Cash Tracking Transformation in New York State

Project Initiated: October 2013
Project Completed: December 2017

Category: Business Process Innovations

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EXECUTIVE SUMMARY

The New York State Office for People with Developmental Disabilities (OPWDD) is responsible for the coordination of services for more than 130,000 New Yorkers with developmental disabilities. OPWDD provides services directly through a network of 700 nonprofit service providers (approximately 80% nonprofits, 20% state-run).

OPWDD's mission of "Putting People First" requires technology solutions to enable its employees to manage and protect the personal funds, burial accounts, trusts, and other specialized assets of people with developmental disabilities residing in state-operated residential programs (group homes). These funds, representing tens of millions of dollars, must be protected pursuant to NYS Mental Hygiene Law, NYS Finance Law, and OPWDD Personal Allowance Regulations.

Until 2017, the legacy Client Cash Application utilized to manage personal the funds of this vulnerable population was an antiquated, standalone PC application installed in 1985. Application deficiencies included the lack of networking functionality, cumbersome manual backup procedures, an unstable database, and the inability to modify the application to support new agency business requirements. The system also did not track personal spending cash held at residential group homes and personal inventory items, such as electronics and furniture.

In 2007, OPWDD implemented the Personal Allowance Ledger System (PL) to manage the personal funds of individuals at state-operated group homes. PL was a significant improvement from paper records, but auditors, investigators, and financial agency staff had no direct access to the cash tracking information and frequently had to wait many days, if not weeks, to obtain hard copy reports. There were 19 standalone copies of the PL application that resided on PCs at various OPWDD work locations that were not integrated electronically and had no centralized database backups performed, limited security controls, and very little transparency.

In 2013, OPWDD and the New York State Office of Information Technology Services (ITS) launched a plan to identify an Accounting System to fully replace the Client Cash Application. The new Accounting System would include the tracking of cash and inventory items located in the group homes, utilize a modern infrastructure, programming language, and security controls, and provide automated workflows and secure, web-based, real-time access to OPWDD staff from multiple business units. The project came to fruition in 2017; the modern, web-based solution – the Acumatica Enterprise Resource Planning (ERP) application– now resides within the Excelsior Cloud, the New York State Tier 3 Data Center. The Acumatica application affords greatly improved security, database integrity, better oversight and protection of funds by OPWDD, and extensive process automation that adds high-value to state operations and the vulnerable population New York serves.

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EXEMPLAR

Driven by key benefits such as the availability of modernized technology, process automation, and speed to production, OPWDD and ITS procured a COTS product to replace the two legacy systems. Additionally, to ensure the most robust security and infrastructure, the selected application, Acumatica, was deployed within the Excelsior Cloud, New York's Tier 3 Data Center, at the College of Nanoscale Science and Engineering (CNSE) in Albany, NY.

Integral to OPWDD's use of the Acumatica software package are electronic purchase orders, deposits and withdrawals, interest posting allocations based upon average daily balances, and the segregation of fund balances into multiple accounts per person, to facilitate state reimbursement billing and mandated fund accounting requirements. Although these types of system features are to be expected in a modern software package, in total, they represented a very significant paradigm shift for OPWDD staff, and facilitated a reorganization of OPWDD Business Office operations into a leaner, more centralized operation.

What is truly innovative about the implementation of Acumatica is the integration between the application and the pilot usage of debit cards by the developmentally disabled population. This innovative approach allowed OPWDD to further its goal of integrating developmentally disabled individuals within the greater community by providing them with the same financial instruments that have become common place in the general population.

Additionally, the system features automated procedural checks and balances and process controls which ensure that OPWDD regulations pertaining to transaction dollar amount approval limitations are followed and that quality assurance and revenue and reimbursement control reports are available in real-time to the end-user.

The move to a single, statewide database facilitated the major process efficiency of aggregating the direct deposit of individual benefit payments such as Social Security and SSI from 19 separate, geographically dispersed community banks to one central account at Adirondack Trust. Multiple reconciliation processes were collapsed down to a single integration with the sole banking partner; an enormous decrease in effort.

OPWDD state operations efficiency has also been greatly enhanced by having documentation and receipts captured electronically within the centralized database, rather than via tens of thousands of paper documents scattered around program and residential sites in desk drawers and file cabinets, where they were frequently misplaced.

