ESV Computer Council Report to the Legislature

MICRO-FIN PILOT TEST FINDINGS

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ESV COMPUTER COUNCIL MICRO-FIN PILOT TEST FINDINGS

The ESV Computer Council was required by the 1984 Legislature to review the Department evaluation of a test of microcomputer finance systems and present findings to the Legislature on January 15, 1985. This position paper is submitted to the Legislature in response to that mandate.

MICRO-FIN Pilot Test History

Pilot test districts were selected by the Department during 1983 after issuing a general invitation to all districts for their participation in the test of a MECC developed, APPLE-based accounting system. Eighteen districts responded with an initial expression of interest and were judged on the basis of the following characteristics:

- o District processing and storage needs could be met within the limitations of the microcomputer hardware and software. Districts with a large number of accounts, vendors or transactions (usually districts with 1,000 or more pupils) were eliminated while those with a small enrollment and/or a simple account structure were considered as test candidates.

- o In order to identify the relationship between expertise with microcomputers and the likelihood of success in operating a stand alone microcomputer finance system, districts were chosen to reflect varying degrees of expertise. Similarly, differing administrative personnel structures of districts were desired so that analysis could be made regarding the likelihood of successful stand alone computing in various organization structures. Finally, differing ESV regional membership was considered a criteria so that as many regions as possible could gain experience with the system and so that data regarding the impact, if any, of differences in regional operations on the success of the test could be gathered.

- o Districts had access to a 48K Apple microcomputer with at least two disk drives and a printer.

Seven districts were chosen to participate in the test. Five of these districts; Plainview, Randolph, Brooten, Mazeppa and Nicollet, were designated to test the MECC developed floppy disk system, while Ortonville and Holdingford, the other pilot districts, were designated to test the MECC developed hard disk system. The data of three test districts, Plainview, Randolph and Ortonville, would be transmitted directly to the Department on a diskette while the data of the other test districts would be submitted to the region of affiliation.

The pilot test was scheduled to commence in July with data conversion and subsequent live operation of one district followed by periodic conversion thereafter of the other districts. It was anticipated that the pilot districts would operate on a parallel basis (using both the regional and the microcomputer systems) for a while and would begin stand alone operation only after a period of successful parallel operation. However, the pilot test did not begin on schedule. Due to various delays in the development process and programming "bugs", the first district was not able to even begin a parallel operation until December 1983. The conversion of other districts was consequently delayed until system problems could be resolved. As of the time of our February 15, 1984 report to the Legislature, only two of the seven pilot districts were fully operational pilot tests, another district was getting close to live operation and the remainder were waiting to begin the preliminary phases of conversion.

As might be expected, serious evaluation problems were caused by the delayed pilot test schedule. However, even with the limited experience with pilot testing at the time of our 1984 report to the Legislature, we were able to make the following findings:

- o The system was appropriately designed and well documented.
- o A significant degree of district expertise in finance accounting/data processing OR a high level of support from an organization with that expertise was required for successful conversion and operation in the existing pilot districts and any other districts converting from the mainframe system to the MICRO-FIN system in the future.
- o Provision of the necessary accounting and data processing support could not effectively be accomplished by adding responsibilities to the functional responsibilities of existing Department employees.
- o Concerns regarding data loss, operating error and/or diskette failure were valid.

Based on these findings, the Legislature determined that the pilot test should continue through 1984. It was also mandated that the ESV Computer Council select an additional microcomputer finance accounting and reporting system, one not developed at MECC, for pilot testing.

MECC System Status

Since our last report to the Legislature, the MECC developed, APPLE-based finance accounting and reporting system has been thoroughly tested. Of the seven pilot districts, five were able to sucessfully convert to full use of the system. The remaining two districts, Mazeppa and Nicollet, chose not to make a full conversion. At year end, state required data was received in the Department from each of the five pilot districts using the alternative system.

While the system did perform accounting functions in accordance with UFARS and was successfully used by the pilot districts, it soon became apparent that only districts having a very limited chart of accounts and few vendors would find the system effective. The APPLE II microcomputer, even with the addition of hard disk, is limited in its capacity as an administrative data processor. MECC has also noted the capacity limitations of the APPLE II as a business computer and subsequently determined that the focus of MECC finance system development efforts should shift to IBM PC-XT and IBM PC-AT based systems development. At this writing, MECC development of an IBM-based finance accounting and reporting system is nearing completion. We anticipate that the IBM-based system will meet state UFARS reporting requirements while significantly increasing the processing capablilities of users. Consequently, we have recommended that the existing pilot test of the APPLE system terminate upon conversion of the pilot districts to another pilot test system. Current APPLE-based system test districts will be allowed to choose, however, to continue pilot testing the APPLE-based system in lieu of a mid-year conversion to another test system. Because a small number of other government users have acquired and used the APPLE-based system, MECC will continue to provide necessary software support for the system.

