LSL

Webinar

Using Your ERP System to Help Relieve Staffing Challenges

Earn 1 CPE credit

TUE, DEC 13
1:00PM PST

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Your Presenter

Kelly Telford, CPA

Partner, Government Services

LSL

What We'll Cover Today

Maximizing your Current ERP Software

- Daily to-dos that can significantly reduce the pile of tasks at the end-of-month crunch.
- Taking advantage of paperless solutions now will solve lots of future headaches.
- Getting fixed assets and monthly reconciliations out of excel and into your ERP.

Getting a new software (when your current software just isn't cutting it anymore)

- How new software can do more, so your team can do less.
- Key questions & considerations to consider when going to market.
- Keeping your team in mind and how new solutions will help them.

Question 1

Which of the following describes your organization?

- Our ERP system is new and works beautifully.
- Our ERP system is new but isn’t working that well for us.
- Our ERP system is older but not terrible and works well.
- Our ERP system is older and could use a refresh.
- Our ERP system is a dinosaur and should be extinct.

Daily To-Dos

- Create a daily report in your ERP that compares AR is your UB Subledger and AR in your GL and shows that it reconciles (2 minutes).
- Create a daily report in your ERP that compares AR is your AR Subledger and AR in your GL and shows that it reconciles (2 minutes).
- Daily Cash review and posting of direct deposits and fees from prior day and clear checks in your system daily (30 minutes).
- Create an unapplied cash receipts account to post unknown payments to so you don’t find mispostings later (zero time).

Example UB
AR Reconciliation Report

GL Account Number	Account Description	Balance	Account Description	Balance	Variance
100-0000-10211	Accounts Receivable	510,601.19	100 - WATER SALES - CST	557,052.50	
			110 - IRRIGATION SALES	6,987.55	
			810 - NSF CHECK CHARGE	25.00	
			895 - PENALTIES	2,897.96	
			996 - UNAPPLIED CREDITS	-26,930.72	
			100-0000-10211 Account Total:	540,032.29	-29,431.10
112-0000-10211	Accounts Receivable	104,296.25	120 - SUPPLEMENTAL CHARGE	104,339.98	
			112-0000-10211 Account Total:	104,339.98	-43.73
200-0000-10211	Accounts Receivable	34,185.93	200 - ZONE CHARGE	31,954.83	
			210 - ZONE INSPECTION CHARGE	2,491.10	
			200-0000-10211 Account Total:	34,445.93	-260.00
	Receivable Account Totals:	649,083.37		678,818.20	-29,734.83

General Ledger Balance

Subsidiary Ledger Balance

Daily Cash Log

				EFT											
Batch	Date	Cash	Check	Recreation	Water	BWPP	TOT	UUT	Sales Tax	Prop Tax	Misc.	Alarm	Parking	Telecom	Intergov	Total
1	6/1/21	913.75	15,124.08	10,983.00								260.00				28,508.86
320	6/1/21					1,055.60										1,055.60
801	6/1/21				6,828.50											6,828.50
2	6/2/21		28,427.09	15,437.00												56,296.75
301	6/2/21					5,709.25										5,709.25
701	6/2/21		82,384.15													82,384.15
802	6/2/21				3,160.60											3,160.60
3	6/3/21	375.78	32,564.33	3,069.80												79,327.95
302	6/3/21					4,215.46										4,215.46

Have your cashiers enter the totals of each batch into a daily cash log for tracking.

Each morning, have your accountant summarize the estimated daily cash balance and look for EFTs for the prior day that need posted to the GL.

City of _____
Daily Cash Reconciliation
June 2, 2022

Beginning Bank Balance		$ 4,355,975.13
6/1/22 Batch Deposits	1	28,508.86
	320	1,055.60
	801	6,828.50
Ourstanding Checks		(1,511,252.00)
Estimated Ending Bank Balance		**$ 2,881,116.09**

6/1/22 EFTs (needs posted to GL)

Alarm Permits		260.00
Recreation CC		10,983.00
BWPP		1,055.60
Water		6,828.50

Anticipated EFT

Sales Tax	6/3/2022	1,558,552.00
Gas Tax	6/3/2022	43,550.00

Use Your Cashiering System for Revenue Reconciliations

- TOT revenue by payor
  - Create a report by pay code that details the payments by vendor.
- Property tax reconciliations
  - Create a report by vendor that details the payments by pay code (create a pay code for each line on the remittance advice).
- Gas Tax revenue reconciliation

Use the Journal Entry Features

- Most newer systems have additional JE features besides just entering it in the system.
  - Set up allocation JE templates for monthly entries like ISF allocations, interest allocation, etc.
  - Use the JE import process.
  - At year end, use the reverse JE process to reverse accrual entries as of 7/1 instead of re-entering them in reverse.

