RICE COUNTY

AUDITOR/TREASURER
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09 - 0239

November 6, 2008

Larry Freund, CFO
658 Cedar Street
St. Paul, MN 55155

651-556-8028
larry.freund@state.mn.us

Dear Larry,

We are respectfully requesting reimbursement of the $180,000 in grant funds per the appropriations bill listed below.

Chapter 148 of the 2007 State Appropriations Bill

(d) $180,000 the first year is for grants to be distributed to the counties participating in the development of the integrated financial system for enhancements to the system. Enhancements include:(1) systems to improve the tracking and reporting of state and federal grants; (2) electronic payments to vendors; (3) electronic posting of state payments to the financial system; (4) automating revenue collection and posting through check conversion, automatic clearing house transactions, or credit card processing; (5) improvements to county budgetary systems; (6) storage or linkage of electronic documents;(7) improved executive level reporting and extraction of data; and (8) improved information and reporting for audits. The grant funds shall be distributed on a pro rata basis to each of the counties participating in the development of the integrated financial system. The Minnesota Counties Computer Cooperative, acting as a fiscal agent for the participating counties, shall receive the grant money for the counties. The grants will only be distributed after $540,000 is expended or provided from other sources. The chief information officer may require a report or such other information as the chief information officer deems appropriate to verify that the requirements of this section have been met. This appropriation is available until June 30, 2011, and cancels on that date. The chief information officer shall report to the legislative committees and divisions with jurisdiction over state government policy and finance and economic development programs.

Overview/Summary

Integrated Financial System Platform Independent Rewrite Project (IFSpi)

Currently, 78 of the 87 Counties in the State of Minnesota use the Integrated Financial System (IFS) as their financial system (see attached map for specific counties). This system manages County payments, revenue collection and financial reporting. The IFS system is owned by County government and is supported through the cooperative effort of 4 statewide user groups. TriMin Systems Inc. is contracted to maintain and provide for programming support. Because development and support costs are spread over so many entities, it has afforded County government a cost effective solution specifically designed to meet their needs. Recently, member Counties have undertaken the initiative to rewrite the system to update technology and provide for greater operational efficiencies.

Project Timeline

The project began in April 2004 through the establishment of a charge of $250 per agency to provide "seed" money to examine possibilities. For the remainder of that year, TriMin Systems, Inc. explored application and technical enhancements along with the ability to reengineer the old application

incorporating platform independence. In September 2005 Minnesota Counties and the IFS support vendors met with IBM to gain their endorsement and technical validation. The next month the Joint IFS Committee (JIC) approved a pilot rewrite project reengineering just the budgeting module. After experiencing success with this small rewrite project, cost estimates and project plans were compiled to rewrite and the whole financial system. In 2006, member counties approved the financing plan and project with consequential JIC Committee approval of programming terms with TriMin Systems, Inc. In early 2007, legislation was obtained granting additional funding to the project for enhancements. Later that year a sales tax exemption was granted. In October through December 2008, the system will be piloted by five Counties with roll out to the remainder of Counties in 2009.

Benefits

This system assists with the reorganization of County functions for greater efficiency and effectiveness.

The new system enables Counties to set up their operations in a manner that is best suited to the skills of individuals in the organization. This browser based application enables users to customize the various applications given proper security levels. This enables users in the future to work from home or any other authorized location.

This system improves administration of the existing program.

The new IFSpi (written in JAVA) is derived from reengineering the old IFS program (written in RPG). The core functionality and required data were duplicated allowing users a very small learning curve when converting and using the new system. The new system also is platform independent which allows Counties to run it on either IBM's I Series or in a network server environment. Because the system is browser based, many of the Windows features and functionalities have been incorporated into the system.

The new program also includes page sensitive help text, frequently asked questions and webinar video topics to enable users to quickly learn its functionality and resolve issues.

This system also provides for a variety of tools to track County expenditures and revenues according to budget, necessary in these financial challenging times.

This system fosters successful cooperative efforts with other Minnesota counties and state organizations.