Private Vendor System Status

Within the last few months several private vendors have released microcomputer financial accounting and reporting systems that may meet the needs of Minnesota school districts. To determine which of those systems warranted further analysis and pilot testing, the ESV Computer Council recently issued a general Request for Information and a subsequent Request for Proposals (see Appendix A). Five private vendors responded to the request with proposals.

A subcommittee composed of department, regional and ESV Computer Council representatives was established to review the vendor proposals received. Based on that subcomittee's detailed review, it was determined that three of the proposed systems appeared to meet UFARS requirements and warranted further consideration. Of those three proposals, two met management criteria for stable, well staffed and adequately capitalized supporting organizations. Additional analysis and subsequent demonstrations resulted in a decision by the ESV Computer Council to include both of those vendors systems, National Computer Systems (IBM PC-XT based system) and Burroughs (B-20 based system), in the pilot test.

Findings

Based on our test of the MECC developed APPLE-based finance system and our experience to date with private vendor systems and the MECC IBM-based system, we make the following findings:

- o Districts can effectively meet finance management information needs through use of microcomputer financial accounting systems.

- o State needs for accurate, uniform and timely education finance data can be met through district use of microcomputer-based finance data accounting and reporting software.

- o The MECC developed, APPLE-based finance accounting and reporting system does work from a district management perspective and does provide the reporting capability required by the state. However, the system is one that we believe has limited usefulness due to the capacity limitations associated with any system developed for use on an APPLE II microcomputer. Only districts with a very limited chart of accounts and very simple management information needs will be satisfied on a long term basis with this system.

- o Districts using alternative microcomputer systems require a significant level of support and training for successful conversion to and operation of the system. Without a high level of support, state receipt of accurate, uniform and timely education finance data is at risk.

- o The degree to which districts can succussfully operate stand-alone microcomputer finance accounting and reporting systems is a factor of district staff accounting expertise, district staff computer expertise, quality of the software and its documentation and the outside support available to the district.

- o Until completion of the MECC-IBM based system pilot test and the pilot test of vendor developed microcomputer finance software, the state cannot effectively select one or more alternative systems for general district use.

Recommendations

The ESV Computer Council has reviewed the successes and the problems associated with district use of microcomputer finance systems. Based on that review, the ESV Computer Council makes the following recommendations to the 1985 Legislature:

1. By July 1, 1985, the State Board, with the advice and assistance of the ESV Computer Council, should designate at least one approved microcomputer finance accounting and reporting system which may be used by school districts as an alternative to the mandated ESV-FIN system. The system designated should be that which appears to be the most cost effective after completion of the MECC and private vendor system pilot tests during the remainder of this fiscal year.

2. Districts should continue to have the option to petition for state approval to use a finance accounting and reporting system other than the state approved general microcomputer alternative or the state ESV-FIN system.

3. To help ensure that the state continues to receive uniform, accurate and timely education finance data, districts using approved microcomputer finance software should continue to be affiliated with and receive support services from an ESV region.

If endorsed, these recommendations will provide districts with more flexibility in determining their own solutions to management information problems while continuing to provide a degree of protection to the state interest in receipt of accurate, uniform and timely data.

So that the three microcomputer systems included in the pilot test (MECC, NCS and Burroughs) can be effectively evaluated for purposes of designation of a state supported alternative system at the end of the pilot test, a set of pilot test procedures for use in testing each of the systems has been developed. Those conduct rules are as follows:

A. Organization Roles: Organizations participating in the pilot test shall have the following individual roles:

1. Department of Education: The department shall be responsible for the overall governance and supervision of the pilot test. It shall also be the responsibility of the department to provide general direction to the ESV regions participating in the pilot test and to communicate general information to the vendors providing pilot test systems. At a minimum, communication requirements will include monthly meetings with the pilot test ESV regions and

system vendors.

