



DEPARTMENT OF
EDUCATION - STUDENT
FINANCIAL ASSISTANCE
FINANCIAL MANAGEMENT
SYSTEM

FMS PHASE III TRANSITION
REPORT

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1 Introduction

1.1 EXECUTIVE SUMMARY

Objective

The Phase III implementation project for SFA Financial Management System (FMS) began in October of 2000. The FMS system is an Oracle Federal Financial System, which will be used to manage the flow of all financial information across all of SFA. By implementing FMS, SFA will have the ability to:

- Establish a single, centralized system where all Title IV accounting transactions will reside.
- Report information across programs
- Consolidate redundant processes as well as develop/ensure best business practices
- Account for SFA grant and loan financial transactions.

Releases Dates

Phase III of SFA FMS encompassed various releases, which are outlined in the following:

- **Release 3.1** – April 1, 2001: First version of LEAP/SLEAP
- **Release 3.2** – June 1, 2001: Second version of LEAP/SLEAP
- **Release 3.3** – August 1, 2001: Final version of LEAP/SLEAP as well as FFEL Lender and DCS
- **Release 3.4a** – October 1, 2001: Direct Loans (Non-GAPS) and Contingency Interfaces
- **Release 3.4b** – October 22, 2001: Contingency GAPS Processing

Problems Occurred

Due to the complexity of both the organization environment and the technical environment at SFA, the implementation of FMS Phase III required significant coordination. This coordination was dependant on the input from SFA CFO, Program Areas, and the Department of Education. Two major challenges that related to the transition of the new FMS system were:

- SFA CFO participation
- Project Plan changes by Department of Education

The FMS system was the first of any accounting system to be utilized by SFA. Previously, SFA CFO played more of a supervisory role, while other Entities managed and processed the accounting transactions. This new system enabled SFA CFO to expand their roles by becoming completely responsible for data in FMS. Not only was a new financial system being implemented, but also business policies and procedures needed to be re-engineered to compliment the FMS system. Because CFO's business procedures and organizational alignment wasn't established early in Phase III, design, development, and training lacked necessary input to fully incorporate transition requirements. Essentially, this meant that the FMS tool had to be built to support a business that both did not exist and was not understood.

The Department of Education was implementing their own financial accounting system (FMSS) and redesigning their payments system (GAPS) at the same time as the FMS implementation. Because both implementations would eventually interface with one another, it was imperative to work closely regarding design and development requirements as well as overall project plan structuring. Unfortunately the Department of Education continually changed their project plan "go-live" dates, causing SFA to have to adjust to any contingency plans. In addition, there was a continuous communication 'disconnect' between the Department and SFA. This also caused SFA to continually have to modify its design plans in order to accommodate for items not communicated early in the implementation. This often left SFA to brainstorm, modify design plans, or hit a 'moving target' when deciphering what was happening at any given time.

Project Successes

Although there were two major areas that caused issues for the Phase III transition, the project overall has been a success. All Releases have "gone live" on schedule and within budget. The FMS project is currently working to ensure continued success with SFA FMS by maintaining what is currently successful and strengthening the identified weaknesses to become triumphs as well.

1.2 TRANSITION Approach

Because the FMS implementation affected so many Entities (internally and externally), a '*transition plan*' was designed to address the planning needs and issues regarding all areas within the implementation for Phase III. The Transition Plan was developed based on input from across the FMS project team, and was delivered to the SFA CFO in April 2001. It is located at F:/Phase III Deliverables/ Delivered/45.1.10 Transition.

In addition to a documented transition plan, SFA CFO Leadership requested that a Transition Manager be put in place on the FMS Project Team/Mod Partner Team. The purpose was to identify and plan for issues pertaining to the transition of the FMS Solution from development to 'go-live'. The Transition Manager composed this Transition Report in order to highlight issues that were revealed throughout the Phase III

FMS period. Issues identified in this report pertain directly to the change management and transition of FMS or have a significant impact on Phase III of the project.

