GERARD ROBINSON
*Commissioner*

# FLORIDA DEPARTMENT OF EDUCATION
## OFFICE OF INSPECTOR GENERAL

**MEMORANDUM**

GREG WHITE
*Interim Inspector General/*
*Director of Auditing*

**Date:** April 25, 2012

**To:** Laura Harrison, Scholarship Program Director;
Norman Holley, Interim Comptroller

**From:** Greg White GW

**Re:** McKay Scholarship Payment Process Mapping Session
(OIG C-11/12-15)

*Florida Department of Education*
*Office of Inspector General*
*325 West Gaines St., Suite 1201*
*Tallahassee, Florida 32399-0400*

*Telephone:*
*850-245-0403*

*Fax:*
*850-245-9419*

**Overview**
The Office of Inspector General (OIG) coordinated a process improvement project which included the Office of the Comptroller and the Office of Independent Education & Parental Choice. Selected staff from both offices formed a team that participated in a mapping session of the McKay Scholarship payment process.

The objectives of the process improvement project were to:
- Map the process,
- Identify and review high level efficiency and internal control issues, and
- Revise/update the baseline map.

**Background**
On a high level, the McKay Scholarship payment process involves:
- Enrollment verification for students with a McKay Scholarship,
- Payment processing,
- Receipt of vendor verification,
- Receipt of payment, and
- Mailing of payment.

McKay Scholarship payments are made quarterly pursuant to section 1002.39, Florida Statutes, titled The John M. McKay Scholarships for Students with Disabilities Program. Supplemental payments are authorized by the Office of Independent Education & Parental Choice.

**Process Improvement – Mapping Session**
The team participated in a shortened process improvement event. As part of the event, the McKay Scholarship payment process was mapped on both a macro and micro-level. The macro-level map lists the six key steps of the process and identifies the process inputs/outputs, customers,

and requirements.

The micro-level map is more detailed and lists every step of the process. Each step is recorded on a post-it note, with the different colors and shapes signifying decision steps, waits, and transports/handoffs.

**Image 1**- McKay Scholarship payment process micro-level process map (see Attachment A for a Visio version and Attachment B for an Excel version)

After the map was completed, the team brainstormed to determine high level issues (HLI) that affect the process. HLI's may include non-value-added work, excessive handoffs, and excessive specialization. The team identified 18 HLIs, including:

- Duplication of work by checking the posting of vouchers by both the Comptroller Accountant and Administrative Assistant Supervisor,
- Unnecessary handoff between the Comptroller Accountant and Payment Specialist to check school addresses on the School Choice website, and
- Unnecessary, non-value tasks performed by the Comptroller Administrative Assistant role.

The team made recommendations to change the process, identified long term issues for review at a later time, or dropped the issue for each HLI. The team identified solutions to address three HLIs:

- Changed the process map to reflect the Administrative Assistant Supervisor having sole responsibility to check the posting of vouchers,
- Requested School Choice website access for the Comptroller Accountant to check school addresses, and
- Eliminated the Comptroller Administrative Assistant role from the process. Those duties were assigned to other staff members.

Two long term recommendations were considered and determined that testing was needed before implementing:

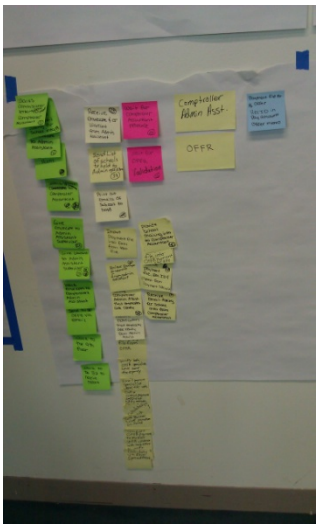
- The team suggested that the Department's Office of Funding & Financial Reporting (OFFR) performs duplicative work for the McKay Scholarship payment process and could be eliminated from the process. The team and senior management agreed to consider this recommendation if OFFR's replication does not result in any payment revisions for a period of at least a year.

- The team discussed the possibility of mailing payments using two day shipping rather than overnight shipping. A cost comparison for the February 2012 payment estimated a potential cost savings of approximately $2,000. Shipping method changes can cause complications because the shipping method has to be determined fairly early in the process. The team decided on a trial period to determine if the 2 day shipping deadline is feasible for quarterly payments. The team agreed to implement 2 day shipping for supplemental payments.

A complete list of HLIs and dispositions is included as Attachment C.

**Results**
The McKay Scholarship payment process was streamlined, eliminating approximately thirty process steps, including eliminating one role from the process, two wait times and eleven transports/handoffs. There is the potential to eliminate OFFR from the process in the future, should it be determined their role is not needed.