2. ESV Regions: The ESV regions shall be responsible for designating an appropriate control district and for providing support and communication services to districts pilot testing the software. The ESV regions shall work with the software vendors in establishing specific pilot test schedules for district training, conversion and operation. The regions will also provide a communication link between the pilot test districts and the vendors for purposes of problem resolution, and will be the primary pilot test information source for the pilot districts. At the minimum, the ESV region will hold monthly meetings for representatives of the pilot districts, vendors and the state. ESV regions participating in the pilot test will maintain accurate records of the pilot test for purposes of evaluating the pilot test at its conclusion.

3. School Districts: Pilot test districts shall be responsible for the operation of the pilot test software and shall maintain accurate records of the pilot test for use in evaluating the pilot test at its conclusion.

4. Software Vendors: Software vendors shall be responsible for providing the software to pilot districts and the region. Under the direction of the region, vendors shall also be responsible for training pilot districts and resolving hardware and software problems. Vendors shall maintain and provide to the state the records needed for evaluation of the pilot test.

5. ESV Computer Council: The ESV Computer Council shall be responsible for presenting findings regarding the pilot test to the Legislature.

B. Timelines: Live operation of the pilot test systems will begin on March 1, 1985. Live operation will be preceded by district-regional training and district data conversion. The pilot test shall include mock year-end data processing and will terminate on June 30, 1984.

C. Software Modifications: Except for critical bugs and modifications needed for state data reporting, the pilot test systems shall be frozen after February 1, 1985, and districts will test the latest software version released as of that date. Pilot regions and districts will, however, record and communicate desirable enhancements identified during the course of the test.

D. Parallel Operation: Pilot test districts will continue using the finance accounting and reporting system currently used in the district in parallel with the pilot test system until termination of a period for

which the department certifies that the general ledger account summary, revenue totals and expenditure totals generated by both systems are the same and the data transfer capability is operating successfully.

E. Record Keeping: The following records will be maintained and provided to the ESV Computer Council for use in development of the pilot test findings:

1. Pilot Test School Districts: Each district staff person having operational or supervisory responsibility for the conduct of the pilot test will maintain a time log of each interaction with the pilot test system on the weekly district job ticket attached to this document as appendix A. Copies of each job ticket will be provided on a weekly basis to the ESV region participating in the pilot test. In addition to time records, pilot test districts will also maintain a log of desirable system modifications and enhancements and a record of system problems and their resolution. Problem reports and enhancement requests (Appendices B and C) will also be provided to the ESV region on a weekly basis.

2. Control Districts: Each district staff person having operational or supervisory responsibility for the operation of the district finance accounting and reporting system will maintain a record of each interaction with the system for one accounting period and for a mock year end processing cycle.

3. School Districts: Pilot test districts shall be responsible for the operation of the pilot test software and shall maintain accurate records of the pilot test for use in evaluating the pilot test at its conclusion.

4. Department of Education: Each department employee performing supervisory, coordinating, communication or other service functions related to the operation of the pilot test shall maintain a log of the time attributed to those activities and the specific nature of the activity.

5. Software Vendors: Software vendors shall provide life cycle cost and other data needed by the state for purposes of evaluating the desirability of the software for general use by districts.

F. Data Upload: The Department of Education shall provide to system vendors a description of the file layout and data transfer method required for purposes of entering pilot district detailed finance data in the ESV region database. Pilot test system vendors shall, by March 1, 1985, develop such programs as are necessary to allow for the transfer of detailed financial data from the pilot test districts to the ESV regions.

Legislation

Implementation of the recommendations we make in this report will require only minor legislation changes. Specific legislative changes needed are as follows:

- M.S. 121.936, Subd. 1 (b) (2): The district shall use the ESV-IS finance subsystem through the center or an alternative system approved by the State Board for use by districts at their discretion to process every detailed financial transaction of the district.

- M.S. 121.936, Subd. 2: After July 1, 1980 a district may be exempted from the requirement in subdivision 1, clause (b) (2), if it receives the approval of the state board to use ~~an alternative~~ another financial management information system. A district permitted before July 1, 1980, to submit its financial transactions in summary form to a regional management information center pursuant to subdivision 1 may continue to submit transactions in the approved form without obtaining the approval of the state board pursuant to this subdivision. A district may be exempted from the requirement in subdivision 1a, clause (b) if it receives the approval of the state board to use an alternative fixed assets property management information system. Any district desiring to use ~~an alternative~~ another management information system shall submit a detailed proposal . . .

- M.S. 121.931, Subd. 7 (c): The use by a district of ~~an alternative~~ a finance management information system ~~to~~ other than the ESV-IS subsystem through the regional management information center or a state approved alternative system pursuant to section 121.936, subdivisions 2 to 4.

