



Cardinal Project Commonwealth of Virginia

March 2013

Cardinal Introduction Meeting



Agenda

- Welcome and Introductions
- Cardinal Overview
- Project Scope, Rollout Strategy, and High-Level Timeline
- Managing Change
- Agency Involvement
- Next Steps
- Cardinal Demonstration



Welcome & Introductions



Welcome & Introductions

- Cardinal Project Team
 - Name
 - Project Role
- Today's Agency Participants
 - Name
 - Agency and Position



Cardinal Overview



Current State

The Commonwealth Accounting and Reporting System (CARS) serves as the current enterprise financial management system.

- Lacking Functionality – Only supports general ledger, vendor payment request processing, and funds receipting at the statewide level.
- Not Flexible – Limitations in functionality, including chart of accounts values and reporting, has driven agencies to implement agency-based systems.
- Built on 1980's Technology – Mainframe application.
- Auditor of Public Accounts (APA) recommends transitioning to a modern financial management system



Cardinal Project Vision and Benefits

By replacing CARS with Cardinal, the Commonwealth will be able to take advantage of proven enterprise resource planning (ERP) software (PeopleSoft).

- Reduce risks associated with our aging financial systems
- Provide standard, proven government business processes
- Meet the majority of Commonwealth financial management business requirements
- Allow for configuration and limited software customizations to meet critical business requirements
- Provide an enterprise (i.e., statewide) focus
- Leverage vendor supplied upgrades to commercial-off-the-shelf (COTS) software for functional and technical improvements
- Provide robust reporting tools and capabilities
- Provide flexible Chart of Accounts structure that will facilitate consistent financial reporting across agencies



History of Cardinal

1978	DOA CARS implemented
1986	DOA CARS II implemented
1998	VDOT FMS II system implemented
2004 - 2006	VDOT FMS II Upgrade Project planning conducted
2006 - 2007	VDOT joined DOA on the statewide Virginia Enterprise Application Program (VEAP) initiative
2008	Insufficient funding for statewide ERP; go forward strategy launched to replace VDOT's FMS II and establish enterprise base
2009	Conducted RFP process for software and services; vendor contracts established; VDOT, VITA, and DOA begin work on new FMS named Cardinal
Dec. 2011	Cardinal Project Part 1 (VDOT implementation) went live
Oct. 2012	Cardinal Project Part 2 (DOA implementation) went live
Oct. 2012	Cardinal Project Part 3 (Statewide implementation) analysis
Feb. 2013	Cardinal Project Part 3 – Launch!



Requirements Gathering is Complete

The Cardinal system implemented at DOA and VDOT was built using requirements collected from representative agencies across the Commonwealth.

- Approximately 40 agencies participated in the VEAP Future State Workshops where over 6,000 requirements were gathered
- Multiple agencies contributed information/input into the design of the new Commonwealth Chart of Accounts (COA); 17 agencies participated in the COA Workshops



