual Financial Report (CAFR) Ledger is a full accrual ledger used for report Statewide fiscal reporting.
- CAFR ledger reflects all chartfields.



Transaction Budget Checking and Posting

Process Definition: Budget Checking



- Budget Checking is a process by which financial transactions are checked against budgets to ensure funds are available and the transaction does not exceed spending authority.
- Budget checking will occur within all configured budgets

Transaction Budget Checking and Posting



- To illustrate how commitment control checks and records financial transactions, let's follow these transactions as they are budget checked and post to the ledgers:
 - Appropriation Budget Journal
 - Purchase Order
 - Voucher and Payment
 - Deposit
- In this scenario, we follow Agency 333 – KS Department of Sunflowers
 - They have an FY2010 appropriation of \$300,000
 - Their Operating Budget has a budget of \$50,000



Appropriation

Appropriation Budget Journal



Agency 333 submits their FY2010 budget in IBARS. Division of Budget approves and maintains it in SMART.

- **Impact on Appropriation Budget** – The appropriation is recorded to the agency's Appropriation Budget, establishing a new available budget for FY2010
- **Impact on Operating Budget** – The appropriation does not affect the Operating Budget, since it is established and maintained by the agency separately from the Appropriation Budget
- **Impact on Cash Control Budget** – The appropriation does not affect the Cash Control Budget since no cash is received when funds are appropriated. On the next slide, you'll see a cash balance in the Remaining column – this is the cash balance at go-live.
- **Impact on Actuals Ledger** – The appropriation does not affect Actuals Ledger either, since no cash is received and no expense is incurred

Appropriation Budget



Appropriation Budget

Cash Budget

| | Budget | Encumbrance | Expense | Remaining Balance | Expense | Collected Revenue | Remaining Balance |
|------------------------|------------|-------------|---------|-------------------|---------|-------------------|-------------------|
| Opening Balance FY2010 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 25,000 |
| FY2010 Appropriation | \$ 300,000 | \$ - | | \$ 300,000 | \$ - | \$ - | \$ 25,000 |

Operating Budget

General Ledger Actuals

| | Budget | Encumbrance | Expense | Remaining Balance | Expense | Revenue | Cash |
|------------------------|-----------|-------------|---------|-------------------|---------|---------|-----------|
| Opening Balance FY2010 | \$ 50,000 | \$ - | \$ - | \$ 50,000 | \$ - | \$ - | \$ 25,000 |
| FY2010 Appropriation | \$ - | \$ - | \$ - | \$ 50,000 | \$ - | \$ - | \$ 25,000 |



00:00

Break

Please return in 10 minutes



Purchase Order

Purchase Order



Definition

- A Purchase Order is a commitment to purchase goods or services from a specific vendor

Example

- Agency 333 decides to purchase a laptop for \$4,000. After submitting and approving a requisition, a purchase order is created in SMART.

Purchase Order



The purchase order creates an encumbrance.

- **Impact on Appropriation Budget** – The PO creates an encumbrance, which is recorded against the agency's Appropriation Budget
- **Impact on Operating Budget** – The PO encumbrance is also recorded against the Operating Budget
- **Impact on Cash Control Budget** – Because this is not an actual expense or revenue, there is no impact on the Cash Control Budget
- **Impact on Actuals Ledger** – The PO encumbrance is neither an actual expense nor revenue, so it does not affect the Actuals Ledger

Purchase Order



Appropriation Budget

Cash Budget

| | Budget | Encumbrance | Expense | Remaining Balance | Expense | Collected Revenue | Remaining Balance |
|------------------------|------------|-------------|---------|-------------------|---------|-------------------|-------------------|
| Opening Balance FY2010 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 25,000 |
| FY2010 Appropriation | \$ 300,000 | \$ - | | \$ 300,000 | \$ - | \$ - | \$ 25,000 |
| Purchase Order | \$ - | \$ 4,000 | \$ - | \$ 296,000 | \$ - | \$ - | \$ 25,000 |

Operating Budget

General Ledger Actuals

| | Budget | Encumbrance | Expense | Remaining Balance | Expense | Revenue | Cash |
|------------------------|-----------|-------------|---------|-------------------|---------|---------|-----------|
| Opening Balance FY2010 | \$ 50,000 | \$ - | \$ - | \$ 50,000 | \$ - | \$ - | \$ 25,000 |
| FY2010 Appropriation | \$ - | \$ - | \$ - | \$ 50,000 | \$ - | \$ - | \$ 25,000 |
| Purchase Order | \$ - | \$ 4,000 | \$ - | \$ 46,000 | \$ - | \$ - | \$ 25,000 |



Voucher & Payment

Voucher & Payment



Definition

- A voucher is a record created to process vendor invoices or adjustments
- A payment is an instrument or form that is issued to a vendor to pay for a voucher

Example

- When Agency 333 is ready to pay for the laptop, a voucher is created in the Accounts Payable module for \$4,000.
- Once Agency 333 creates a voucher and it is approved, payment is made for \$4000.

Voucher



A voucher will reverse an associated encumbrance and creates an expense and a corresponding AP liability.

- **Impact on Appropriation Budget** – The voucher liquidates the encumbrance and records an expense against the Appropriation Budget
- **Impact on Operating Budget** – The voucher also liquidates the encumbrance and records an expense against the Appropriation Budget
- **Impact on Cash Control Budget** – The voucher records an expense against the Cash Control Budget
- **Impact on Actuals Ledger** – The voucher is an actual expense which affects the Actuals Ledger and creates an AP Liability

Payment



A payment will liquidate the AP liability and reduce the cash balance.