APPENDIX

MICROCOMPUTER FINANCE SYSTEM REQUEST FOR PROPOSAL

Section I. General Discussion and Project Scope

The State Board of Education under the authority of Minn. Stat. 121.931 governs the statewide elementary secondary and vocational education management information system. The purpose of this system is:

A. To provide comparable and accurate educational information in a manner which is timely and economical.

B. Provide a computerized research capability for analysis of education information.

C. Provide schools with an educational information system capability which will meet school district management needs.

D. Provide the capability for the collection and processing of educational information in order to meet the management needs of the State of Minnesota.

This system is divided into two major components, the Elementary Secondary Vocational Information System (ESV-IS) and the State Department of Education Information System (SDE-IS). The ESV-IS is further developed into application subsystems, one of which is a financial accounting and reporting system (ESV-FIN).

ESV-FIN is a transaction processing system which meets the needs for school district accounting under the Uniform Financial Accounting and Reporting Standards (UFARS). All school districts are required to account for their funds under the UFARS requirements and operate ESV-FIN. The ESV-FIN system is being operated on large scale Burroughs computers (B6800/B6900/B7900) which are located at, and operated by, regional computer centers. There are 7 regional computer centers in the state. They are ESV Region I (Moorhead), ESV Region II (Duluth), ESV Region III (St. Cloud), ESV Region IV (Marshall), ESV Region V (Mankato), ESV Region VI (METRO II) St. Paul, and ESV Region VII (TIES) Roseville.

After processing the transactions of a school district, the regional computer center, under the direction of the district, aggregates the individual data into summary form and transmits that data in a tape format to the State Department of Education Information System (SDE-IS). The SDE-IS, in turn, prepares reports to the federal government, the state legislature, and other agencies, as well as the general public to meet their information needs or reporting requirements. In this way, the summary data for the state reports which were developed as a by-product of the ESV-IS transaction oriented system become the data base for the report oriented system of the SDE-IS.

The purpose of this project is to determine whether Minnesota school districts can, in a cost effective manner, comply with UFARS requirements and perform required financial accounting and reporting function on a stand alone microcomputer. The statute requiring this pilot test also mandated that MECC developed microcomputer finance system software be tested. The test of the MECC software began approximately one year ago and is now nearing completion. Although the pilot test project was mandated by the Minnesota legislature in 1984, vendors should note that additional legislation must be enacted before the system may be used by school districts on a

wide spread basis as an alternative to the required ESV-FIN system. Successful completion of the pilot test, though not a guarantee of law changes, will be a factor used by the legislature in considering whether to allow district alternative system use at the discretion of the district.

Minnesota law limits the number of pilot test districts to twelve districts selected by the Department. Currently, seven of those test districts are participating in the pilot test of the MECC developed software. Therefore, up to five district spaces are available for testing a non-MECC developed system. The department has given preliminary approval for four districts to participate in the test of the non-MECC system. Those district are listed in Appendix "A," but it should be noted that this list could change after further consideration by the department and the districts receiving preliminary approval. It should also be noted that the test may be limited to less than five districts and it is likely that at least one of the test districts will be a "large district" (enrollment exceeding 5,000 students).

At the conclusion of the pilot test a formal evaluation will be made by the department, pilot districts, and the ESV Computer Council. However, periodic progress reports and evaluations at checkpoints will be made and may be presented to the legislature throughout the term of the pilot test.

Section II. Objective

The general goal of this project is to determine whether school district financial accounting and reporting functions can be cost effectively performed using a microcomputer without loss of data accuracy, uniformity and reporting timeliness.

Section III. Project Tasks

The system vendor will support the pilot test by providing and maintaining the UFARS compatible district financial accounting and reporting microcomputer software to be tested. The vendor will also be responsible for assisting in the training and conversion of the pilot test districts. Services required will include, but are not limited to, the following areas:

1. Provision of software. The vendor shall provide the software and its user documentation to the department and up to five pilot school districts selected by the department.

2. Training. The vendor shall be responsible for training the department, designated ESV regional management information centers and the pilot districts on the use of the system.

3. District conversion. The vendor shall be responsible for assisting pilot districts in converting from the financial accounting and reporting system currently used to the pilot test system.