Cardinal Project Parts

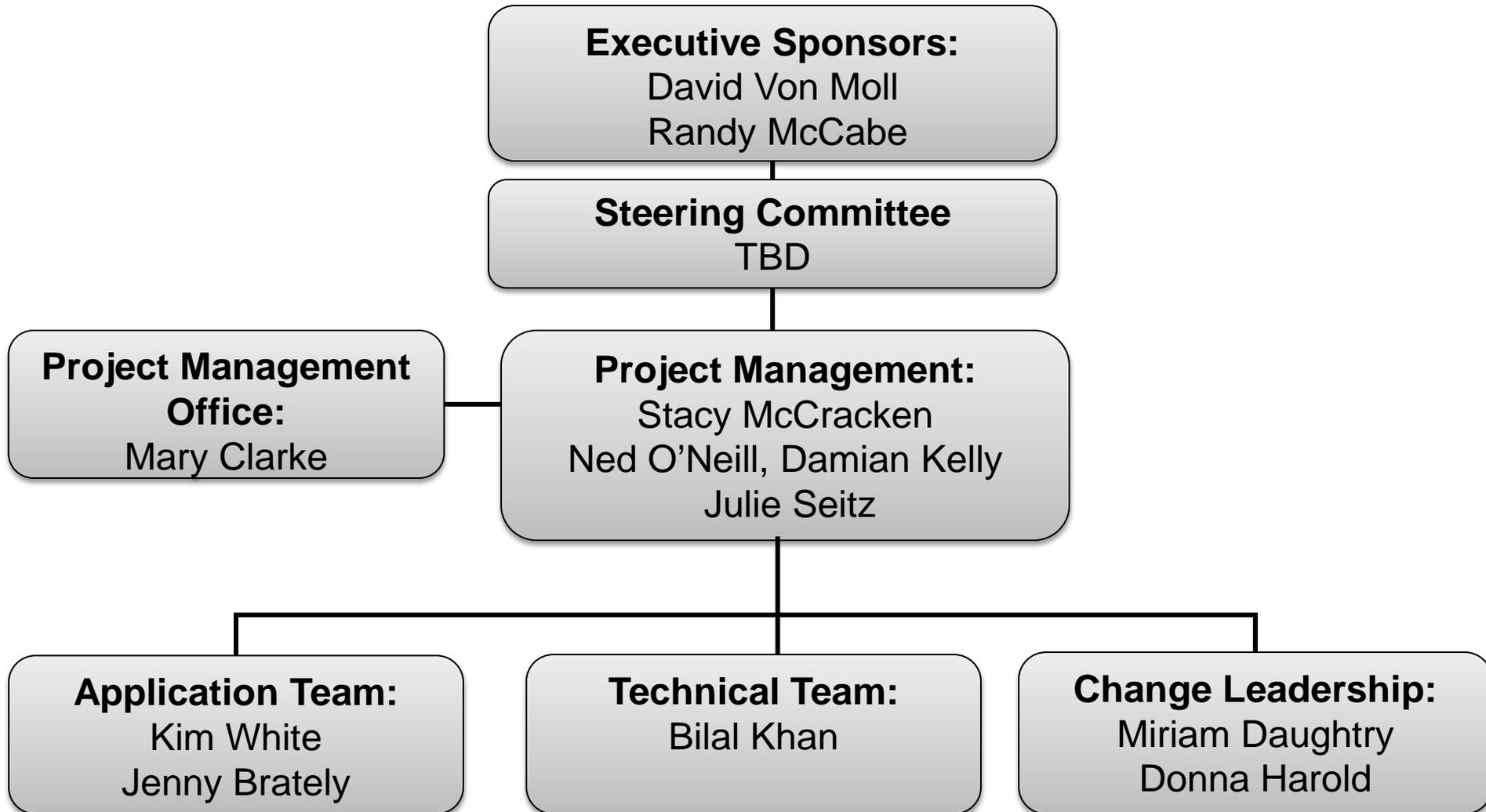
- ✓ Part 1: Replacement and rollout of a new financial management system at VDOT
 - Functional areas in scope included General Ledger, Accounts Payable, Accounts Receivable/Billing, Project Accounting, Purchasing, and Time and Attendance (and Labor Distribution)
 - A new Commonwealth Chart of Accounts structure was established for use by all state agencies

- ✓ Part 2: Establishment of the Base Financial System at DOA
 - Functional areas in scope include General Ledger, Accounts Payable, and Accounts Receivable-Funds Receipts

- Part 3: Statewide Rollout of Base Financial System and Replacement of CARS (Statewide Rollout)
 - Functional areas in scope include General Ledger, Accounts Payable, and Accounts Receivable-Funds Receipts



Part 3 Project Organization





Project Scope, Rollout Strategy, & High-Level Timeline



Part 3 Scope

- All state agencies currently using CARS will use Cardinal
- Agencies will use Cardinal similarly to how they use CARS with regards to being online or interfacing. Agencies with their own financial management systems will interface those systems with Cardinal
- CARS will be retired, and Cardinal will become the Commonwealth's new financial management system
- While there are three functional areas included in the base Cardinal system, there are four software modules included:
 - General Ledger
 - Accounts Payable
 - Expenses (non-payroll employee reimbursements)
 - Accounts Receivable (Fund Receipts)



