



**State of New York
Shared Services Project**

FINAL

***Statewide Financial System
FY2013 Billing Rate Methodology and
Department Memorandum Bill
Calculation***

4/8/14



**State of New York
Statewide Financial System
Billing Methodology**

Governor Cuomo created the Spending and Government Efficiency (SAGE) Commission to begin the process of reforming and streamlining State government. In addition to focusing on programmatic collaborations and opportunities for coordination, the Governor tasked the Division of Budget with improving the operations of New York State's back office business operations.

In response to the governor's direction, the State is moving aggressively to make operational changes that will reduce costs, increase efficiency and transform State business practices. The implementation of the governor's SAGE initiative will bring about changes in cost allocation methodologies and the subsequent claiming of these costs to federal contracts and grants.

The Statewide Financial System (SFS) is New York state government's accounting and financial management system. This modern enterprise resource planning (ERP) system was built with the goal of enabling the State of New York to perform its fiscal and business management tasks more effectively, transparently and efficiently. The SFS facilitates the management and flow of information between and among state agencies, state control agencies (the Division of the Budget and the Office of State Comptroller), the state legislature, vendors doing business with New York State and the general public.

In April 2012, the state deployed SFS as part of a comprehensive long term ERP effort. The initial deployment includes functionality to support accounts payable/receivable, procurement, travel vouchers, and contract management. Additional releases are anticipated over the next two years, both expanding and adding additional agencies. While some agencies currently operate and maintain their own internal accounting systems, these systems will retire as SFS functionality is fully realized.

The SFS will be a billed service in Section II of the State Wide Cost Allocation Plan. The cost of development and operation of SFS will be billed to state agencies beginning with fiscal year 2013. The SFS will use a standard cost recovery model where 100% of allowable costs are assigned to a defined service. Rates based on transactions have been developed to recover the full cost for the service. Every customer is billed via an invoice for the amount of services used during each billing period. Each customer remits payment or is memo billed for services invoiced, and is able to classify their expenditures to meet their program accounting needs.

A year-end reconciliation will be developed to document the level of over/under recovery. The State has several options to adjust for annual variances, these could include:

- issuance of additional billings or credits in the current or subsequent year
- adjustments to future rates

Departments will be billed for the amortized cost of the SFS development and the annual operational costs based on transactions. The SFS development cost will be amortized over a ten year period. Transaction count is the best available method to allocate the cost to the benefiting agencies. As more user data becomes available we will reassess the allocation methodology to assure that each agency is charged based on the relative benefits received. Each year we will “true up” to actual data and adjust our rates accordingly.

The total cost of development for SFS is \$223,425,347 which we propose to amortize over a ten year period. The annual amortized cost is \$22,342,535 which is billed to benefiting state agencies in Schedule F. The cost per transaction for the amortized cost of SFS for 2013 is \$2.98.

The annual operational cost for state fiscal year 2013 is \$29,399,172 which is billed to benefiting agencies in Schedule F. The cost per transaction for the operational cost of SFS for 2013 is \$3.92.

State of New York
Statewide Financial System
Billed Service Rate Calculation
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State of New York
Statewide Financial System
Billed Service Rate Calculation

Schedule A

Transaction counts are April 1, 2012 to March 31, 2013

Rate Type	Actual Number of Transactions	Actual Cost	Rate
Depreciation Rate (1)	7,497,656	\$22,342,535	\$2.98
Operation Rate (1)	7,497,656	29,399,172	3.92
Total Rate	7,497,656	51,741,707	6.90
(1) See Schedules D/E for cost detail			