The purpose of the transition plan is to isolate and focus on the issues and steps required to transition the CFO and SFA organization, business, and technology environments to the new Phase III FMS solution. The FMS Phase III Transition Management team developed release checklists to track the completion of detailed pre-requisites required before each release can go into production. See Appendix A for Release Checklist.

Note that in the Transition Plan, the Phase III FMS Transition team took on the responsibility for identifying the transition issues, but clarified that identification of all transition needs was dependent on the input from CFO, Program Areas, and the Department of Education. Because the business procedures for CFO were not completed as of October 1, 2001 it was difficult to identify detailed transition needs or Requirements. In addition, due to the fact that Education continually changed their go-live dates for FMSS, SFA FMS has had to concentrate on establishing any contingency plans. This put transition planning at risk of not being able to address all critical success factors for the FMS implementation.

2. Organization

2.1 SFA CFO

The SFA CFO team, prior to implementation of the FMS, primarily functioned as an oversight department for financial management and accounting activities that took place in other parts of the Department of Education and SFA Channel organizations. With the implementation of the FMS, additional activities became the responsibility of the SFA CFO team. FMS will expand their responsibilities to do the following:

- Enable CFO to collect, process, maintain, transmit, and report data about financial events
- Support financial planning or budgeting activities
- Accumulate and report cost information
- Support the preparation of financial statements.

The FMS Transition team helped the CFO team understand that FMS was a tool to be utilized for purposes of better managing their accounting functions and responsibilities. Every effort was made to help CFO be ready to take advantage of the tool's advantages for managing the financial activity of SFA. Due to the competing workload of the CFO team, full participation with the FMS team did not occur.

The transition team stepped in to resolve the issue of minimal CFO involvement by organizing and managing a campaign to fully involve the CFO accounting team. The objective of the campaign was to identify and establish as many mechanisms as possible to phase in CFO involvement. The first steps taken were to involve CFO in the testing activities of the FMS solution. The FMS team worked to bring CFO up to speed with the FMS solution since their participation with the Requirements, Design, and Accounting Treatment activities were minimal.

Successfully, the CFO Accounting team and Reporting team attended the Test Kickoff Meeting. In addition, designated representatives from CFO participated in testing activities throughout Phase III. Appendix B summarizes the testing participation

In order to successfully transition to a new accounting system it is essential to have an organizational structure in place. It must fully incorporate the new system as well as external responsibilities related to job description. The transition team worked on many occasions with the Accounting Division of SFA CFO to form an organizational structure conducive to the FMS system. The overall objective was to provide insight as to how the FMS system could fit into CFO's new organization plans. This was executed by explaining how the Oracle system is configured, which allowed CFO management to see

how FMS can be incorporated into an organizational structure. Meetings were held with the Director of

Accounting as well as Team Lead individuals, discussing the way Oracle operates and its major components (GL, AP, and Federal Administrator). In addition, the multi-org functionality was demonstrated, which separates data among the different Program Areas.

In addition, matrices were developed relating to each Program Area. These matrices outlined the business processes in the FMS Oracle system, which provides the bridge to identifying all external processes that will parallel the FMS system. By identifying specific individuals to each necessary process, this would provide a draft concept to map to a concrete organizational structure.

Through the efforts of the Transition team, a draft of a CFO Organization Alignment was established by CFO, which consisted of three principle areas within the Accounting Division of CFO. They are: General Ledger, Accounts Payable, and Reconciliation. This organization is in the process of being fully assembled and streamlined. Due to the fact that the existing policies and procedures within CFO Accounting Division are incomplete to handle the FMS system, a “swat team” was assembled to handle this activity. This is described in further detail in Section 3 – Business.

