

Preliminary Investigation Report

Bank of Xanadu – Bellevue Banking Center

Prepared by the Amazing Analysts

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Edmonds Community College
Computer Information Systems Department
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Introduction

The Amazing Analysts received an Information Systems Work Request on or about Friday, October 8, 2010 from Patrick Jay, Vice President and Accounting Manager at Bank of Xanadu's Bellevue Banking Center. The request was for the design and implementation of a software and database program that will allow Mr. Jay's accounting group to automatically track invoices and payments for services rendered by the banking center's IT contractors. The new system will supersede the banking center's current method of tracking their IT expenses via a Microsoft Excel spreadsheet.

This preliminary investigation report comprises the findings and recommendations of the Amazing Analysts. It represents a combined effort by team members Priya Niralay, Raphael Durias, Laurie Corniel and Jeremy Perry. The completion date of this report is Friday, October 22, 2010.

Systems Request Summary

The IS system Proposal submitted by Mr. Jay is an indirect result of the Bank of Xanadu's decision to contract out their IT services. When the Bellevue Banking Center had its in-house IT staff, these employees were considered full time members of the banking center and their wages were paid by the center's employee payroll system. In response to the bank's decision to contract out these services, the accounting department implemented an Excel spreadsheet as a temporary means of tracking the center's IT expenses.

Excel had its advantages as it was easy and cost effective to set up while a permanent solution would be implemented later. However, the spreadsheet was only meant to be a temporary solution as it has many disadvantages for expense tracking. The most notable disadvantage is the process is time consuming. Mr. Jay estimates that the

accounting department spends up to a half hour processing each IT invoice. With numerous invoices to process each month, the system consumes a lot of working hours that can be redirected elsewhere. Dave Spencer, who is Mr. Jay's principal assistant and oversees the day to day operations of tracking the IT expenses, further elaborated on the shortcomings of the Excel spreadsheet, an example being the spreadsheet lacking formatting standards and the high potential of the contract not being paid because of irregularities.

Mr. Jay has requested that the new system be automated as a way of reducing the labor time spent processing and tracking the IT expenses. Both Mr. Jay and Mr. Spencer have identified further features that they would like to see implemented into the system, which include but aren't limited to the need to calculate fields, keep track of contractors who would require a 1099 tax form, keeping track of programmers, balancing the contractor rates against the balance on the contract, etc.

While we must ensure the systems meets or exceeds the accounting group's requirements, Mr. Jay has afforded our group a considerable amount of leeway in designing and implementing this system. An example of which is giving us the ability to determine whether a commercial or custom software system will be suitable and if this system should be stored on individual computers of the banking center's server.

Background

Xanadu Bank, originally based out of Bellevue, WA, began operations in 1978 by three banking entrepreneurs. The bank was founded on the concepts of putting the customer first no matter what, a system of solid banking practices, and a company slogan of “No Boundaries”. Over the next 32 years, the bank grew from having a small presence in the Seattle metropolitan area to becoming a worldwide banking conglomerate. The bank’s current corporate headquarters is in Georgetown, Cayman Islands.

Because of the economic downturn, the bank’s senior management determined that the bank can save money by outsourcing all business functions that were non-essential to core bank operations. Among the functions outsourced was every banking center’s IT department. Each center previously employed approximately 15 to 20 full-time IT personnel. Because the IT personnel were direct employees, their wages were handled by the banking center’s payroll and accounting system.

After the realignment, each banking center’s accounting group was left to its own devices in regards to tracking and maintaining their IT contractual expenses as there was no bank-wide method of doing such. Bellevue Banking Center put together an Excel workbook as a temporary method of tracking these expenses. Realizing that a permanent solution was needed, senior management choose the Bellevue Banking Center to implement a pilot system that would automatically track the IT contractual expenses.

The system is to be designed based on the recommendations and requirements of the banking center’s accounting group. If the system proves to be successful and cost-effective, there is the potential for the system to be scaled out to other banking centers and possibly see bank-wide implementation.

