

**Small & Medium Agency  
Chief Financial Officers Meeting Minutes**  
September 22, 2009

**PARTICIPANTS:**

Megan Darian, ADA  
Pam Rezek, AGA  
Debb Pearson, APA  
Julie McKnight, AUA  
Dena Dotson, EPA  
Lori Boncoskey, GHA  
Gary Norem, ICA  
Scott Greenberg, IDA  
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Joan Thompson, LAA  
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Esther Olivas, MIA  
Cynthia De Vise, PRA  
Carmen Flores, PVA  
Nancy Bennett, RTA  
Don Bentley, SPA  
Cassie Goodwin, TEA  
Marcia West, TOA  
David Medina, TXA  
Cheryl Fraulob, UOA  
Deb Ludington, VSA  
Mike Smarik, ADA/GAO  
Angela Dillard, ADA/GAO  
Amy Newby, ADA/GAO  
Joanna Greenaway, ADA/GAO  
Anita Kleinman, ADA/GAO  
Tami Eckloff, ADA/GAO  
Stu Wilbur, ADA/GAO  
Amy Aeppli, ADA/GAO  
James Scarboro, ADA/SPO  
Greg Flores, Periscope  
Chris Yarris, Periscope

***ITEMS COVERED***

*Mike Smarik – Welcome & Introductions*

**ProcureAZ Demonstration – James Scarboro State Procurement Office (SPO) & Periscope** On September 1, 2009 Phase I of the new procurement

system was put into production. James Scarboro and members of Periscope Holdings, the contractor for the project, gave a brief demonstration of the system.. The system has been renamed ProcureAZ for the purposes of the State of Arizona.

There is a significant change in the functional aspect of the new system. Spirit was a solicitation publishing, analysis, award and contracts hosting vehicle. When it came to actually purchasing under the contract, that was a manual process and there was no link to purchasing from SPIRIT. ProcureAZ is an end to end E-procurement system from requisition through fulfillment of the order.

The project was broken into two phases.

Phase I was to replace SPIRIT. Along with replacing SPIRIT came the ability to issue contract releases, orders against the contracts in the system. If the contract is not in the system, then you will not be issuing orders against it. You will still be using your own purchasing system varying agency to agency.

Phase II has not yet been approved but SPO is hopeful it will be soon. After the implementation of phase II, SPO will be working with agencies to articulate to the CPO's the policies and procedures regarding implementation of phase II. For right now SPIRIT is gone. It has been decommissioned. It is available if SPO needs it for research. All data has been transitioned into the new system. The information is down to the line item level since the new system is order capable. The old system was categorical, high level line items. There are upwards of 1,500 contracts in the new system.

With ProcureAz you have the capability to view contracts from the log in page as an unauthenticated end user. At the point of authentication determines which contracts you can actually order from. Periscope staff demonstrated different ways to conduct searches in the system, creating a requisition and preparing an order.

Phase II will entail integration to AFIS to allow you to perform account code lookups, budget checking and encumbering funds.

**Q:** Are you working with GAO to develop the relationships with the accounts & products?

**A:** Yes.

**Q:** To someone in GAO, for each item will there be an associated comptroller object?

**A:** Yes.

**Q:** So you can have multiple items on one order, how will that appear on the accounting form when you have multiple items? How will it allocate it out?

**A:** You would begin with your header level accounting tab. You would identify all those account codes you are looking to charge against. You would allocate by percentage or dollar base.

**Q:** You can split funding for just one item?

**A:** Correct.

**Q:** Is purchasing determining the account codes to use?

**A:** It will come from AFIS. There will be an interface that will be linked or you can pick it.

**Q:** A particular item like office supply will already have the comp object associated with it?

**A:** Yes.

**Q:** But we also have the indexes and PCA. We can choose those also?

**A:** Yes.

**Q:** You are talking about phases. Are there only two phases and what is the time frame?

**A:** SPO is waiting for approval for phase II. Because SPO is funding this system through administrative fees that have been added to the statewide contracts based on cooperative members using the statewide contracts. Those fees start flowing at the end of this quarter. From a project prospective, phase II will be a lot more intense due to the interfaces. The time line should be in the six to nine month range.