**Image 2**- McKay Scholarship payment process steps removed




Potential costs saving solutions were recommended by the team, including the shipping method changes mentioned above. Also, the team recommended publishing a 500-1000 page quarterly report electronically rather than printing it. This could save the Department in printing costs and would reduce storage costs.

The team members received a copy of the Visio micro-level map and an Excel version, which provided a step by step guide of the McKay Scholarship payment process which may be incorporated into a desk manual to assist in training new staff.

**Closing Comments**

The OIG would like to thank the team for sharing their time and expertise. We would like to extend a special thank you to our facilitators from the Department of Vocational Rehabilitation, Continuous Improvement Unit and the Florida Department of Environmental Protection, Division of Law Enforcement, Continuous Improvement Section. This project was a success due to the commitment of the team and facilitators.

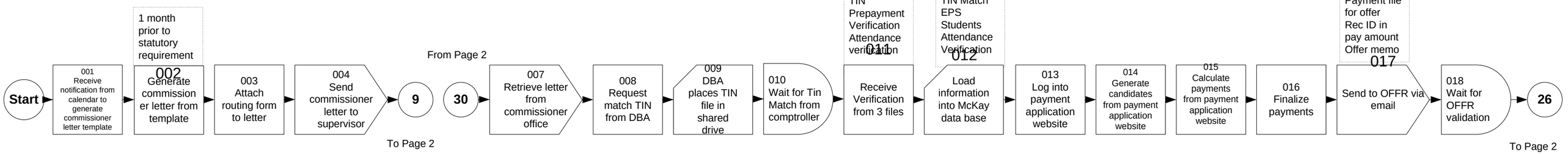
# McKay Payment Process

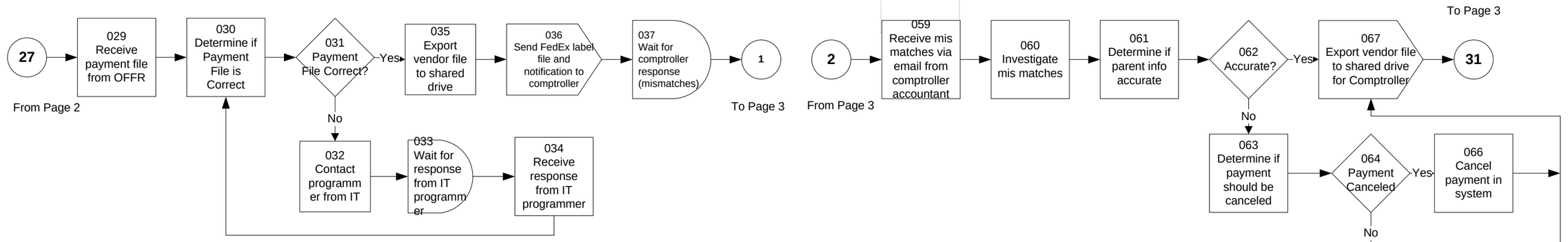


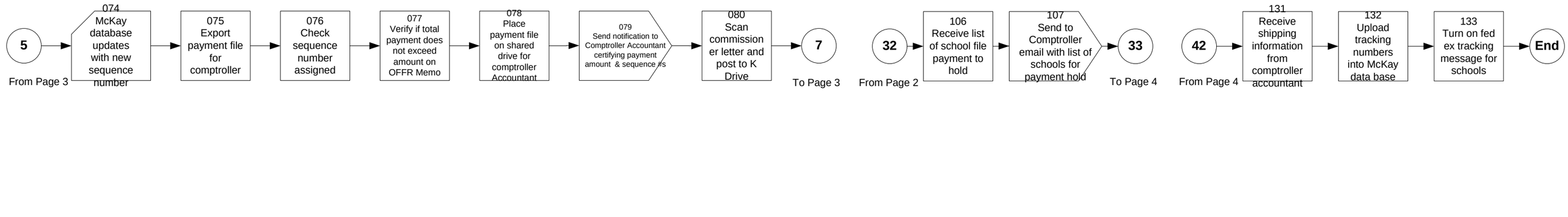
**Attachment A**

FINAL

## Payment Specialist



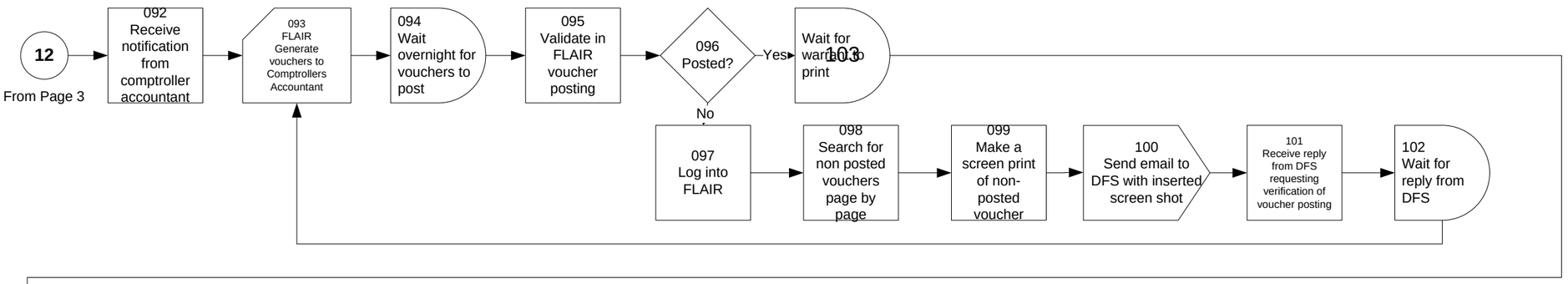



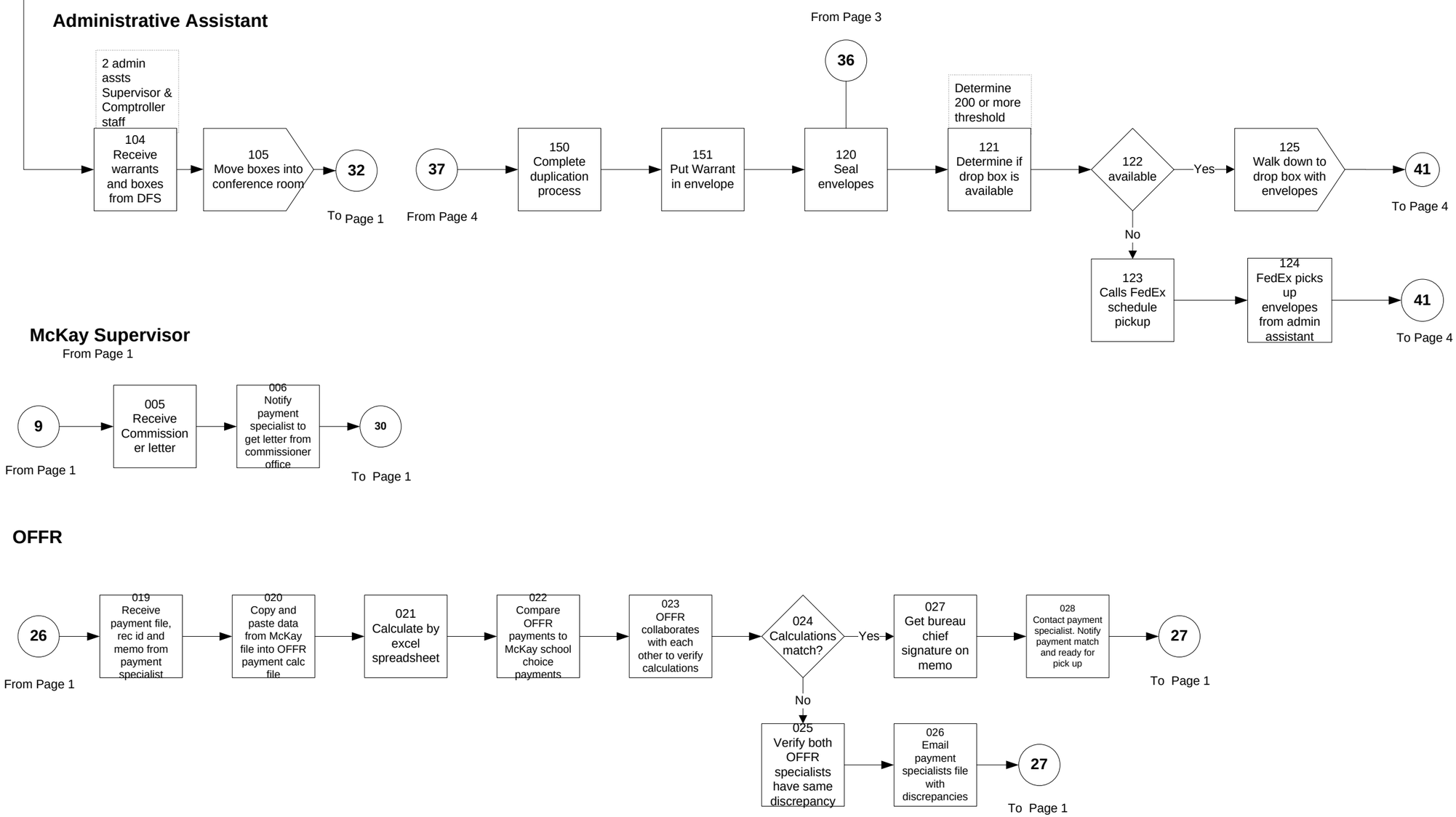
# McKay Payment Process



## Administrative Assistant Supervisor




## Administrative Assistant




## McKay Supervisor

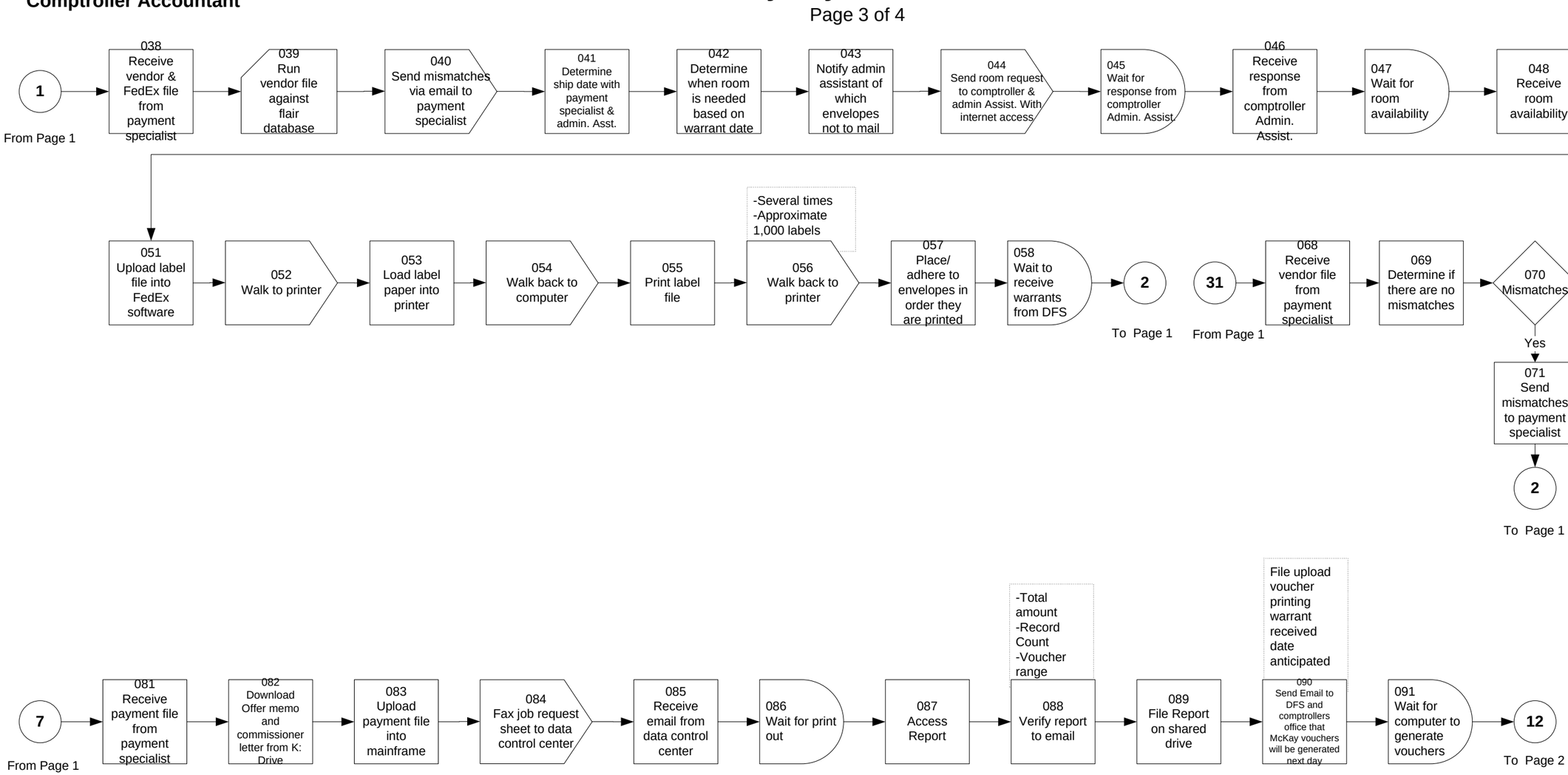



## OFFR

# McKay Payment Process

Page 3 of 4

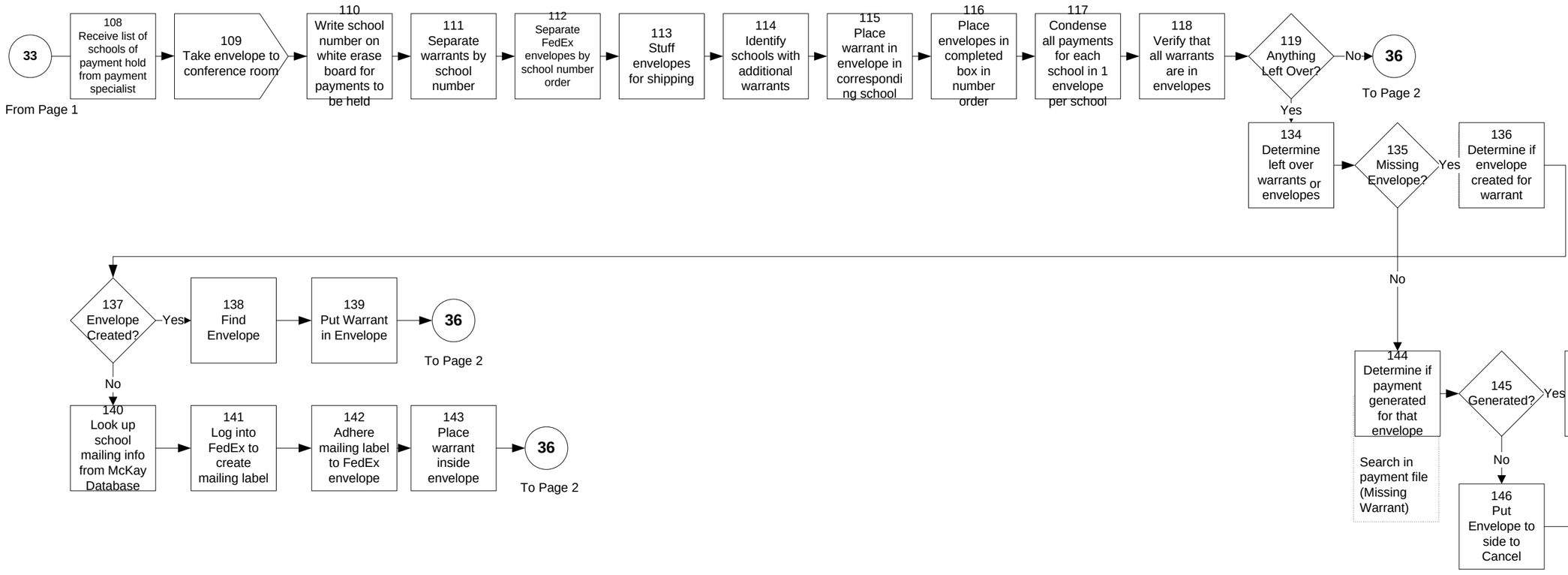
**Comptroller Accountant**

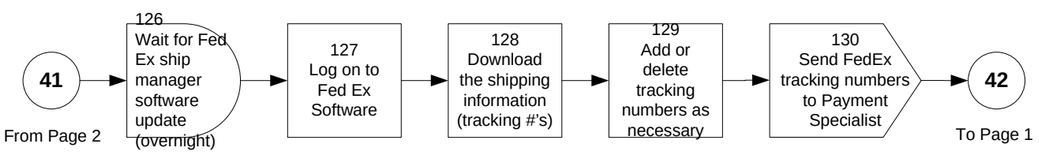


**Comptroller Accountant Cont'd**

# McKay Payment Process





**Attachment B**

| Steps | Player | Activity | Information |