4. System maintenance and problem resolution. The vendor shall be responsible for maintaining the pilot test system for the duration of the pilot test. At the minimum, maintenance and problem resolution services shall include the following:

    4.1. Response within 24 hours to pilot district problems

4.2. Resolution of critical pilot district problems within 10 days and other problems within the time frame specified by the department

4.3. "Hot line access" and on-site consultation

4.4. System modifications as required by the state to meet UFARS and state reporting requirements

5. Information provision. The vendor shall be required to provide data about the pilot test and the system as needed by the department or the ESV Computer Council for use in periodic evaluations of the pilot test.

The department will govern the sequence and conduct of the pilot test. Unless the test is terminated earlier at the request of the department, the pilot district test processing will end with the testing of the year end procedures and data transfer after the end of the fiscal year.

Section IV. System Requirements and Desirables

The responder must demonstrate that the system meets the following minimum criteria:

1. Accounting Requirements. The system will not be considered unless the vendor can demonstrate its ability to meet the following accounting requirements:

1.1. The system must provide an accounting function based on generally accepted accounting principles with a double entry (debit/credit), cash and modified accrual accounting system and must meet the requirements established in Minnesota law by the Uniform Financial Accounting and Reporting Standards (UFARS) legislation and the reporting requirements of the Minnesota Department of Education (MDE).

1.2. The system must restrict the deletion of active accounts during the current fiscal year.

1.3. The system must allow users to sort and print registers, journals, budgets, general ledger reports (including balance sheets), vendor/customer labels and account code lists.

1.4. The system must establish an audit trail for all account types and all transaction types and must produce a detailed activity report for auditing at the end of each period.

1.5. The system must be capable of validating for proper UFARS coding for expenditure, revenue and general ledger account codes.

1.6. The system must contain last year actual, current year actual, adopted budget, revised budget and next year budget fields for expenditure and revenue accounts.

1.7. General ledger accounts must be at least seven digits. Revenue and expenditure accounts must be multidimensional and at least seventeen digits. The system must allow for a minimum of twenty funds.

1.8. User defined revenue and expenditure accounts must be tagged to specific general ledger summary accounts.

1.9. The system must allow the use of encumbrances.

2. Application Processing Requirements. The system will not be considered unless the vendor can demonstrate its ability to meet the following requirements:

2.1. The system must allow users to add, change and delete vendors, customers, general ledger accounts, expenditure accounts, revenue accounts and crosswalk dimensions.

2.2. The system must allow users to add, change and delete receipts, disbursements, and journal/audit/budget entries.

2.3. The system must allow users to print checks.

2.4. The system must allow period end and year end processing.

2.5. The system must allow users to set up unique dimensions and have the capability to crosswalk them to valid UFARS codes.

2.6. The system must allow users to configure the system (input district number, district type, region number and accounting year).

2.7. The system must allow the user to create batches.

2.8. The system must allow back up and recovery.

2.9. The system must have the capability to transmit detailed and summary UFARS data for state reporting through Burroughs readable tape or telecommunication with ESV regional management information centers.

2.10. All batches must be in the correct format for state reporting when audit entires, current year and next year budget changes occur during a period.

2.11. The system must include password and log on capabilities for security purposes.

2.12. The system must have a capability allowing processing befor the current period ("next month" or 13 period processing).

2.13. The system must sort and print the following reports:

- Cash receipts register
- Cash disbursements register
- Check register
- Cash receipts journal (classification ledger)
- Cash disbursements register (classification ledger)
- General journal (sundry journal)
- General ledger - asset, liability and fund balance accounts
- Activity audit - detail of cash receipts, disbursements and journal entries by account

- Financial statements

  a) Balance sheets
  b) Fund detail and comparison to budget

- Standard check form (period end and year end processing)
- Vendor/customer labels

3. Operational Requirements. The system will not be considered unless the vendor can demonstrate its ability to meet the following requirements:

3.1. The system must close files automatically.

3.2. The system must include file back up as a menu (or similar) option and must automatically restart files after system failure.

3.3. The system must be able to restart without reinitialization and data reentry at checkpoints (vendor defined) after system failure.

3.4. The system must accommodate password security at the file level.

3.5. The system must allow user inquiry at the record level.

3.6. A plan must be provided for the correcting and purging of out-of-balance files. (Note: If this function is to be performed by the user, the system must restrict this operation to those with the highest level security clearance.)

3.7. A plan must be provided for the printed dumping of a file or a batch of transactions.

3.8. The system must be menu driven (or have similar capability) and have a help option.

3.9. The system must accommodate batches of 100 transactions at the minimum and users must be able to assign unique numbers to batches.

