



State of New York Shared Services Project

REVISED FINAL

*Statewide Financial System
Billing Methodology and Memo Bill Calculation
Based on Actual FY 2014-15 Costs*

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**State of New York
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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 the Budget (DOB) 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 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 (DOB and the Office of State Comptroller), the state legislature, vendors doing business with New York State and the general public.

In April 2012, the SFS was implemented in production. Once the SFS application was available to agencies to enter online and bulk load transactions, consideration was given to begin sharing the cost of the Enterprise system across all business units. An analysis was performed on usage of SFS by all agencies and a cost sharing methodology was developed. The methodology used to determine usage by each state agency was to sum the number of transactions created for the various PeopleSoft modules per the General Ledger Business Unit (GLBU) for the FY 2014-15.

The SFS will be a billed service in Section II of the Statewide Cost Allocation Plan. The cost of development and operation of SFS was billed to agencies starting in FY 2013-14. The SFS uses 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. Customers are

invoiced 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

Agencies will be billed for the amortized cost of the SFS development and the annual operational costs, which include bond interest payments, based on transactions. The SFS development cost was 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 the allocation methodology will be reassessed to assure that each agency is charged based on the relative benefits received. Each year SFS will “true up” to actual data and adjust the rates for over/under recovery.

The total cost of development for SFS is \$223,425,347 which is amortized 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 FY 2014-15 is \$1.66. The total operational costs for FY 2014-15 is \$35,095,532 which is billed to benefiting agencies in Schedule F. The cost per transaction for the operational costs of SFS for FY 2014-15 is \$2.60.

The actual FY 2014-15 billing calculations to all benefiting agencies is contained in the following schedules.

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Schedule A

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Billing Rates

Rate Type	Total Transactions (1)	Actual Costs (2)	Billing Rates
Depreciation Rate	13,491,905	\$22,342,535	\$1.66
Operation Rate	13,491,905	\$35,095,532	\$2.60
Total	13,491,905	\$57,438,067	\$4.26
(1) Excludes SFS01.			
(2) See Schedules D and E for actual cost detail.			