|---|---|---|---|
| 1 | Payment Specialist | Receive notification from calendar to generate Commissioner letter template | |
| 2 | Payment Specialist | Generate Commissioner letter from template | 1 month prior to statutory requirement. |
| 3 | Payment Specialist | Attach routing form to letter | |
| 4 | Payment Specialist | Send Commissioner letter to McKay Supervisor | |
| 5 | McKay Supervisor | Receive Commissioner letter from Payment Specialist | |
| 6 | McKay Supervisor | Notify Payment Specialist to get letter from Commissioner's Office | |
| 7 | Payment Specialist | Retrieve letter from Commissioner's Office | |
| 8 | Payment Specialist | Request match TIN from DBA | |
| 9 | Payment Specialist | DBA places TIN file in shared drive | |
| 10 | Payment Specialist | Wait for TIN Match from Comptroller | |
| 11 | Payment Specialist | Receive verification from 3 files | Social Security Number/TIN, Prepayment Verification, Attendance Verification. |
| 12 | Payment Specialist | Load information into McKay database | Results of TIN Match, EPS Students Attendance Verification. |
| 13 | Payment Specialist | Log into payment application website | |
| 14 | Payment Specialist | Generate candidates from payment application website | |
| 15 | Payment Specialist | Calculate payments from payment application website | |
| 16 | Payment Specialist | Finalize payments | |
| 17 | Payment Specialist | Send to OFFR via email | Payment file for OFFR Rec ID in pay amount OFFR memo. |
| 18 | Payment Specialist | Wait for OFFR validation | |
| 19 | OFFR | Receive payment file Rec ID and memo from Payment Specialist | |
| 20 | OFFR | Copy and paste data from McKay file into OFFR payment calc file | |