- **Impact on Appropriation Budget** – The payment does not affect the Appropriation Budget
- **Impact on Operating Budget** – The payment does not affect the Operating Budget
- **Impact on Cash Budget** – The payment does not affect the Cash Control Budget
- **Impact on Actuals Ledger** – The payment reverses the AP Liability and reduces the cash account on the Actuals Ledger

Voucher and Payment



Appropriation Budget

Cash Budget

| | Budget | Encumbrance | Expense | Remaining Balance | Expense | Collected Revenue | Remaining Balance |
|------------------------|------------|-------------|----------|-------------------|----------|-------------------|-------------------|
| Opening Balance FY2010 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 25,000 |
| FY2010 Appropriation | \$ 300,000 | \$ - | | \$ 300,000 | \$ - | \$ - | \$ 25,000 |
| Purchase Order | \$ - | \$ 4,000 | \$ - | \$ 296,000 | \$ - | \$ - | \$ 25,000 |
| Voucher | \$ - | \$ (4,000) | \$ 4,000 | \$ 296,000 | \$ 4,000 | \$ - | \$ 21,000 |
| Payment | \$ - | \$ - | \$ - | | \$ - | \$ - | \$ 21,000 |

Operating Budget

General Ledger Actuals

| | Budget | Encumbrance | Expense | Remaining Balance | Expense | Revenue | Cash |
|------------------------|-----------|-------------|----------|-------------------|----------|---------|-----------|
| Opening Balance FY2010 | \$ 50,000 | \$ - | \$ - | \$ 50,000 | \$ - | \$ - | \$ 25,000 |
| FY2010 Appropriation | \$ - | \$ - | \$ - | \$ 50,000 | \$ - | \$ - | \$ 25,000 |
| Purchase Order | \$ - | \$ 4,000 | \$ - | \$ 46,000 | \$ - | \$ - | \$ 25,000 |
| Voucher | \$ - | \$ (4,000) | \$ 4,000 | \$ 46,000 | \$ 4,000 | \$ - | \$ 25,000 |
| Payment | \$ - | \$ - | \$ - | \$ 46,000 | \$ - | \$ - | \$ 21,000 |



Deposit

Deposit



Definition

- A deposit is the transaction for recording the receipt of payment for goods or services sold

Example

- Agency 333 collects fees in the amount of \$12,000 and creates a deposit.

Deposit



A deposit will reflect the revenue collected and increase the cash balance

- **Impact on Appropriation Budget** – The deposit does not impact spending authority, so there is no impact in the Appropriation Budget
- **Impact on Operating Budget** – The deposit does not impact spending authority, so there is no impact in the Operating Budget
- **Impact on Cash Control Budget** – The fees collected affect the agency's cash balance, so there is an impact in the Cash Control Budget (The Cash Control Budget is increased by collected revenue.)
- **Impact on Actuals Ledger** – The deposit is posted as revenue and cash

Deposit



Appropriation Budget

Cash Budget

| | Budget | Encumbrance | Expense | Remaining Balance | Expense | Collected Revenue | Remaining Balance |
|------------------------|------------|-------------|----------|-------------------|----------|-------------------|-------------------|
| Opening Balance FY2010 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 25,000 |
| FY2010 Appropriation | \$ 300,000 | \$ - | | \$ 300,000 | \$ - | \$ - | \$ 25,000 |
| Purchase Order | \$ - | \$ 4,000 | \$ - | \$ 296,000 | \$ - | \$ - | \$ 25,000 |
| Voucher | \$ - | \$ (4,000) | \$ 4,000 | \$ 296,000 | \$ 4,000 | \$ - | \$ 21,000 |
| Payment | \$ - | \$ - | \$ - | | \$ - | \$ - | \$ 21,000 |
| Deposit | \$ - | \$ - | \$ - | \$ 296,000 | \$ - | \$ 12,000 | \$ 33,000 |

Operating Budget

General Ledger Actuals

| | Budget | Encumbrance | Expense | Remaining Balance | Expense | Revenue | Cash |
|------------------------|-----------|-------------|----------|-------------------|----------|-----------|-----------|
| Opening Balance FY2010 | \$ 50,000 | \$ - | \$ - | \$ 50,000 | \$ - | \$ - | \$ 25,000 |
| FY2010 Appropriation | \$ - | \$ - | \$ - | \$ 50,000 | \$ - | \$ - | \$ 25,000 |
| Purchase Order | \$ - | \$ 4,000 | \$ - | \$ 46,000 | \$ - | \$ - | \$ 25,000 |
| Voucher | \$ - | \$ (4,000) | \$ 4,000 | \$ 46,000 | \$ 4,000 | \$ - | \$ 25,000 |
| Payment | \$ - | \$ - | \$ - | \$ 46,000 | \$ - | \$ - | \$ 21,000 |
| Deposit | \$ - | \$ - | \$ - | \$ 46,000 | \$ - | \$ 12,000 | \$ 33,000 |



Transaction Budget Checking and Posting Wrap-Up

Key Organizational Impacts for Commitment Control and Ledgers



| | As-Is Process | To-Be Process |
|------|---|--|
| GL01 | Budget checking occurs for certain types of transactions and with limited system controls. | Budget checking is completed on each transaction in SMART with systematic controls. |
| GL02 | If an agency needs to budget check at a level lower than appropriation, they must track that in an outside program/spreadsheet. | Contingent on how the budget structure is set up for an agency, they have the ability to budget check at a lower level than appropriation. |
| GL03 | Agency purchase orders do not create encumbrances. | All purchase orders in SMART create an encumbrance which is reflected on the agency's appropriation budget and others as appropriate. |
| GL04 | Agencies rely on multiple systems to track their financial data. | Agencies can use a single system for tracking their financial data. |

Agency Considerations for Commitment Control and Ledgers



Your agency may need to consider the following impacts to your processes / procedures:

- What information does your external system provide that is not available in SMART?
- How will your agency benefit from additional visibility into encumbrances and other financial data in the General Ledger?
- How can you utilize SMART to track and manage your financial data?