Valuable personal inventory items such as electronics, furniture, jewelry, clothing, and cash on hand are now identified and tracked within Acumatica, and the information is available in real-time to managers, financial custodians, and auditors. Since the system's deployment, the incidences of theft of cash and personal items have been significantly reduced.

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CONCEPT

Prior to the initiation of this project, OPWDD tracked client cash utilizing an obsolete mid-1980's IT platform which no longer met business requirements and did not conform to modern IT standards. The transformational OPWDD Statewide Comprehensive Plan 2011-2015 noted, "Infrastructure is the underlying foundation, features and components of a system." The Plan advocated for broad-based modernization, in support of OPWDD's strategic vision. Driven by OPWDD's Division of Enterprise Solutions, this project was approved by the IT Governance Review Board and initiated in the fall of 2013.

For the initial project phase, two Business Analysts (BAs) assessed the ERP ecosystem and identified candidate vendor COTS products. The software procurement budget for the baseline system was established at under $50,000, precluding the need for a labor-intensive RFP process. After a preliminary evaluation of over 30 products, the top five vendor systems were identified by the Business Analysts and each vendor provided a demo of their product to key stakeholders, based upon Use Case scripts provided in advance. OPWDD and ITS selected Acumatica to replace the standalone Client Cash PC system and Personal Allowance Ledger system, based upon best fit with the business and IT requirements and maximum value. Acumatica is a .Net application, running Microsoft SQL Server, IIS, programmed in C#, using the Visual Studio, Acumatica Studio, and Crystal Reports software development tools.

The Project Manager followed the ITS Project Management methodology and moved the project through the Initiation and Planning Phases into Execution and Control, utilizing project tools including the Business Case, Charter, Scope, Communication Plan, Risk & Issue tracking, a WBS, project budget, and weekly project status reports. Monthly steering committee and weekly project technical team meetings were held. The project's core team consisted of a Project Manager, two BAs, a DBA, technical staff from the Server, Windows, and Active Directory Teams, and two Implementation/Training experts.

A results-based Project Management approach was used, which focused on monitoring outcomes during initial implementation phases. Feedback loops were facilitated through the utilization of an effective Communication Plan. Well-organized, facilitated team meetings that fostered collaborative discussions were critical to project success. A Monitoring Plan to gauge system activity and track Help Desk Tickets supplied data to the feedback loop. The Monitoring and Feedback tracking activities led to the project team making several important adjustments during the project's lifecycle, such as the creation of a new Central Office Reconciliation Unit, in response to learning that several regions could not reconcile their accounts due to staffing limitations. Monitoring reports noted that some staff were not entering required transactions properly or timely. New system queries were created for manager usage, which easily identified these deficiencies, allowing for corrective action to be taken, instrumental in the statewide standardization of business processes.

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 A Value-Added Reseller (VAR) with previous Acumatica technical experience was engaged to perform several waves of configuration changes to the core software, based upon required modifications and improvements derived through the feedback loop.

Communication between the project team and the end-user community was superb. Instructor-led Train-The-Trainer classroom training was held at each district across NYS on a phased rollout basis, as a snapshot of cash data was extracted from the legacy application and populated into Acumatica. The users were very successful in adopting to the new technology with minimum resistance due to the high degree of support for this project from OPWDD central management, as well as local Treatment Team Leaders.

SIGNIFICANCE

In conformance with the OPWDD Strategic Plan, the scope of this project was to implement a modern COTS IT solution as a complete replacement of the standalone antiquated Client Cash PC-based application. Additionally, the new system was to incorporate the tracking of personal inventory items and cash maintained in the residential group homes operated by OPWDD. The selected COTS solution, Acumatica, is a secure, web-based tool that has enabled a critical real-time data sharing and reporting interface with OPWDD Business Office, Residential Program Management, Division of Quality Improvement and Performance Management, and Enterprise Solutions Revenue Support staff.

Acumatica's .Net platform and SQL Server database is aligned with the ITS technology roadmap and is hosted by ITS at the Excelsior Cloud, NYS's Tier 3 Data Center at CNSE.