| | | | |
|---|---|---|---|
| 21 | OFFR | Calculate by excel spreadsheet | |
| 22 | OFFR | Compare OFFR payments to McKay School Choice payments | |
| 23 | OFFR | OFFR collaborates with each other to verify calculations | |
| 24 | OFFR | If calculations match skip to step 27, otherwise continue with the process | |
| 25 | OFFR | If calculations do not match, verify both OFFR Specialist have same discrepancy | |
| 26 | OFFR | Email Payment Specialist file with discrepancies. Skip to step 29. | |
| 27 | OFFR | If calculations match, get Bureau Chief signature on memo | |
| 28 | OFFR | Contact Payment Specialist. Notify payment match and ready for pick up | |
| 29 | Payment Specialist | Receive payment file from OFFR | |
| 30 | Payment Specialist | Determine if the payment file is correct | |
| 31 | Payment Specialist | If payment file correct, skip to step 35. Otherwise continue with the process | |
| 32 | Payment Specialist | If payment file not correct, contact programmer from IT | |
| 33 | Payment Specialist | Wait for response from IT programmer | |
| 34 | Payment Specialist | Receive response from IT programmer and return to step 30. | |
| 35 | Payment Specialist | If the payment file is correct, export vendor file to shared drive. | |
| 36 | Payment Specialist | Send FedEx label file and notification to Comptroller | |
| 37 | Payment Specialist | Wait for Comptroller response (mismatches) | |
| 38 | Comptroller Accountant | Receive vendor & FedEx file from Payment Specialist | |
| 39 | Comptroller Accountant | Run vendor file against FLAIR database | |

| | | | |
|---|---|---|---|
| 40 | Comptroller Accountant | Send mismatches via email to Payment Specialist | |
| 41 | Comptroller Accountant | Determine ship date with Payment Specialist & Administrative Assistant | |
| 42 | Comptroller Accountant | Determine when room is needed based on warrant date | |
| 43 | Comptroller Accountant | Notify Administrative Assistant of which envelopes not to mail | |
| 44 | Comptroller Accountant | Send room request to Comptroller Administrative Assistant (with internet access) | |
| 45 | Comptroller Accountant | Wait for response from Comptroller Administrative Assistant | |
| 46 | Comptroller Accountant | Receive response from Comptroller Administrative Assistant | |
| 47 | Comptroller Accountant | Wait for room availability | |
| 48 | Comptroller Accountant | Receive room availability | |
| 49 | Comptroller Accountant | Insert ship date into label file | |
| 50 | Comptroller Accountant | Determine shipping method | Standard. Overnight. |
| 51 | Comptroller Accountant | Upload label file into FedEx software | |
| 52 | Comptroller Accountant | Walk to printer | |
| 53 | Comptroller Accountant | Load label paper into printer | |
| 54 | Comptroller Accountant | Walk back to computer | |
| 55 | Comptroller Accountant | Print label file | |

| | | | |
|---|---|---|---|
| 56 | Comptroller Accountant | Walk back to printer | Several times. Approximate 1,000 labels. |
| 57 | Comptroller Accountant | Place/adhere to envelopes in order they are printed | |
| 58 | Comptroller Accountant | Wait to receive warrants from DFS | |
| 59 | Payment Specialist | Receive mismatches via email from Comptroller Accountant | Same name, same SSN mismatch to FLAIR |
| 60 | Payment Specialist | Investigate mismatches | |
| 61 | Payment Specialist | Determine if parent info accurate | |
| 62 | Payment Specialist | If accurate skip to step 67. Otherwise, continue with the process | |
| 63 | Payment Specialist | If not accurate, determine if payment should be canceled | |
| 64 | Payment Specialist | If the payment should be canceled skip to step 66. Otherwise, continue with the process. | |
| 65 | Payment Specialist | If the payment should not be canceled, update parent information and skip to step 67. | |
| 66 | Payment Specialist | If payment should be canceled, cancel payment in system | |
| 67 | Payment Specialist | Export vendor file to shared drive for Comptroller | |
| 68 | Comptroller Accountant | Receive vendor file from Payment Specialist | |
| 69 | Comptroller Accountant | Determine if there are no mismatches | |
| 70 | Comptroller Accountant | If there are no mismatches skip to step 72. Otherwise, continue with the process. | |
| 71 | Comptroller Accountant | If there are mismatches, send mismatches to Payment Specialist and return to step 59. | |
| 72 | Comptroller Accountant | If there are no mismatches, software updates vendor files | |

