

FBMS Implementation Telecast Transcript

The Blackout Period & Contingency Plans

>> T. Garrett. Mike, there are areas of particular interest to employees such as time frames, the blackout period and how that's going to work, what employees can expect during the transition period.

So, let's ask you to address those in a little more detail at this time.

>> M. Ferguson: Well, first of all, I think a lot of people are wondering what is this thing called the blackout period and how come we have never heard of it before.

The blackout period is simply a period of time when we cannot enter any financial transactions into our financial system.

We actually have a blackout period every year as we close the books and open a new fiscal year.

The period normally lasts about two weeks, so it hasn't been too disruptive.

The difference this year is that we will also be making the conversion to a whole new financial system.

The conversion to FBMS requires a longer blackout because in addition to year-end closing, all of the existing BLM must be transferred into FBMS, and the new system brought online.

Well, when will the blackout end?

For the NOC, it will end November 10th.

For the rest of bureau, we hope it ends no later than December 1st.

Now, there's two issues that will determine how long this blackout period extends for the bureau outside of the NOC.

The first is how well FBMS will function when it goes live.

This is a very complex new system, so we should expect some initial glitches and bump as we convert.

The second is how many financial transactions we do during the blackout period.

Every transaction will have to be backed out of FFS and re-entered into FBMS.

So, the more we can limit the financial transactions during blackout, the sooner we'll be able to deploy FBMS bureau-wide.

Now, not everything is going to be affected by the blackout period.

Some systems will continue to be available during blackout.

The NOC will have access to limited versions of FFS and ideas.

This will allow the NOC to make some vendor payments during blackout.

The field will also have access to a limited version of ideas.

Charge card purchases as appropriate will continue.

CBS, FPPS, gov-trip and quicktime will all be available for use during the blackout period.

Payroll will not be affected.

Everybody will get paid on time.

Charge card payments will be processed.

However, we will have limited ability to make payments to vendors who do not accept charge cards.

We will also have limited ability to make travel payments and we have no ability to make payments for PCS moves during the blackout period.

Obviously, we cannot go six or seven weeks without paying vendors or travellers.

So, the first thing we did was get permission from the department to bring up FFS and ideas for a limited time in order to allow us to make at least some of the most critical payments.

However, this will not give us the ability to do business as usual.

First of all, every transaction as I mentioned before entered into FFS will have to be backed out of FFS and then re-entered into FBMS.

So, in effect, we'll be processing all transactions three times.

In addition to increasing the workload, this introduces more potential for errors, which can create some issues with our financial statements.

So, it's really important we limit travel and acquisitions during the blackout period to what are truly critical needs, if we can do that, the conversion will go much more smoothly.

If we attempt to do business as usual, we'll not be able to keep up and we'll have a lot of payment issues.

So, I would ask every bureau employee to do your part to defer as much acquisition and travel as possible until December or January.

The other thing we're doing to try to make this period go a little more smoothly is we're trying very hard to catch up and totally eliminate the backlog of vendor payments and travel payments before we enter the blackout period.

So, I just want to take a few minutes now to summarize the key points related to PCS moves, temporary duty travel and vendor payments.

The issue with PCS is that we have no ability to make any income tax related payments other than payroll in FFS during the blackout period.

The reason is that taxable income payments are treated so much differently in FBMS.

We simply cannot back them out and re-enter them into FBMS.

Given that constraint, we have developed three options that employees and managers can negotiate and choose from.

These three options are number one, we can postpone hiring, number two, we can make the job offer but delay the reporting date until January, or number three, we can go ahead and establish a first quarter reporting date, but we need to make sure that employees know what the constraints and delays in payment also mean to them.

If option 3 is chosen, the employee will be advanced 70% of the estimated non-centrally billed cost of the house hunting trip, 70% of the estimated mileage cost, and 70% of their estimated

non-centrally billed temporary quarters.

I emphasize non-centrally billed, because under option 3, employees will be allowed to use BLM for lodging and house hunting trips and temporary quarters.

That's a change.

We have not allowed the use of charge cards for PCS related lodging for quite some time.

But that will allow the bill to show up on the memo side of your charge card statement.

So, you won't be responsible for that part of the payment.

Remember, employees relocating under option 3 will still be responsible for paying the balance due on their charge cards.

However, 70% of the non-centrally billed expense has already been advanced to the employee, and when using the BLM charge card, lodging is centrally billed and will not be included in the balance due.

Specific guidance on processing advances will be issued in the near future.

Now, during the first quarter of fiscal year, 2009, relocating employees may put their houses on the market in accordance with current guidelines.

Unfortunately during the blackout period, it will not be possible to reimburse employees for real estate related expenses for perhaps as long as 9 days.

We cannot advance people funds to cover the real estate related expenses.

So, to lessen that impact, liberal extensions of temporary quarters and storage of household goods will be authorized and real estate expenses will eventually be reimbursed.

Now, temporary duty travel is a little bit easier.

We can pay it.

But the more we travel, the longer it will take to get people paid.

We need to do what is necessary to accomplish the mission, but anything we can defer until a second quarter will help.

Director Caswell has asked we limit travel during the blackout to only the travel which is truly mission essential.

Travel vouchers for mission essential travel will be processed and paid during the blackout period.

But payment may be slow because of our reduced capability.

Again, during the blackout period, employees will still be responsible for paying the balance due on their charge cards even if voucher payment is slow.

Remember, all vouchers processed during the blackout will have to be reprocessed and FBMS after go-live so, please honor the mission essential travel rule.

We'll also be important for the states to continue reviewing vouchers before submitting them in order to cut down on errors and speed up the processing time.

As far as vendor payments, as mentioned earlier, we're still working somewhat on the strategy.

We're contacting vendors to let them know what's going on and what they can expect and try to explore options for payment with them.

As Julia mentioned in response to the question from Idaho, the ELT met in July and talked about the importance of paying vendors.

Particularly in small towns, rural communities that we live and do business in.

We agreed that priorities for making payments, the highest priority is small businesses and fire contracts.

The second priority will be construction contracts related to our on-the-ground mission.

If we have to delay some payments, we're going to try real hard to focus the delays on large companies service contracts.

One point related to the blackout worth repeating is that there will be a catchup period once we go live on November 10th.

The sooner folks in Denver can catch up with the reentry of data in FBMS the sooner the rest of

the bureau can start using FBMS.

So, the more we all, including you, can reduce the workload in den, very the sooner we'll be able to be up and running.

>> T. Garrett: Thank you, Mike, for that preview of what looks to be a very busy time this fall.