**Q:** Is there a phase III?

**A:** No.

**Q:** Will we be able to enter an address manually instead of using the addresses in the system?

**A:** You will have an org administrator and you have to coordinate the creation of addresses through them. We need to have the appropriate level of control dealing with ship to's and bill to's. We do not want to have addresses added at the order level.

**Q:** What about items that are not on State contract? Will we use this system for those?

**A:** Not in phase I.

**Q:** In phase II?

**A:** Eventually we will be able to do all our contracting with this system. Right now these are statewide contracts, SCC contracts, or statewide contracts done by agencies other than ADOA, and DES contracts because DES was the only other agency that had all their agency contracts in SPIRIT. You will be able to see all statewide contracts in this system. You may not be able to use it if you are not authorized, but you will be able to see it.

**Q:** When can agencies start using it?

**A:** Right now.

**Q:** How do we obtain our password?

**A:** When your organization is set up in the system, you tell SPO who will need a password. SPO has been conducting training for agencies to use ProcureAZ. SPO will need time to come up with an authorization trail during phase I. There will be additional authorization trails in phase II.

For limited delegation authority agencies, your setup and authority will be managed by SPO. Procurement managers from your agencies should have received a spreadsheet with information. If they have not, have them contact SPO. Notification of the organization setups went out via a VIP email alert. These alerts are now on the SPO website so you will be able to find it there.

**Q:** Is there a tutorial online?

**A:** Yes. There is a video that walks you through the process.

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

Last week there was a training on how to verify ARRA related grants in the Microsoft Stimulus 360 (reporting solution to comply with ARRA) . GAO and the Governor's Office of Economic Recovery (GOER) staff loaded subrecipients and vendors in the new system as well. There is another training this Thursday to learn how to validate the subgrantee information and navigate through the screens. The centralized system is called Arizona Centralized ARRA Reporting Solution (ACARS). It is a joint effort between ADOA and the GOER. Each agency that has ARRA grants has two licenses for the system. If you have not

yet received ARRA grants and are anticipating receiving them, you need to contact both the GAO & the GOER.

**Q:** Is the information for this Thursday's training on the website?

**A:** No, it was sent via email by the GOER.

**Q:** For this Thursday?

**A:** The GOER sent it out on Monday. It will be forwarded to you so you have it.

If you have any questions related to ARRA, please call Jaimie Soulvie or Joanna Greenaway.

### **Budget – Mike Smarik**

Most executive level agencies were asked to perform the exercise for a potential 15% or 20% reduction. Just be prepared that what you have now, may not be what you end up with for the year.

**Q:** I was informed that everyone is to do this exercise, not just executive level agencies. 90/10 agencies have been asked to perform the exercise.

**A:** Okay.

At GAO we will be looking at what services we will not be able to provide any longer. We will not be able to provide the same level of services as in the past with these levels of cuts.

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

We have now opened up the process for agencies to be able to enter everything related to appropriations. Your appropriation load, transfers between line items, and allotment transfers, agencies can key all of these. Allotment transfers are coming under a lot more scrutiny. OSPB and/or GAO may be coming back and asking more questions. When you do submit your request for an allotment transfer please be very specific and as descriptive as possible answering the questions and make sure the request goes to both your OSPB analyst and the GAO.

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

This is the statewide fund screen. When you put in a fund that is used by your agency, we have now populated the screen to show information from the statute that created the fund, the revenue sources, if it is an appropriated fund, are there any restrictions, and what happens if there are expired warrants. If there is an asterisk, you can then hit F9 and receive additional information concerning this fund.

**Q:** With regard to entering allotment adjustments, is there a particular user class that needs to be used?

**A:** The same user class, 95, that you use to enter your appropriations. It has been opened up for the additional items. I think we still have one restriction regarding the multipurpose code. If you get an error message, that is something we can correct here at GAO.

**Q:** If we have already submitted to your office an allotment adjustment request that has been approved by OSPB, will GAO enter it?

**A:** The agency should have it entered. If it is not entered, GAO will be contacting you to have it entered. If you enter it and then submit it to OSPB and it is altered, you can go in and change it. If the request is disallowed, you can go ahead and delete the entry.

**Q:** Are you populating the screen for all the funds?

**A:** We have prepopulated with the information that was on the old D22 screen. We are now populating all the new fields. We have the information in paper format. We are now working on inputting it into the system.

