



MEETING MINUTES

State of Louisiana LaGov Project

FI-BP-008 FM/GM Integration

November 12-13

DOTD 6th Floor 6W

Attendees:

| No. | Name | Invited? | Attended? | Comments |
|-----|--------------------|----------|-----------|----------|
| 1. | Hodges, Beverly | Y | Y | LaGov |
| 2. | Thigpen, Drew | Y | N | LaGov |
| 3. | Fernandez, Paul | Y | Y | LaGov |
| 4. | Jacob-John Manoj | Y | Y | LaGov |
| 5. | Montes, Rene | Y | Y | LaGov |
| 6. | Denham, Bradford | Y | N | LaGov |
| 7. | Franklin, Barbara | Y | Y | LaGov |
| 8. | Dusse, Barry | Y | Y | OPB |
| 9. | Beard, Briant | Y | Y | LaGov |
| 10. | Scott, Marlene | Y | Y | LaGov |
| 11. | Le, Tri-Chan | Y | Y | LaGov |
| 12. | Buchanan, Marianne | Y | Y | DOTD |
| 13. | Shexnaydre, Debbie | Y | Y | DOTD |
| 14. | Stockstill, Susan | Y | Y | DHH |
| 15. | Parker, Penny | Y | Y | LaGov |
| 16. | Gopalam, Kavita | Y | Y | LaGov |
| 17. | Narayanan, Govinda | Y | Y | LaGov |
| 18. | Catrou, Paul | Y | Y | LaGov |
| 19. | Ramsrud, Mary | Y | Y | LaGov |
| 20. | Myers, Babs | Y | Y | LaGov |
| 21. | O'Conner, Katie | Y | Y | LaGov |
| 22. | Barbier, Mike | Y | N | OPB |
| 23. | Patin, Marianne | Y | N | DOA |
| 24. | Bielkiewicz, Joey | Y | Y | DOC |
| 25. | LaFleur, Peter | Y | N | LSD |
| 26. | Pendarvis, Hazel | Y | N | DOE |
| 27. | Scioneaux, Beth | Y | N | |
| 28. | Fitzgerald, Keith | Y | N | DHH |
| 29. | Robinson, Linda | Y | Y | DSS |
| 30. | Shaw, Beverly | Y | N | |
| 31. | Minor, Anita | Y | N | |

| No. | Name | Invited? | Attended? | Comments |
|-----|--------------------|----------|-----------|------------------|
| 32. | Oliver, Brenda | Y | N | |
| 33. | Kirkland, Deesi | Y | N | |
| 34. | Ball, Christy | Y | Y | DOC |
| 35. | Selders, Janice | Y | Y | DNR |
| 36. | Williams, Theresa | Y | Y | 431 |
| 37. | Andrews, Karyn | Y | Y | DEQ |
| 38. | Cavalier, Mary | Y | Y | DOE |
| 39. | Huber, Mike | Y | N | |
| 40. | Blankenship, Kathy | Y | N | |
| 41. | Dupree, Rebecca | Y | N | |
| 42. | Mealle, Monica | Y | N | |
| 43. | Stewart, Johnnie | Y | N | |
| 44. | Wagner, Kim | Y | N | |
| 45. | Richardson, Lonnie | Y | Y | DOI |
| 46. | Thomas, Gwen | Y | N | |
| 47. | Jarreau, Ronnie | Y | N | |
| 48. | Coats, Chantelle | N | Y | WLF |
| 49. | Duncan, Marsha | N | Y | DOTD – Dye Mgmt. |
| 50. | Ladatto, Donnie | N | Y | OSRAP |
| 51. | Lee, Cherry | N | Y | DSS |
| 52. | Compton, Requel | N | Y | GOHSEP |
| 53. | LeBlanc, David | N | Y | DSS |