In Scope Business Processes

Functional Area	Business Processes
General Ledger	<ul style="list-style-type: none">• System Setup and Chart Fields• Create and Process Budget Journals• Create and Process Journals• Period Close
Accounts Payables	<ul style="list-style-type: none">• Establish and Maintain Vendors• Enter and Process Vouchers• Expense Processing• Process Payments• Process 1099
Accounts Receivable	<ul style="list-style-type: none">• Enter Fund Receipts



Statewide Rollout Strategy

- Using the agency survey responses and information from CARS, a rollout strategy for the statewide implementation has been developed
- Cardinal will be deployed to the remaining State agencies in two “waves.” A wave is a full deployment cycle (e.g., Design, Build, Test) with its own go-live date. All agencies have been assigned to transition to Cardinal with either Wave 1 or Wave 2.
 - **Wave 1:** The system will be rolled out to agencies that primarily process transactions online. This wave will also serve as a pilot for interfacing agencies by rolling the system out to a small subset of these agencies.
 - **Wave 2:** The system will be rolled out to the remaining agencies. This will include the majority of the interfacing agencies that process some or all transaction types via a direct system interface. In addition, this wave may also include some online agencies that are logically grouped with an interfacing agency because of their joint fiscal operations relationship.



Deployment Wave Outcomes

Wave 1 Outcomes

- Online entry agencies go live with Cardinal.
- New agency interfaces are verified by a diverse subset of interfacing agencies.
- Agencies that go live with Cardinal in this wave no longer transact in or interface to CARS (as a general rule).
 - Transactions entered into Cardinal are sent to CARS via interfaces. A reconciliation effort is required in order to ensure the two systems are kept in-sync until CARS is retired.
- Central system-of-record applications continue interfacing with CARS.
- CAFR reporting continues to be produced from CARS.
- CARS continues to serve as the financial management system of record.

Wave 2 Outcomes

- All remaining agencies go live with Cardinal.
- Full rollout of Agency/Cardinal interfaces.
- New central agency system-of-record interfaces (Tax, Treasury) implemented.
- CAFR reports are implemented in Cardinal.
- Cardinal becomes the financial system of record.
- Transaction processing in CARS ceases and the system is brought offline.



Agency Wave Assignments

- Agencies have been assigned to logical groups
- These groups are referred to as “assembled” agencies
 - Some assembled agencies contain only one agency, while others contain multiple agencies
 - Reporting structure, transaction processing, and agency relationships were taken into account to create assembled agencies
- See Statewide Rollout - Agency Wave Handout



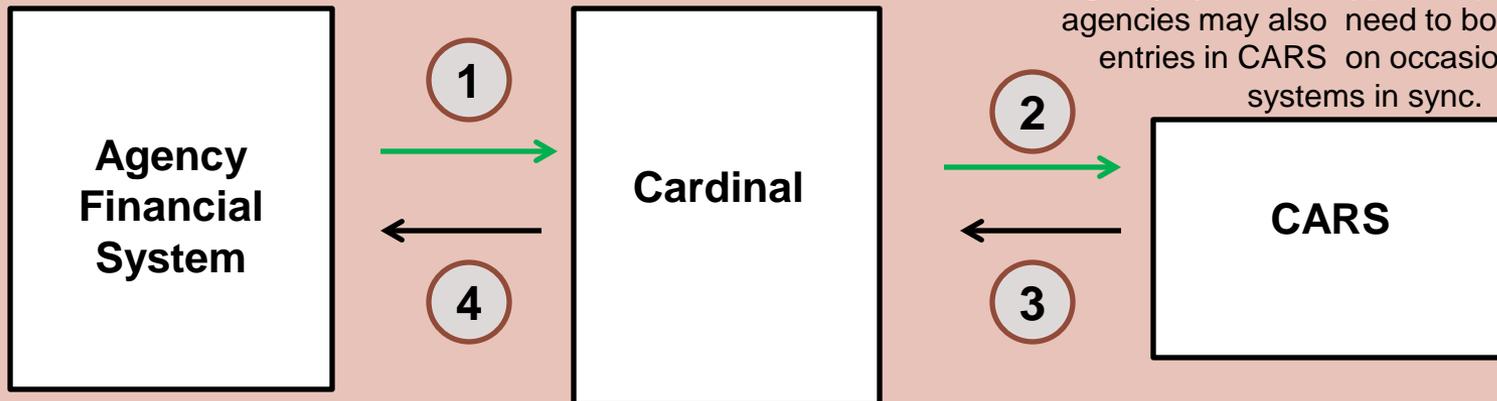
Cardinal Reconciliation Model (Wave 1 Interfacing Agencies)

WAVE 1 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. *

Interfacing agencies may need to book adjusting entries in Cardinal on occasion to keep systems in sync.