Business Process Activity



Work in groups to discuss one of the Key Organizational Impacts presented in this section. Use the activity worksheets on your table to list how the following business process areas are affected. (5 minutes)

- User Roles and Responsibilities
- Reporting
- Policies and Procedures
- Manuals and Desk Instructions
- Forms
- Document Storage

Choose a member of your group to share what you listed with the rest of the workshop attendees. (5 minutes)

Business Process Flow Legend



= Task performed by a person in SMART



= Task performed outside systems (i.e., manually)



= Task performed by SMART



= Action taken by a person



= Task performed by a person in SHARP



= Decision point



= Workflow continues at the same letter on another slide



= Task performed by SHARP



= Form output of process



= Task performed in or by other system (e.g., SOKI, STARS)



= New policy



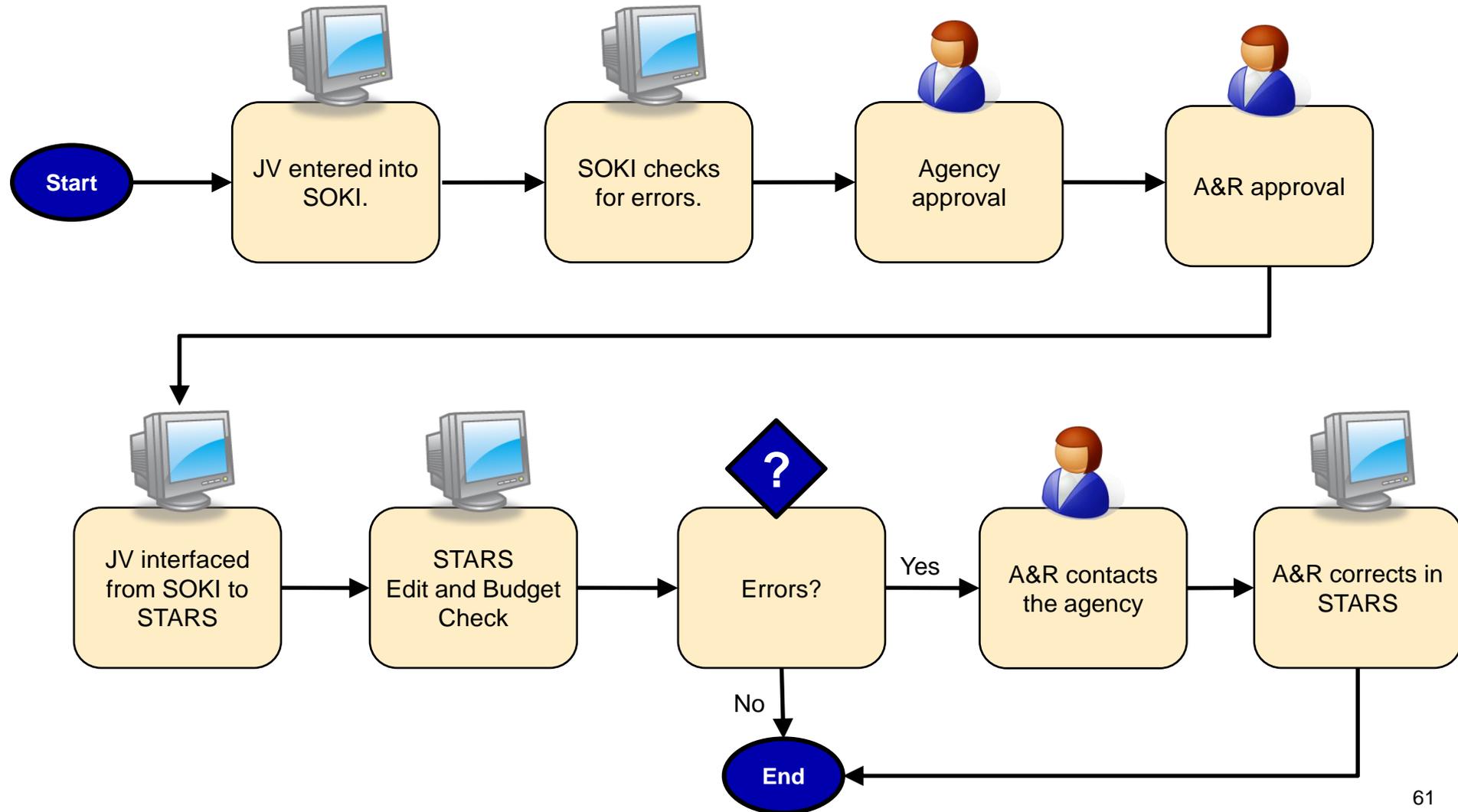
Creating a Journal Entry

Process Definition: Creating a Journal Entry

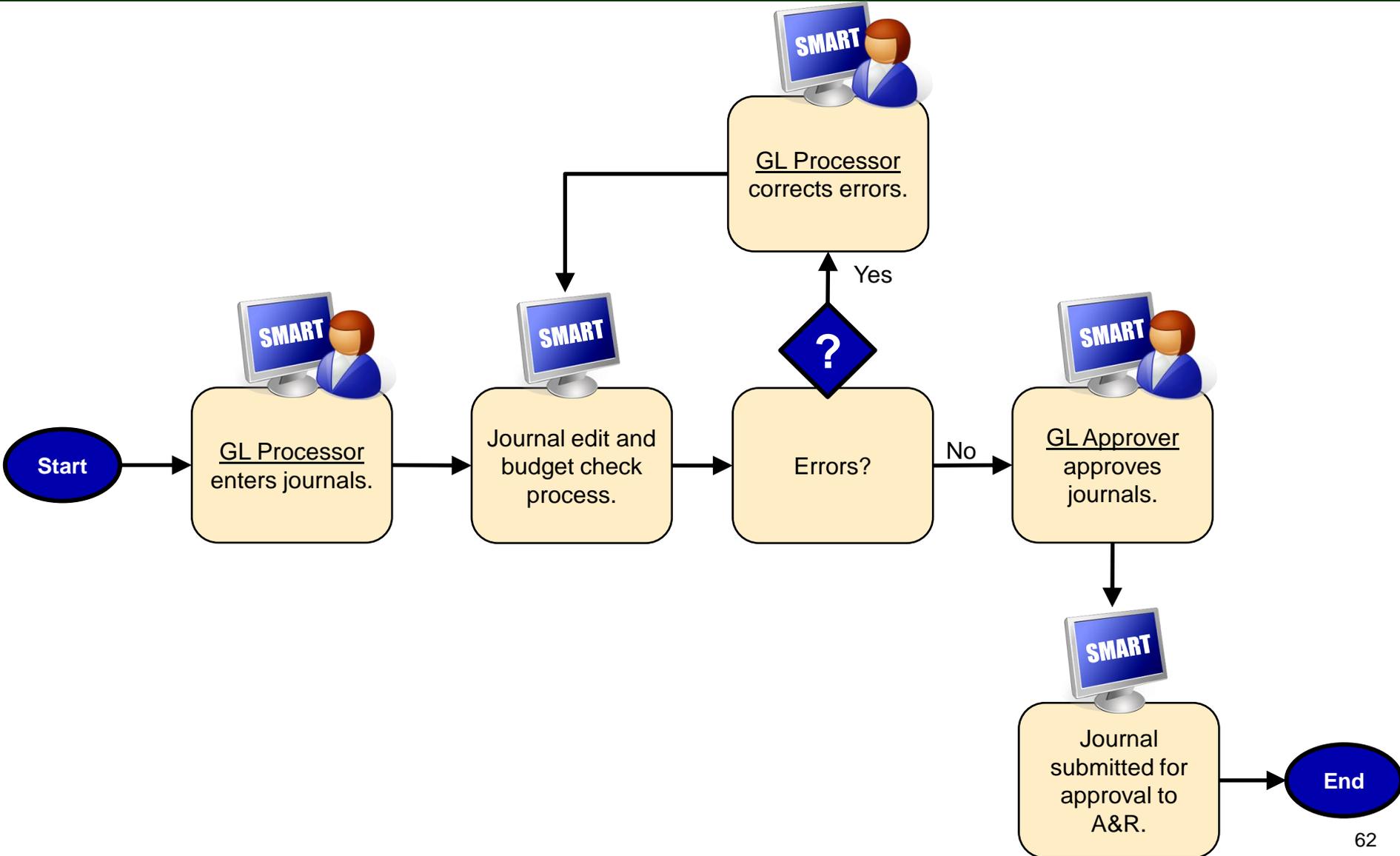


- Creating a journal entry is the process of recording a balanced accounting entry with one or more debits and credits to record a correcting or summarized accounting entry.

As-Is Business Process Flow: Creating a Journal Entry



To-Be Business Process Flow: Creating a Journal Entry



Key Organizational Impacts for Creating a Journal Entry



| | As-Is Process | To-Be Process |
|------|---|--|
| GL05 | In STARS, if a journal entry that is being entered during the current fiscal year needs to hit the previous fiscal year, there is a cash transfer between fiscal years. | In SMART, agencies will be able to process vouchers and payments against prior fiscal year encumbrances without having to process a journal voucher to transfer cash from current year to the prior fiscal year. |
| GL06 | Agencies manually key in date information such as transaction date, effective date, and Budget FY. | In SMART, dates are automatically resolved in the system, including the accounting period and the fiscal year a transaction posts. |
| GL07 | Today, “journal type” defines the meaning and purpose of the journal. | In SMART, various fields on the journal describe the purpose and meaning of the journal |

Agency Considerations for Creating a Journal Entry



Your agency may need to consider the following impacts to your processes / procedures:

- How proficient is your agency with double entry accounting?