State of New York

Schedule B

Statewide Financial System

Billed Service Calculation

Transaction Basis Summary

Transaction counts are April 1, 2012 to March 31, 2013

ID	Agency Detail Name	KK	Purchase Orders	AP Vouchers	Travel Auths	Expense Reports	Contracts Entered	Requisitions	GL Journals	Bills Entered	Accounts Receivable	Transaction Total
HCR01	Div of Housing & Cmnty Renwl	245	2,335	9,538	0	4,398	24	646	260	2	65	17,513
HES01	Higher Education Services Corp	100	889	13,275	0	183	65	0	94	0	24	14,630
HRV01	HV Greenway Communities Cncl	34	34	131	0	10	12	8	58	0	0	287
IOL01	Interest on Lawyer Account	45	388	343	1	63	101	0	53	0	0	994
JOL01	Joint Operations - Legislature	37	18	609	0	3	1	0	94	93	48	903
JUS01	Justice Center	2	0	0	0	0	0	0	0	0	0	2
LAW01	Department of Law	246	3,362	11,970	0	2,812	240	0	259	4	805	19,698
LGP01	Lake George Park Commission	46	3	458	0	0	0	0	50	1	4	562
LTG01	Lieutenant Governor	37	10	34	0	111	0	4	87	0	1	284
LTY01	Division of Lottery	59	2,675	3,432	458	719	3	1032	154	0	128	8,660
MIG01	Ofc of Medicaid Inspector Gen	63	361	759	2	1,578	6	1	94	0	25	2,889
MSC01	Miscellaneous Agencies	487	902	2,897	0	0	22	0	343	0	37	4,688
NCS01	National and Community Service	90	185	28	0	49	0	0	70	0	0	422
NYS01	New York Statewide BU	61	0	38,242	0	0	0	0	4266	98849	6572	147,990
OAS01	Off of Alchl & Substance Abuse	584	2,451	5,424	984	1,745	129	708	360	176	1023	13,584
OER01	Office of Employee Relations	433	418	3,063	1	485	41	14	865	171	66	5,557
OFA01	State Office for the Aging	431	499	4,172	339	323	34	233	332	0	0	6,363
OFT01	Office for Technology	575	2,270	3,785	5	142	59	913	369	3125	695	11,938
OGS01	Office of General Services	810	18,771	14,106	48	3,606	1225	5428	928	27007	2356	74,285
OIG01	Office of State Inspector Gen	76	128	375	0	63	0	37	94	0	1	774
OLS01	Office of Indigent Legal Svcs	38	247	232	0	66	48	0	58	0	1	690
OMH01	Office of Mental Health	487	49,922	121,042	9	6,800	434	1081	3898	2572	1095	187,340
OPD01	Ofc for People w/ Disabilities	320	59,004	236,318	116	23,850	987	1	1018	11	334	321,959
OSC01	Office of State Comptroller	474	4,199	363,169	0	8,295	54	0	415	0	235	376,841
OSC02	Office of State Comptroller	0	0	5,730	0	0	0	0	0	0	0	5,730
OSF01	Oil Spill Fund	28	435	4,209	0	0	0	0	260	0	78	5,010
OVS01	Office of Victim Services	130	1,498	37,792	8	110	7	0	72	0	670	40,287
PBC01	Public Benefit Corporations	408	69	758	0	0	278	0	21	0	187	1,721
PDV01	Off Prevention of Dom Violence	114	38	237	0	102	0	0	120	0	2	613
PER01	Public Employee Relations Brd	44	15	494	0	74	3	7	80	18	80	815
PRK01	Off of Parks, Rec & Hstrc Pres	1,294	25,083	49,070	241	2,013	385	22062	1186	38	407	101,779
RWB01	NYS Racing & Wagering Board	58	10	1,051	0	228	0	0	57	0	71	1,475
SCF01	State University Constr Fund	95	4,119	4,864	0	2,282	62	0	5074	0	27	16,523
SED01	State Education Department	1,340	11,635	182,602	0	5,957	316	0	6361	0	1679	209,890
SEN01	Senate	36	198	5,935	0	1,930	15	0	110	0	9	8,233
SNY01	State University of New York	384	381,289	378,920	0	39,645	1479	0	162376	0	149	964,242
TAX01	Department of Tax and Finance	230	2,973	299,073	32	16,456	17	0	335	58	3078	322,252
TDA01	Off of Temp & Disability Assi	1,343	4,657	1,380,224	0	3,686	192	0	767	0	267	1,391,136
UCS01	Unified Court System	3,632	0	0	10	13,995	0	0	462	1	912	19,012
UCS02	Unified Court System	0	5,588	13,745	0	0	115	0	0	0	0	19,448
UCS03	Unified Court System	0	135	3,711	0	0	2	0	0	0	0	3,848
UCS04	Unified Court System	0	1,781	78,898	0	0	12	0	0	0	0	80,691
UCS05	Unified Court System	0	21,974	317,581	0	0	32	0	0	0	0	339,587
UCS06	Unified Court System	0	0	311	0	0	0	0	0	0	0	311
WCB01	Workers' Compensation Board	73	2,537	4,005	39	2,304	31	293	133	0	182	9,597
WIG01	Off of Welfare Inspector Gen	38	0	72	0	5	0	0	60	0	0	175
Total		26,176	1,356,244	5,093,525	4,360	276,354	15,591	260,326	250,900	172,733	41,447	7,497,656