| <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 | Paul Fernandez | <ul style="list-style-type: none"> None | |
| 2. Workshop Objectives | Manoj Jacob-John | <ul style="list-style-type: none"> None | |
| 3. Business Process Review <ul style="list-style-type: none"> Process Improvement Opportunities SAP Glossary SAP concepts & functionality Leading practices Business process flow Enterprise readiness challenges | Paul Fernandez Manoj Jacob-John | <ul style="list-style-type: none"> See action items & assignments below. | Hard copies provided - Future Budget Prep Sessions, , SAP Glossary (current and future terms), Master Data Integration, Business Process Flow, BP-FM Design: Versions |
| 4. <u>Action Items</u> | | <ol style="list-style-type: none"> 1. Check EGMS system 2. Check Receiving Grant details for budget 3. Check 678 and 681 4. During Realization, BP Team together with GM team, will check the details of Title-1 & Title-II Grants 5. Copy of Amendments for Sub-Grant 6. Correction Cost Center/Fund Center alignment 7. To follow-up for decision re: Capital Budget Retraction, whether % budget is to be loaded July 1 and loading of budget (say July 14) | |
| <u>Key Decisions</u> | | <ol style="list-style-type: none"> 1. Budget Authority to be split between Grant and Non-Grant 2. Grantee Grants to be budgeted on <ol style="list-style-type: none"> a. Grant by Grant basis | |

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3. Grantor Grants to be budgeted at the grantor level
 4. Grant Master Data will be created by Dept/Agencies if a new grant budget is to be included after Nov. 1 as part of the Budget Prep cycle
 5. Retraction to FM will be by OPB including Grantor budget
 6. BI Query output file will be handled by OPB
 7. Loading Grantee Budget will be by OPB as pre-post and Central Grant Administrator (CGA) will assist OPB, and Dept Grant Admin will post the document.
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Parking Lot

1. How to budget total Grants – Budget Authority
 - Not Full Amount
 2. NGO Budget
 3. Gustav- Budgeting and Actual
 4. Disaster Food Stamps
 - Budgeting and Actuals
 - How to reimburseCherry (DSS)
 5. DSS cost allocations – IAT accounts and other agencies
 6. Ability to have cash associated with previous year and current year
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Organizational Impacts

1. Impact on Org/Cost Center structure due to grant
 2. If the DOE Grant is divided the DPC and DOC will need to additionally do Billing to Fed, including compliance issues
 - Compliance to be ensured by DOE
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Integration Points

1.

F.R.I.C.E.- W

1.

Law/Policy Change

1. Is there a need to review the BA7 new grant process with implementation of SAP system?
 - a. Greater of.. language in
 2. Process to be easier for new grant? (45 days)
 3. Budget Authority change re: Grant for Leg. approval
 4. For the period between July 1 and loading of Budget (Say July 15) recommended that a certain % except for Grantee Budget is to be loaded for consuming the Operating Budget as of July 01, each year.
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Discussion Points:

The session started with introductory/educational slides which were presented at each of the respective previous blueprint sessions including Grantee, Grantor and Budget Prep. Each of the respective functional consultants gave an overview and explanation of his/her area. A sample grant award letter from the Department of Public Safety was handed out. The grantor functional consultant provided an example of how budgeting could be done in grantor and specified the fact that budgeting could be done at different levels.

Annual Budget Appropriation vs. Total Grant Authority – There was ongoing discussion on the annual budget authority given by the Louisiana State Legislature versus the authority that is given for a particular grant by a grantor (the federal government). Scenarios in which grant authority exceeds the state appropriation authority were put forward by different agencies including but not limited to:

- Multiple grant years open – the cumulative total of open years exceeded the State's appropriation authority for a given year
- Total Grant Authority exceeded the State appropriated authority
- Multiple open grants -multiple grants are open in the same year for an agency in which the total authority for all grants (combined) exceeds the state appropriation authority for a given fiscal year.
- New eligible grants – DOE cited example(s) of un-submitted or expired new grant applications where it was determined (based on grant amount and time) that the eligibility period of the grant would expire and/or that districts would have limited time utilize funds due to a lengthy approval process; which included approval from BESE (the oversight board) and the BA7 approval process. (could be as long as 45 days)
- Additional authority on existing grants.

Agencies pointed out that while the current as-is process is limiting grant processing is done through the use of grant expenditure targeting, grant swapping and/or the use of the AFS reporting category. Every department uses the current system differently to manage their grants within the budget authority that is appropriated by the state. The submission of BA7's (Budget Adjustments) are required if expenditures are estimated to exceed budget authority. Agencies manage budget authority and grants behind the scenes.

