

**Large Agency  
Chief Financial Officers Meeting Minutes  
September 29, 2009**

**PARTICIPANTS:**

Paul Nicola, DCA  
Tim Newton, DEA  
Karen Johnson, DEA  
Li Li, DJA  
Craig Rudolph, DTA  
Mike Clark, EVA  
Jim Cockerham, HCA  
John Moorman, HCA  
John Lake, H.S.A  
Lu Himmelstein, PSA  
Joan Jones, RVA  
Leah Morris-Towle, SDA  
Lihua Li, WCA  
Mike Smarik, ADA/GAO  
Anita Kleinman, ADA/GAO  
Joanna, Greenaway ADA/GAO  
Shannon Landis, ADA/GAO  
Jennifer Verhelst, ADA/GAO  
Jaimie Soulvie, ADA/GAO  
Stu Wilbur, ADA/GAO  
Evan Chang, ADA/GAO  
Ron Santa Cruz, ADA/GAO  
Greg Vokoun, ADA/GAO  
Chris Kennedy, Periscope  
Representative from World Wide Technology  
Representative from Gartner

***ITEMS COVERED***

Mike Smarik – *Welcome & Introductions*

**ProcureAZ Demonstration - James Scarboro, State Procurement Office (SPO) & Chris Kennedy, Periscope**

The new E-Procurement system, ProcureAZ, has been split into two phases. Phase I went live on September 1, 2009. Phase I was the replacement of SPIRIT. 1,500 contracts have been transitioned to ProcureAZ. You are now able to issue orders, or as the system calls them, contract releases, against these contracts.

The system is now being used for vendor registration, solicitations, primarily statewide solicitations, and to manage statewide contracts and DES specific agency contracts. Users can view contracts without a login.

ProcureAZ information can be searched at the item specific level. Looking from spreadsheet to spreadsheet went away with SPIRIT. There are approximately 75,000 contract items you can search against in the database. Periscope provided a demonstration on various ways to search the database and then building a requisition.

**Q:** I'd like to bring to everyone's attention that ProcureAZ uses terminology that may differ from what we are used to, the Accounting Manual and sometimes even statute. That is something that we are going to have to reconcile before we get to a full blown phase II.

**A:** SPO is working with agencies on the terminology. SPO hopes to smooth it as much as possible in phase II.

Phase II will be when ProcureAZ will integrate with other agency's systems. A decision will have to be made if you will dispose of your system, or if you will continue to use your system, how that system will integrate with ProcureAZ so you are getting the most current information possible. Unlike SPIRIT where you could only see your contracts or statewide contracts, in ProcureAZ, you will be able to see all contracts. You may not be able to purchase under all the contracts, but you will be able to see them.

We do not have a start date for phase II yet. If you have any questions regarding ProcureAZ, please contact James Scarboro or Jean Clark at SPO.

**Q:** Has there been a change from the original concept of phase II? We were of the understanding that all agencies were going to have to abandon their internal systems and convert to ProcureAZ.

**A:** There is value in your asset so you may need to wean off of it, not necessarily abandon it immediately, but start ramping up and using ProcureAZ. All of the details will be worked out in phase II. One of the first things to do in phase II will be integrating with AFIS. After that SPO will be meeting with agencies and see how the system works best for each agency. The idea of an enterprise system doesn't work unless everyone is on it.

### **GASB 51 – Greg Vokoun**

GASB 51 is for the Accounting and Financial Reporting for Intangible Assets and was issued in June of 2007. The update to the State of Arizona Accounting Manual (SAAM) will hopefully be out next week. We also have a number of changes to the Chart of Accounts. We also want to include all the changes necessary to support ARRA.

Greg gave a Power Point presentation on GASB 51. If you have questions regarding GASB 51, please contact Ron Santa Cruz.

**Q:** When will you be coming around to the agencies to discuss GASB 51?

**A:** Right now the GAAP Group is working on preparing the CAFR. As soon as there is some down time, the group will be contacting agencies to discuss some of the software. We didn't get all the surveys back we were expecting. We will be contacting some of the larger agencies for their surveys.

**Q:** What are the thresholds going to be?

**A:** For purchased software, \$500,000 for internally generated, over \$1,000,000 for governmental funds. For proprietary funds the thresholds are a little less, \$125,000 and \$250,000 respectively.

**Q:** If the software product has already been purchased as a turnkey system into an already existing asset you are not asking for any type of breakout are you? Just allowing that to continue as the tracking mechanism, the original purchase order?

**A:** You are correct.

### **Budget – Mike Smarik**

Everyone should be working on their 15% and 20% budget cut exercises. There isn't anything more to report at this time.

### **Allotment Roll Process – Anita Kleinman**

Due to the current budget situation, any allotment roll requests will be more closely scrutinized. In your request, please give detailed, specific reasons why you need the allotment roll and what the impacts are. If there are additional budget cuts, how you are planning to accommodate additional cuts. The request goes to your OSPB analyst and a copy to GAO. GAO will not take any action until it is approved by OSPB.

### **New D22 Screen – Anita Kleinman**

The D22 profile in AFIS is where we establish the fund at the statewide level. There is now more information available on this screen, the statute that created the fund, any reporting requirements, and the funding source. If there are additional notes, there will be an asterisk by the screen name. We are hoping this will be a one stop resource for agency staff. There is a lot of information that has not been filled in yet. Please check your agency funds to make sure all the information is there and accurate.

**Q:** Will the D53 still function the same way?

**A:** We have actually pulled in the D53 for statute information and expired warrants. You can now see them on the D22 instead of going to another location.

### **Payroll Card – Mike Smarik**

This has been on the agenda for quite some time. We are hopeful we will receive final approval to move forward with this project. We would like to remind you that this is a mechanism to hopefully convert employees that are currently receiving a payroll warrant to the payroll card. We are at almost 95% participation for direct deposit. We still have about 2,500 warrants that we are printing and distributing each payday. We are trying to reduce the number of printed warrants we produce each pay day.

### **American Recovery Reinvestment Act (ARRA) Update – Jaimie Soulvie**

All of the ARRA related grants that we are aware of to date have been loaded in the MS Stimulus 360 system (reporting solution to comply with the ARRA). All of the subrecipients and vendors have been loaded into Stimulus 360 and linked to the grants. We have tested, or will be testing, files from ADOT, DES, all the universities and Education. This Sunday we will be bringing in AFIS data into Stimulus 360. Agencies are still responsible for getting information from their subrecipients on any vendors they may have paid over \$25,000 and calculating the jobs data that is required by the act. We are meeting individually with any agencies that need assistance to make sure we stay on target. The GAO conference rooms are booked for all next week if any agencies need to come and visit us and use this as a war room.

There is a draft Technical Bulletin that was posted today for accounting for ARRA funds. We would like you to take a look at it so we can get your feedback by the end of the week. If you have any issues or see any problems with it, please let us know.

### **Future Agenda Items**

**Emphasis on Electronic ACH Payments**

**Travel & Expense Management Sub-System**

**Payroll Card**

**NSF & Favorable/ Unfavorable Deposits Cleanup Project**

**Federal Funding Accountability and Transparency Act (FFATA)**

**State Transparency Project**

If you have any questions or concerns, please contact the GAO.

Meeting adjourned at 2:57 p.m.

The next meeting is scheduled for Tuesday, October 27, 2009, at 2:00 p.m. in the

General Accounting Office.