State of New York Schedule C
 Statewide Financial System
 Billed Service Calculation
 Transaction Reconciliation

Type	Proposal	Plus Excluded Agency (1)	Total	Source Document	Difference
KK	26,176	48	26,224	26,224	0
Purchase Orders	1,356,244	83	1,356,327	1,356,327	0
AP Vouchers	5,093,525	308	5,093,833	5,093,833	0
Travel Auths	4,360	1	4,361	4,361	0
Expense Reports	276,354	54	276,408	276,408	0
Contracts Entered	15,591	3	15,594	15,594	0
Requisitions	260,326	3	260,329	260,329	0
GL Journals	250,900	89	250,989	250,989	0
Bills Entered	172,733	-	172,733	172,733	0
Accounts Receivable	41,447	2	41,449	41,449	0
Total	7,497,656	591	7,498,247	7,498,247	
(1) Transactions related to SFS are not included in the Schedule F Calculation.					

Statewide Financial System

Billing Rate Calculation SFY13

Depreciation Calculation

Total Cost to be Amortized (1)	Years of Amortization	Total Per Year	Schedule F Total	Difference (2)
\$223,425,347.35	10	\$22,342,535	\$22,343,015	480
(1) This cost is furnished by the State within the GASB 51 Report				
(2) Difference is due to transaction rate being rounded				

State of New York		Schedule E
Statewide Financial System		
Billing Rate Calculation SFY13		
Actual Cost Calculation		
Type of Expense	Amount	
Personal Service	\$8,649,608	
Non Personal Service	42,699,192	
Total Expenditures FY13	51,348,800	
Plus: Bond Interest Payment	0	
Minus: Debt Service	(21,949,628)	
Cost to be Allocated FY13	29,399,172	