- **Grant expenditure targeting/timing (juggling)** – having to juggle the timing of the expenditures for specific grants (if a sub-grantee had not submitted expenditure reports); and essentially manage the use of the budget authority
- **Grant Swapping** – Agencies have to swap grants and use the same budget authority. Could be related to the expenditure targeting but not necessarily.
- **Use of AFS Reporting Category field** – The AFS Reporting Category is currently not part of the fields used in BRASS, the state's current budget preparation software. Departmental budgets are prepared on a grant by grant basis are consolidated and submitted as a budget request. The grants are maintained offline and are reconciled to AFS. The to-be budget preparation process calls for budget preparation on a grant by grant basis. ([Key Decision 2](#))

OPB Response (Re: grant authority exceeding the state fiscal year appropriations) - Generally, agencies do not exceed what they spend in the previous year. The OPB tries to budget for expenditures that are anticipated for a particular year and to determine additional budget authority that is in excess. It is in statute that any increase in budget authority as it relates to grants must be approved by the legislature. The OPB cited the following statement from the preamble to the appropriations act for House Bill I.

Any increase in such revenues for agency without an appropriation for the respective revenue source shall be incorporated into the agency's appropriation on approval of the commissioner of administration and the Joint Legislative Committee on the Budget.

Additionally it was mentioned that the administration is concerned about the future once the grant runs out; all expenditures go with the grant. Sometimes the Feds expect the program to continue at state expense.

In an effort to streamline grant processing as it related to state's appropriated budget authority, the group had the following recommendations:

Recommendation from the blueprint session group

1. Recommendation for Existing Grants

The Blueprint session Participants recommended for Management approval that any Budget adjustments related to existing Grants should not have to be approved outside their Agency's office (Department's office?), as long as it does not exceed the Agency's existing approved Budget Authority and Appropriation Unit (Means of Finance), covering:

- a) adjustments between two or more Grants
- b) adjustments across Object Categories (equiv in SAP)

2. Recommendation for New Grants

The Blueprint session Participants recommended changing the current/existing law/guideline to allow Agencies to add new Grants and accept new Grants (in Grantee Mgt module), without requiring OPB/Legislative approval (BA7), as long as the Agency does not exceed its existing and approved Budget Authority and Appropriation Unit (Means of Finance).

The above is for Grants that do not require the State to later take over that Program, i.e. no future obligation/future fiscal impact to the State after the Grant comes to an end. This will be ensured by the Secretary of the Department/Agency or his/her Designee.

Day2

Grantor discussion - The grantor functional consultant gave an overview of how the grantor module worked. In summary, grantor is in the CRM module and is tied to SAP ECC using the funded program field (dimension). There was more discussion about the use of the grantor module. There was a question from the group as to what the Grantor module offered that is not currently being addressed in the contracts system (CFMS). The response was that Grantor module has contains functionality to manage the application process and is attached to the grants module, funds management and budget preparation (BP). After more discussion about the types of grants that the state managed (as a grantor), a key decision ([Key Decision 3](#)) was made to budget at the grantor level, because it was determined only reporting would be required at the grantor program level and control would be required at the grantor level.

By default appropriated authority is split up into grant and non-grant; as a result a key decision ([Key Decision 1](#)) to include in the to-be design (grant vs. grant not relevant).

The to-be budget preparation for grants was presented and was discussed at length, particularly as it related to interagency transfer agreements (IAT). It was proposed that some of the interagency transfers that are currently in place could potentially not exist in the future. The group had concerns about the to-be design that was presented, specifically the budget authority as it related to interagency transfers. It was made clear that the to-be design was flexible to accommodate multiple scenarios; which were inclusive of interagency transfers. There was discussion about grant master data; in particular who would be responsible for setting up new grants. It was decided that the departments/agencies would be responsible for setting up new grants in the master data. ([Key Decision 4](#))

The retraction of the grant budget was discussed. It was decided that the OPB would be responsible for retracting the budget to the FM module for budget execution ([Key Decision 5](#)). Additionally it was discussed that a query was needed for the retraction of the grant budgets into the grants module. It was decided that OPB would handle the query. ([Key Decision 6](#)) The need for a central grants administrator and a departmental grants administrator was discussed and had been discussed in previous grants management blueprint sessions. For the budget retraction, it was decided that the OPB would retract and load the budget with the assistance of the central grants administrator; it was further decided that the central grants administrator would assist smaller agencies that would not have a departmental grants administrator.

The topic of loading a budget for the upcoming fiscal year was discussed and a change to the existing policy was proposed ([law/policy change 4](#)). The change was proposed because the group saw the need to load the budget for the upcoming fiscal year in order to conduct business at an operational level once the new fiscal year starts.