2.2 External to SFA (Customers, Suppliers, Partners)

Phase III FMS enabled similar capabilities to that of Phase II FMS. In the Phase II FMS implementation, the Guarantee Agency application forms were converted from paper-based forms to electronic applications. In Phase III FMS, the LEAP/SLEAP program application forms were converted from paper based to electronic. Releases 3.1, 3.2, and 3.3 affected the LEAP/SLEAP Channels of SFA and later Releases of Phase III (Release 3.3 and 3.4) affected LEAP/SLEAP as well as other Channels of SFA.

Releases 3.1, 3.2, 3.3, which pertained to the LEAP/SLEAP programs, were successful from a schedule and a user involvement perspective. The Training Team mailed Pre-implementation “coming soon” and implementation week communications to the stakeholders at the participating program states. Detailed training and job aid materials accompanied the implementation week communication. CFO and Financial Partner stakeholders also received detailed communications (the same materials that went to the states together with additional email explanations and notifications) and training materials, along with hands on training sessions. A final success for the LEAP/SLEAP work expanded beyond the success for just the CFO. In June, at the NASGAP conference a demonstration was given highlighting the improvements to this program for States. Furthermore, this solution will be presented at OAUG this fall, 2001.

2.3 Channels of SFA

The program areas within SFA Schools, Students, and Financial Partners channels currently both allocate the budgetary funds and manage the accounting and reporting of those funds. After the implementation of the FMS, many of the accounting and reporting activities will be managed within the SFA CFO. The Channels will continue to manage the Programs themselves from a business function and customer service standpoint; the accounting and financial activities will transfer to the SFA CFO.

Release 3.3 for FFEL Lender and DCS went live on August 1, 2001, which was a successful and on schedule endeavor. Program Areas have been working with SFA Operations and CFO to pass the data through the FMS system and provide correct accounting treatment.

The final Release, Release 3.4, went live on October 1, 2001 (and will complete on October 22, 2001). This release consists of completing the interfaces to and from Program Feeders and the Department of Education. The majority of functionality and responsibility for this release resides in the office of the CFO Accounting Division. The significant change for the Program Areas is that they now have to send files to SFA FMS instead of going directly to the Department of Education. To their benefit, this will allow all data to be consolidated into one financial system, providing better reporting capabilities.

Weekly meetings were held to allow Program Areas (which consist of PELL, Campus Based, FFEL, DCS, and Direct Loan) to obtain status updates to the project. Due to the Contingency Plan (explained in section 3), the Program Feeder systems have had to work with SFA to accommodate to the varying needs in order to “go live” without Education. For the most part, SFA has taken on the bulk of the changes relating to the contingency, allowing Program Feeders to make only minimal modifications. As of mid October 2001 the Program Feeders will successfully make these required changes relating to the Contingency plan.

Various Program Areas have expressed concern regarding documented policies and procedures by CFO Accounting Division. Because their data will now reside in the FMS system before going to Education, best business practices relating to processing, reconciliation, and reporting need to be documented and implemented. The Accounting Division Lead met with them and indicated that these best business practices are being put in place in order to accommodate SFA as well as external partners to SFA.

CFO will need to establish newly created business policies and procedures related to the Channels as soon as possible. This will ensure a smooth transition from Program Feeders to the SFA FMS system.

2.4 Department of Education

The accounting and financial management for SFA currently rolls up from a number of separate applications within SFA channels to the Department of Education Financial application, Information Engineered Federal Accounting Reporting System (i.e.FARS). The i.e.FARS supports the creation of the financial statements for the Department of Education, and is considered the accounting “system of record” for audit purposes.

After the final phase of FMS is implemented, FMS will serve as the sole, consolidated source in support of the Department of Education accounting system of record for SFA. The primary transition issue associated with the Department of Education change in Phase III FMS centers around communication and collaboration. The FMS Team, SFA Operations, and SFA CFO must develop strong working relationships with their counterparts on the Department of Education teams. A process needs to be developed and implemented that facilitates keeping MFS and FMSS in sync. This should include documenting policies regarding items such as:

- CVRs
- Accounting mapping policy
- System configuration maintenance
- Conversion
- Adjusting journal entries
- Reporting

3. Business

3.1 History of the Impetus to Change

After the legislated creation of the Office of Student Financial Assistance as a Performance Based Organization in October 1998, steps to develop the strategy and independence to achieve Performance Based Organization goals began. Financial Management represents one area of change required to meet the new goals.