78 of the 87 Minnesota Counties collectively own and operate this system. Enhancements and support are governed by the JIC. This Committee is made up of 3 Computer Management for Human Services (CMHS) users, 3 Minnesota Counties Computer Cooperative (MCCC) users, 1 Computer Professionals Unlimited Inc. user, and 1 Minnesota Counties Information Systems (MCIS) user. Participation is derived from volunteers within these four user groups (see attached list). Periodically, members Counties provide enhancement suggestions that are discussed by this Committee and either put in the que for future development, studied further, or denied. A majority of enhancement requests have been granted by the committee and incorporated into the product. Because this system is used uniformly across the state, it has provided an opportunity for joint training, support from other County staff users, as well as vendor support. With the new Crystal report writer, reports developed by one County will be able to be used by another.

The project team has communicated with the Minnesota Department of Finance and are working on the process to have County payments automatically entered to the IFS system. This will enable less rekeying of data and an easier means for the auditors to verify state payments to the County.

This system will provide better communications and or participation between the County and the public.

Through the use of electronic payments, this system will allow County vendors, including employees, to be paid through direct deposit or ACH payment. This will eliminate the need to print, handle and reconcile checks and will provide faster payment of claims. This system will also reduce lost checks.

County's are required to publish annual financial statements. This system will simplify and enhance this process through new graphical tools in Crystal Reports. Downloading is also simplified with just several clicks of the button to bring data or reports into pdf or Excel documents.

This system will provide significant improvements in the working relationship between County Board and other elected and appointed County officials.

This system allows for departments and Board members to better manage finances quickly and easily. Through "Score Carding", this system will enable departments to bring up, in a browser based window, budget and actual financial information with chart graphics up to the previous day's date. By clicking on an amount, a user can drill down to greater detail and eventually the transactions that make up the amount. In the future, it is planned to go to the source document (i.e. receipt, invoice or journal entry). The system will also use Crystal Reports in which reports can be created and shared with multiple counties. These new reports developed also allow for more graphical presentations of the data. A more up to date, clearer understanding of financial responsibilities fosters improved communication between County Boards and the departments responsible for administering budgets.

Outcomes

This system was developed and implemented with innovative new functionality in mind. Below are the desired outcomes as listed in the appropriations bill and how our application addresses those needs.

Improved the tracking and reporting of state and federal grants

We added a separate grant tracking module that enables input of grant information and the ability to track grant revenues and expenditures.

Electronic payments to vendors

We added a payment option that creates a separate ACH file that can be transferred to the bank to make payments to vendors electronically.

Electronic posting of State payments

We met with the Department of Finance and have worked an interface that brings up the state payment information that will automatically be processed into receipt batches.

Automated revenue collection and posting

We purchased and modified a cash receipts application that interfaces with our product.

We added many improvements to budgetary system including the ability to attach documents and easy upload and download of budget information.

Storing or linking documents
We've added these features in the budgetary module to provide a one stop shop for budgetary information.

Improved executive level reporting and extraction of data

We have purchased a Crystal Reports developers license for each county and have developed 6 new reports to accompany the existing 60+ reports.

Improved information and reporting for the audit

We have improved the upload and download capabilities along with improved reporting capabilities,

Platform independence

The new system runs in either an IBM I-series or server based environment providing maximum flexibility.

Costs of the System

We have currently spent $1,261,482 as of November 5, 2008 and will be spending approximately 360,862 more to complete phase 1 before the product goes live in 2009. Additional enhancements will be added over time given the necessary resources.

Participating Counties have currently committed and funded $1,666,482 to rewrite the base system. Grant proceeds of $180,000 have added the above enhancements to the system. Other enhancement dollars added by counties include $357,589.

After requested by County Government, the Department of Revenue has granted a sales tax exemption for the project saving over $100,000.

Summary

If you wish to see screen shots, documentation or even a demonstration of the product, TriMin Systems would be happy to arrange a showing. They have conducted many demonstrations and training sessions with County Government over the past year on the product.

In summary, this solution provides a state of the art, cost effective, efficient system to account for County government finances. The collaborative effort has been state wide with many participants and has State support. The system provides for new functionality that rivals many corporate systems costing millions for single entities. If you have any questions, please give me a call.

Thank you,

Sincerely,

Fran Windschitl, CPA
Rice County Auditor/Treasurer