The Cardinal Project Newsletter
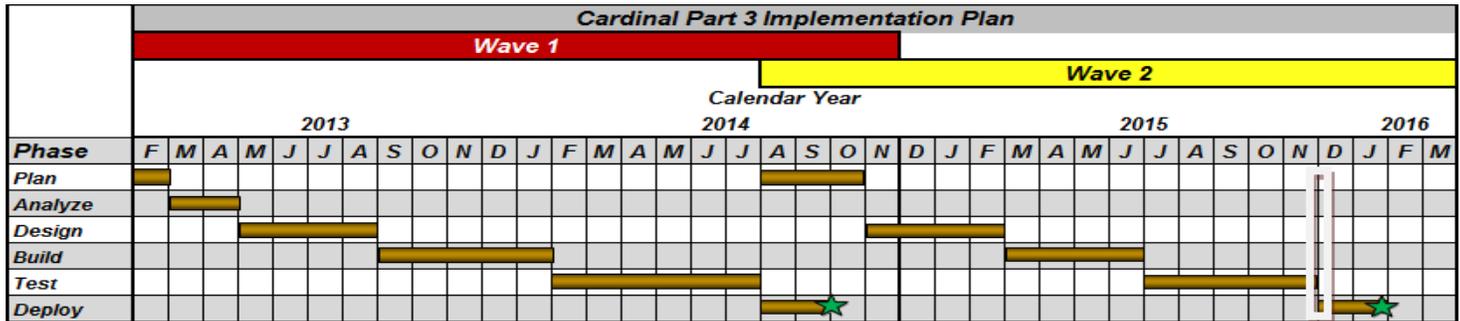
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Project Status

Cardinal Part 3 Implementation Plan

★ Implementation Dates

We are here!

We are at the beginning of the Deployment Phase and the finish line is in sight. Activities conducted since our last newsletter in November 2015 include:

- Continuation of agency interface testing and agency on-site validations of successful data uploads
- Commencement of Instructor Led Training (ILT) courses and continuation of Web Based Training (WBT)

Communications sent out related to:

- Commonwealth Integrated Payroll Personnel System (CIPPS) Configuration, Employee Data, and Agency Role Mapping updates
- Data Validation for Mock Conversions (Pass 2)
- ILT Trainer Information

Commonwealth Vendor Group and Vendor Maintenance

Each month, Commonwealth agencies process thousands of payments to vendors. In order to process these payments correctly, an accurate table of vendor information is required. In CARS (Commonwealth Accounting and Reporting System) each individual agency is responsible for the accuracy of its vendor data. In Cardinal there is one centralized vendor table shared by all state agencies. The Commonwealth Vendor Group (CVG) is responsible for the maintenance and approval of vendor data in the centralized vendor table.

The vendor table contains two types of vendors – procurement and fiscal. Any individual, public body, or business that sells goods or services to the Commonwealth is a procurement vendor. eVA is considered the source of all procurement vendor data in Cardinal and the data is loaded into Cardinal through a nightly interface. Update requests related to procurement vendors should be sent to eVA. A fiscal vendor is a payee who receives payments not related to procurement, for example, a refund. New fiscal vendors are added directly into Cardinal by the CVG. Authorized individuals from agencies can request updates to fiscal vendor data by submitting a Vendor Maintenance Request form to the CVG.* Vendor information in Cardinal includes data such as:

- Address: A vendor may have many addresses (e.g., billing, ordering, remit). For procurement vendors, the eVA VLIN is stored on the Cardinal address record.
- Contacts: Contact information includes name, title, address, email address, and phone number. A vendor may have multiple contacts, such as one for billing and another for ordering.
- SWAM (Small, Women, and Minority-owned Business) Status: SWAM information is provided via interface from the Department of Small Business and Supplier Diversity.
- Location: A vendor location contains default information and processing rules for the vendor. A vendor may have multiple locations due to Electronic Data Interchange (EDI) banking or e-Payables information.

Employees are not set up as vendors in Cardinal. Travel or other non-payroll reimbursements to employees use data from the employee's profile (e.g., name, address) in Cardinal to process these transactions in the Cardinal Expenses module. Additional differences between vendor maintenance in CARS and Cardinal include:

- Cardinal automatically assigns a Vendor ID number to uniquely identify the vendor. CARS uses Taxpayer Identification Number (TIN).
- Cardinal requires that pre-existing vendor data be used when entering a voucher. CARS allows users to edit vendor information while creating the voucher.
- Cardinal allows creation of a one-time vendor for processing refunds, etc., which is inactivated thereafter. CARS does not use one-time vendors.

Summary vendor information in Cardinal can be accessed by navigating to the **Main Menu > Vendors > Vendor Information > Add/Update > Vendor.**

*The CVG is currently testing a new application that will allow agencies to submit Cardinal Vendor Maintenance forms electronically. A communication will be distributed once this new tool is available in the coming weeks.