Acumatica saves a substantial amount of time and money for OPWDD staff through process automation and its networked availability, thereby providing staff who are responsible for financial management and oversight with direct access to the financial data and the personal inventory items of NYS's most vulnerable population. This has created a "sentinel effect," which discourages fraud and theft; a very significant positive benefit over the prior system. Service delivery managers, auditors, and fiscal custodians employed by OPWDD who require account or inventory information as part of their job duties can all go to one place to obtain information, greatly reducing the time and effort required to acquire this critical financial data, thereby providing oversight and accountability to the citizens of New York.

The personal funds recorded in Acumatica are now also interfaced with the OPWDD Billing System, to reimburse OPWDD for the cost of care provided to the developmentally disabled. Significant time savings and greater accuracy in billing and remittance processing are also very significant and positive outcomes of Acumatica implementation. Approximately $50 million per year of the funds captured in Acumatica are collected for billing processing.

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System governance and operational activities are controlled by the central Acumatica Unit. Prior to the system's launch, this work was performed by 50 individuals, and it is now being accomplished by 15 employees; a tremendous and very significant improvement in effectiveness and state government efficiency.

IMPACT

The impact of the deployment of Acumatica has been both consequential and transformational to OPWDD, and has resulted in significant and demonstrable improvements in state government operations. This can be best illustrated through a comparison of business operations effective to the start of the project (2013) vs. today's utilization of the replacement web-based COTS Acumatica application.

- From an obsolete, antiquated standalone PC process to a modern, secure, networked, web-enabled application, OPWDD's staff have moved forward from a 1980's labor-intensive, manual transaction processing environment to a new distributed network.
- Multiple OPWDD business units (DQIPM-Division of Quality Improvement and Performance Management, RSFO-Revenue Support Field Office, AIA-Acumatica Individual Accounting Group) now have remote access to all financial information stored for individuals in the Acumatica system.
- The legacy Client Cash system utilized retired technology (DOS, Micro Focus Cobol, and GW Basic) and modernization was not possible. The PL application was essentially a series of standalone MS Excel spreadsheets. The newly implemented replacement system runs on the highly supported .Net platform, utilizing a SQL Server database. Inherent in the application is greatly enhanced multi-tier security.
- Acumatica is now utilized as a central portal to store and maintain important documents for individuals, including receipts, Personal Expenditure Plans (PEP), and Money Management Assessments (MMA). The inclusion of these types of non-structured data was previously not possible within the old systems.
- Online usage has grown significantly from just 30 users of the Client Cash System (statewide) to over 4,000 users of Acumatica.
- The new technology is used to manage over 40,000 separate accounts for over 7,000 developmentally disabled individuals residing in state operated group homes. These accounts include Free Balance, Encumbrances for Billing, Cash in Safe, Burial Funds, Trusts, etc.
- The average elapsed time for auditor and fiscal agents to receive critical account ledger reports has shrunk from over 48 hours to under one minute.
- The staff time required to process and pay the monthly OPWDD reimbursement billings has been decreased by 50 percent, generating over $50 million in annual revenue.

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- Employee efficiency gains from using technology has been an extremely clear benefit of this project. The number of dedicated FTEs dedicated to Client Cash/Business office operations statewide has been decreased from 50 to 15; a 333 percent labor savings due to automation and work process redesign.
- All Acumatica users have online access to a multitude of Acumatica Learning Tools, which allows them to reinforce their classroom learning experience. These tools include YouTube videos, Quick Reference Guides, and FAQs.
- The availability of these learning tools has allowed staff at the group home level to demonstrate greater ownership of the new system and allows them to deliver additional staff training locally.
- A virtual network of staff secondary support for Acumatica was created, allowing questions from group home staff to be answered immediately.
- The new system-enforced checks and balances allow managers and auditors to fulfill their oversight and financial protection responsibilities. House managers can ensure their staff are entering all necessary transactions into the system and can monitor the performance of these tasks from remote locations.
- The OPWDD long term goal of utilizing an IT solution to track the petty cash handled at Business Office locations is being addressed within Acumatica, as a zero-cost additional benefit of the new technology.
- The usage of Debit Cards by the developmentally disabled in NY State has significantly reduced fraud and theft in the group homes, in comparison to the previous practice of storing nothing but cash in the homes.

New York believes that the Acumatica project is a very worthy candidate for recognition in the Business Process Innovations category.