To meet strategic objectives of SFA, the student assistance loan and grant programs' financial management required modernization and streamlining. The financial and accounting functions are therefore moving to one consolidated area, the SFA Office of the CFO.

The FMS System is a tool, which will support this new vision of the SFA CFO as the strategic center for Financial Activities.

The challenge for transitioning the SFA CFO business to operations using the FMS tool in support of its business came from the fact that the SFA CFO did not have a defined business. Also, as mentioned in the previous section about the CFO Organization, many of the team members in the CFO Organization were new to SFA's business as a whole.

Explicitly stated in the task order for building the FMS solution was the need for CFO to develop business processes and procedures. However, the CFO team, as mentioned in the previous section to this document, considered itself understaffed and overworked. This impacted the FMS requirements and design because its business processes and procedures were not completed in time to be an input to the FMS team design/requirement documents.

The Transition Team worked with SFA FMS and CFO to create a plan to immerse SFA CFO personnel into the daily activities of the FMS system. SFA CFO members rotated for 45 days at a time, spending their day with Operations personnel shadowing the daily responsibilities required to operate FMS. This was done in order to provide 'over the shoulder' training, allowing them to work with the necessary processes in every situation possible. FFEL lender and DCS were the only Programs live in Production, CFO staff specifically designated to these program responsibilities followed through with the rotation plan. This proved to be successful for all parties involved with respect to processing data through the FMS system. Based on the experience for FFEL Lender and DCS, this mechanism should continue for the other programs. It is also important to note that the business procedures and policies need to be documented as this activity occurs.

In addition, the Transition Team organized multiple meetings with the Accounting Management to address the criticality of creating business policies and procedures as well as an organization plan for the accounting team. Six weeks before the October 1 release date, the Transition Manager began organizing daily working sessions with individual

leads in the CFO Accounting Department office. These daily meetings consisted of 30-minute sessions and were designed to identify the processes as they relate directly to the FMS Oracle system. The goal of this exercise was to identify the necessary processes that CFO Accounting Division will be responsible as well as specific names of individuals that will take action to the processes. Throughout the working sessions, the CFO personnel were engaged and proactively worked to accomplish the matrix. Unfortunately, the necessary work that needed to be completed outside of these working meetings was not accomplished, which resulted in significant gaps in identifying business procedures both internally and externally to FMS.

As for October 1, 2001 a 'swat team' was assembled, called the Barracuda Team. This team contained 8 members from the SFA CFO office and one liaison to assist with the overall FMS coordination within CFO Accounting Division. The theory behind this assembled team was to obtain the 100% dedication from a group of CFO Accounting Division members in order to accomplish the following objectives:

1. Get data transactions through the FMS system as it relates to Accounting responsibilities.
2. Document all procedures and policies within FMS Oracle as well as external to the system. This will identify best business practices in SFA CFO.
3. Stabilize and streamline the FMS Oracle system as it relates to CFO and its business interaction to external areas of the Organization.
4. Knowledge Transfer to other personnel within CFO.

A kick off meeting was held on October 2, 2001 to explain the concepts and objectives to the Barracuda Team. Since SFA CFO is still in the process of mapping the organization structure therefore, Points of Contact were identified for each Program Area at this time. These Points of Contact are the ones specifically accountable for all events within their elected Program Area.

At this point, October 15, 2001, the Barracuda team is still organizing itself and working on a plan of action to handle the objectives stated at the kick off meeting. Additional leadership at the management level is necessary at this juncture in order for the Barracuda Team to fully assemble, organize, and be successful.

