

ANCHORAGE SCHOOL DISTRICT

ANCHORAGE, ALASKA

ASD MEMORANDUM # 107 (1999-2000)

October 25, 1999

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: NEW BUSINESS SYSTEM PAYROLL/HUMAN RESOURCES/
BUDGET/FINANCE IMPLEMENTATION UPDATE

PERTINENT FACTS :

There have been some major accomplishments made in the implementation of the new Bi-Tech Integrated Fund Accounting System (IFAS) since the last update to the School Board (ASD Memorandum #223 (98-99), April 21,1999). This was primarily in the implementation of the new payroll system. Updates in other areas of the implementation are also included. Two additional positions are being requested to complete the IFAS implementation (ASD Memorandum #108 (1999-2000), October 25, 1999). One position will be temporary through January 2001 and will reside in the Budgeting Department. The second position, a Business System Analyst/ User Liaison, is a permanent position that will reside in Data Processing and will assist Budget, Human Resources, and Payroll in the technical aspects of supporting IFAS.

Payroll

The Payroll implementation went "live" in July 1999 on the new business system (IFAS). It went extremely well considering the complexity of this project, the difficulties of implementation, and the amount of support required of Data Processing staff for both the financial and payroll implementation during the same time period. There were no disruptions in paychecks as the transition was made from the old payroll system to the new system. School and support staffs were affected very little by this change other than converting from the old POBAS account codes to the new IFAS account codes. The majority of changes were transparent to the user.

The biggest test of the new payroll system was the September 1999 monthly payroll. This was, by far, the largest payroll that the District has run on IFAS since it included teachers. Approximately 3,800 checks were processed successfully in this payroll run.

The largest bi-weekly payroll run to-date has been for 3,083 checks. Attachment A provides some of the statistics related to this implementation to give perspective on how big this project was and the work put in by District staff. This has been a major accomplishment.

The success of the Payroll implementation could not have occurred without the dedication and long hours put in by District and Bi-Tech staff. All of the Payroll and Data Processing staff should be commended with special recognition of Mary Lou Boughton, Payroll Supervisor, Jane Berglund, Senior Systems Analyst, and David Smith, Systems Analyst. Full-time personnel in Payroll were dedicated 100 percent to this project for several months with the remaining staff members stepping up to take up the normal work load. Two positions from Accounting were also dedicated to Payroll during this implementation as well as temporary help.

The approach to use existing staff to continue doing their daily work and to implement the new system as additional work (with temporary help) did not work out well during the financial module implementation. Therefore, more resources were dedicated to the Payroll implementation due to its complexity and the critical need to have it fully implemented before year 2000.

The implementation encountered major difficulties.

1. Some of the functions that we had expected to be part of the product, since they were demonstrated to us during our site visits, did not exist for a school system of our size and complexity. This included the ability to make changes retroactively, to make mid-period changes, leave cascading, etc. Bi-Tech continues to work on making these features possible for the District. Staff turnover at Bi-Tech has delayed this effort; however, Bi-Tech is committed on making these features work.
2. The Bi-Tech trainer decided to leave Bi-Tech during the middle of the implementation. Our Bi-Tech on-site consultant took over as the trainer with support of an off-site trainer through telecommunications (distance learning). This created some disruption in the training aspect of the implementation. The Bi-Tech on-site consultant completed his job function in Anchorage at the end of August 1999.
3. The District's Data Processing staff was over-tasked with both the financial implementation and the Payroll/HR implementation going on simultaneously. Programmer and analyst positions could not be filled due to the shortage of qualified people in the job market. Additional funds were used to contract Bi-Tech professionals to support Data Processing.

In spite of the numerous difficulties and set backs encountered through this payroll implementation, we believe it has been a highly successful conversion that was completed in 18 months. In comparison, the last payroll conversion from PERPAS to GHRS took a full three years.

Training was provided to all school Principals, Administrative Assistants, Stock Clerks and support staff in early August 1999 on the Payroll conversion with focus on using IFAS account codes in place of the POBAS account codes that were used in the past. Written instructions were provided on reporting leave activity and use of account codes.

Human Resources

The Human Resources (HR) implementation has gone very well with many of the employee data screens relative to Payroll going live as of July 1999. The employee data screens related to employee set up and payroll processing were implemented simultaneously with the Payroll module by Payroll and Human Resources staff. These applications provide the initial personnel data input to the payroll system. Procedures and training related to the conversion of the employee data entry and payroll processing have been implemented. The IFAS reports required for compliance with the State's current retirement program guidelines were developed and are being implemented. Processes and procedures have been reviewed and workflow updated to accommodate these changes. Various forms have also been updated to reflect these procedures and the new IFAS account code. Training has been provided to District support staff and principals regarding the changes to the Personnel/Payroll system in cooperation with the Payroll and Accounting Departments. This training is anticipated to be provided on an on-going basis, as there are changes to the system.

Along with the employee data screens, the Human Resources Department has converted from the GHRS to the IFAS system records related to certifications and licenses, TB tests, physicals, and criminal history checks, employment eligibility, and employment evaluations.

Design of screens related to applicant tracking, employee evaluations, employee training and development, benefits and credentialing, and the reports and interfaces for access to appropriate information by various departments and agencies is on-going and expected to be completed by the end of 2001. As indicated, the development of reports and interfaces will continue to be on-going as we identify efficiencies and modifications to provide greater access to information.

