



MEETING MINUTES

State of Louisiana ERP Project

Validation Session – Accounts Payable

12/08/08 – 12/09/08

Location: Livingston Building, Clermont Room, 1st Floor

Attendees:

No.	Name	Invited?	Attended?	Comments
1.	Denise Autin	Y	Y	
2.	Shannon Anderson	Y	N	
3.	Christine Battley	Y	N	
4.	Yvette Buckner	Y	N	
5.	Mary Canella	Y	Y	
6.	Jena Cary	Y	N	
7.	Yuyi Cheng	Y	N	
8.	Debbie Courville	Y	Y	
9.	Laura Crook	Y	Y	
10.	Judy Davidson	Y	Y	
11.	Laurie Ducote	Y	N	
12.	Sal Faldetta	Y	N	
13.	Fran Falke	Y	N	
14.	Nelson Green	Y	N	
15.	Glenda Hannaman	Y	N	
16.	Gerry Hanson	Y	N	
17.	Richard Harbor	Y	Y	
18.	Cheryl Himel		Y	
19.	Marietta Holliday	Y	Y	
20.	Kris Horsley	Y	Y	
21.	Andrea Hubbard		Y	
22.	Trudy Jackson	Y	N	
23.	Karen Johnson		Y	
24.	Debra Jones	Y	N	
25.	Linda Kimmel	Y	Y	
26.	Elizabeth Kunjappy	Y	N	
27.	Donnie Ladotto		Y	
28.	Judy LeBourgeois	Y	N	
29.	Saysa Leduff	Y	Y	
30.	James Lodge	Y	N	

31.	Peggy Matherne	Y	N	
32.	Mary Milner	Y	N	
33.	Jenepher Mitchell	Y	Y	
34.	Angela Murphy	Y	Y	
35.	Muoi Nguyen	Y	N	
36.	Anees Pasha	Y	Y	
37.	Ashley Peak	Y	Y	
38.	Susan Pine		Y	
39.	Tara Pocorello		Y	
40.	Tommy Politz	Y	N	
41.	Steven Procopio	Y	N	
42.	Linda Robinson	Y	Y	
43.	Paula Rotolo	Y	Y	
44.	Eileen Scherich	Y	Y	
45.	Thomas Schulze	Y	N	
46.	Sondra Sloper	Y	N	
47.	Melissa Steib	Y	N	
48.	Cheryl Sullivan	Y	N	
49.	Tammy Toups	Y	N	
50.	Jennifer Wells	Y	N	
51.	Renee Withers	Y	N	

<i>Agenda Item and Notes</i>	<i>Owner(s)</i>	<i>Action Items & Assignments</i>	<i>Comments / Follow-up</i>
1. Logistics, Ground Rules, & Introduction	Marietta Holliday		
2. Project Timeline	Marietta Holliday		
3. Validation Objectives	Marietta Holliday Mary Walker Anees Pasha		
<ul style="list-style-type: none"> • Confirm the legacy Purchasing and Accounts Payable systems that will be replaced with SAP Purchasing and Accounts Payable • Confirm the business design supporting vendor master data maintenance including: <ul style="list-style-type: none"> o creating 			

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- updating
 - blocking
 - unblocking
 - marking record for deletion
 - Confirm the business requirements for vendor master design including:
 - business partner strategy
 - field use
 - accounts numbering schema
 - Confirm the business requirements and process design for vendor invoice data entry and approvals supporting purchase order/non-purchase order related invoices
 - Confirm the business requirements and process design for vendor payments
 - Confirm the business requirements and process design for Imprest Account replenishment
 - Confirm the business requirement and process design for vendor check management
 - Confirm the business requirements and process design for 1099 and 1098 reporting
 - Confirm the business requirements and process design for Non-Payable invoicing through vendor clearing
 - Confirm the business requirements and process design for procurement card expense allocation
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<p>4. Business Process Review</p> <ul style="list-style-type: none"> • Work Session Recap • To-Be Processes by Topic • Supporting Master Data Design • FRICE-W objects • Conversion Strategy and Interim Solution • Organizational Impacts 	<p>Marietta Holliday Mary Walker Anees Pasha</p>	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Hard copies provided during session
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<p>5. Action Items</p>	<ul style="list-style-type: none"> • None
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<p>6. Key Decisions</p>	<ul style="list-style-type: none"> • Agency-level desk procedures to route discrepancies related to invoices and goods receipt to Purchasing for corrections. • Manual Inventory Reduction functionality will not be used. • Periodic review of One-Time Vendor functionality will be performed to ensure accountability of quality control. • Invoice verification tolerance setting will remain at 10% per line item. • Invoices that encounter invoice verification and/or accounting/budget availability check errors will automatically be placed in "Park" status until issues are resolved. • Agency-level desk procedures mandating W-9 are completed 	<ul style="list-style-type: none"> •
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- upon issuance of Manual Checks.
- Review procedure implemented to ensure 1099 Reporting guidelines are being met.