Training has been identified as an important need in order for CFO to be successful with the new FMS system. Refer to the training section of this document and to the Training Plan for detail on the potential training approaches to address training needs due to the business changes in accounting and financial management in SFA.

4. Technology

4.1 Change

The main focus of Phase III FMS project from a technical standpoint was building interfaces (file transfers of data) from other applications to the Phase II Oracle Financial application. By building interfaces this allowed for the consolidation and centralization of all accounting and financial data in SFA into one system: the FMS application.

The scope of responsibility of the transition team from a technical standpoint facilitated the tracking of all technical work, which included testing, conversion, and completion. An additional transition team responsibility for the technical work in the FMS project was to manage the Production Readiness

Review process with the SFA Chief Information Officer (CIO) liaisons.

SFA CIO procedures require obtaining certification for technical application development work performed for the SFA enterprise. Independent certification was completed to verify the quality of the requirements, design, build, and test (including unit, integration, and stress/capacity test) efforts. The transition team managed the tracking of all components through IV&V integration as well as weekly status meetings.

The release checklist (included in Appendix A to this document) includes the steps that must take place to address the development lifecycle and project transition issues associated with the technical build of the Phase III solution. This includes the steps for building the interfaces as well as steps for enhancing the architecture. For each release of the Phase III FMS application, a release checklist was utilized to make sure that all areas of development and deployment have been addressed in the appropriate timeframe prior to and during the go-live period.

4.2 SFA Contingency Approach

Phase III interfaces depend heavily on the Department of Education's new financial system implementation (FMSS) as well as its integration with GAPS and its redesign solution. The implementation of Oracle Federal Financials by the Dept. of Education was delayed multiple times, which prevented SFA from following their original Phase III project plan.

When the Department of Education announced their most recent delay from October 1, 2001 to January 2002, SFA decided to pursue their contingency plan. This "go live" strategy would accommodate integration with the current EDCAPS platform (i.e. ieFARS, GAPS 6x). The SFA FMS implementation allows the Department to process over 50% of its 2002 program dollars in an Oracle Financials accounting subsystem. This is an important piece in the overall financial management infrastructure.

A Contingency approach has been developed by SFA to address and accommodate the Program Areas, GAPS, and ieFARS (FMSS).

Original Baseline for Phase III

The original baseline for Phase III implementation – Release 3.4 was intended to target processing with parallel Department of Education Oracle Implementation efforts. This included the following fundamental factors:

- Program Feeder systems interface files in “new” format to SFA FMS only.
- SFA FMS interfaces files received by Program Feeders to new GAPS and FMSS.
- GAPS creates new FMS-specific interfaces.
- FMSS incorporates the SFA FMS interfaces into their baseline design.
- FMS integration with FMSS consisted of interfacing Non-GAPS data directly from FMS GL to FMSS GL.
- FMS becomes a conduit for all SFA interfaces to/from GAPS and FMSS.

See Appendix C for Original Baseline diagram for Phase III

Contingency Plan

The contingency approach has been designed to accommodate both GAPS as well as FMSS. Essentially, Program Feeders and GAPS will maintain their current interface formats (old formats) and SFA will make modifications to its FMS to handle files entering and exiting the system.

Program Areas (PELL, Campus Based, FFEL, DCS, and Direct Loan) will re-direct their files to enter the FMS system on October 1, 2001. Files that are GAPS related will then be copied into the FMS System and passed onto the GAPS system. Files that are Non-GAPS related, will be processed within the FMS system and held until FMSS goes live in January 2002. SFA and FMO will prepare detailed reporting plan that defines how FMO will produce the required reports for the 1st Quarter without non-GAPS SFA data in ieFARS.

Once the files have been copied and/or entered into the FMS system, the accounting treatment will be applied and processed within the FMS Oracle.

