2014 Special Session I

Budget Bill - HB5001 (Introduced)

Bill Order » Office of Finance » Item 260

Department of Accounts

Item 260 (Not set out)

First Year - FY2013 Second Year - FY2014

Information Systems Management and Direction (71100) **sum sufficient**

Fund Sources:

Authority: Title 2.2 Chapter 8, Code of Virginia

A1. Amounts for the Financial Oversight for Enterprise Applications represent an internal service fund derived from charges to agencies for the ongoing costs of the Commonwealth's enterprise applications including recovery of development and implementation costs initially funded through working capital advances. The estimated costs for the Performance Budgeting System is $3,961,775 the first year and $3,961,775 the second year. The estimated cost for the Cardinal system is $14,945,726 the first year and $17,620,483 the second year. The State Comptroller shall establish a fund entitled the Enterprise Applications Internal Service Fund. All users of the Commonwealth's enterprise applications shall be assessed a surcharge based on licenses, transactions, or other meaningful methodology as determined by the Secretary of Finance and the owner of the enterprise application, which shall be deposited in the fund. Additionally, the State Comptroller shall recover the cost of services provided for the administration of the fund through interagency transactions as determined by the State Comptroller.

2. By September 1 of each year, the State Comptroller shall submit revised projections of revenues and expenditures for the internal service fund and estimates of any anticipated changes to fee schedules to the Joint Legislative Audit and Review Commission. Upon approval by the Joint Legislative Audit and Review Commission, the changes can be considered for inclusion in the executive budget submitted to the General Assembly pursuant to § 2.2-1508, Code of Virginia. In emergency circumstances, deviations from this schedule may be approved by the Joint Legislative Audit and Review Commission to prevent interruption of enterprise applications services.

3. In the event that expenses of the enterprise applications become due before costs have been fully recovered in the department's internal service fund, a treasury loan shall be provided to the department to finance these costs. This treasury loan shall be repaid from the proceeds collected in the fund.

B.1. A working capital advance of up to $60,000,000 shall be provided to the Department of Accounts to pay the costs of the roll-out of the statewide financial management system known as Cardinal. Statewide roll-out costs include any costs necessary to ensure agencies are prepared for implementation of the new statewide financial management system and the planned decommissioning of the Commonwealth Accounting and Reporting System (CARS) scheduled to be completed prior to July 1, 2015, and shall include, but are not limited to, application configuration, agency training, and change management costs as well as efforts to increase transparency and make reports on expenditure data more useful for management and the general public. For purposes of this section, statewide roll-out costs exclude those costs incurred by line agencies to develop required interfaces from agency-based systems into the statewide financial management system. Such costs shall be borne by the agencies impacted.

2. Prior to accessing the working capital advance contained in Paragraph B.1. of this item for the statewide roll-out of Cardinal as the Commonwealth's enterprise financial system, the State Comptroller shall certify to the Auditor

of Public Accounts that (i) the standards for vendor accounting information required pursuant to Chapters 758 and 812 of the 2009 Acts of Assembly have been developed by the State Comptroller in partnership with the Department of General Services and the Virginia Information Technologies Agency, (ii) these standards have been incorporated into the design of the Commonwealth's enterprise financial system, and (iii) to the extent that the State Comptroller has allowed agencies and institutions to use other financial systems, that both Cardinal and those other agencies and institutions have internal control procedures that incorporate industry best practices for a standard vendor database to minimize improper payments to vendors including, but not limited to, utilization of a single vendor database, which allows for the exchange of information so that the Commonwealth can uniformly determine which vendors, goods and services, and other information is necessary to monitor the use of the Commonwealth's resources.

3. The Secretary of Finance and Secretary of Technology shall approve the drawdowns from this working capital advance prior to the expenditure of funds. The State Comptroller shall notify the Governor and the Chairmen of the House Appropriations and Senate Finance Committees of any approved drawdowns.

4. Repayment of the working capital advance and ongoing systems operation, maintenance and support costs for the statewide financial management system shall be funded through the Enterprise Applications Internal Service Fund established pursuant to this Item.