7. Integration

- None

8. Enterprise Challenges

- None

9. FRICE-W

- Forms •
- Reports
- Interfaces
- Conversions
 - PCRD
 - ADDS
 - FMSP
 - PMFS
 - CFMS
 - AFS
 - TMS
- Enhancements
- Workflow

10. Scope

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11. Parking Lot

- Confirm DSS's current interface into ISIS from subsystems •
- Research and distinguish the differences between the following:
 - IMS and TMS
 - TMS and DHH's TMS
- Review current interfaces (J5) and determine which will transfer into new system.
- Confirm the "block vendors" process and procedures (OSRAP) and follow-up with Judy Davidson and Donnie Ladotto

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- PM – Confirm ‘TO-BE’ for HR maintenance (ref. Kathy Sessums)
 - Review OSRAP’s policy on variances and payments
 - MM – Training concerns on UOM data entry on purchase orders and invoice receipts
 - Reevaluate the need for ERS due to possibility of Fuel Track being used in the future
 - Revise vendor payment flow process to incorporate a review step
 - FM – Query invoices and payments by MOF
 - OSUP - Confirm current pay schedule for travel and third party vendors (HR)
 - Request information on LaTrac (ck.sp.) website – Will Kelly
 - STO – On Demand checks- will they cut out of offline system or SAP?
 - Will Group Benefits current system remain offline?
 - One-time payments for invoices less than \$600
 - Multiple payments to One-time vendor requires Vendor Master record
 - STO – Check stock , design, etc
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DISCUSSION:

Within SAP there will no longer be “casual status” vendors. All vendor specific entries related to creating, modifying, etc. will be handled centrally. Agencies/departments will no longer have the option to enter vendors directly into the system.

While reviewing the high-level process for marking records for deletion there was a concern about archiving documents within SAP. Archiving is a separate initiative related to marking vendor master records for deletion and it will be addressed late on in the project.

Blocking vendor master records will be handled centrally at OSRAP. Further discussion is needed with Judy Davidson and Donnie Ladotto in reference to the protocol for this procedure.

Parked documents are entered into the system but suspended. No audit trail is generated, not Workflows can be initialed (except manual), and there is no update to accounting.

Posted documents generate an audit trail, Workflows are initiated, and there is an update to accounting, the expense is recognized.

One-Time vendor functionality will only be used with Non PO related transactions---PO related transactions are restricted due to 1099 purposes.

DOTD – Gas Contracts

- ERS (Evaluated Receipts Settlement)
 - 2-way match (Purchase Order and Goods Receipts)
- Fuel Track

PO Related Invoicing

- The invoice verification tolerance setting was discussed and it was determined that it would remain at 10% per line item on the invoice.
- Any updates to/from the Legislative Auditors Website will be done manually as needed.
- The business procedure decided upon on how to handle invoice verification discrepancies are as follows:
 - Park the invoice(s)
 - Manual Invoice Reduction functionality is not needed.
 - Desk procedures will be implemented

Automatic Payment Program (F-110)

- Training concerns for OSRAP and OIS
 - Contact Paulette Newman with OIS

Payments

- Positive payment outgoing interface functionality will be used for vendor payments made from SAP
 - Contact Will Kelly (LaTrac) for follow-on meeting
- Possible enhancement for 'cash edit' check to be accomplished in SAP prior to vendor payment
 - Follow-on meeting with OSRAP, OPD, and STO
- Outstanding check website will be updated on a bi-monthly basis with a BO Reprt.
- Invoice Verification Tolerance discrepancy
- DOTD will be placed on current payment schedule initially but there is the possibility that they will need to be able to cut checks on demand for certain vendors. Possibly a form can be manually completed by the agency and forwarded to STO for check to be printed.
- Whether enhancement configuration will be needed to identify single/consolidated checks during invoicing will be determined during Realization.
- OSUP vendor payments currently include any deductions on employees check

Imprest Account

- Cash Journal
 - Stops One-Time Vendor that have exceeded the \$600 threshold and establishes them as a vendor

Manual Payments (One-Time Vendors under \$600)