Until CARS is retired (end of Fiscal Year 2016), Central Journal Processing (e.g. Parking, etc.) will be initiated in CARS (Cardinal agencies will need to manually replicate these entries in Cardinal and the agency system as applicable). Interfacing agencies may also need to book adjusting entries in CARS on occasion to keep systems in sync.



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.

* Agency will interact with Cardinal in the same manner as they did with CARS. Not all agencies interface every transaction type. If you entered a transaction type directly into CARS, these will continue to be entered directly into Cardinal.

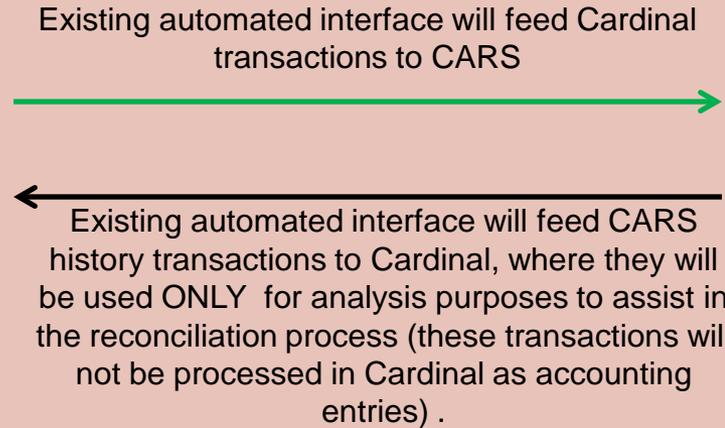
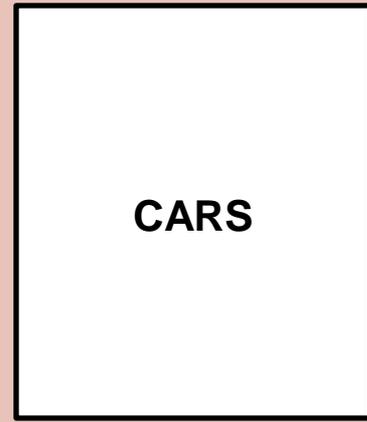
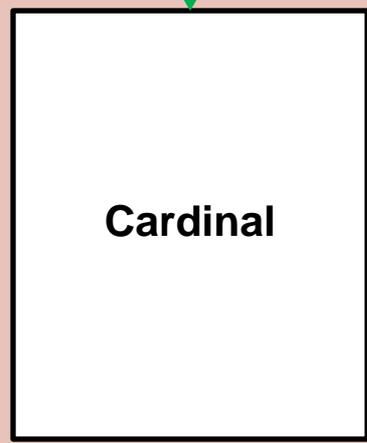


Cardinal Reconciliation Model (Wave 1 Online Agencies)

WAVE 1 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 starting October 2014.

Until CARS is retired (end of Fiscal Year 2016), Central Journal Processing (e.g. Parking, etc.) will be initiated in CARS (Cardinal agencies will need to manually replicate these entries in Cardinal as applicable). Cardinal agencies may also need to book adjusting entries in CARS on occasion to keep the two systems in sync.





Managing Change



Change Management Vision and Objectives

“Change is hard because people overestimate the value of what they have – and underestimate the value of what they may gain by giving that up.”