State of New York
Statewide Financial System
Agency Memo Bill SFY13
Total Bills

Schedule F

ID	Agency Detail Name	Total Transactions	Depreciation Rate (1)	Depeciation Bill	Operating Rate	Operation Bill
ABC01	Div of Alcohol-Beverage Ctrl	7,543	\$ 2.98	\$ 22,478	\$ 3.92	\$ 29,569
AGM01	Agricluture and Markets	26,633	2.98	79,366	3.92	104,401
APA01	Adirondack Park Agency	686	2.98	2,044	3.92	2,689
ART01	Council on the Arts	4,641	2.98	13,830	3.92	18,193
ASM01	Assembly	17,511	2.98	52,183	3.92	68,643
BOE01	Board of Elections	2,044	2.98	6,091	3.92	8,012
CCF01	City University Constr Fund	1,337	2.98	3,984	3.92	5,241
CFS01	Off of Children & Family Serv	119,919	2.98	357,359	3.92	470,082
CJC01	Judicial Conduct	780	2.98	2,324	3.92	3,058
CJN01	Judicial Nominations	25	2.98	75	3.92	98
CJS01	Judicial Screening	43	2.98	128	3.92	169
CNY01	City University of NY	135,412	2.98	403,528	3.92	530,815
COC01	State Commission of Correction	532	2.98	1,585	3.92	2,085
COR01	Corcraft	61,245	2.98	182,510	3.92	240,080
CPI01	Commission on Public Integrity	727	2.98	2,166	3.92	2,850
CQC01	Cmsn Ql Care&Advcy Prsn Dsblt	2,313	2.98	6,893	3.92	9,067
DCJ01	Div of Criminal Justice Serv	15,562	2.98	46,375	3.92	61,003
DCS01	Department of Civil Service	112,812	2.98	336,180	3.92	442,223
DDP01	Dvlpmntl Dsblty Planning Cncl	528	2.98	1,573	3.92	2,070
DEC01	Dept of Environ Conservtion	75,452	2.98	224,847	3.92	295,772
DED01	Dept of Economic Development	3,718	2.98	11,080	3.92	14,575
DFS01	Department of Financial Servic	15,575	2.98	46,414	3.92	61,054
DFS02	Department of Financial Servic	4	2.98	12	3.92	16
DFS03	Department of Financial Servic	40	2.98	119	3.92	157
DHR01	Division of Human Rights	3,175	2.98	9,462	3.92	12,446
DHS01	Division of Homeland Security	35,178	2.98	104,830	3.92	137,898
DMN01	Div Military & Naval Affairs	15,087	2.98	44,959	3.92	59,141
DMV01	Department of Motor Vehicles	564,764	2.98	1,682,997	3.92	2,213,875
DMV02	Department of Motor Vehicles	3,174	2.98	9,459	3.92	12,442
DOB01	Division of Budget	1,075	2.98	3,204	3.92	4,214

State of New York
Statewide Financial System
Agency Memo Bill SFY13
Total Bills

Schedule F

ID	Agency Detail Name	Total Transactions	Depreciation Rate (1)	Depeciation Bill	Operating Rate	Operation Bill
DOC01	Dept of Corrcctns_Cmmnty Sprvsn	902,587	2.98	2,689,709	3.92	3,538,141
DOH01	Department of Health	153,436	2.98	457,239	3.92	601,469
DOL01	Department of Labor	35,467	2.98	105,692	3.92	139,031
DOS01	Department of State	18,406	2.98	54,850	3.92	72,152
DOT01	Department of Transportation	270,910	2.98	807,312	3.92	1,061,967
DPS01	Department of Public Service	3,256	2.98	9,703	3.92	12,764
DSP01	Division of State Police	63,879	2.98	190,359	3.92	250,406
DST01	Disaster Aid	204	2.98	608	3.92	800
DTA01	Division of Tax Appeals	342	2.98	1,019	3.92	1,341
DVA01	Division of Veteran's Affairs	56,076	2.98	167,106	3.92	219,818
EXC01	Executive Chamber	2,139	2.98	6,374	3.92	8,385
FCB01	Financial Control Board NYC	304	2.98	906	3.92	1,192
FOB01	Franchise Oversight Board	29	2.98	86	3.92	114
GAM01	Lottery and Racing & Wagering	1,819	2.98	5,421	3.92	7,130
GHC01	Greenway Hrtg Cnsrv Hud Val	39	2.98	116	3.92	153
HCR01	Div of Housing & Cmnty Renwl	17,513	2.98	52,189	3.92	68,651
HES01	Higher Education Services Corp	14,630	2.98	43,597	3.92	57,350
HRV01	HV Greenway Communities Cncl	287	2.98	855	3.92	1,125
IOL01	Interest on Lawyer Account	994	2.98	2,962	3.92	3,896
JOL01	Joint Operations - Legislature	903	2.98	2,691	3.92	3,540
JUS01	Justice Center	2	2.98	6	3.92	8
LAW01	Department of Law	19,698	2.98	58,700	3.92	77,216
LGP01	Lake George Park Commission	562	2.98	1,675	3.92	2,203
LTG01	Lieutenant Governor	284	2.98	846	3.92	1,113
LTY01	Division of Lottery	8,660	2.98	25,807	3.92	33,947
MIG01	Ofc of Medicaid Inspector Gen	2,889	2.98	8,609	3.92	11,325
MSC01	Miscellaneous Agencies	4,688	2.98	13,970	3.92	18,377
NCS01	National and Community Service	422	2.98	1,258	3.92	1,654
NYS01	New York Statewide BU	147,990	2.98	441,010	3.92	580,121
OAS01	Off of Alchl & Substance Abuse	13,584	2.98	40,480	3.92	53,249
OER01	Office of Employee Relations	5,557	2.98	16,560	3.92	21,783