In order to support the contingency implementation in October 2001, the EDCAPS team will provide opening balance data extracts as of September 30, 2001 from FMSS and GAPS by October 8, 2001 and October 15, 2001 respectively. An additional Sept. 30th FMSS extract will be provided in early November 2001 after FMO completes OCFO's year-end closing procedures in FMSS.

Fundamental factors regarding the Contingency include:

- Program feeders will use current “old” file formats and send them to SFA FMS instead of GAPS and ieFARS.
- FMS will extract GAPS data via a direct data link in order to fully process transactions in the FMS Oracle system.
- Non-GAPS accounting transactions will be held in FMS until FMSS is ‘live’ in Production.

The FMS Project Team has worked well making the quick decisions needed to complete the contingency plan. As the Project Team moves forward to Phase IV, it is important to recognize the possible delays and key modifications by the Department of Education. By anticipating errors and/or alterations to their project plan, we will be able to plan better from a transition standpoint and with more time.

See Appendix D for Contingency diagram for Phase III

4.3 Limitations regarding the IPP

The Interim Payment Process (IPP) solution was designed and developed in Phase III of the FMS implementation. The IPP solution has been directly affected by the revolving changes to the Department's project plan, causing several limitations to implement successfully.

The FMS Phase III release is going forward during a time where several SFA-CFO trading partners are changing their own systems. This creates a situation where some FMS requirements and best practices contradict those of our trading partners. The Interim Payment process has made temporary adjustments to the FMS/GAPS interfaces to allow for these issues. These temporary adjustments, along with other SFA specific issues, are documented in detail in a document titled, “Interface Functional Design Document - US Department of Education - Office of Student Financial Assistance - FMS Phase III Interim Payment Process - GAPS to FMS Interface (GL). Some issues that arose throughout Phase III, which impacted the transition, are:

- FMS had infrequent and limited access to the GAPS contractor and GAPS documentation throughout the development of this interface. This created many misrepresentations, or rather ‘hear say’, when creating design documents, coding to the requirements, and testing the solutions.
- The Department of Education changed the accounting treatment sent to GAPS by SFA.
- GAPS has not confirmed unprocessed de-obligations such that they can be traced to the original SFA de-obligation transaction.
- There are no unique identifiers or keys for transactions sent through the FMS/GAPS interfaces.
- FMS/GAPS interfaces are not sent in a common format, causing SFA FMS to have to constantly modify its interface designs.
- No FMS users were identified by SFA-CFO for the Interim Payment Process prior to the development of this interface. A technically trained user will be required to monitor and execute the Interim Payment process interfaces.
- GAPS could not develop a FMS to GAPS LEAPP/SLEAPP interface for the FMS Phase III release.
- The Interim Payment Process Treasury Confirmation Logic is not compatible with the Oracle Federal Administrator module.
- Direct Loan Origination Files from GAPS do not contain batch information with the transactions.
- Files sent to GAPS and received by FMS are not stored on a secure server.
- FMS does not use the same institution identifier as the GAPS or SFA feeder systems. (FMS uses a unique FMS identifier and GAPS uses the DUNS number.)
- FMS does not have direct visibility to the GAPS Error File.
- GAPS processing is not automated and must be initiated manually by GAPS Operations.
- GAPS does not push interface files back to its Trading Partners and requires that all Trading Partners pull their files from the GAPS ftp server.
- The FMS accounting dates will not match the GAPS Transaction Date.
- Some transactions in the Direct Loan Consolidation file have a reverse code of ‘0’. (A reverse code of 0 makes it impossible for FMS to determine how to account for a given transaction)

- GAPS posts Treasury Payment Confirmations and Treasury Return Confirmations differently from FMS. This may cause some reconciliation issues.

As stated in the executive summary, these several issues that arose throughout Phase III, left SFA to brainstorm, modify our design plans, or hit the 'moving target' when deciphering what was happening at any given time.

5. Communication

The communication plan is highlighted below. The section following will outline what worked and did not work, according to the plan as well as the general communication of the FMS project.