The accomplishments of the Human Resources implementation could not have happened without the willingness of the Human Resources staff to work cooperatively to meet our goals. Several of the staff members have taken on additional responsibilities to allow other Human Resources staff to dedicate more time to the IFAS implementation. This has been done in spite of busy hiring seasons for both the certificated and classified staff and a change of computer platforms from Macintosh to Dell. Several individuals have spent many hours on the set up and implementation of the employee data screens. As more

screens in the Human Resources module are implemented, additional Human Resources staff will be reorganized to assist with set up and implementation.

Budget

The Budget Department plan for the implementation of IFAS is comprised of three distinct phases. These phases include: a) Position control number (PCN); b) Position Budgeting; and c) Budget Item Detail. Position Control Numbers (PCN) were established in conjunction with the Payroll and Human Resources modules. The first phase of this implementation still requires documentation of procedures before being completed by the end of November 1999. This implementation required a significant amount of start-up preparatory work by Payroll, Budget, and the Human Resources Departments. Maintenance of the system will need to be continued by the Budget personnel as changes to PCNs occur.

The second phase of the implementation is Position Budgeting. Alignment with Bi-Tech for continued training and support will be necessary. This portion is scheduled to be completed by January 1, 2000. However, the Budget Department will require one additional staff member in order to complete this task.

The final phase will be Budget Item Detail that is scheduled for inception during the spring of 2000 with a targeted completion date of no later than October 1, 2000. Training and system development from both Bi-Tech and internal data processing support will need to be completed before December 2000.

The personnel turnover within the Budget Department has had an effect on the implementation efforts within the Department. Securing the personnel to fill the vacancies currently open will aid in the Department's efforts and the new staff members will have the benefit of learning the IFAS system from the ground up.

Finance

The first year on the IFAS financial module has been a learning experience. A tremendous learning curve was encountered by all users, including Accounting, Budget, and Purchasing as the transition was made from the old POBAS accounting system and the VAX purchase requisition/order system to the new IFAS system. The stores inventory system was also a new application on IFAS that required major adjustment by the users.

Training was offered through the Information Support Center to all support staff throughout the school year. Initial training was given to all staff on the creation of requisitions and stores orders. Follow-up training was then offered throughout the year in report generation, review, and problem resolution. Mandatory training sessions for all Principals, Administrative Assistants, Stock Clerks, and support staff were conducted in August 1999 to re-emphasize procedures in Accounting, Budget, Purchasing, Warehouse, Payroll, and Human Resources.

The Accounting Department and the Budget Department have encountered some major delays in closing out the 1998-1999 fiscal year and in preparing financial reports for the financial audit due to the new system.

1. The new State Chart of Accounts requires strict delineation between instructional and administrative costs. Therefore, separate IFAS account codes were established to correspond to state function/program codes. Almost every user made mistakes during the year by making expenditures to the wrong account codes. Many adjustments had to be made at year-end in Accounting and Budget to correct these errors. This year, budget blocks and required association between account numbers and expenditure object codes have been established to alleviate this problem.
2. In addition, two budgets are established in IFAS—one for prior year encumbrances and one for the current adopted/revised budget year. These two are combined together and are called the working budget for budget checking by the system. Almost every user made mistakes during the year by making expenditures to the wrong budget year. This also required major adjustments by Accounting and Budget at year-end. New reports will be written to allow the user to easily distinguish between prior year encumbrance budgets and current year adopted/revised budgets to correct this problem. In addition, all prior year encumbrance purchase requisitions will be routed through Accounting for review before processing.
3. List item orders were created on the IFAS system this year primarily through the stores inventory module. Difficulties were encountered on receiving these items at year-end into inventory and distributing them to the schools. However, with Data Processing and Bi-Tech support, a utility program was written to accomplish this task in order for the correct amount of payables to be accrued at year-end.
4. The Stores Inventory (SI) module does not encumber orders as they are placed. This creates a problem particularly for list item orders since these all go through the SI system. Items that are ordered through SI do not get encumbered or charged to the user until issued. If the schools do not maintain a record of what they ordered through list item or SI separate from IFAS, they could easily over-expend their accounts when the items they had ordered previously are received and expended. The District has been requesting an enhancement to the SI module through Bi-Tech to correct this problem.

The Rentals software has also been implemented and this software was interfaced with the IFAS accounts receivable module for billing purposes. Work continues in this area to work out the "bugs" in both systems.

Initial training was received on the IFAS fixed asset system. A Request for Proposal was written and sent out. Bids have been received and a vendor has been recommended to the School Board for approval (ASD Memorandum #98 (1999-2000), October 25, 1999) to conduct a physical inventory of all fixed assets in the District and to establish this record on the new IFAS fixed asset system.

Summary

There is still a great deal of work to be done. Bi-Tech continues to write programs and fix "bugs" even as we go live. There is a lot of clean up work to be done in almost every area of the IFAS implementation but we have come a long way and are continuing to dedicate ourselves to the complete and successful implementation of the IFAS system.

BC/BM/JS/ML/HW

Attachment

Prepared By: Bill Mikawa, Controller

Approved By: Janet Stokesbary, Chief Financial Officer