Preliminary Investigation Findings

Problem Description

The Bank of Xanadu's Bellevue Banking Center needs a new system to help process and manage contractual payables for IT expenses. Unfortunately, the bank has no efficient system in place to handle these payments so the account department has been using Excel workbooks. This leads to all sorts of problems, ranging from data errors in the spreadsheets, to errors with invoice processing altogether, and simply to wasted time that can be better utilized by the accounting department.

Project Stakeholders

The main stakeholders in this project are:

1. **Dave Spencer:** He will be the one using the system the most, along with a couple other select users. Because of this, he will be one of the main sources of information while developing the new system. He will also be the primary beneficiary of the system implementation because he will be able to work on other business matters.
2. **Patrick Jay:** The person who initiated the information systems work request. He's also the Vice President and manager of the accounting department, so he will be keeping a close eye on the development of this new system and will be giving input as well.
3. **The accounting department at Bellevue:** Like Dave Spencer and Patrick Jay, there will be other accounting department members who will be using the new system. Because the type of SDLC used will be prototyping, there will be many test runs with the whole accounting department.

4. **The other branches of Bank of Xanadu in general:** This new system will be tested in the Bellevue Banking Center. If this system is successful and cost-effective, there exists the possibility that it will be implemented at other banking centers or throughout the entire company.

Project Scope

Things within the scope of this project includes information about the contract itself; who the vendor is, the beginning and end dates, the charge number, division, pay per hour, the fee max (which is recorded in-depth in a separate worksheet), the contact person, unit, phone number, and the project description. Project managers' contact information is also recorded, as well as charge information (charge unit, division). Invoices are recorded in full -- complete with ID number, the programmer, vendor, charge number, invoice number, the date paid, beginning and end date, the rate, total hours, the total invoice, date accrued (detailed accrual information is recorded on another worksheet), a memo, and the monthly expenses. Expense recap reports, and monthly recap reports are included in the project scope as well.

Things outside of the scope of this project are things like the employee payroll; basically anything that doesn't have to do with contractors.

Current Procedures

After the bank has a valid contract, Dave inputs it into the workbook. Eventually after that, the services are performed and the company the programmer works for sends an invoice. Dave checks this invoice against the contract to see if he can pay it. He approves it and sends it over to the accounts payable group, and then the group inputs it into the system.

Current System Weaknesses/Strengths

The current system employed by the banking center to manage contractual payments is an Excel workbook. This workbook holds information ranging from contract and contractor details to invoices and accruals and everything else in between. The weaknesses are severe; it is cumbersome to manage all the worksheets, not to mention there is no way to effectively and efficiently input and verify the accuracy of the data. As a result, a significant amount of time is wasted on this process and there is a relatively high chance of human error in the data. There are no significant strengths in this current system, other than the fact that it serves as a temporary measure to allow the accounting department to get the job done.

New System Requested Features

The new system is relatively simple. There are only a couple things that this new system should do:

1. Data entry - similar to the input method in the spreadsheets, except that more calculations will be done by the system, not the user.
2. Automation - the current system is completely manual, which means it takes a lot longer to input data. Automation would exponentially increase the time it takes to process all the data
3. Verification - to see if the invoice is payable or not; the spreadsheet makes this process time consuming.

Project Constraints

Technological Resources

The current scope of the project would have to be contracted to an external agency due to unavailability of internal resources to perform this exercise and implement a solution to meet the requirements.

Financial

Due to the changing economic landscape, the funding available for this project is limited and subject to analysis of potential benefits and overall cost savings that can be obtained by its deployment.

Geographical

The system proposed will be set up for use by the Bellevue Banking Center. If successful, this system could potentially be implemented in all the other locations to realize the potential benefits. Thus, the system should be scalable to include a larger deployment in the future.

User Training

The users of the systems will have to be trained and familiarized on database system to input information, query reports and also to create standardized reports that are similar to the ones that are currently prepared manually in spreadsheets.

Project Feasibility

Technical Feasibility

The accounting team's risk regarding familiarity with technology is moderately low. They are likely not familiar with Microsoft Access or the SQL commands needed to operate and create customized reports. However, since Access is user friendly and the team already is familiar with the use of spreadsheets, it does not present a significant challenge for them to transition to using Access.