Use the Project Management Module

- Use the project management subsidiary ledger to its fullest.
  - Assign project numbers in the system that correlate to what Public Works uses so they are easily tracked.
  - Do monthly or quarterly transfers between funds using a standard process rather than only doing it at year end. (Also makes your midyear report and other B2A reports more reliable.)
  - Use the system reports to have PW reconcile the projects for you since they normally keep their own tracking worksheets (and maybe, they will learn to just start using the system reports instead).
  - Setting up custom reports to show CIP Project analysis LTD and remaining budget and KEEP IT CLEANED UP.
  - If your system doesn't have a separate grants management module, use th e project management module to track grant expenditures.

Other reconciliation options

- Create custom reports that allow you to run them directly from the system rather than creating excels manually.
  - HR reconciliations for benefits > custom report of withholdings by benefit type from the payroll module that HR can use to tie out to the benefit invoices.
  - Deposits payable – If your organization uses a deposit method instead of a charge for service method, consider doing a fee study to switch fee structures. Maintaining deposits is costly and when there are overruns, you have trouble collecting.

Question 2

- **Does your organization use a paperless solution for your Finance Departments document retention?**
  - Yes; 100% of our ERP related documents are paperless and accessible from the ERP.
  - Some; we upload documents for certain modules but not all.
  - Nope…..not at all. We LOVE paper!!!

Taking advantage of paperless solutions

- Access to supporting documentation at all times.
- Issues like Covid were easier when documents were scanned.
- Reduces costs because of not having to retain hard copies and store them (make sure your record retention policy is updated so the ERP is the record, not the paper copy).
- Allows you to implement workflow approvals for areas like AP and purchasing where departments can approve things on their phones, tablets and computers and all documents are in the system.

Taking advantage of paperless solutions

- Responding to PRA's is easier
  - Reduces time because you aren't having to pull boxes and search for the one record you are looking for.
  - Reduces costs since you don't have storage costs and back and forth having boxes delivered to find what you need.
- Reduces time providing other departments information when AP checks, cash receipts and POs are at their fingertips.
  - Empowers your departments to learn how to use the system so they become more self sufficient.
  - Departments also have an easier time pulling support for grant reimbursement requests and annual reporting to state and county agencies.
- Reduces information that you have to pull for audits. Give your auditors access to your system and let them loose.

Getting Capital Assets Out of Excel

- Capital Asset details are accurate and reliable because the system protects them from being changed accidentally.
- Maintaining capital assets isn't based upon someone explaining how the worksheet works. You can use the tutorials for your ERP to train new staff on how the system works.
- Depreciation is run with the click of a button and isn't impacted by human errors.
- Audit testing can usually be reduced because there is less chance of human error.

How new software can do more, so your team can do less

- Fully integrated payment portals mean less customers coming to the counter (can also install kiosks to further reduce the impact on staff).
- Approvals can happen in the system so your AP clerk doesn't have to check approval thresholds and signatures.
- Employees can update their withholdings, direct deposit and address changes directly in the system so your payroll team doesn't have to manually enter them.
- Bank reconciliations keep the details of deposits and AP checks that can be cleared as they clear the bank, reducing the time spent on monthly bank reconciliations.

Key questions and considerations when going to market for a new system

- Do a needs assessment that looks at your current system and processes and helps you define exactly what you need.
  - Identify your pain points in advance so your new system can solve them.
- Make sure you have an implementation consultant on YOUR side, not just theirs.
- Will you need to update your chart of accounts?
- Will you need to update your vendor lists, customer list, employee lists?

Keep your team in mind and how new solutions will help them

- Have your team be a part of the process and understand that not everyone is going to buy in to change.
- Help your team understand the benefits to them and the end goal.
- Involve your team at every step of the way so they know how the system works once its implemented.
- Have temporary help already queued up and ready to help keep your team current so they don’t fall behind.
  - Your team should be working on the implementation and your temporary help should work on the day-to-day in your old system.

Communicate with EVERYONE

- As a department head, make sure the other departments are aware of the issues with your current system and why you are looking to change.
- Talk to the staff in other departments and ask how they use your system and the problems they would like to solve with a new one.
- Education your City Council/Board of Directors about the challenges with your current system and why you feel the need to update to a newer one.

SLOW DOWN!!!!

Its easy to pull the trigger but impossible to go back!

Question 3

- **Based on Question 1 and the ideas you've heard throughout this presentation, do you think there is more you can do with your ERP system?**
  - Yes, we do some of these but there is room for improvement.
  - Yes, we just need to start over.
  - Not really. We are utilizing our system to its fullest.

Q & A

Don’t miss Kelly at CSMFO 2023!

Finding New Ways to do the Same Work with Fewer People

Thursday, February 2nd, 2023 | 3:15 - 4:30 PM PST

LSL Partner, Kelly Telford, CPA and Garden Grove Finance Director, Patricia Song

You can’t get people in fast enough to get the work done, so what can you do? It’s time to stop putting a Band-aid over things! LSL Partner, Kelly Telford, CPA will be joined by Garden Grove Finance Director, Patricia Song to show you how to address project-based staffing issues and workflow bottlenecks.

Thank you from

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