| | | | |
|---|---|---|---|
| 73 | Comptroller Accountant | Wait for computer operation to happen | |
| 74 | Payment Specialist | McKay database updates with new sequence number | |
| 75 | Payment Specialist | Export payment file for Comptroller | |
| 76 | Payment Specialist | Check sequence number assigned | |
| 77 | Payment Specialist | Verify if total payment does not exceed amount on OFFR memo | |
| 78 | Payment Specialist | Place payment file on shared drive for Comptroller Accountant | |
| 79 | Payment Specialist | Send notification to Comptroller Accountant certifying payment amount & sequence numbers | |
| 80 | Payment Specialist | Scan Commissioner letter and post to K drive | |
| 81 | Comptroller Accountant | Receive payment file from Payment Specialist | |
| 82 | Comptroller Accountant | Download OFFR memo and Commissioner letter from K drive | |
| 83 | Comptroller Accountant | Upload payment file into mainframe | |
| 84 | Comptroller Accountant | Fax job request sheet to data control center | |
| 85 | Comptroller Accountant | Receive email from data control center | |
| 86 | Comptroller Accountant | Wait for print out | |
| 87 | Comptroller Accountant | Access report | |
| 88 | Comptroller Accountant | Verify report to email | Total amount. Record count. Voucher range. |
| 89 | Comptroller Accountant | File report on shared drive | |

| | | | |
|---|---|---|---|
| 90 | Comptroller Accountant | Send email to DFS and Comptroller's Office that McKay vouchers will be generated next day | File upload voucher printing warrant received date anticipated |
| 91 | Comptroller Accountant | Wait for computer to generate vouchers | |
| 92 | Administrative Assistant Supervisor | Receive notification from Comptroller Accountant | |
| 93 | Administrative Assistant Supervisor | FLAIR generate vouchers to Comptroller Accountant | |
| 94 | Administrative Assistant Supervisor | Wait overnight for vouchers to post | |
| 95 | Administrative Assistant Supervisor | Validate in FLAIR voucher posting | |
| 96 | Administrative Assistant Supervisor | If posted, skip to step 103. Otherwise continue with the process | |
| 97 | Administrative Assistant Supervisor | If not posted, log into FLAIR | |
| 98 | Administrative Assistant Supervisor | Search for non-posted vouchers page by page | |
| 99 | Administrative Assistant Supervisor | Make a screen print of non-posted voucher | |
| 100 | Administrative Assistant Supervisor | Send email to DFS with inserted screen shot | |
| 101 | Administrative Assistant Supervisor | Receive reply from DFS requesting verification of voucher posting | |
| 102 | Administrative Assistant Supervisor | Wait for reply from DFS and return to step 93. | |
| 103 | Administrative Assistant Supervisor | If posted, wait for warrant to print | |
| 104 | Administrative Assistant (2 admin assts, supervisor, & comptroller staff) | Receive warrants and boxed from DFS | |

| | | | |
|---|---|---|---|
| 105 | Administrative Assistant (2 admin assts, supervisor, & comptroller staff) | Move boxes into conference room | |
| 106 | Payment Specialist | Receive list of school file payment to hold | |
| 107 | Payment Specialist | Send to Comptroller email with list of schools for payment hold | |
| 108 | Comptroller Accountant | Receive list of schools of payment hold from Payment Specialist | |
| 109 | Comptroller Accountant | Take envelope to conference room | |
| 110 | Comptroller Accountant | Write school number on white erase board for payments to be held | |
| 111 | Comptroller Accountant | Separate warrants by school number | |
| 112 | Comptroller Accountant | Separate FedEx envelopes by school number order | |
| 113 | Comptroller Accountant | Stuff envelopes for shipping | |
| 114 | Comptroller Accountant | Identify schools with additional warrants | |
| 115 | Comptroller Accountant | Place warrant in envelope in corresponding school | |
| 116 | Comptroller Accountant | Place envelopes in completed box in number order | |
| 117 | Comptroller Accountant | Condense all payments for each school in 1 envelope per school | |
| 118 | Comptroller Accountant | Verify that all warrants are in envelopes | |
| 119 | Comptroller Accountant | If anything left over, skip to step 134. Otherwise continue with the process | |

| | | | |
|---|---|---|---|
| 120 | Administrative Assistant (2 admin assts, supervisor, & comptroller staff) | Seal envelopes | |
| 121 | Administrative Assistant (2 admin assts, supervisor, & comptroller staff) | Determine if drop box is available | Determine 200 or more threshold |
| 122 | Administrative Assistant (2 admin assts, supervisor, & comptroller staff) | If available, skip to step 125. Otherwise, continue with the process | |
| 123 | Administrative Assistant (2 admin assts, supervisor, & comptroller staff) | If drop box is not available, call FedEx schedule pick up | |
| 124 | Administrative Assistant (2 admin assts, supervisor, & comptroller staff) | FedEx picks up envelopes from Administrative Assistant. Skip to step 126. | |
| 125 | Administrative Assistant (2 admin assts, supervisor, & comptroller staff) | If drop box available, walk down to drop box with envelopes | |
| 126 | Comptroller Accountant | Wait for FedEx ship manager software update (overnight) | |
| 127 | Comptroller Accountant | Log on to FedEx software | |
| 128 | Comptroller Accountant | Download the shipping information (tracking numbers) | |
| 129 | Comptroller Accountant | Add or delete tracking numbers as necessary | |
| 130 | Comptroller Accountant | Send FedEx tracking numbers to Payment Specialist | |