- As-Is

- Record expense, vendor, payment amount, etc. in the legacy systems (IMS, TMS, QuickBooks)
- Pay vendor (check)
- Periodically (daily, weekly, monthly) the expenses are interfaced into ISIS (J6 document)
- Using interface file, the agency's account is replenish via check or ACH
- **To-Be**
 - Record expense, vendor, payment amount, payment method, etc. in Cash Journal (CM module)
 - Pay vendor from AP module
 - Record replenishment in Cash Journal (CM module)
 - Pay 'vendor' (agency) to replenish (AP module)

System Validation – 2-tier

- verify dollar amount
- verify object code
 - Review legacy systems for One-Time vendors
 - When a petty cash expense is entered in the Cash Journal check the payment amount, if over \$600, check vendor field, if "One-Time" vendor and 1099 reportable coding STOP processing the transaction and complete form to add a vendor master record.
 - Multiple use of One-Time vendor function for same vendor will not be permitted.

Check Management

- **Prior Year Specific - Stale checks will be voided with a unique void indicator that can be easily identified and re-issued if necessary**
 - **Stale Checks – ISIS**
 - CY – expense reversed
 - PY – money forwarded to Income Not Available; expense is not reversed; prior year is closed
 - **Stat Ded Non ISIS**
 - Depends on the agency's business policies; issued to Unclaimed Property with expense remaining in place
 - **Non ISIS Check**
 - Standalone systems (legacy sub-systems)
- **WLF will furnish there form letter that is sent to vendors referencing checks issued that have not been cashed.**
- **STO and standalone systems – reconciliation of two sets of outstanding checks after Go-Live (legacy system checks and SAP checks)**
- **Coordinate with OSRAP, OSUP, and STO on check design, stock etc.**
- **Noted that when check stock is ordered (OSUP) they are pre-numbered with a check stock sequence number (used for security/inventory purposes) and a custom number is placed on the check during printing in order to keep numbering in sync.**
- **DOTD expressed concerns related to Real Estate**

PO Related Invoicing

- **Parking with a two-tier process (agency-level)**
 - **Group 1 enters invoice only**
 - **Group 2**
 - **approves**
 - park/.complete
 - Workflow – system generated
 - **posts**
 - park with errors
 - Workflow – manually
- **Workflow can be sent to a specific individual or a general mailbox**
- **Training will be needed for UOM to ensure that the requisition, invoice, etc. are in sync.**
- **Desk procedures implemented when 3-way match fails in UOM**
- **Error discrepancy addressed prior to entering by Purchasing**

Vendor Payments in SAP (high-level process) – security and segregation of duties currently is in place -- two individuals and two transactions.

1098 Open Issues will be defined in Real Estate (RE) module and invoiced and paid in Accounts Receivable (AR) module.

Non-Payable - Limited scope including Office of Facility Planning and Control (OFPC) and Department of Transportation and Development (DOTD)

Purchasing Card – Materials Management (MM) will state the requirements, key decisions, and design considerations for the Statewide Purchasing Card solutions.

All open concerns related to or involving HR, including future “to-be” designs will be communicated and confirmed with Kathy Sessums

Open Issues

- Will the ESTI system be decommissioned at an unknown future date? TBD
- How will the specialized systems at DSS update SAP FI-GL for expense information?
- How will the payments from the specialized systems at DSS effect their cash balance or ‘cash edit’ check for payments that come from SAP?
- Will there be a need to enhance custom fields?
- Which vendor records should be converted from each legacy system?
- What business approvals or controls should be in place for non PO related invoice data entry?
- What will be the conversion strategy for open invoices and credits?
- What will be the business procedure for manual payment blocks on invoices?
- How will the ‘cash edit’ check be accomplished in SAP prior to vendor payment?
- Who will be responsible for periodically executing the automatic payment block clearing transaction by Agency?
- AP team still needs file layouts for positive payment and cashed check interfaces?
- Will enhancement configuration be needed to identify single or consolidated checks during invoicing?
- How will the program enhancement automatically put a payment block on invoices were the payment document/check have been reversed?
- Options to retire QuickBooks, offline system, if SAP can accommodate business requirements for immediate check disbursement?
- Who (what Agency) will execute and be responsible for the positive payment and cashed check interfaces?
- Will each agency still have their own Tax ID number?
- How will Agency type be represented in SAP?
- How will the 1099 reportable accounting objects be identified; Using GL accounts or using some type of substitution rule enhancement?
- How will the ‘stand alone’ payment systems do their 1099 reporting?
- In the case of back-up withholding, what Agency is responsible for remitting payment to the IRS?