3.10. The system must be completely and accurately documented.

Proposals containing the following desirable options will be given additional weight:

4. Desirable Options. The vendor's ability to demonstrate the presence of the following options, though not required, will result in a more favorable evaluation of the proposal:

4.1. The system requires or automates back up at certain checkpoints.

4.2. Password security is at the record level (better) or data element level (best).

4.3. The system minimizes required user responses through use of default values.

4.4. The system minimizes user keystroke requirements through use of a repeat function.

4.5. The system allows transmission of data to another device for use in other application processing (e.g. spreadsheet applications).

4.6. The system will sort and print a cumulative detailed activity record at year end for auditing.

4.7. The system uses the standard ESV-IS check form.

4.8. The system allows users to modify report formats and/or generate reports.

Section V. Required Responder Qualifications

The following qualifications of any responder are deemed as minimal in order to be considered as the successful system vendor:

1. The systems and training staff assigned to this project must have, at the minimum, twelve months of experience or equivalent training in the use of generally accepted accounting principles.

2. The systems development staff assigned to this project must have, at the minimum, twelve months of experience or equivalent training in the development of microcomputer based, education adminstrative software.

3. Project supervision staff must have at least two years of project supervision experience within the past five years in development of education administrative software.

4. Experience in developing or maintaining microcomputer software for education administration is required. Additional weight will be given when the experience is in education financial accounting and reporting systems.

Section VI. Contact Person

Prospective reponders who have question regarding this request for proposal may call or write Joanne Carlson, Room 849, Capitol Square Building, 550 Cedar Street, St. Paul, MN 55101, (612)297-3152.

Section VII. Submission of Proposals

All proposals must be received by Joanne Carlson, Room 849, Captiol Square Building, 550 Cedar Street, St. Paul, MN 55101, no later than 4:30 p.m., November 15, 1984.

Section VIII. Project Costs

Responders will be required to provide, at no cost to the state or pilot school districts, the pilot test software and the maintenance and training support identified by the state as required during the term of the pilot test. Provision of the hardware required to operate the system in pilot districts is not required but additional weight ill be given to proposals including reduced price (better) or no cost (best) hardware for pilot districts during the term of the pilot test.

Section X. Required Components of Vendor Response

.HE FOLLOWING WILL BE CONSIDERED MINIMUM CONTENT OF THE PROPOSAL:

1. Executive Summary

This section of the response should include a clear, non-technical summary of the following information:

1.1. **Hardware:** Include sufficient detail to permit overall understanding of the proposed hardware architecture.

1.2. **Software:** Include sufficient detail to permit overall understanding of the proposed system capabilities.

1.3. **Developer Information:** Provide information regarding the organization(s) responsible for the system development, maintenance, and pilot test implementation. Include statements regarding their particular area(s) of responsibility.

2. **System Requirements:** For each system requirement described in section IV, restate the requirement, affirm that the system meets the requirement and reference the applicable user documentation page number(s).

3. **System Desirable Options:** For each option described as desirable in section IV, identify whether the system incorporates that option and reference the appropriate user documentation page number.

4. **Other Software Information:** Include a sufficient description of the software to permit overall understanding of the operation and application of the system. At the minimum, the following specific information is required:

4.1. Systems flow. Provide a flow chart depicting the overall flow of the system.

4.2. Input/output specifications. Include copies of all reports with appropriate notations regarding their format, description and function within the system.

4.3. Documentation. A copy of the user documentation must be provided for inspection.

4.4. File layouts. Describe the file layouts of data items kept for:

a. General ledger
b. Expenditures
c. Revenues
d. Fixed assets

4.5. Data transfer. Provide a detailed description of the plan to transfer data. The plan(s) may include any or all of the following components:

a. Monthly transfers of open, unaudited data to ESV-FIN

through a regional computing consortium

b. Year end closing and post year end audit entries and budget adjustments to ESV-FIN through a regional computing consortium

c. Year end closing and post year end audit entries and budget adjustment to SDE-FIN through MDE

4.6. Year end procedures. Describe the procedure (or reference the appropriate documentation page number) to handle year end closing, entry of next year budget data and making audit entries.