Customized report templates, along with SQL commands, can be pre-entered in the system in order to generate the required reports in an instant. Basic user training to input data, create new forms and print reports will be provided to the users in order to realize success.

The Bellevue Banking Center's risk regarding infrastructure compatibility is low. The new system can be installed on the current server, or be integrated into the IT suite as a standalone system if there are compatibility issues. The cost between the two options is negligible and both involve minimal if any downtime of the network.

The bank's risk regarding project size and scope is low. The system is also going to be implemented in one location as a pilot project and number of users using the system are also few.

Economic Feasibility

- ROI over 3.9 years is 117%
- NPV over 3.9 years is \$4316
- Breakeven of all costs occur in the beginning of year 4.

Although, the financial breakeven and figures are moderately risky, the intangible benefits of deploying the new system in terms of customer satisfaction and employee efficiency cannot be overlooked.

Organizational Feasibility

From an organizational perspective, the project has low risk. The executives from the headquarters of the company are supportive of this project and have approved the deployment at an initial location.

Mr. Jay and Mr. Spencer have been working with Bank of Xanadu for 10 plus years and are well respected in this industry and company. They would rather improve organizational efficiency than spend numerous hours manually calculating payables and the accruals and risking high error rates in the reports or in the actual disbursements of company accounts.

Expected Benefits

Tangible Benefits

- Reduction in Accounting costs.
- Reduction in reporting costs
- Rework accountant costs

Intangible Benefits

- Reduced errors in data entry
- Reduced errors in budgetary accounting calculations
- Reduced manual reports
- Increased departmental efficiency and time management
- Faster processing of invoices
- Increased contractor satisfaction due to speedier invoice turnaround time.

Time and Cost Estimates

		2011	2012	2013	2014	Total
Benefits						
Reduction Invoice processing cost		\$1,350.00	\$2,400.00	\$3,000.00	\$5,400.00	\$12,150.00
Reduction in Reports preparation		\$4,050.00	\$6,300.00	\$7,200.00	\$8,100.00	\$25,650.00
Reduction in reworks and errors		\$1,350.00	\$1,575.00	\$1,800.00	\$2,700.00	\$7,425.00
Total Benefits		\$6,750.00	\$10,275.00	\$12,000.00	\$16,200.00	\$45,225.00
Present Value of Benefits		\$6,750.00	\$9,339.98	\$10,908.00	\$14,725.80	\$41,723.78
Development Costs						
1 server @ \$1000		\$1,000.00	\$0.00	\$0.00	\$0.00	\$1,000.00
Consultancy fees-Amazing Analysts		\$15,000.00	\$0.00	\$0.00	\$0.00	\$15,000.00
Development labor		\$10,000.00	\$0.00	\$0.00	\$0.00	\$10,000.00
Software & Licenses		\$500.00	\$0.00	\$0.00	\$0.00	\$500.00
Total Development Costs		\$26,500.00	\$0.00	\$0.00	\$0.00	\$26,500.00
Operational Costs						
Hardware		\$0.00	\$500.00	\$700.00	\$900.00	\$2,100.00
Software		\$0.00	\$200.00	\$300.00	\$400.00	\$900.00
Operational labor		\$0.00	\$5,000.00	\$2,000.00	\$2,000.00	\$9,000.00
Total Operational Costs		\$0.00	\$5,700.00	\$3,000.00	\$3,300.00	\$12,000.00
Total Costs		\$26,500.00	\$5,700.00	\$3,000.00	\$3,300.00	\$38,500.00
Present Value of Costs		\$26,500.00	\$5,181.30	\$2,727.00	\$2,999.70	\$37,408.00
Total Benefits-Total costs		-\$19,750.00	\$4,575.00	\$9,000.00	\$12,900.00	
ROI		117.47%				
NPV		\$4,315.78				
Costs recovered in the beginning of year 4						
Assumptions:						
The accounting team processes atleast 20 contract payable invoices per month.						
The accountants spend half an hour processing each invoice						
The accountant earns 30\$ an hour,so it takes 15\$ per invoice						
New system will reduce invoice processing to 15 minutes, which saves \$150 per month in accountant charges						
Manual reporting and worksheets take 20 hours in a month and that costs \$ 600 per month						
New system will reduce reporting time to 5 hours a month and that saves \$450 per month						
Invoice rework costs the company 5 hours per month which amounts to \$150 per month						
New system will save \$150 per month as there will be no errors or rework costs						
Salary increments every years by \$5 per hour for accountants						
Project start date is January 2011 and finishes in March 2011						
New system to go live in March 2011						
Net present value is calculated after estimating a 10% rate of return on the money						
The system will be a standalone setup						

Actual costs may vary.