Communication Plan

Because there are numerous stakeholder groups for the FMS Phase III implementation, communication has become one of the most significant critical success factors for the implementation.

A key principal behind the FMS Phase III Communication Plan is “tell them seven times in seven ways”. In other words, the purpose for the FMS implementation, as defined and approved by the SFA Chief Operating Officer and the Management Council, must be shared with all the stakeholders as often as possible and through a variety of venues. (E.g., SFA FMS Demonstrations, Channel Status Meeting Updates, Steering Committee Meeting Updates, Newsletters, Web Site Updates, etc.) The primary audiences for FMS communications include the key executive sponsors: SFA General Managers and Department of Education executives. Additional audiences include program area Management and the Phase III FMS End-Users, in which SFA Executives should disseminate this information.

Key messages to the Public regarding the FMS Phase III Communication Plan include the following:

- FMS is a single, centralized, integrated Financial Management System utilizing Oracle Federal Financials that incorporates full financial business functionality across programs. It ensures success through a phased implementation that includes well-planned data conversions, smooth interfaces, and comprehensive training with minimal disruption to the program areas.
- SFA’s Vision (according to the Concept of Operations): SFA’s vision is to implement an Integrated Financial Management System that complies with the Joint Financial Management Improvement Program (JFMIP), Modernization Blueprint, and other legislative and regulatory requirements in a timely, effective, and efficient manner.
- The FMS system will allow efficient viewing capability of data by SFA business partners.
- The FMS system will produce accurate financial results to the SFA community, SFA managers, Education’s Office of Chief Financial Officer (OCFO) and Education staff and community. This is because FMS will be able to provide support for financial statement audits at the SFA and Department of Education Level.

- The FMS system will allow Users to maintain a core financial system for control and management purposes. FMS is configured as a multi-org environment, allowing increased reporting capability across organizational units. This will provide easy access to sufficient level of data as well as the capacity of obtaining it in a timely and consistent fashion in order to make strategic decisions.
- The FMS system will eliminate redundant financial systems and improve best business practices for SFA.
- The Office of the CFO will expand their roles and responsibilities by incorporating the new accounting system, FMS Oracle.
- The FMS system will be able to establish independent audits (will no longer require joint audits). In addition, FMS will provide appropriate security, controls, and audit trails
- The FMS system optimizes the use of Oracle Financial Applications as well as other COTS solutions. This will reduce system operations and maintenance costs.

Key Messages regarding the Phases of FMS as well as the Releases within FMS Phase III include:

Phase I included:

- Planning
- Concept of Operations
- Conceptual Design
- Develop implementation plan

Phase II included:

- FFEL Guaranty Agency (GAs) payments - allows GAs to make online submission of Form 2000.
- Fixed Assets – allows for inventory control within SFA.

Phase III included:

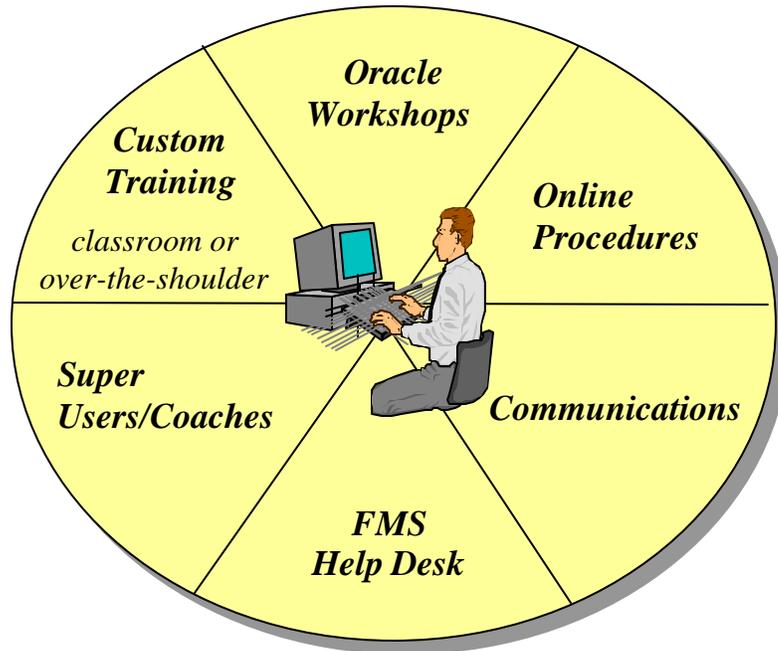
- The Release schedule for Phase III:
 - ✓ Release 3.1 incorporated First Version of LEAP/SLEAP
 - ✓ Release 3.2 – June 1, 2001: Second version of LEAP/SLEAP
 - ✓ Release 3.3 – August 1, 2001: Final version of LEAP/SLEAP as well as FFEL Lender and DCS
 - ✓ Release 3.4a – October 1, 2001: Direct Loans (Non-GAPS) and Contingency Interfaces
 - ✓ Release 3.4b – Mid October 2001: Contingency GAPS Processing