4.7. UFARS validation. Describe the system procedure for UFARS coding validation.

4.8. UFARS crosswalking. Describe the system procedure for crosswalking between UFARS and district codes.

4.9. Audit trails. Describe the system audit trails.

4.10. Edit procedures. Describe the user procedures, if any, for data edits.

5. Hardware Description: Include sufficient detailed information to provide overall understanding of the hardware requirements for operation of the system. The minimum level of information requested includes the following:

5.1. Architecture. Describe the make, model and processing specifications for the minimum CPU and peripheral configuration required to successfully operate the system. Also describe how the system capabilities could be expanded through changes (enhancements) in that architecture.

5.2. Compatibility. Describe the hardware, if any, with which this CPU is compatible.

Also indicate whether all hardware is available from one source or whether use of more than one hardware vendor is required.

6. Volume Limitations: Include a listing of system or hardware volume limitations for both the minimal hardware configuration and a hardware architecture configured at the most expanded level. The minimum level of information required includes statements of the maximum number of records for each of the following:

- General ledger (includes fixed assets and long term liability accounts)
- Expenditure
- Revenue
- Crosswalking
- Vendors

- Transactions per period
- Transactions yearly

7. Data Security Considerations: Describe the system procedures and other plans for providing security. The type of information required includes descriptions of plans for addressing security concerns in the following areas:

- System recovery
- Back up plan and disk recovery
- Daily, monthly and year end data back up

8. Support and Maintenance Requirements: This section of the response should include specific detail regarding the plans to provide ongoing support and maintenance during a possible pilot test.

8.1. Training. Describe the procedure, limitations and requirements for training district staff in the use of the hardware and software so the pilot districts can successfully operate the alternative system in a stand alone mode while using ESV-FIN in a parallel mode for a period of one month. (Note: For a one month period, districts will perform financial accounting and reporting functions using both ESV-FIN and the pilot test system. At the end of one month, districts may be allowed to continue the testing in a standalone mode after MDE staff verification of the accuracy, comparability and reporting timeliness of the alternative micro system data.)

8.2. State Reporting Requirements. Describe the vendor plan for providing software modification during and after a possible pilot test of the system so that state needs for continued accurate, timely and uniform data will be met. (Note: Changes in state and federal law and MDE information needs sometimes make software changes necessary.)

8.3. Critical Maintenance. Describe the maintenance plan for providing ongoing software support during and after a possible pilot test. The information provided should include statements regarding response time, problem resolution time, access to the vendor and on-site consultation if applicable. Also describe the hardware maintenace plan, if any. Is hardware maintenance service available in remote locations?

8.4. District Requirements. Describe the district and/or regional center staff skills (computer operation and accounting) required for successful operation of the system.

9. Cost Analysis: This section of the response should provide a clear statement of the estimated district costs for future use of the system in the event of state approval for general use following successful completion of the pilot test.

10. Implementation: This section should include the vendor plan for district implementation and conversion to the system as a part of the pilot test. The plan information required includes timetables and statements regarding district and

vendor responsibilities in the following areas:

- Data conversion
- Hardware procurement and set up
- System installation
- Training

11. **Vendor References:** This section should include a description of the vendor experience and training related to development of systems and microcomputer financial accounting and reporting systems. The information required includes the following:

11.1. Systems development history. Describe the training and experience of the vendor in systems development, systems implementation and systems maintenance. How long has the vendor been in the software development business?

11.2. Accounting history. Describe the training and experience of the vendor in accounting principles, particularly modified accrual, multidimensional accounting systems.

11.3. System installation status. List the organizations, if any, successfully operating the proposed alternative pilot test system. Describe the length of that operation and provide a contact person listing for each. Attach a copy of the vendor's customer list for other software, if any.

11.4. Organization. Attach a copy of the organization chart depicting the staffing plan for this project and indicate where the staff will be located during the term of the test.

Section IX. Evaluation

All proposals received by the deadline will be evaluated by representatives of the ESV Computer Council, the department and an evaluation committee established for this purpose. If the committee decides an interview and/or demonstration is necessary, it will become part of the evaluation process. Although the proposals will be reviewed by a committee and others, the final decision to select a pilot test system is a decision of the ESV Computer Council only. Factors upon which the proposals will be judged include, but are not limited to, the following:

a. The ability of the system to meet the requirements set forth in Section IV of the RFP

b. The existence of system capabilities as described in the system desirable listing in Section IV of the RFP

c. The transaction and record volume limitations of the system and proposed hardware

d. The type, number and format of reports generated by the system

e. The degree to which the system is "user friendly" and the quality of the documentation

f. The comprehensiveness of system safeguards against accounting errors, operator

errors, data loss and unauthorized access

g. The systems development experience, accounting training and experience and other qualifications of the personnel responder will assign to the project

h. The systems development experience and financial integrity of the responding organization

i. Successful installations by the responder of the same software and/or other education administration software

Section X. Selection

Evaluation and selection will be completed by December 15, 1984. The responder selected will be notified immediately and a pilot test agreement based on this RFP will be developed. Implementation of the pilot test will begin January 1, 1985.