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Schedule B

Transaction Basis Summary

Business Unit	Agency Detail Name	Budget Journals	Purchase Orders	AP Vouchers	Travel Auths	Expense Reports	Contracts	Purchase Requisitions	GL Journals	Bills	AR Deposits	Transaction Total
ABC01	Div of Alcohol-Beverage Ctrl	466	66	10,026	-	363	2	32	5,164	-	13	16,132
AGM01	Agriculture and Markets	12,069	1,856	13,275	8	3,747	623	793	16,527	1,161	1,013	51,072
APA01	Adirondack Park Agency	300	14	455	-	133	-	14	347	-	11	1,274
ART01	Council on the Arts	300	3,786	4,380	6	85	2,305	1,077	297	-	6	12,242
ASM01	Assembly	1,630	341	14,699	-	3,673	66	-	2,995	-	39	23,443
BOE01	Board of Elections	396	151	1,007	14	80	37	41	1,376	-	23	3,125
CCF01	City University Constr Fund	377	80	103	-	-	-	-	4	-	-	564
CFS01	Ofc of Children & Family Services	93,731	29,443	94,740	11	7,334	1,533	4,820	67,067	25	1,191	299,895
CJC01	Judicial Conduct	99	24	790	-	44	-	-	350	-	1	1,308
CJN01	Judicial Nominations	30	1	18	-	-	-	1	-	-	-	50
CJS01	Judicial Screening	51	-	41	-	4	-	-	1	-	-	97
CNY01	City University of NY	5,107	80,267	108,953	-	4,950	82	-	55,230	-	534	255,123
COC01	State Commission of Correction	92	2	350	-	240	3	-	398	-	12	1,097
COR01	Corcraft	1,198	7,397	20,077	1	927	45	3,551	18,335	31,787	456	83,774
CPI01	Commission on Public Integrity	89	61	461	-	129	-	44	405	-	1	1,190
CQC01	Cmsn QI Care & Advcy Prsn Dsblt	768	14	5	-	-	-	-	1,089	-	-	1,876
DCJ01	Div of Criminal Justice Services	21,781	2,912	6,728	-	986	1,780	-	10,942	-	530	45,659
DSC01	Department of Civil Service	1,305	186	169,310	-	380	14	65	7,788	672	343	180,063
DDP01	Dvlpmntl Dsblty Planning Cncl	188	128	274	-	36	17	35	250	-	-	928
DEC01	Dept of Environ Conservation	19,691	5,560	88,924	-	7,702	931	-	121,159	-	252	244,219
DED01	Dept of Economic Development	11,874	604	3,413	123	1,247	137	241	6,544	-	106	24,289
DFS01	Department of Financial Services	2,551	1,095	9,245	-	4,581	34	521	19,384	-	-	37,411
DFS02	Department of Financial Services	-	-	-	-	-	-	-	-	-	1	1
DFS03	Department of Financial Services	-	-	-	-	-	-	-	-	-	13	13
DHR01	Division of Human Rights	285	190	2,199	71	213	5	95	5,091	-	887	9,036
DHS01	Division of Homeland Security	4,299	3,133	16,881	571	8,290	1,445	1,310	11,503	20	498	47,950
DMN01	Div Military & Naval Affairs	2,762	449	19,966	133	535	28	199	25,532	-	231	49,835
DMV01	Department of Motor Vehicles	1,708	2,640	579,830	5	3,827	406	1,000	44,561	-	164	634,141
DMV02	Department of Motor Vehicles	-	1,363	1,112	-	-	-	-	-	-	-	2,475
DOB01	Division of Budget	394	106	678	-	77	17	66	2,436	-	16	3,790
DOC01	Dept of Corrcrtns-Cmmnty Sprvsn	8,887	198,164	329,637	3	34,835	350	118,438	499,728	196	6,737	1,196,975
DOH01	Department of Health	45,583	20,752	161,163	233	15,145	1,739	3,427	139,020	13	783	387,858
DOL01	Department of Labor	6,970	1,794	17,960	46	7,326	574	-	16,762	-	4,442	55,874
DOS01	Department of State	62,592	1,205	15,150	1	3,512	465	144	11,023	32	866	94,990
DOT01	Department of Transportation	13,647	41,640	179,989	-	22,094	3,983	-	201,217	-	598	463,168
DPS01	Department of Public Service	579	485	4,314	101	1,882	42	306	5,845	-	110	13,664
DSP01	Division of State Police	2,444	6,306	30,884	-	5,192	73	1,152	12,340	-	512	58,903
DST01	Disaster Aid	190	-	-	-	-	-	-	1,309	-	-	1,499
DTA01	Division of Tax Appeals	154	35	269	-	70	-	33	252	-	-	813
DVA01	Division of Veteran's Affairs	10,379	62	51,680	1	539	15	40	1,139	-	15	63,870
EXC01	Executive Chamber	154	79	1,457	-	1,455	1	59	1,471	-	29	4,705
FCB01	Financial Control Board NYC	105	31	205	-	1	-	19	245	-	2	608
FOB01	Franchise Oversight Board	18	-	1	-	-	-	-	-	-	-	19
GAM01	Lottery and Racing & Wagering	837	1,450	8,332	874	1,334	17	1,806	3,805	-	220	18,675
GHC01	Greenway Hrtg Cnsvr Hud Val	71	4	4	-	-	-	4	-	-	-	83

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Schedule C

Shared Services Project

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Transaction Basis Reconciliation

Type	Transaction Basis	Plus Excluded Agency (1)	Total	Source Document	Difference
Budget Journals	640,236	152	640,388	640,388	-
Purchase Orders	916,948	27	916,975	916,975	-
AP Vouchers	6,336,121	379	6,336,500	6,336,500	-
Travel Auths	2,956	-	2,956	2,956	-
Expense Reports	299,735	4	299,739	299,739	-
Contracts	30,523	1	30,524	30,524	-
Purchase Requisitions	171,024	25	171,049	171,049	-
GL Journals	4,889,504	603	4,890,107	4,890,107	-
Bills	163,246	-	163,246	163,246	-
AR Deposits	41,612	7	41,619	41,619	-
Total	13,491,905	1,198	13,493,103	13,493,103	

(1) Transactions related to SFS01 are not included in the Schedule F Calculation.