James Belasco and Ralph Stayer; Flight of the Buffalo (1994)

Change Management Vision

To proactively deliver open, honest, relevant, and timely communication about Cardinal and enable the organization to gain commitment and embrace changes to technology and work processes

Objectives of Change Management

- Facilitate executive leadership and alignment to the Cardinal Project goals and expectations
- Identify and engage stakeholders serving as sponsors and change agents who will contribute to the transition from CARS
- Help agencies prepare for the impact that the Cardinal system will have on them
- Involve the agencies in preparation for deployment
- Create an integrated learning program that considers individual and organizational users' needs at different points in the Cardinal Project
- Communicate with agencies on a regular basis
- Plan for post-deployment ongoing support to address long-term training and support needs



Project Communication

- Cardinal Project Website:

<http://www.cardinalproject.vi.virginia.gov/index.shtml>

Virginia.gov Online Services | Commonwealth Sites | Help | Governor Search Virginia.gov

CARDINAL

Home Contact Us Enter Keyword Search

Home

- Home
- Background & Scope
- Change Agent Network
- DOA Toolbox
- VDOT Toolbox
- Contact Us
- Archives
- Directions

Notices

Cardinal is available to all users 24 hours a day, 7 days a week, except on Sundays from 3:00 a.m. to 6:00 p.m.

News

To date, two state agencies have implemented Cardinal. On October 1, 2012 the Department of Accounts (DOA) deployed three functional areas: Accounts Payable, General Ledger, and Accounts Receivable Funds Receipts (restricted to the process which generates journals to the General Ledger related to deposits which may include cash, checks or electronic fund transfers). On December 1, 2011, the Virginia Department of Transportation deployed six functional areas: Accounts Payable, Accounts Receivable, General Ledger, Procurement, Project Accounting, and Time & Attendance.

Planning for the next phase of Cardinal (Part 3) is now underway. By the end of Part 3, the vision is to replace the Commonwealth's current accounting and reporting system (CARS) with Cardinal. CARS only agencies will migrate from CARS to the new Cardinal system and agencies who continue to operate their own financial systems will need to replace current CARS interfaces with new Cardinal interfaces.

Related Links

- Virginia Department of Accounts
- Virginia Department of Transportation
- Virginia Information Technologies Agency
- Commonwealth of Virginia

Local intranet 100%

- Cardinal Project Email Address: ProjectCardinal@DOA.Virginia.gov



Cardinal Change Network

Cardinal Project

Cardinal Team FTEs

- Project updates, timeline, training
- Change Network meetings
- Agency workshops
- Surveys, calls, e-mail, newsletters
- Understand agency readiness



Agency Readiness Liaisons

Cardinal Team FTEs

- Work with agencies on readiness tasks
- Monitor and assess agency readiness
- Address agency issues and questions



Change Network Members

Assembled Agency Staff

- Supply project updates and status
- Know business process changes
- Complete tasks for agency readiness



Agency

Assembled Agency Staff

- Report issues, concerns, questions
- Inform of agency specific needs
- Contribute to agency readiness



Agency Change Network Members

- Assembled Agencies will assign Change Network members that represent the entire group (instead of members for each individual agency or each individual CARS Agency Number)
- Each assembled agency will have 1 primary Change Agent (estimate level of effort to average out to ~8 hours per week) – recommend this role be filled by a fiscal officer
- Each assembled agency will have 0 to 6 agency contacts (estimate 2.5 to 4 hours of effort per week, on average, per role):
 - Technical/Interface
 - Subject Matter Experts (SME) GL
 - SME AP
 - SME AR
 - Security (Assignment of System Access)
 - Training
- In smaller agencies, individuals can fill multiple roles



Identifying Change Network Members

Change Network Members are critical to the success and adoption of the new tools and processes the Cardinal system will deploy. They will work closely with the Change Management Team to help ensure the needs of the business are adequately represented as the processes and tools are designed, built, tested and trained. They will function in several key areas and roles.

Qualities of an Agency Change Network Member

- Strong communication skills
- Respected by peers
- Ability to lead, motivate and influence others
- Ability to work well in a team environment
- Knowledgeable about the agency's policies, procedures and business processes
- Comfortable explaining new ideas, concepts, and theories
- Ability to identify and address resistance to change
- Ability to raise project awareness and promote Cardinal Project goals
- Ability to manage Cardinal Project related activities and tasks
- Willingness to be actively involved as a primary contact for their agency