Looking Ahead…Reconciliation Requirements

Even though all agencies will be operating in the Cardinal system by February 1, 2016, CARS will remain the Commonwealth's official accounting system through the end of Fiscal Year 2016 (FY16). Cardinal transactions will be interfaced to CARS through this period. So, for the remainder of FY16, all agencies will be required to reconcile Cardinal to CARS. For agencies with their own internal financial systems, they will be required to reconcile those internal systems as well.

The diagrams which follow illustrate the applicable reconciliation models for each type of agency.

Interfacing Agency Model (February – June 2016)

Interfacing Agencies will be required to reconcile the three systems (Agency System, Cardinal and CARS) until CARS is retired.

Agency system will be the primary point of entry and approval for agency accounting transactions.*

Central Journal Processing (e.g. Parking, etc.) will be initiated in Cardinal (and may need to be manually replicated in the agency internal system). Interfacing agency may also need to book adjusting entries in Cardinal, on occasion, to keep systems in sync.

From February 2016 until CARS is retired (end of Fiscal Year 2016), Cardinal will send transactions to CARS. If an agency discovers an adjustment is needed to CARS that is not needed in Cardinal, they should contact DOA General Ledger Oversight (GLO) for assistance.

1 – New automated interfaces will feed agency transactions to Cardinal*

2 – Existing automated interface will feed Cardinal transactions to CARS (voucher payment detail will NOT go to CARS)

3 – Existing automated interface will feed CARS history transactions to Cardinal, where they will be used ONLY for analysis purposes to assist in the reconciliation process (these transactions will not be processed in Cardinal as accounting entries)

4 – New automated interface will feed Cardinal history transactions to Agency system (if agency elected this extract option)

* Some agencies have elected to send only certain types of transactions to Cardinal via an electronic interface. If a select type of transaction is not sent to Cardinal via the interface option, the "online model" should be utilized for that transaction type.

Online Agency Model (February – June 2016)

Online Agencies will be required to reconcile the two systems (Cardinal and CARS) until CARS is retired

Cardinal will be the primary point of entry and approval for agency accounting transactions. Central Journal Processing (e.g. Parking, etc.) will be initiated in Cardinal (and may need to be manually replicated in the agency's internal system).

From February 2016 until CARS is retired (end of Fiscal Year 2016), Cardinal will send transactions to CARS. If an agency discovers an adjustment is needed to CARS that is not needed in Cardinal, they should contact DOA General Ledger Oversight (GLO) for assistance.

Existing automated interface will feed Cardinal transactions to CARS

Existing automated interface will feed CARS history transactions to Cardinal, where they will be used ONLY for analysis purposes to assist in the reconciliation process. (These transactions will not be processed in Cardinal as accounting entries.)
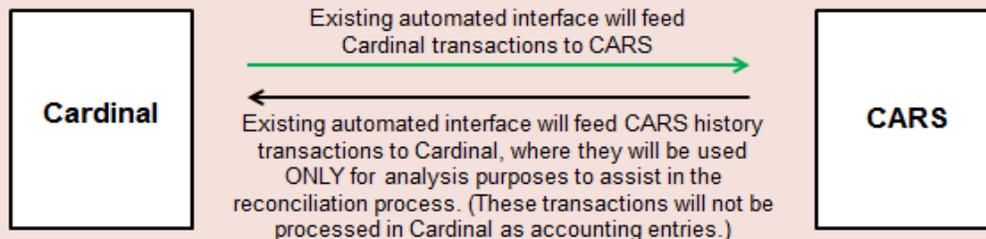
(Continued)

Looking Ahead…Reconciliation Requirements (Continued)

Here are a few reminders and tips to help you as you prepare for reconciliations:

- Chart of Accounts (COA): The COA structures may be different in each system you are reconciling. You will need to know the new Cardinal COA structure/values, understand how they map to CARS and to your agency based system (as applicable) COA structures/values.
- Cardinal has distinct modules: General Ledger (GL), Accounts Payable (AP), Accounts Receivable (AR), and Expenses (EX). Transactions are entered first into their source module – e.g., AP, AR, Expenses. They are then journal generated to GL. Be aware of the timing difference, since it may impact query and report results.
- Financial Information Downloading System (FINDS): Cardinal will not send data to FINDS. Data interfaced from Cardinal to CARS (through the end of the 2016 fiscal
- year) will be summarized. As a result, data sent from CARS to FINDS will be summarized. Your ability to utilize FINDS in your reconciliation process will be limited for the remainder of FY16, and is non-existent beyond that time. You will need to utilize Cardinal reports, queries, and extracts (as applicable) to facilitate the reconciliation process.
- Remember that disbursements (both vouchers and expenses) are initially recorded to a payable account rather than a cash account. These disbursements do not actually reduce the cash account until they are processed for payment closer to their respective payment due dates.

