

MEMORANDUM

Date: November 23, 1992

To: Gerry Bomotti

From: BASIS II Central Project Team
(David Wimberly, Bill Moody, Williams Rains, Colleen Briney)
BASIS Steering Committee *CMB*
(Tom Dorre, David Martinson, Bob Zimmerman, David Wimberly)

Subject: Response to your November 12, 1992 memo regarding
November 4, 1992 BASIS II Issues for Management Approval

The following provides additional information and answers your questions.

1. You have by now received a report regarding the bi-monthly payroll policy and cost.
2. Occasional users. The system will require on-line access and training. We anticipate that some departments will find it is not cost effective to buy the hardware or pay for the networking costs for the low volume of transactions they have. (Agri branch stations and small budget departments e.g. Anthropology). Currently, everyone can fill out a paper form and initiate these transactions themselves. We envision that deans and directors will have to decide if such departments will have their work forwarded up the organization chain to be electronically entered.
3. Available funds checking. We plan on a policy that will check funds at a no tolerance level or a 10% or \$500 tolerance level. We need to know what the policy will be and what groups of roll-up cost centers will need to be identified. The system will check the availability of funds and will commit these funds as the lines of a requisition are entered.
4. "Indefinite" on-line access of transactions. The goal is to eliminate the user's dependence upon paper files. We assume that disk space is cheap and will be cheaper as technology progresses. An off-line storage of historical data requires extensive programming, reporting, and training. We believe it is more cost effective to keep this data on disk and not expend resources to access it off-line.
5. Yes, we will overcome the current problem of having a false available balance. We are promoting the policy that will require departments to complete a receiving report as goods are received and services are rendered. This receiving report will allow Accounts Payable to pay an invoice when it is received. We do not want to include the added step of allowing the departments to "see" and approve the invoice because this will create invoice filing problems and delay invoice processing. Our problem is getting all departments to comply with the receiving policy. What can we use as an incentive or sanction for mandatory receiving?
6. Commitments and encumbrances will not be recorded on the general ledger. The "four concurrent accounting periods" is a method for ensuring that commitment and encumbrance balances are correct at the end of the year

when we can have up to four months (June, July, August, and September) open.

7. You have a good understanding of how the security will work. Yes, expenditures against accounts not under one's control cannot be processed unless the individuals with final approval authorize it. What we are saying is anyone with access to the system can initiate a transaction (requisition) on any CCN and commit the funds to this CCN until the time the individual who "owns" this CCN finally rejects the use of the CCN.

8. Installment payments refer to orders which are paid for over fiscal years. Examples are leases, rental agreements, and maintenance agreements. Due to the timing of such payments we will not be able to check funds or commit these funds until the year and the related budgets are on the system to be checked against. We are not talking about the SAFARI installment payments for student tuition and fees.

9. You are right, you have not seen a proposal for the MICR printers. From a design and programming standpoint it will be easier and better to build the system using MICR printer technology instead of the cumbersome continuous check form process that we have. We are requesting management's support for designing a system which will utilize this type of technology.

10. The TARGET administrator identified in this section is a new responsibility which is a result of implementing the BASIS system. We are only emphasizing the need to identify an office and personnel responsible for maintaining the TARGET system. This is not a recommendation to add additional staff.

We need to know if we have management support on these issues as well as all the other issues (21 recommendations in total) addressed on the 11/4 memo. Please respond or call a meeting at your convenience.

Thank you.