Recommendation for Action

Below are a few recommendations of automated software packages. The learning curve may be higher for some and other will be simple to use. There will be need for adaptation and training. All should be able to run on the Operating System at the Bank of Xanadu, which is Windows XP.

Base on the example that was given of an Excel Spreadsheet (a sample contract, programmer invoice, and data entry sheet) the automated software packages that were chosen are qualified to meet the Bank of Xanadu needs. Some of the software packages may take up more hard drive space than others. Oracle and Tenrox will customize software for the banking center.

Below are the potential software packages for the Bank of Xanadu's Bellevue Banking Center.

Microsoft Dynamics GP for Project Accounting

Helps maintain an efficient system for project accounting. It ultimately connects project activities within financials, provides extensive reporting capabilities, helps ensure accurate accounting and billing processes throughout project life cycles, and streamlines time and expense management.

Microsoft Dynamics GP will maintain tight control over strategic direction, support resources effectively, and ensure that projects are completed on time and within budget. There are two key features: Project Time & Expense for Business Portal and Personal Data Keeper (PDK). The Project Time & Expense for Business Portal helps create customer invoices and reimburse employees faster and more accurately by managing project details via a central Web-based location. Personal Data Keeper (PDK) makes it possible to submit

time and expenses when it is convenient for you, whether online or offline. **It offers strong integration with Microsoft Office, SharePoint, and SQL; ideal and economical for mid-size companies.**

The total cost of an ERP system includes the software, hardware, and services that meet your needs and expectations. Microsoft Dynamics GP License Cost Per User: \$2,250. Each additional user from 1-10 is \$2,250 per user.

System requirements: Windows 7; Windows Server 2003; Windows Server 2008; Windows Small Business Server 2003; Windows Small Business Server 2008 Premium; Windows Small Business Server 2008 Standard; Windows Vista: and Windows XP.

Primavera P6 Professional Project Management (Oracle)

Primavera P6 Professional Project Management is a powerful, yet easy-to-use solution for planning, managing, and executing projects and programs. Primavera P6 Professional Project Management gives control. It is designed to handle large-scale, highly sophisticated, and multifaceted projects. It can be used to organize projects up to 100,000 activities.

There exists a multitude of ways to organize, filter, and sort activities, projects, and resources. Some of the benefits include planning, scheduling, and controlling projects, assigning tasks and tracking progress, and evaluating risks, identifying issues, and determining their impact on projects. It cost \$2,500.00 per application user and the cost of first year support is \$550.00

System requirements: Microsoft Windows (32-bit): Windows XP Professional sp3, Windows Vista sp2, Windows 7 and Microsoft Windows x64 (64-bit): Windows XP Professional sp3, Windows Vista sp2, Windows 7

QuickBooks Premier Professional Services

QuickBooks Premier Professional Services is business financial management software, tailored for your industry to help make your business more profitable. Get all the features of QuickBooks Pro and know exactly where your business stands, plus efficiently track and manage your unique business, grow with easy-to-use business planning tools, automatically forecast future sales and expenses.

Some of the benefits of QuickBooks Premier is the ability to track balance sheet by class, time & expenses by employee, project, client, etc., transfer unbilled time & expenses to customized invoices and set different billing rates by employee, client, & service, analyze profitability by project with project costing reports, like billed vs. proposal by project, cost-to-complete by job, and job costs by job. QuickBooks Premier also imports data from Excel, Quicken, Microsoft Office Accounting, & prior QuickBooks versions. It also intergrades with Word and synchronizes with Outlook.

The cost of QuickBooks Premier Professional Services is \$399.95 per User and Intuit QuickBooks Care Protection Plan with Intuit Data Protect Service is 24.99 a month. System requirements: Windows Vista, Window 7, and Windows XP either (32 or 64bit).