There are a number of Job aids in the in the Statewide Toolbox on the Cardinal Project website that can help you with the reconciliation process:
- SW GL332 Chart of Accounts (COA) Mapping
- SW GL332 Crosswalk from FAACS Transaction Codes to Cardinal Accounts
- SW GL332 Extract GL Journals – CARS Interface
- SW GL332 GL Journals – Posting CARS Activity
- SW GL332 Reconciling Cardinal to CARS
- SW NAV220 Reports Crosswalk CARS to Cardinal
- SW NAV220 Reports Catalogue

Look for Reconciliation Labs hosted by the DOA General Ledger Oversight team. Dates will be scheduled after month end closing in March and April of 2016, and will be posted on the Cardinal Project website.

Additional information on reconciliation policy and procedure can be found in the Cardinal CAPP Manual Topic No. 20905 and the Cardinal website. They outline the requirements for monthly reconciliations between Cardinal and CARS. The links are:

http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics_Cardinal/20905.pdf
http://www.cardinalproject.virginia.gov/Statewide%20Job%20Aids/General_Ledger/SW_GL332_Reconciling_Cardinal_to_CARS_Rev_01282015.pdf

Upload Interfaces: Error Processing Overview

Upload files received from agencies that do not align with the Cardinal interface file layouts and business rules will result in errors:

- File Level Errors: The file cannot be processed by Cardinal and is rejected. The file must be corrected in the agency system and re-sent to Cardinal. One example: If the sum of all transaction headers does not match the sum listed in the trailer (last) record of the upload file, a file level error is produced.
- Transaction Errors: The file is successfully recognized and processed by Cardinal, but individual transactions have errors. The transactions must be corrected in the agency system and re-sent to Cardinal. One example: If the sum of the line amounts does not match the header amount within a single transaction, a transaction level error is produced.
- Upload files are processed in the Cardinal nightly batch beginning at 6:00 PM each business day. The upload error reports are available by approximately 7:00 AM the following morning. Error reports are available online in Cardinal and on the Application File Server. They are not sent to agencies. The error reports are generated as PDF files, and can be saved outside of Cardinal. Agencies also have the ability to run error reports on an ad hoc basis and can specify date ranges to limit results.
- After a transaction is loaded into Cardinal, it is edit/budget checked. Failed transactions have to be corrected online in Cardinal by the agency, not DOA. Interfaced transactions that are modified/edited online in Cardinal will require additional approval in Cardinal by the agency before the transactions are processed further.
- Click here to view a flow diagram of Upload Interfaces: Error Processing.

Agency To Agency Transactions (ATAs) to Replace Interagency Transfers (IATs)

In CARS, accounting transactions between Commonwealth agencies for the exchange of goods/services, the pass throughs of Federal funding, and cash transfers (e.g. state grants, appropriations, or cash collected on behalf of another agency) are generally processed via the Interagency Transfer (IAT) process. With the transition to Cardinal, <u>IATs will be replaced with the Agency To Agency (ATA) process</u>.

In Cardinal, ATA transactions are processed using one of three methods:

(1) A payment is processed in the Accounts Payable (AP) Module by the paying agency and receipt is recorded in the Accounts Receivable (AR) Module by the recipient agency (see CAPP - Cardinal Topic No. 20310, *Expenditures* and Topic No. 20205, *Deposits*).
(2) A General Ledger Journal (GL Journal) is processed by a controlling agency that has security access to other agencies. This is processed in the same manner as a GL Journal for an intra-agency transaction, with the exception of the ability to enter multiple Business Units as appropriate (see CAPP - Cardinal Topic No. 20410, *Intra-Agency Transactions*).
(3) A General Ledger Journal either created via a Spreadsheet Journal or submitted via a Cardinal GL Journal Entry Form is posted in Cardinal by the Department of Accounts (DOA) General Accounting Unit.

Effective February 1, 2016, agencies will no longer process IATs, but will instead utilize either the ATA Voucher/ATA Deposit process or the ATA Journal process (as applicable).

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Upcoming Activities for Wave 2 Agencies

Initiation of Activities During December 2015	*Completion of Activities During December 2015*
Primary Contacts (PCs), Interface Contacts, and Applicable Subject Matter Experts (SMEs) attend December 2015 Interface Meeting	Interfacing Agencies Complete Interface Testing and Onsite Validation
Technical Contacts Test Access and Install Excel Plug-In	Interface Contacts Connect to Cardinal Production Server
Technical Contacts Install Cardinal Icon for Agencies on COV Network	Technical Contacts Create and Confirm AUTH User Accounts for Agencies Not on COV Network
Technical Contacts Install Active X Add-On for SWAP for Agencies Not on COV Network	PCs and Technical Contacts Confirm the Installation of Crystal Viewer for Agencies Required to Print Checks
	PCs Provide Updates to Employee Data
	PCs and Security Contacts Maintain Updates to Agency Role Mapping – 2nd Submission
Continuation of Activities During December 2015	General Ledger (GL) SMEs Confirm CIPPS Configuration Updates
Cardinal Users Take WBT	GL SMEs Define SpeedType/SpeedCharts Values
Cardinal Users Take ILT Courses	GL SMEs Validate Data for Mock Conversions (Pass 2)