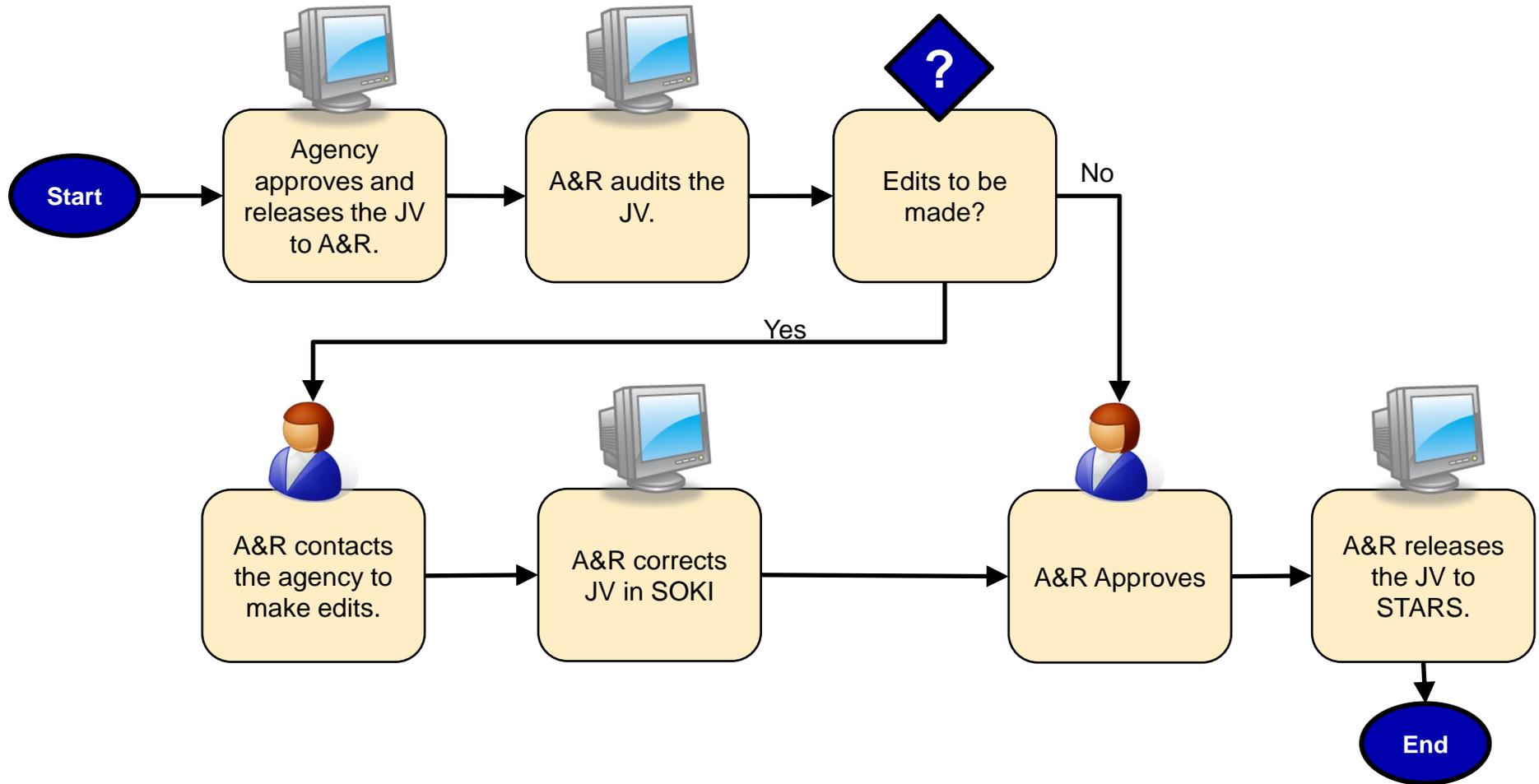
Approving a Journal Entry

Process Definition: Approving a Journal Entry

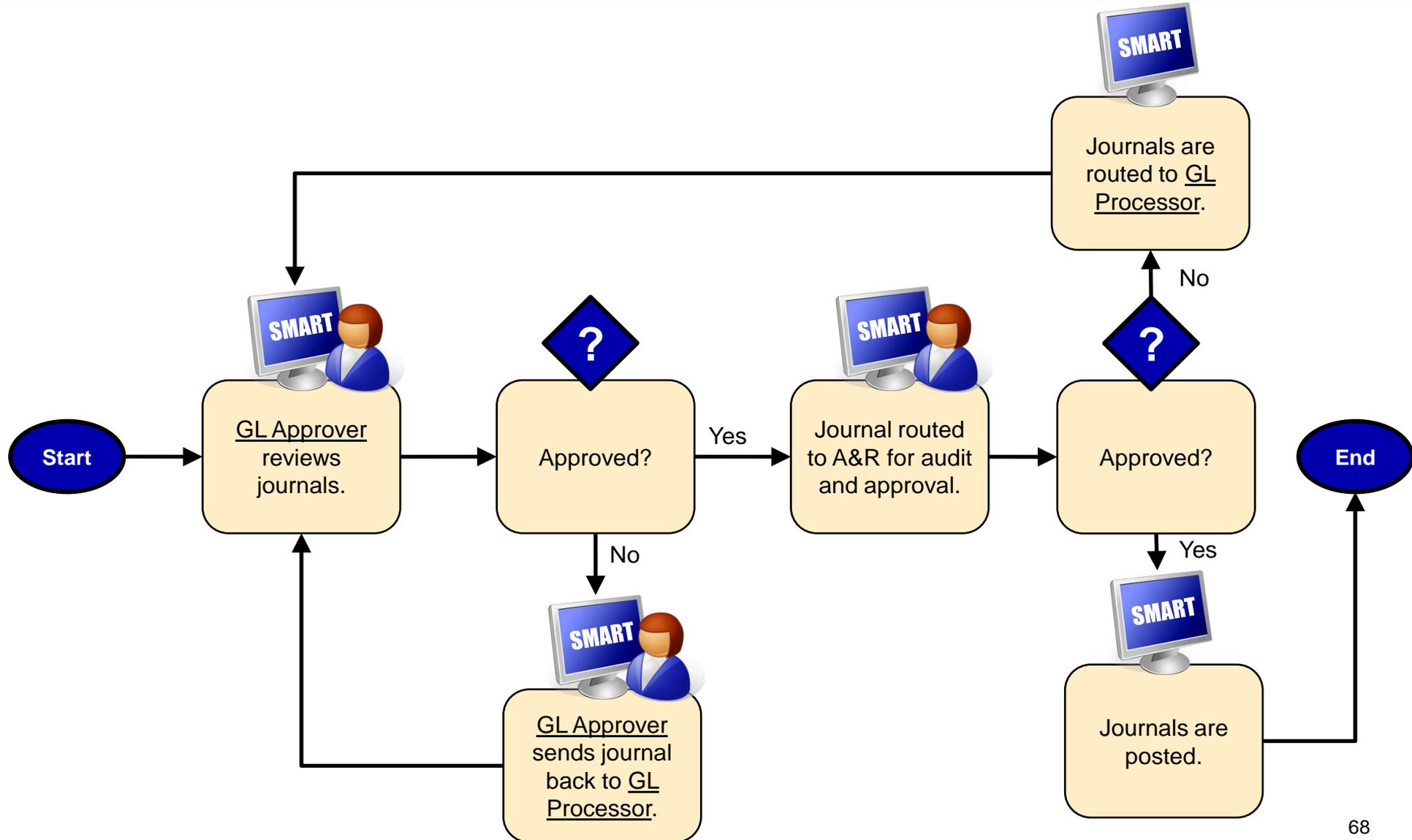


Approving a journal entry is defined as the process of evaluating that the journal entry is correct and approving the transaction. Following the approval and systematic checks, the journal will post to the appropriate ledger.

As-Is Business Process Flow: Approving a Journal Entry



To-Be Business Process Flow: Approving a Journal Entry



Key Organizational Impacts for Approving a Journal Entry



| | As-Is Process | To-Be Process |
|------|--|--|
| GL09 | JVs are budget checked in STARS after the transaction is released by A&R. | Journals are budget checked before they are sent to A&R. |
| GL10 | Corrections made online in STARS to transactions that originated from SOKI are not fed back to SOKI to update the original document. | In SMART, the journal process is done entirely within the system. |
| GL11 | Agencies run a report to see what journal entries failed. | Agencies will Inquire by Journal Status to see which ones have errors. A journal must have a valid Edit and Budget check status before it can be routed for workflow approval. |

Agency Considerations for Approving a Journal Entry



Your agency may need to consider the following impacts to your processes / procedures:

- What is the process of notifying a processor that there is an error with the journal entry?