| | | | |
|---|---|---|---|
| 131 | Payment Specialist | Receive shipping information from Comptroller Accountant | |
| 132 | Payment Specialist | Upload tracking numbers into McKay database | |
| 133 | Payment Specialist | Turn on FedEx tracking message for schools. **The process ends** | |
| 134 | Comptroller Accountant | (from step 119) If anything left over, determine if left over warrants or envelopes | |
| 135 | Comptroller Accountant | If not a missing envelope, skip to step 144. Otherwise, continue with the process | |
| 136 | Comptroller Accountant | If a missing envelope, determine if envelope created for warrant | |
| 137 | Comptroller Accountant | If envelope not created skip to step 140. Otherwise continue with the process | |
| 138 | Comptroller Accountant | If envelope created, find envelope | |
| 139 | Comptroller Accountant | Put warrant in envelope and go to step 120 | |
| 140 | Comptroller Accountant | If envelope not created, look up school mailing information from McKay database | |
| 141 | Comptroller Accountant | Log into FedEx to create mailing label | |
| 142 | Comptroller Accountant | Adhere mailing label to FedEx envelope | |
| 143 | Comptroller Accountant | Place warrant inside envelope and go to step 120 | |
| 144 | Comptroller Accountant | (from step 135) If not a missing envelope, determine if payment generated for that envelope | Search in payment file (missing warrant) |
| 145 | Comptroller Accountant | If payment generated, skip to step 147. Otherwise continue in the process | |
| 146 | Comptroller Accountant | Put envelope to side to cancel and go to step 120 | |

| | | | |
|---|---|---|---|
| 147 | Comptroller Accountant | If payment generated, search envelopes for warrant | |
| 148 | Comptroller Accountant | If warrant not found, skip to step 150. Otherwise, continue with the process | |
| 149 | Comptroller Accountant | If warrant found, put warrant in envelope and go to step 120 | |
| 150 | Administrative Assistant (2 admin assts, supervisor, & comptroller staff) | If warrant not found, complete duplication process | |
| 151 | Administrative Assistant (2 admin assts, supervisor, & comptroller staff) | Put warrant in envelope and go to step 120 | |

**Attachment C**

# High Level Issues

**Barrier Disposition Codes:**
Action Plan = A
Dropped = D
Long Term = L
Map Change = M

| No. | Issue | Disposition |
|---|---|---|
| 1 | HL- OFFR not needed in process adds no value / duplication of work | L |
| 2 | HL- Unnecessary handoff, transport, between Administrative Assistant and Comptroller Accountant of warrants | D |
| 3 | HL- Unnecessary non-value added by Comptroller Administrative Assistant | M |
| 4 | HL- Unnecessary movement between conference room and Comptroller office | M |
| 5 | HL- Duplication of work Payment Specialist and Comptroller Accountant checks sequence numbers | M |
| 6 | HL- Unnecessary handoffs between Administrative Assistant Supervisor and Comptroller Accountant for requesting print job | M |
| 7 | HL- No value added by printing full report and going to B2 to pick up report | A |
| 8 | HL- No value added by notifying missing warrant or envelope to Administrative Assistant Supervisor to notify Comptroller Accountant | M |
| 9 | HL- Unnecessary cost by sending warrant express overnight | L |
| 10 | HL- No value added by checking and getting form letter signed by Supervisor/Communications etc. | A |
| 11 | HL- Inaccuracies in automatic calculated files pulled Payment Specialist from payment application | L |
| 12 | HL- Unchecked handoff Comptroller Accountant downloads tracking numbers and sends to Payment Specialist | A |
| 13 | HL- Unnecessary movement and wait to use printer to print envelope labels by Comptroller Accountant | D |
| 14 | HL- Duplication of work by checking posting of vouchers by Comptroller Accountant and Administrative Assistant Supervisor | M |
| 15 | HL- Unnecessary handoff between Comptroller Accountant and Payment Specialist to check school addresses on school choice website | M |
| 16 | HL- Formatting of vendor mismatch files creates duplicate work for Payment Specialist | L |
| 17 | HL- Inability of payment system to generate 2+ warrants for a student during a pay period causes duplicate work throughout process | L |
| 18 | HL- Inability to program name field to prohibit EFT (Electronic Fund Transfer) | L |