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Schedule D

Shared Services Project

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Depreciation Calculation

Total Cost to be Amortized (1)	Years of Amortization	Total Per Year	Schedule F Total
\$223,425,347	10	\$22,342,535	\$22,342,535
(1) This cost is furnished by the State within the GASB 51 Report.			

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Schedule E

Shared Services Project

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Operation Costs Calculation

Expenditure Type	Actual Costs
Personal Services	\$9,622,175
Non-Personal Services	\$22,337,368
Subtotal	\$31,959,543
Add: Bond Interest Expense (1)	\$3,135,989
Total Operation Costs	\$35,095,532

(1) Semi-annual interest payments for PIT bonds issued January 2009 and December 2009, 2010, and 2011.

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Billing Calculation Summary

Business Unit	Agency Detail Name	Total Transactions	Depreciation Rate	Depreciation Bill	Operation Rate	Operation Bill	Total Bill
ABC01	Div of Alcohol-Beverage Ctrl	16,132	\$1.66	\$26,715	\$2.60	\$41,963	\$68,678
AGM01	Agriculture and Markets	51,072	\$1.66	\$84,575	\$2.60	\$132,850	\$217,425
APA01	Adirondack Park Agency	1,274	\$1.66	\$2,110	\$2.60	\$3,314	\$5,424
ART01	Council on the Arts	12,242	\$1.66	\$20,273	\$2.60	\$31,844	\$52,117
ASM01	Assembly	23,443	\$1.66	\$38,822	\$2.60	\$60,981	\$99,802
BOE01	Board of Elections	3,125	\$1.66	\$5,175	\$2.60	\$8,129	\$13,304
CCF01	City University Constr Fund	564	\$1.66	\$934	\$2.60	\$1,467	\$2,401
CFS01	Ofc of Children & Family Services	299,895	\$1.66	\$496,625	\$2.60	\$780,096	\$1,276,720
CJC01	Judicial Conduct	1,308	\$1.66	\$2,166	\$2.60	\$3,402	\$5,568
CJN01	Judicial Nominations	50	\$1.66	\$83	\$2.60	\$130	\$213
CJS01	Judicial Screening	97	\$1.66	\$161	\$2.60	\$252	\$413
CNY01	City University of NY	255,123	\$1.66	\$422,483	\$2.60	\$663,633	\$1,086,116
COC01	State Commission of Correction	1,097	\$1.66	\$1,817	\$2.60	\$2,854	\$4,670
COR01	Corcraft	83,774	\$1.66	\$138,729	\$2.60	\$217,915	\$356,645
CPI01	Commission on Public Integrity	1,190	\$1.66	\$1,971	\$2.60	\$3,095	\$5,066
CQC01	Cmsn Ql Care & Advcy Prsn Dsblt	1,876	\$1.66	\$3,107	\$2.60	\$4,880	\$7,987
DCJ01	Div of Criminal Justice Services	45,659	\$1.66	\$75,611	\$2.60	\$118,770	\$194,381
DCS01	Department of Civil Service	180,063	\$1.66	\$298,184	\$2.60	\$468,385	\$766,569
DDP01	Dvlpmentl Dsblty Planning Cncl	928	\$1.66	\$1,537	\$2.60	\$2,414	\$3,951
DEC01	Dept of Environ Conservation	244,219	\$1.66	\$404,426	\$2.60	\$635,269	\$1,039,695
DED01	Dept of Economic Development	24,289	\$1.66	\$40,222	\$2.60	\$63,181	\$103,404
DFS01	Department of Financial Services	37,411	\$1.66	\$61,952	\$2.60	\$97,315	\$159,267
DFS02	Department of Financial Services	1	\$1.66	\$2	\$2.60	\$3	\$4
DFS03	Department of Financial Services	13	\$1.66	\$22	\$2.60	\$34	\$55
DHR01	Division of Human Rights	9,036	\$1.66	\$14,964	\$2.60	\$23,505	\$38,468
DHS01	Division of Homeland Security	47,950	\$1.66	\$79,405	\$2.60	\$124,729	\$204,134
DMN01	Div Military & Naval Affairs	49,835	\$1.66	\$82,527	\$2.60	\$129,632	\$212,159
DMV01	Department of Motor Vehicles	634,141	\$1.66	\$1,050,135	\$2.60	\$1,649,546	\$2,699,681
DMV02	Department of Motor Vehicles	2,475	\$1.66	\$4,099	\$2.60	\$6,438	\$10,537
DOB01	Division of Budget	3,790	\$1.66	\$6,276	\$2.60	\$9,859	\$16,135