Business Process Activity



Work in groups to discuss one of the Key Organizational Impacts presented in this section. Use the activity worksheets on your table to list how the following business process areas are affected. (5 minutes)

- User Roles and Responsibilities
- Reporting
- Policies and Procedures
- Manuals and Desk Instructions
- Forms
- Document Storage

Choose a member of your group to share what you listed with the rest of the workshop attendees. (5 minutes)



00:00

Break

Please return in 10 minutes



Agency Impact Analysis

Agency Impact Analysis Task (Task ID 30)



- This is an opportunity to apply this workshop's content to your agency's unique business processes
- Compare your agency's current processes and practices (as-is) to the SMART (to-be) business processes
- Consider whether each of the identified impacts affects your agency and to what extent

Agency Impact Analysis Task (Task ID 30)



- Each agency completes its own impact analysis
- Complete the Agency Impact Analysis spreadsheet and return to Sunflower Project within one month of this BPW session
- Contact your Agency Readiness Liaison with questions as needed

Agency Impact Analysis Handout



Refer to handout: Agency Impact Analysis Worksheet for General Ledger and Commitment Control

| | A | B | C | D | E | F | G | H | I | J |
|---|---|-------------------------|--|--|--------------------------|-------------------------------------|--|---------------------|---------------------------------|------------------------|
| 1 | Impact Analysis for Asset Management | | | | | | | | | |
| 2 | ID | Business Process | Organizational Impact (As-is to To-be) | Role & Responsibility Impacts | Reporting Impacts | Policy and Procedure Impacts | Manual and Desk Instruction Impacts | Form Impacts | Document Storage Impacts | Level of Impact |
| 3 | AM01 | Creating an Asset | As-Is: Assets are created manually by documenting physical and financial information. To-Be: Assets can be created through integration with Purchasing, Accounts Payable or Project Costing. | | | | | | | |
| 4 | AM02 | Creating an Asset | As-Is: Assets are tracked in databases separate from financial information. To-Be: Assets integrate with other SMART modules to share financial and physical information. | | | | | | | |
| 5 | AM03 | Creating an Asset | As-Is: The Asset Manager role collects information on the asset after the purchase. To-Be: With SMART, the Asset Manager and will need to communicate with the purchasing, receiving areas or with project manager to ensure physical and financial information is accurately recorded. | | | | | | | |
| 6 | AM04 | Creating an Asset | As-Is: There may not be a location code in the current asset tracking system to identify where the asset actually resides. To-Be: In SMART, location codes are used to track where assets are physically located. | | | | | | | |
| | AM05 | Creating an Asset | As-Is: Currently, assets may not be associated to specific people. | | | | | | | |

ID and Business Process



- ID: Unique identifier assigned to each agency impact to distinguish it from others
- Business Process: The business process impacted – corresponds to one of the to-be business process flows

| Impact Analysis for Asset Management | | | | | | | | | |
|--------------------------------------|-------------------|--|-------------------------------|-------------------|------------------------------|-------------------------------------|--------------|--------------------------|-----------------|
| ID | Business Process | Organizational Impact (As-is to To-be) | Role & Responsibility Impacts | Reporting Impacts | Policy and Procedure Impacts | Manual and Desk Instruction Impacts | Form Impacts | Document Storage Impacts | Level of Impact |
| AM01 | Creating an Asset | As-is: Assets are created manually by documenting physical and financial | | | | | | | |
| | | | ID | | Business Process | | | | |
| AM02 | Creating an Asset | | | | | | | | |
| AM03 | Creating an Asset | | | | | | | | |
| | | | AM01 | | Creating an Asset | | | | |

Organizational Impact



- Organizational Impact: The impact to consider. Describes the current (as-is) process and the new SMART (to-be) process.

| Impact Analysis for Asset Management | | | Role & Responsibility Impacts | Reporting Impacts | Policy and Procedure Impacts | Manual and Desk Instruction Impacts | Form Impacts | Document Storage Impacts | Level of Impact |
|--------------------------------------|-------------------|---|-------------------------------|-------------------|------------------------------|-------------------------------------|--------------|--------------------------|-----------------|
| ID | Business Process | Organizational Impact (As-is to To-be) | | | | | | | |
| AM01 | Creating an Asset | As-Is: Assets are created manually by documenting physical and financial information. To-Be: Assets can be created through integration with Purchasing, Accounts Payable or Project Costing. | | | | | | | |
| AM02 | Creating an Asset | As-Is: Assets are tracked in databases separate from financial information. To-Be: Assets integrate with other SMART modules to share financial and physical information. | | | | | | | |
| AM03 | Creating an Asset | As-Is: The Asset Manager role collects information on the asset after the purchase. To-Be: With SMART, the Asset Manager and will need to communicate with the purchasing, receiving areas or with | | | | | | | |

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| Organizational Impact (As-is to To-be) |
| <p>As-Is: Assets are created manually by documenting physical and financial information.</p> <p>To-Be: Assets can be created through integration with Purchasing, Accounts Payable or Project Costing.</p> |

Role & Responsibility Impacts



- Role & Responsibility Impacts: Enter your agency-specific impacts related to roles and responsibilities

| 1 | Impact Analysis for Asset Management | | | D | E | F | G | H | I | J |
|---|--------------------------------------|-------------------|---|-------------------------------|-------------------|------------------------------|-------------------------------------|--------------|--------------------------|-----------------|
| 2 | ID | Business Process | Organizational Impact (As-is to To-be) | Role & Responsibility Impacts | Reporting Impacts | Policy and Procedure Impacts | Manual and Desk Instruction Impacts | Form Impacts | Document Storage Impacts | Level of Impact |
| 3 | AM01 | Creating an Asset | As-Is: Assets are created manually by documenting physical and financial information. To-Be: Assets can be created through integration with Purchasing, Accounts Payable or Project Costing. | | | | | | | |
| 4 | AM02 | Creating an Asset | As-Is: Assets are tracked in databases separate from financial information. To-Be: Assets integrate with other SMART modules to share financial and physical information. | | | | | | | |
| | AM03 | Creating an Asset | As-Is: The Asset Manager role collects information on the asset after the purchase. To-Be: With SMART, the Asset Manager and will need to communicate with the purchasing, receiving areas or with | | | | | | | |