State of New York
Statewide Financial System
Agency Memo Bill SFY13

Schedule F

Total Bills

ID	Agency Detail Name	Total Transactions	Depreciation Rate (1)	Depeciation Bill	Operating Rate	Operation Bill
OFA01	State Office for the Aging	6,363	2.98	18,962	3.92	24,943
OFT01	Office for Technology	11,938	2.98	35,575	3.92	46,797
OGS01	Office of General Services	74,285	2.98	221,369	3.92	291,197
OIG01	Office of State Inspector Gen	774	2.98	2,307	3.92	3,034
OLS01	Office of Indigent Legal Svcs	690	2.98	2,056	3.92	2,705
OMH01	Office of Mental Health	187,340	2.98	558,273	3.92	734,373
OPD01	Ofc for People w/ Disabilities	321,959	2.98	959,438	3.92	1,262,079
OSC01	Office of State Comptroller	376,841	2.98	1,122,986	3.92	1,477,217
OSC02	Office of State Comptroller	5,730	2.98	17,075	3.92	22,462
OSF01	Oil Spill Fund	5,010	2.98	14,930	3.92	19,639
OVS01	Office of Victim Services	40,287	2.98	120,055	3.92	157,925
PBC01	Public Benefit Corporations	1,721	2.98	5,129	3.92	6,746
PDV01	Off Prevention of Dom Violence	613	2.98	1,827	3.92	2,403
PER01	Public Employee Relations Brd	815	2.98	2,429	3.92	3,195
PRK01	Off of Parks, Rec & Hstrc Pres	101,779	2.98	303,301	3.92	398,974
RWB01	NYS Racing & Wagering Board	1,475	2.98	4,396	3.92	5,782
SCF01	State University Constr Fund	16,523	2.98	49,239	3.92	64,770
SED01	State Education Department	209,890	2.98	625,472	3.92	822,769
SEN01	Senate	8,233	2.98	24,534	3.92	32,273
SNY01	State University of New York	964,242	2.98	2,873,441	3.92	3,779,829
TAX01	Department of Tax and Finance	322,252	2.98	960,311	3.92	1,263,228
TDA01	Off of Temp & Disability Assi	1,391,136	2.98	4,145,585	3.92	5,453,253
UCS01	Unified Court System	19,012	2.98	56,656	3.92	74,527
UCS02	Unified Court System	19,448	2.98	57,955	3.92	76,236
UCS03	Unified Court System	3,848	2.98	11,467	3.92	15,084
UCS04	Unified Court System	80,691	2.98	240,459	3.92	316,309
UCS05	Unified Court System	339,587	2.98	1,011,969	3.92	1,331,181
UCS06	Unified Court System	311	2.98	927	3.92	1,219
WCB01	Workers' Compensation Board	9,597	2.98	28,599	3.92	37,620
WIG01	Off of Welfare Inspector Gen	175	2.98	522	3.92	686
Total		7,497,656		\$ 22,343,015		\$ 29,390,812

(1) Transaction Rate is caluclated on Schedule A