Agency Change Network Member Illustration

Assembled Agency	Agency	Change Network Members							Total
		Change Agent	Agency Contacts						
		Primary Contact	Subject Matter Expert (GL)	Subject Matter Expert (AP)	Subject Matter Expert (AR)	Technical/Interface	Training	Security	
		1	0-1	0-1	0-1	0-1	0-1	0-1	1-7
Assembled Agency 1	Agency 10 Agency 15 Agency 70	1 Ann	1 Joe	1 Ken	1 Jimmy	1 Paul	1 Sally	0 Sally	6
Assembled Agency 2	Agency 20 Agency 21 Agency 22	1 Rick	0 Rick	0 Rick	0 Rick	1 Lee	1 Cindy	0 Rick	3
Assembled Agency 3	Agency 30	1 Susan	1 Carl	1 Bill	1 Sharon	1 Lynn	1 Mike	1 Jay	7

- Table above illustrates how agencies are grouped into assembled agencies, and how Change Network Members can be assigned required roles.
 - Assembled Agency 1 has six Change Network Members in total. Sally has been designated to fill two roles (Training and Security Agency Contacts). All Change Network Members are from one agency (10) with the exception of the Technical/interface Agency Contact who is from a different agency (15).
 - Assembled Agency 2 has three Change Network Members all from one agency (22). Rick fills multiple roles in this example.
 - Assembled Agency 3 (which contains only one agency) has seven Change Network Members, each role is filled by a different individual.



Agency Contacts vs. Agency Sub-Contacts Illustration

Assembled Agency	Agency	Change Network Members							Total	
		Change Agent Primary Contact	Agency Contacts					Training		Security
			Subject Matter Expert (GL)	Subject Matter Expert (AP)	Subject Matter Expert (AR)	Technical/Interface	Security			
		1	0-1	0-1	0-1	0-1	0-1	0-1	1-7	
Assembled Agency 1		1	1	1	1	1	1	0	6	
	Agency 10	Ann	Joe	Ken	Jimmy		Paul	Sally	Sally	
	Agency 15									
	Agency 70									

Assembled Agency 1	Agencies in	AP Agency Sub-	Expertise
Subject Matter Expert	Assembled	Contacts	
(AP) Ken	Agency 1		
	Agency 10	Ramona	Vendor Maintenance Expert
	Agency 10	Faye	Employee Expense/Travel Expert
	Agency 15	Tina	Petty Cash Expert
	Agency 70	Stephen	Payables Expert

← Ken is considered a Change Network Member. Typically when Ken's Change Agent, Ann, needs to communicate on AP tasks/issues, Ann will reach out to Ken and it will be Ken's responsibility to reach out to his agency sub-contacts.

← Agency Sub-Contacts are optional and are NOT considered Change Network Members



Agency Contacts vs. Agency Sub-Contacts Illustration (cont.)

Assembled Agency	Agency	Change Network Members							Total
		Change Agent Primary Contact	Subject Matter Expert (GL)	Subject Matter Expert (AP)	Subject Matter Expert (AR)	Agency Contacts Subject Matter Expert <u>Technical/Interface</u>	Training	Security	
		1	0-1	0-1	0-1	0-1	0-1	0-1	1-7
Assembled Agency 2		1	0	0	0	1	1	0	3
	Agency 20								
	Agency 21								
	Agency 22	Rick	Rick	Rick	Rick	Lee	Cindy	Rick	

Assembled Agency 2 Technical/Interface Agency Contact - Lee	Agencies in Assembled Agency 2	Technical/Interface Agency Sub- Contacts	Expertise
	Agency 20	Kris	Interface Architecture Interface Developer for a specific system interface
	Agency 21	Candace	Interface Developer for a different specific interface
	Agency 21	Robert	Interface Developer for a different interface
	Agency 22	Lisa	Interface Developer for a different interface



Lee is considered a Change Network Member. Typically when Lee's Change Agent, Rick, needs to communicate on Technical/Interface tasks/issues, Rick will reach out to Lee and it will be Lee's responsibility to reach out to his agency sub-contacts.



