

# Modernizing New York City's Financial Management

## CITY OF NEW YORK FINANCIAL INFORMATION SERVICES AGENCY

- 85+ agencies
- \$75B annual budget (\$65B operating, \$10B capital)
- 16,000+ Financial Management System Users

Industry:  
Government

*"I have never heard of anything this size being done in this short a period of time. But of all the things growing out of the fiscal crises, this will be the most important legacy we will all leave behind."*

- Steven Clifford, NYC IFMS project co-director, 1977

*"Strong, stable financial management is critical to the ongoing growth and vitality of the City of New York. With CGI's support, FISA has continued to use (CGI Advantage) to meet the City's complex and evolving budgeting, accounting, and reporting needs. CGI's built-for-government software coupled with their extensive public sector experience helped us deliver our latest major upgrade on time and on budget, with no service interruptions for our users."*

- Robert W. Townsend, FISA Executive Director, 2010

New York City, the nation's largest city, is also one of the most complex government organizations with a \$75 billion annual budget, over 85 agencies, and more than 300,000 employees. Four of its five boroughs rank in size among the 10 most populous U.S. cities and its budget rivals that of the fourth largest state budget. In the 1970s, the City faced a fiscal crisis: lack of transparency and budget controls led to overspending and uncollected revenue. Legislation requiring the City to submit to an independent audit further underscored the need for financial management reform. Out of this crisis emerged the first Enterprise Resource Planning (ERP) solution built specifically for government—one that would support 35 straight balanced budgets for the City (even in the most difficult of economies) and 30 consecutive years of receiving the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.

### The Challenge

To regain fiscal control, pass the audit, and protect the City's financial future, a centralized system was needed to control spending and track what was owed. In addition, a new organization was needed to operate and maintain the system independently, and with appropriate oversight responsibility.

### How CGI Helped

CGI responded to the City's needs with a new approach by creating a centralized financial system designed specifically to support the unique business of government. To centralize operations, CGI helped establish the Financial Information Services Agency (FISA). Unique for its time, this shared services organization is responsible for operating and maintaining all of the City's central budget, accounting, and payroll systems.

**Financial Management:** In just 18 months, CGI helped the City meet both state and federal deadlines with an Integrated Financial Management System (IFMS) that was said to provide the most sophisticated set of financial controls any government had ever attempted, and was the largest such undertaking of its time. The system, which served as the foundation for the CGI Advantage™ ERP solution, featured:

- High-volume processing
- Encumbrances to guarantee that every dollar spent was budgeted
- A revenue budget to ensure that amounts were actually earned and collected
- An "early warning" system to identify spending plan deviations

**Shared Services:** CGI helped establish FISA to serve as the central entity for operating and maintaining centralized financial systems for the City's departments. It is jointly governed by a board with a representative from the independently elected Mayor and Comptroller, and manages the data comprising the official "books" of the City of New York.

FISA is recognized throughout the City as one of the most successful IT organizations in implementing and maintaining complex environments. Their environment supports all financial transactions to budget, monitor, and account for over \$75 billion of financial activities each year. FISA also operates a highly robust payroll system that CGI helped design and develop, which supports all payroll calculations and payments for the City's 300,000 employees and an even larger number of retirees and their dependents.

**Continuous investment in built-for-government technology:** CGI has continued to invest in the CGI Advantage ERP solution, working closely with stakeholders and industry analysts to keep pace with regulatory, technological, and economic change. CGI Advantage User's Group Steering Committee, comprising only government clients, governs the future of CGI Advantage and thus all product investments are geared to the needs of government.

**Stakeholder management in a complex organization:** For the City of New York, ERP was about more than new software and technology; it was about discipline. To facilitate a shift in thinking, CGI engaged stakeholders from across the City to define priorities and secure consensus on the transition approach. This steering committee has monitored scope and evaluated results throughout the partnership.

**Migration to a new technology platform:** Over the years, CGI has provided a viable path for the City to leverage new technologies while retaining business logic via upgrades vs. extensive re-implementations. IFMS was upgraded to client/server technology in the late 1990's as part of Y2K. Starting in 2005, an effort began to upgrade the system to the current CGI Advantage web-based solution. Extensions to the standard product capabilities were developed to meet additional City needs:

- A Payee Information Portal for the Office of the Comptroller,
- The VENDEX responsibility system for the Mayor's Office of Contract Services,
- An Intra-Fund Agreement system for the Office of Management and Budget, and
- Real-time integration with the Department of Education's accounting system.

Through this partnership, the City's needs are met through year-over-year improvements, while many of their strategic enhancements are built into the baseline to reduce total cost of ownership. The City went live with the latest release of CGI Advantage in December 2009. CGI provides comprehensive support and maintenance as well as evolving functionality, regulatory updates, and technology changes to help the City continue to enhance services and keep pace with change.

**Customer commitment and regional presence:** Today, more than 500 CGI professionals live and work in the New York City area, with over half dedicated exclusively to supporting their government's agencies. And CGI's deep knowledge of the City, and understanding of the Mayor's strategic imperatives, continues to deliver effective IT business solutions.

**Bottom line:** In a time of crisis, CGI experts delivered the fiscal controls necessary to help the City move forward and protect their financial future.

## TRUST IN THE RESULTS

- Improved access to accurate, real-time information to drive decision making
- Improved visibility into financial management activity
- Improved control and compliance of city-wide budget
- Centralized business processes and control
- Reduced long-term cost of ownership
- Increased productivity through shared services: training, help desk, technical support
- Improved information access through the end-user desktop
- More direct control of the user system
- Quicker, lower risk implementation of technologies
- Eliminated manual processes