Neither the ESV Computer Council, the department or the state is responsible for any costs incurred by responders as a result of submitting a response to this RFP.

The ESV Computer Council reserves the right to reject all responses to this RFP.

ESV COMPUTER COUNCIL
849 CAPITOL SQUARE BUILDING
550 CEDAR
ST. PAUL, MN 55101

O F F I C E M E M O

DATE: November 9, 1984

Phone: (612) 297-3152

TO: Microcomputer Finance System Vendors

FROM: Joanne Carlson Joanne Carlson

RE: Request For Proposal Amendments

Following is a listing of changes we are making to the RFP. Also included in the listing are restatements of the responses made to questions received from vendors regarding the RFP. Where a change will require the provision of additional or significantly different information by the vendor, the change has been noted with double asterisks (**), and vendors have until November 20, 1984 to provide that additional information. While the last date for submission of RFP responses remains November 15, 1984, response amendments will be accepted until November 20, 1984.

RFP page 1: The MECC system currently being pilot tested is an APPLE-based, floppy disk system with a hard disk option. MECC is also developing an IBM-based microcomputer finance system. We anticipate that pilot testing of the APPLE-based MECC system will terminate in January after conversion of the APPLE test districts to the IBM-based system nearing completion at MECC. The test of the MECC IBM-based system will be conducted at approximately the same time (but with different districts) as the test of the non-MECC system we are in the process of selecting. Our report to the legislature regarding the outcome of the pilot tests will then include evaluation information about all of the pilot tests conducted. It should be noted by vendors that Minnesota law currently requires MECC to provide software to Minnesota districts at cost. Therefore, districts may have a fiscal incentive to use MECC software in the event MECC software is approved for statewide use.

RFP page 2: It has been decided to delay designation of the non-MECC pilot sites until selection of the non-MECC system(s) to be tested. The successful vendor(s) will therefore have an opportunity to work with us in choosing pilot sites.

RFP page 2, paragraph 4.1: Response within 24 hours means contacting the pilot district with a plan for correcting the problem.

RFP page 3, paragraph 4.2: Resolution of critical pilot district problems must be made within 48 hours, NOT 10 days as stated in the document. A 10

day time frame does, however, apply to problems that are not of a critical nature.**

RFP page 3, paragraph 1.5: The system must validate that the UFARS code used is a valid UFARS code.

RFP page 4, paragraph 1.8: User defined accounts must be tagged to the appropriate general ledger summary account(s). In some funds, revenues and expenditures must be included in a unique summary account.

RFP page 4, paragraph 1.9: Delete. Capability to use encumbrances will be considered highly desirable, but is not a requirement of the system.

RFP page 4, paragraph 2.1: Delete the word "customers."

RFP page 4, paragraph 2.9: The sentence should read as follows: "The system has the capability to transmit detailed and summary UFARS data for state reporting in machine readable form."

RFP page 4, paragraph 2.10: The sentence should read as follows: "All batches should be in the correct format for state reporting when transmitted." Note: The correct format will be provided to the successful vendor after selection.

RFP page 4, paragraph 2.12: The system must allow the processing of transactions befor e the current period.

RFP page 4, paragraph 2.13: The system must also sort and print the Governmental Accounting and Auditing Financial Reports (GAAFR) used by auditors at year end.**

RFP page 5: Add 2.14 as follows: The system must allow users to determine the sequence of the dimensions within the UFARS codes.**

RFP page 5, paragraph 3.1: Closing files automatically means that data must transfer from core to disk without special commands from the user when the user has completed processing in a file.

RFP page 5, paragraph 3.8: The help option need not be automated, though that is desirable.

RFP page 6: Add 4.8 as follows: The system allows the use of encumbrances.

RFP page 6: Add 4.9 as follows: The system includes an automated help option.

RFP page 7, paragraph 4.4: Describe the file layouts for all files.**

RFP page 9, paragraph 9: The cost analysis should include figures for hardware, software and maintenance and, where available, purchase, lease and/or lease-purchase options should be described.**