- Fundamental concepts that Phase III incorporates
 - ✓ Standard SFA GL with all programs.
 - ✓ Multi-org functionality. This allows data from different Programs (PELL, CB, FFEL, DCS, Direct Loan) to be recorded in the same centralized system, yet stored separately for reporting purposes.
 - ✓ Useful Management & Information reports for all managers (cost mgmt, program funds, etc.).

6. Training

The Phase III FMS training effort has been closely coordinated with SFA Office of CFO in order to accommodate the various requirements needed to provide adequate knowledge transfer. A number of training needs have been identified within the SFA CFO because the entire concept of a centralized accounting system has been introduced to them for the first time.

Training has incorporated various methods of knowledge transfer to better prepare the CFO department in taking on a new system. Classroom training is provided using a '*Just in Time*' concept. This allows Users to learn the business and applications as the Release is going into Production, enabling them to remember the mechanics and lunge right into daily business practices. The following diagram depicts the resources made available to better serve the CFO department of SFA.



See Appendix E for details on the different dates in which Training was offered.

Throughout all Releases of Phase III, Training has attempted to incorporate SFA CFO business practices into the classroom training, manuals, and on-line procedures at various times. Unfortunately, CFO has not been able to provide extensive information about their

organization (who is doing what and when) as well as their departmental policies and procedures.

Classroom training use 'scenarios' to teach the various ways a business system in FMS Oracle can be managed. This has been customized to CFO daily practices as much as possible given the need for more information by CFO. SFA CFO is currently working to create policies and procedures. These newly created policies and procedures can be incorporated into the on-line documentation once completed. CFO may also need to explore prerequisite needs such as adequate computer skills and fundamental knowledge of Department of Education business practices (including Program Areas).

Refer to the Training Plan for more detail about the FMS Phase III Training approach. The detail includes specific training deployment approaches.

7. Impacting Elements External to FMS Project

Along with all of the tasks and work products integral to the implementation and success of FMS Phase III, which are internal to the project, there are a number of external elements, which also impact the implementation:

Department of Education FMSS Implementation Timeline

This has been delayed until January 2002. If the deadline is delayed again, this will effect the FMS Project Phase III completion as well as Phase IV.

GAPS Redesign Timeline

This has been delayed until January 2002. If the deadline is delayed again, this will effect the FMS Project Phase III completion as well as Phase IV.

Regarding both the Department of Education FMSS Implementation and the GAPS Redesign, it is imperative that communication on their project plans be articulated better to SFA.

Accounting Support

SFA CFO will need to take responsibility of the system in order to stabilize and ensure its evolution to Phase IV and 11i.

Mitigating the impact of these elements is not exclusively within the control of the FMS project team. Frequent and consistent negotiation and collaboration with the General Managers and functional and technical points of contact in the channel area for each issue is required.