Role & Responsibility Impacts

Role & Responsibility Considerations



- Review your agency's current roles and responsibilities relating to impacted business processes
- Review SMART user roles to determine whether any of your agency's roles are impacted
 - General Ledger and Commitment Control user roles are listed in the “Context for General Ledger” section of this presentation
- Consider how your agency may be best organized post go-live to carry out business functions using SMART business processes and user roles
 - Refer to to-be business process flows in this presentation
- Consider how and when you will communicate these changes to affected staff

Comprehensive SMART user role mapping activities will occur in the winter

Reporting Impacts



- Reporting Impacts: Enter your agency-specific impacts related to reporting

| 1 | Impact Analysis for Asset Management | | | | | | | | | |
|---|--------------------------------------|-------------------|--|-------------------------------|-------------------|------------------------------|-------------------------------------|--------------|--------------------------|-----------------|
| 2 | ID | Business Process | Organizational Impact (As-is to To-be) | Role & Responsibility Impacts | Reporting Impacts | Policy and Procedure Impacts | Manual and Desk Instruction Impacts | Form Impacts | Document Storage Impacts | Level of Impact |
| 3 | AM01 | Creating an Asset | <p>As-Is: Assets are created manually by documenting physical and financial information.</p> <p>To-Be: Assets can be created through integration with Purchasing, Accounts Payable or Project Costing.</p> | | | | | | | |
| 4 | AM02 | Creating an Asset | <p>As-Is: Assets are tracked in databases separate from financial information.</p> <p>To-Be: Assets integrate with other SMART modules to share financial and physical information.</p> | | | | | | | |
| | AM03 | Creating an Asset | <p>As-Is: The Asset Manager role collects information on the asset after the purchase.</p> <p>To-Be: With SMART, the Asset Manager and will need to communicate with the purchasing, receiving areas or with</p> | | | | | | | |

Reporting Impacts

Reporting Considerations



- Review the reports your agency currently receives or generates and uses regarding General Ledger and Commitment Control
- Consider how your reporting needs may change based on the integration of data within SMART

As mentioned at CAN4, there will be an additional agency reporting needs analysis task.

Policy and Procedure Impacts



- Policy and Procedure Impacts: Enter your agency-specific impacts related to policy and procedure

| 1 | A | B | C | D | E | F | G | H | I | J |
|---|------|-------------------|---|-------------------------------|-------------------|------------------------------|-------------------------------------|--------------|--------------------------|-----------------|
| 2 | ID | Business Process | Organizational Impact (As-is to To-be) | Role & Responsibility Impacts | Reporting Impacts | Policy and Procedure Impacts | Manual and Desk Instruction Impacts | Form Impacts | Document Storage Impacts | Level of Impact |
| 3 | AM01 | Creating an Asset | As-Is: Assets are created manually by documenting physical and financial information. To-Be: Assets can be created through integration with Purchasing, Accounts Payable or Project Costing. | | | | | | | |
| 4 | AM02 | Creating an Asset | As-Is: Assets are tracked in databases separate from financial information. To-Be: Assets integrate with other SMART modules to share financial and physical information. | | | | | | | |
| | AM03 | Creating an Asset | As-Is: The Asset Manager role collects information on the asset after the purchase. To-Be: With SMART, the Asset Manager and will need to communicate with the purchasing, receiving areas or with | | | | | | | |

Policy and Procedure Impacts

Policy and Procedure Considerations



- Identify the policies and procedures relating to impacted financial processes that your agency owns and maintains
- Review SMART business process flows to determine whether any of these policies are impacted
- Determine which policies and procedures your agency will need to update or retire
- Update or retire selected policies and procedures
- Review informational circulars provided by Accounts and Reports and other central agencies for potential impacts to agency processes
- Consider how and when you will communicate these changes to affected staff

Manual and Desk Instruction Impacts



- Manual and Desk Instruction Impacts: Enter your agency-specific impacts related to manuals and desk instructions

| 1 | Impact Analysis for Asset Management | | | D | E | F | G | H | I | J |
|---|--------------------------------------|-------------------|--|--|-------------------|------------------------------|-------------------------------------|--------------|--------------------------|-----------------|
| 2 | ID | Business Process | Organizational Impact (As-is to To-be) | Role & Responsibility Impacts | Reporting Impacts | Policy and Procedure Impacts | Manual and Desk Instruction Impacts | Form Impacts | Document Storage Impacts | Level of Impact |
| 3 | AM01 | Creating an Asset | <p>As-Is: Assets are created manually by documenting physical and financial information.</p> <p>To-Be: Assets can be created through integration with Purchasing, Accounts Payable or Project Costing.</p> | Manual and Desk Instruction Impacts | | | | | | |
| 4 | AM02 | Creating an Asset | <p>As-Is: Assets are tracked in databases separate from financial information.</p> <p>To-Be: Assets integrate with other SMART modules to share financial and physical information.</p> | | | | | | | |
| | AM03 | Creating an Asset | <p>As-Is: The Asset Manager role collects information on the asset after the purchase.</p> <p>To-Be: With SMART, the Asset Manager and will need to communicate with the purchasing, receiving areas or with</p> | | | | | | | |
| | | | | | | | | | | |

Manual and Desk Instruction Considerations



- Identify the manuals and desk instructions relating to impacted financial processes that your agency owns and maintains
- Review SMART business process flows to determine whether any of these manuals and desk instructions are impacted
- Determine which manuals and desk instructions your agency will need to update or retire
- Update or retire selected manuals and desk instructions
- Consider how and when you will communicate these changes to affected staff