Agency Sub-Contacts are optional and are NOT considered Change Network Members



Agency Involvement



Agency Involvement

Description	Agencies	Project Phase(s)
Identify Change Agents and agency contacts (Wave 1 now, Wave 2 later)	Assembled	Analyze
Attend Conference Room Pilots	Representative	Analyze
Attend Chart of Accounts workshops and complete mapping activities	All	Analyze through Build
Attend Data Conversion Workshops, complete activities, and participate in mock conversions	All	Analyze through Test
Complete end-user training population survey	Assembled	Design
Attend Interface Workshops and complete data mapping, agency system interface build, and interface testing	All (Interfacing Agencies)	Design through Test
Complete agency readiness assessments	Assembled	Design through Deploy
Attend Change Network meetings	Assembled	Design through Deploy
Attend Workflow Configuration Workshop and complete activities	Assembled	Build
Attend Business Process Workshops and complete activities	Assembled	Build and Test
Identify agency trainers and participate in the Train-the-Trainer program	Representative	Build through Deploy
Participate in User Acceptance Testing	Representative	Test
Attend Role Mapping workshops and complete role mapping for all end-users	Assembled	Test
Coordinate end-user training	Assembled	Test and Deploy
Attend end-user training	All	Test and Deploy



Conversion Scope

- Each agency will have an active role in conversion
 - Develop Crosswalks
 - Review Legacy Data
 - Cleanse Legacy Data
 - Validate/Approve Converted Data
- See Conversion Handout



Interface Scope

- Current CARS Interfaces (Inbound and Outbound) will be replaced by a *series* of Cardinal interfaces
- New interfaces developed at a transaction type (e.g., journal, voucher) level
 - No batch types/No transaction codes
- Agencies may have up to 14 (7 inbound, 7 outbound) new interfaces to Cardinal
- New interface to agency-based systems for standard Vendor information
- Wave 1 includes piloting up to 7 agencies in an effort to confirm approach and resolve functional/technical issues prior to Wave 2
- Agencies are responsible for the design, development, and testing of new interfaces/system changes in order to interface with Cardinal
 - Must adhere to Cardinal's implementation schedule
 - Cardinal will provide file layouts, Cardinal design documents, and testing opportunities



Agency Interface List Scope

#	Area	Interface Name	CARS Batch Type x-Ref or Interface Name
1	AP	AP.705 Payment Recon Extract - Agencies	Vendor Payment Extract
2	AP	AP.INT.01 Vendor Data Extract - Agencies	New
3	AP	AP.INT.03 Voucher Upload - Agencies	Batch Type 2, 3, P, R, X
4	AP	AP.INT.04 Voucher Extract - Agencies	Batch Type 2, 3, P, R, X
5	AP	AP.INT.06 Cash Advance Upload - Agencies	Batch Type 3
6	AP	AP.INT.07 Expense Report Upload - Agencies	Batch Type 2
7	AP	AP.INT.08 Cash Advance Extract - Agencies	Batch Type 3
8	AP	AP.INT.09 Expense Report Extract - Agencies	Batch Type 2
9	AP	AP.INT.13 1099 Extract - Agencies	1099 Extract
10	AR	AR.39 Funds Receipt Upload - Agencies	Batch Type 7
11	AR	AR.INT.01 Funds Receipt Extract - Agencies	Batch Type 7
12	GL	GL.INT.05 Journal Extract - Agencies	Batch Type 6
13	GL	GL.INT.12 Journal Upload - Agencies	Batch Type 6
14	GL	GL.103 COA Extract -Agencies	New



Next Steps



Analyze Phase

- Fiscal Officers to identify Wave 1 Assembled Agency Change Network Members
 - Change Agent
 - Agency Contacts
- Cardinal team to identify agencies to participate in Conference Room Pilots (CRPs) and reach out to applicable change agent
- Change agent to identify CRP participants for Wave 1 and Cardinal team to identify CRP participants for Wave 2
- Selected participants attend CRP sessions



Conference Room Pilot Sessions

- One CRP session per business process
- Between 4-8 hours for each CRP session
- Representative agencies across Wave 1 and Wave 2 to attend
- Validates there are no gaps between the Commonwealth's desired future business processes and requirements against Cardinal
- Confirms the Reports, Interfaces, Conversions, and Extensions (RICE) inventory planned for Part 3
- Confirms process changes needed to mitigate known gaps

CRP sessions will occur in early April.

By invitation only!



Cardinal Demonstration



Cardinal Demonstration

- Accounts Payable: Entering a Voucher
- On-line Inquiry: Ledger Inquiry
- Reports: Run a Trial Balance