



## FLAIR and CMS Replacement Project (FCR) SME Workgroup Meetings Meeting Notes and Action Items

### Meeting Details

|   |   |
|---|---|
| <b>Process Area</b>                       | Payroll Hire to Separation (PAY) – A1   |
| <b>Meeting Date</b>                       | Friday, January 16, 2015  |
| <b>Meeting Time</b>                       | 9:00am – 12:00pm  |
| <b>Meeting Location</b>                   | Fletcher Building, Room B103  |
| <b>Attendees</b>                          | Jimmy Cox (DMS), Melissa Vickery (DMS), <del>Michael Mills (DMS)</del> , Lisa Simpson (DEO), Charlene Chen (DEO), Bonnie Bevis (HSMV), Sharan Arnold (DOT), <del>Jim Lane (DOT)</del> , Wendy Wu (DOR), Lee Boatwright (DOR), Jennifer Peddicord (DFS), Christina Smith (DFS), Stanton Beazley (DFS), Melissa Turner (FCR), Angie Robertson (FCR), Deana Metcalf (FCR), Janice Jackson (FCR), Karen Barron (DFS), <del>Rachael Lieblick (DFS)</del> |
| <b>Meeting Objective</b>                  | Review and Discuss Standardization Level 1 Business Process Flows   |
| <b>Attachments/<br/>Related Documents</b> | SME Workgroup Guidelines; Business Process Standardization Level 1  |

| # | Topic  | Leader | Allotted Time                     |
|---|--|--------|-----------------------------------|
| 1 | Introduction <ul style="list-style-type: none"> <li>General Housekeeping</li> <li>Name, Position/Role at Agency, Experience with Process Area</li> </ul> | Angie  | <b>15 min</b><br>(9:00am-9:15am)  |
| 2 | FCR Project Overview and Role of SME Workgroups  | Angie  | <b>45 min</b><br>(9:15am-10:00am) |

#### Notes:

- The group reviewed the recommendation of the FLAIR Study including the vision and goals set forth for the FCR project (scalability, flexibility and maintainability)
- The group discussed FCR project solution goals including (1) reduction of State's risk exposure, (2) improvement of the State's specific decision-making and (3) improvement of the State's financial management capabilities.
- The group discussed the importance of balancing standardization, flexibility and efficiency.
- Common themes noted in the FLAIR Study were standardization, governance and adoption with an emphasis on enforcement of standardization of the business process, level of governance through strength and pre-implementation of activities.
- The group discussed the four (4) phases of the FCR Project: the first phase of the project (identified as "Pre-DDI") will include efforts across multiple tracks with the Business Process Standardization (BPS) team focused on standardization and requirements; the subsequent phases (identified as "DDI") answers "how" and includes a five-year implementation period with an emphasis on functionality.
- The BPS team has established a set of 10 financial processes that will document end-to-end processes. The goal of the BPS Track is to design the standards for future state processes that will be part of the new core business system.
- Accomplishment will be made through two (2) major deliverables: (1) *Standardization Level 1 Business Process Flows* and (2) *Standardization Level 2 Business Process Flows and Business Requirements*
- Agencies are being asked to participate in these workgroups to review and update process flows developed by the BPS team. DFS is challenging agencies to help keep the decision making boxes to a minimum resulting in less complexity which supports the ability for standardization.
- SME Workgroup Guidelines were provided to the group for reference.
- The BPS team is planning to bring in contract staff to support efforts in the BPS Track (target is to bring them onsite in February 2015).



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|--|--|--------|------------------------------------|
|  | <ul style="list-style-type: none"> <li>SME Workgroup Meetings (with small sets of agencies) are scheduled to occur October 2014 – February 2015 (for Level 1).</li> <li>Another round of SME Workgroup Meetings (with an expanded set of agencies) is scheduled to occur April 2015 – June 2015 (for Level 2).</li> <li>Workshops (to review Level 2s with all agencies) are scheduled to occur in June 2015.</li> <li>Some agency SMEs may be asked to support the requirements finalization</li> </ul> |        |                                    |
|  | <b>Break</b>   |        | <b>10 min</b><br>(10:00am-10:10am) |
|  | <b>Icebreaker</b>  | Angie  | <b>5 min</b><br>(10:10am-10:15am)  |
| 3  | Walkthrough of Process Flow <ul style="list-style-type: none"> <li>Overview of Template</li> <li>Review of Flow and Narrative</li> </ul>   | Janice | <b>45 min</b><br>(10:15am-11:00am) |
| <b>Notes:</b>  |  |        |                                    |
| <ul style="list-style-type: none"> <li>The group reviewed the format of the Business Process Standardization Model for Level 1 for PAY:               <ul style="list-style-type: none"> <li>Business Process Standardization (which includes scope, approach, SME workgroup members, assumptions, definitions)</li> <li>Standardized Process Area Overview (Description and Workflow)</li> <li>Standardized Process Area Details (with references to governing laws or policies)</li> <li>Control Points</li> <li>Key Performance Indicators/Measures</li> <li>Reporting</li> <li>Accounting Events</li> <li>Integration</li> <li>Future Enhancement Considerations</li> </ul> </li> <li>The drafted Level 1 process flow includes a legend to identify control points (C), reports needed (R), accounting events (A) and integration points (I).</li> <li>The drafted Level 1 process flow includes reference to other process areas incorporating process descriptions and reference to governing laws or policies.</li> <li>The group discussed the addition to Assumptions to include in the narrative the listing of On-Demand and CJIP payroll as part of the payrolls processed</li> <li>The group discussed as part of the Assumptions the need for accounting systems to be recorded and consideration of accruals for payroll, requirement to pay through EFTs, prospect of multiple employer IDs (1099), transition of employees' movement within Agencies, policy for government structures and issue arising from personnel changes</li> <li>Need to add in the "Definitions" narrative, pertaining to defining Employee Profile Information, the verbiage "position funding".</li> <li>The group discussed the following edits for the Standardized Process Area Details and Flow Chart process:               <ul style="list-style-type: none"> <li>Ref No. PAY 1.1, process description: narrative to include "Par Process"</li> <li>Ref No. PAY 1.3, process name: change to "maintain employee profile"; process description: inclusion of the verbiage "accounting information is maintained" in the last narrative</li> <li>Ref No. PAY 1.4, process name: change to "manage employees"</li> <li>Ref No. PAY 1.5, process description: inclusion of the verbiage "28-day" replaces "monthly basis" in first narrative, addition of a leave liability report</li> </ul> </li> </ul> |  |        |                                    |