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Billing Calculation Summary

Business Unit	Agency Detail Name	Total Transactions	Depreciation Rate	Depreciation Bill	Operation Rate	Operation Bill	Total Bill
DOC01	Dept of Corrcrtns-Cmmnty Sprvsn	1,196,975	\$1.66	\$1,982,185	\$2.60	\$3,113,606	\$5,095,791
DOH01	Department of Health	387,858	\$1.66	\$642,291	\$2.60	\$1,008,907	\$1,651,199
DOL01	Department of Labor	55,874	\$1.66	\$92,527	\$2.60	\$145,341	\$237,868
DOS01	Department of State	94,990	\$1.66	\$157,303	\$2.60	\$247,091	\$404,394
DOT01	Department of Transportation	463,168	\$1.66	\$767,004	\$2.60	\$1,204,806	\$1,971,810
DPS01	Department of Public Service	13,664	\$1.66	\$22,628	\$2.60	\$35,543	\$58,171
DSP01	Division of State Police	58,903	\$1.66	\$97,543	\$2.60	\$153,220	\$250,763
DST01	Disaster Aid	1,499	\$1.66	\$2,482	\$2.60	\$3,899	\$6,382
DTA01	Division of Tax Appeals	813	\$1.66	\$1,346	\$2.60	\$2,115	\$3,461
DVA01	Division of Veteran's Affairs	63,870	\$1.66	\$105,768	\$2.60	\$166,140	\$271,909
EXC01	Executive Chamber	4,705	\$1.66	\$7,791	\$2.60	\$12,239	\$20,030
FCB01	Financial Control Board NYC	608	\$1.66	\$1,007	\$2.60	\$1,582	\$2,588
FOB01	Franchise Oversight Board	19	\$1.66	\$31	\$2.60	\$49	\$81
GAM01	Lottery and Racing & Wagering	18,675	\$1.66	\$30,926	\$2.60	\$48,578	\$79,504
GHC01	Greenway Hrtg Cnsrv Hud Val	83	\$1.66	\$137	\$2.60	\$216	\$353
HCR01	Div of Housing & Cmnty Renwl	33,982	\$1.66	\$56,274	\$2.60	\$88,395	\$144,669
HES01	Higher Education Services Corp	28,199	\$1.66	\$46,697	\$2.60	\$73,352	\$120,049
HRV01	HV Greenway Communities Cncl	561	\$1.66	\$929	\$2.60	\$1,459	\$2,388
IOL01	Interest on Lawyer Account	1,864	\$1.66	\$3,087	\$2.60	\$4,849	\$7,935
JOL01	Joint Operations - Legislature	1,740	\$1.66	\$2,881	\$2.60	\$4,526	\$7,408
JUS01	Justice Center	10,043	\$1.66	\$16,631	\$2.60	\$26,124	\$42,755
LAW01	Department of Law	64,429	\$1.66	\$106,694	\$2.60	\$167,595	\$274,289
LGP01	Lake George Park Commission	1,209	\$1.66	\$2,002	\$2.60	\$3,145	\$5,147
LTG01	Lieutenant Governor	706	\$1.66	\$1,169	\$2.60	\$1,836	\$3,006
LTY01	Division of Lottery	63	\$1.66	\$104	\$2.60	\$164	\$268
MIG01	Ofc of Medicaid Inspector Genl	14,766	\$1.66	\$24,452	\$2.60	\$38,410	\$62,862
MSC01	Miscellaneous Agencies	9,811	\$1.66	\$16,247	\$2.60	\$25,521	\$41,768
NCS01	National and Community Services	1,154	\$1.66	\$1,911	\$2.60	\$3,002	\$4,913
NYS01	New York Statewide BU	1,800,726	\$1.66	\$2,981,994	\$2.60	\$4,684,100	\$7,666,095
OAS01	Ofc of Alchl & Substance Abuse	35,118	\$1.66	\$58,155	\$2.60	\$91,350	\$149,505
OER01	Office of Employee Relations	16,403	\$1.66	\$27,163	\$2.60	\$42,668	\$69,831