Form Impacts



- Form Impacts: Enter your agency-specific impacts related to forms

| 1 | A | B | C | D | E | F | G | H | I | J |
|---|------|-------------------|---|-------------------------------|-------------------|------------------------------|-------------------------------------|--------------|--------------------------|-----------------|
| 2 | ID | Business Process | Organizational Impact (As-is to To-be) | Role & Responsibility Impacts | Reporting Impacts | Policy and Procedure Impacts | Manual and Desk Instruction Impacts | Form Impacts | Document Storage Impacts | Level of Impact |
| 3 | AM01 | Creating an Asset | As-Is: Assets are created manually by documenting physical and financial information. To-Be: Assets can be created through integration with Purchasing, Accounts Payable or Project Costing. | | | | | | | |
| 4 | AM02 | Creating an Asset | As-Is: Assets are tracked in databases separate from financial information. To-Be: Assets integrate with other SMART modules to share financial and physical information. | | | | | | | |
| | AM03 | Creating an Asset | As-Is: The Asset Manager role collects information on the asset after the purchase. To-Be: With SMART, the Asset Manager and will need to communicate with the purchasing, receiving areas or with | | | | | | | |

Form Impacts

Form Considerations



- Identify the forms relating to impacted financial processes that your agency owns and maintains
- Review SMART business process flows to determine whether any of these forms are impacted
- Review any new or updated central forms relating to these processes as they become available
- Determine which forms your agency owns and maintains will need to be updated or retired
- Update or retire selected forms
- Consider how and when you will communicate these changes to affected staff

Document Storage Impacts



- Document Storage Impacts: Enter your agency-specific impacts related to document storage (filing)

| 1 | Impact Analysis for Asset Management | | | D | E | F | G | H | I | J |
|---|--------------------------------------|-------------------|--|-------------------------------|-------------------|---------------------------------|-------------------------------------|--------------|--------------------------|-----------------|
| 2 | ID | Business Process | Organizational Impact (As-is to To-be) | Role & Responsibility Impacts | Reporting Impacts | Policy and Procedure Impacts | Manual and Desk Instruction Impacts | Form Impacts | Document Storage Impacts | Level of Impact |
| 3 | AM01 | Creating an Asset | <p>As-Is: Assets are created manually by documenting physical and financial information.</p> <p>To-Be: Assets can be created through integration with Purchasing, Accounts Payable or Project Costing.</p> | | | Document Storage Impacts | | | | |
| 4 | AM02 | Creating an Asset | <p>As-Is: Assets are tracked in databases separate from financial information.</p> <p>To-Be: Assets integrate with other SMART modules to share financial and physical information.</p> | | | | | | | |
| 5 | AM03 | Creating an Asset | <p>As-Is: The Asset Manager role collects information on the asset after the purchase.</p> <p>To-Be: With SMART, the Asset Manager and will need to communicate with the purchasing, receiving areas or with</p> | | | | | | | |

Document Storage Considerations



- Review the document storage procedures your agency follows relating to impacted financial processes
- Review SMART business process flows to determine whether any of these document storage procedures are impacted
- Determine which document storage procedures your agency will need to change or retire
- Change or retire selected document storage procedures
- Consider how and when you will communicate these changes to affected staff

Level of Impact, Impact Action Plan, and Additional Notes



- **Level of Impact:** Consider all the different impacts and enter the overall level of impact to your agency (high, medium, low, or none)
- **Impact Action Plan:** Enter the actions your agency will carry out to ease transition from the as-is state to the to-be state
- **Additional Notes:** If applicable, enter any additional notes regarding the impact. This column can be used in any way your agency chooses

| Impact Analysis for Asset Management | | | Role & Responsibility Impacts | Reporting Impacts | Policy and Procedure Impacts | Manual and Desk Instruction Impacts | Form Impacts | Document Storage Impacts | Level of Impact |
|--------------------------------------|-------------------|---|-------------------------------|-------------------|------------------------------|-------------------------------------|--------------|--------------------------|-----------------|
| ID | Business Process | Organizational Impact (As-is to To-be) | Level of Impact | | | Impact Action Plan | | Additional Notes | |
| AM01 | Creating an Asset | As-Is: Assets are created manually by documenting physical and financial information. To-Be: Assets can be created through integration with Purchasing, Accounts Payable or Project Costing. | | | | | | | |
| AM02 | Creating an Asset | As-Is: Assets are tracked in databases separate from financial information. To-Be: Assets integrate with other SMART modules to share financial and physical information. | | | | | | | |
| AM03 | Creating an Asset | As-Is: The Asset Manager role collects information on the asset after the purchase. To-Be: With SMART, the Asset Manager and will need to communicate with the purchasing, receiving areas or with | | | | | | | |

Business Process Activity



Work in groups to select one or two impacts listed in the Agency Impact Analysis spreadsheet

Begin completing the spreadsheet by filling in agency-specific details

Points for discussion:

- Who will you need to meet with at your agency to complete the Agency Impact Analysis?
- How will you communicate and implement business process changes you identify?

(15 minutes)

Agency Impact Analysis Task

Next Steps



- Complete the Agency Impact Analysis spreadsheet and return to the Sunflower Project (sunflowerfms@da.ks.gov) within one month of this workshop session
- Contact your Agency Readiness Liaison with questions as needed



BPW Wrap-Up

Project Resources



- Sunflower Project website (Agency Impact Analysis spreadsheet located on the CAN tab):
<http://www.da.ks.gov/smart/>
- Sunflower Project Email Address:
sunflowerfms@da.ks.gov
- Sunflower Project List-serv
 - Sunflower Infolist
 - Subscribe at <http://www.da.ks.gov/smart/>
- Sunflower Project Site: Sunflower Project, 915 SW Harrison, Room 1181, Topeka, Kansas 66612

Questions?



Please Share Your Feedback



Registered participants will receive a communication containing the URL to an online evaluation form for this Business Process Workshop

**Thank You for
Participating!**