**Q:** So they will be more information here than there was in the past?

**A:** Yes.

**Q:** Who has access to this screen?

**A:** Anyone that has access to AFIS. You can have a view only access and see the D22 information.

### **Payroll Card – Stu Wilbur**

We are still waiting for final approval. This is the card offered through Bank of America. It is called Cash Pay. It is a debit card that will allow employees to receive their pay on a debit card. For employees that for whatever reason don't have a bank account, they can apply for this card. It will allow them to receive direct deposit without having a bank account established.

**Q:** Did you say employees have to apply for the card?

**A:** Yes, we are looking to modify the GAO-65, the Direct Deposit Authorization Form. We will have a separate section on the form for the employee to fill out requesting the card. We will set up a card through Bank of America. The card will be mailed directly to the employee's home address of record. There is the application process, but it is not an approval process. If an employee applies for a card, they will get a card.

**Q:** So if they don't have direct deposit, and they don't apply for a card, they will still receive a paper warrant.

**A:** They can, but our hope is they will either sign up for direct deposit, or apply for a pay card. We have 94.5% of the payroll on direct deposit. That is great but it still leaves about 2,500 warrants to process every pay day. This card will hopefully eliminate some of those 2,500. They still have the right to receive a warrant, but this is another way for employees to receive their pay faster, more secure, don't have to carry a lot of cash around, don't have to wait for it to arrive in the mail.

**Q:** Is their pay automatically loaded on the card? Or does the employee have to go to a Bank of America?

**A:** It is automatically loaded once it is all set up.

**Q:** Are there any fees for any types of transactions for the card holder?

**A:** There could be, if they want to wire money from the account for example.

**Q:** Are there any other fees that you would not normally have with a bank account? Is this going to be set up as a VISA or something similar?

**A:** It is a VISA card and they can use it as a VISA but only up to the amount on the card.

**Q:** Are there fees at the ATM?

**A:** It depends on the ATM. Bank of America will not charge a fee for the ATM unless you go over two ATM withdrawals per pay period. The suggestion is to go to a merchant to buy your groceries, etc. and get cash back.

**Q:** Can you overdraw this account?

**A:** No.

**Q:** Are the funds FDIC insured?

**A:** Yes just like a regular bank account. You can use signature based purchases with VISA merchants for free, you can get cash back with no fee, ATM withdrawals international \$3.50, balance inquiries are free by calling or online, you can get two free visits inside a bank branch per month.

**Q:** Is a monthly statement of activity sent?

**A:** Yes or you can opt to go paperless and login to see your monthly statement.

**Q:** Are they notified when the card is recharged?

**A:** No. It will be like a direct deposit. They can log into YES and see the payment was made and then log in to their account to make sure the payment hit their account. There is also a 1-800 number they can call to check balances and activity.

**Q:** Will GAO provide a brochure of all the features when this is ready to be rolled out? And when will it be rolled out?

**A:** Yes GAO will provide brochures. We are waiting final approval to move forward with the cards. We are hoping for this fall. Hopefully with the usage of the cards we will increase our direct deposit percentage to 100% or very close to it.

**Q:** If an employee already has direct deposit to another account, can the employee still participate and use the card? Or are you limited in distributions?

**A:** You are not limited in distributions. Pilot personnel in GAO currently have direct deposit to another account and then funds loaded on the card. They have had no problems with this.

**Q:** There must be a PIN too?

**A:** Yes, there is a PIN. If the card gets lost, it needs to be reported immediately. The card number and the account number are different so if the card is lost or stolen, the bank will deactivate the card, but the account is still active so another card can be issued.

**Q:** So who are you waiting for approval from?

**A:** ADOA currently has an Interim Director. Hopefully soon we will have a permanent Director named and we will be able to talk to the new Director and get approval quickly to move ahead.

### **Issues, Concerns, Questions?**

**Q:** Are we supposed to be doing the cash flow reporting for this year?

**A:** Please continue with what you are doing. OSPB is utilizing the reports and would like for them to continue.

**Q:** If room 300 is not being used the next time we have this meeting, can we meet over there?

A: We can look at it. That conference room gets used a lot.

**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 3:05 p.m.

The next meeting is scheduled for Tuesday, October 20, 2009, at 2:00 p.m. in the General Accounting Office.