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|--|--|--------|------------------------------------|
|  | <ul style="list-style-type: none"> <li>The group discussed the following edits for Control Points, Ref No. C1, deletion of the verbiage “as per internal process”</li> <li>The group discussed renaming in the Reporting Section, Ref No. R2, “W4 Monitoring Report” for report description; for the frequency or trigger, the group discussed renaming to “Daily”</li> <li>The group discussed the need for a policy on payroll accruals. Currently, there is a window of a few days between when the payroll liability is determined (payroll is run) and the pay date (date of the warrant). Agencies use this time, currently, to identify and resolve any errors in payroll. The policy should determine if there can be a reduction in the number of days, thereby reducing the need to record an accrual. Questions to consider are “How long does EFT processing take?”; “What are errors that we could have caught before payroll processing?”; “What needs to happen before an employee gets paid?”; “Can employees submit a partial timesheet?”</li> <li>KPI/Measures: payroll process adjustments; what system can do as far as evaluation purposes</li> <li>The group discussed the prospects of Future Enhancements considerations to include documentation for future consideration, discussion with Agency IT departments, making Agency operations more efficient (functionality, reporting...), looking at labor costs, sampling a specific pay band, outsourcing...looking at a “what if analysis” on reporting; also looking at segregation of duties and a pre-audit on the front end.</li> </ul> |        |                                    |
| <b>Break</b>   |  |        | <b>10-min</b><br>(11:00am-11:10am) |
| <b>Icebreaker</b>  |  | Angie  | <b>5-min</b><br>(11:10am-11:15am)  |
| 3  | Walkthrough of Process Flow ( <i>Continued</i> )   | Janice | <b>35 min</b><br>(11:15am-11:50am) |
| 4  | Close Meeting <ul style="list-style-type: none"> <li>Action Items</li> <li>Homework</li> <li>Next Meeting Date / Time / Location</li> </ul>  | Angie  | <b>10 min</b><br>(11:50am-12:00pm) |
| <b>Notes:</b>  |  |        |                                    |
| <ul style="list-style-type: none"> <li>The group recapped the action items discussed</li> <li>The next meeting is scheduled for Friday, February 6, 2015, 9:00am to 12:00pm, Fletcher Bldg, Rm B103</li> </ul> |  |        |                                    |

| Action Items  |   |             |          |
|---------------|---|-------------|----------|
| Action Item # | Description of Item   | Assigned To | Due Date |
| 1             | Add to accounting entry for the calculation of leave liabilities  | Janice      | 2/6/15   |
| 2             | Reports: R1 add leave liability report  | Janice      | 2/6/15   |
| 3             | Reports: R2 rename description to “W4 Monitoring Report”  | Janice      | 2/6/15   |
| 4             | Add Assumption that the accounting for payroll will be captured in the financial management system          | Janice      | 2/6/15   |
| 5             | Add Assumption that employees will be required to be paid by EFT  | Janice      | 2/6/15   |
| 6             | Add Assumption that the reporting of the tax liability function to the IRS is the responsibility of the CFO | Janice      | 2/6/15   |
| 7             | Define what payroll events process in the supplemental payrolls and what other payrolls include             | BOSP        | 2/6/15   |



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| Action Item # | Description of Item   | Assigned To           | Due Date |
| 8             | Modify PAY 1.1 to show Separation as separate process box   | Janice                | 2/6/15   |
| 9             | Modify PAY 1.2 to articulate that there are two groups: status changes and pay changes  | Janice                | 2/6/15   |
| 10            | Modify PAY 1.3 to add that accounting information is maintained   | Janice                | 2/6/15   |
| 11            | Consider options for documenting the current integration with PeopleFirst   | Janice                | 2/6/15   |
| 12            | Add to KPI for number and timeliness of timesheets approved/missing   | Janice                | 2/6/15   |
| 13            | Add Assumption regarding the need for a Policy on payroll accruals  | Janice                | 2/6/15   |
| 14            | Confirm at what point data is fed to/from to the Legislature, so that it can be reflected on the Process Flow                   | BOSP                  | 2/6/15   |
| 15            | Consider and think about Future Enhancements that will assist with payroll processing   | SME Workgroup Members | On Going |
| 16            | Consider and think about KPIs for payroll processing – Think about areas where we can reduce exceptions and exception handling. | SME Workgroup Members | On Going |
| 17            | Identify any reports used by agencies that could be associated with the “Maintain Employee Profile” process box.                | SME Workgroup Members | 2/6/15   |