Tenrox Project Workforce Management

With Tenrox online project management software, companies can replace the spreadsheets and band-aid applications that leave project-driven workforces and processes disconnected. Everything you need to empower your project workforce is connected for the first time, in real time, including: project management, project planning, resource management & scheduling, time and expense tracking, cost accounting and/or billing solutions, process management tools, analytic tools.

Tenrox works with all major financial applications and tools such as Sage ACCPAC, ADP, Ceridian, Paychex, QuickBooks, Microsoft Dynamics (including Great Plains, Navision,

& Solomon), PeopleSoft, Oracle, SAP, and more, as well as to CRM applications such as salesforce.com and Microsoft CRM.

Features include an intuitive project-planning tool that is easy to use; project plans are interchangeable with Microsoft Project files, including Excel and outstanding time tracking, cost accounting and billing capabilities

Tenrox Global is an on-demand project management software provides timesheet management, budget management, and estimate to complete, cost and schedule variance, global project management, project controls, cost accounting, charge back, software capitalization (sop 98) and billing, accounting and payroll integration, and project health and dashboards.

The pricing starts at \$120 per user, per module, per year.

System requirements: Windows Installer 3.0 version+; MDAC 2.8 +; Microsoft Visual C++ 2005, 2008; Microsoft .NET Framework Version 3.5 +; Microsoft SQL 2008 System CLR Types x86, Native Client x86 or Management Objects x86.

The Tenrox application supports SQL Server 2005 with at least SP1 and SQL Server 2008. It is compatible with these operating systems: Microsoft Windows Server 2003 32-bit version for the Application Server; Microsoft Windows Server 2003 32 bit and 64-bit versions for the Database Server; Microsoft Windows Server 2008. Also compatible with these web browsers: Internet Explorer 6.0 SP2, 7.0; Mozilla Firefox 2.0 + Safari V3.2.1

Microsoft Access

In reviewing the compatibility issues, it was noted that Access is available in the MS Office Suite that the Bank of Xanadu presently uses. By using MS Access, it would help in consolidating scattered functionality and utilizing the full flexibility of an existing product and by placing MS Access database on a network multiple users could share and update data. With the SQL Server, the amount of data and users can expand to enterprise-level solutions. MS Access is simple enough for end users and will save time and money.

MS Excel

This would be the simplest solution, in which there would be minimal training and the least expensive from all the software packages that was already mentioned. It would be ideal to utilize all Excel's functions, but it is not as automated as Bank of Xanadu wants and the security is limited on Excel because data can be easily erased or mis-entered as was mentioned during the interview, whereas the software's mentioned above would be more secure and less likely to be lost. If MS Excel would continue to be use worldwide, sharing would be challenging and data would be loss or the format would be changed.

Summary

Since each bank will be dealing with their own IT contractors, QuickBooks would be the best for small to midsize banking center or satellite branches. For the larger Bank of Xanadu branches, Tenrox is recommend since it is global and integrates with QuickBooks. Either Tenrox or QuickBooks will be sufficient for the Bellevue Banking Center.

Appendix

Meeting Notes, Correspondence, Source Documents

October 15, 2010

Patrick Jay

Q: Would you elaborate on the scope of this project?

A: We're going to try it out at the Bellevue accounting department. We don't even know if this is going to work so we want to do a local test first. This is a "pilot project".

...After we have a valid contract, Dave records it and – some point after that, services are performed and the programmer/company he works for will submit an invoice. We have to make sure we can pay this invoice according to the terms of contract. Dave looks at invoice and checks it against the contract to see if he can pay it. He approves it and sends it over to accounts payable group, then the group inputs it into the system(?).

Q: What improvements would you like to see in the new system?

A: We would like to see this system to be automated. Current system takes a loooong, loooooong time.

Q: What kind of usability features would you like to see included with this system in addition to the ones you already described?

A: Data entry, of course. Verification to see if the invoice is payable or not (current system makes this take forever)

Q: Could you tell us the names of the employees who would be users of this system?

A: The only users will be the accounting department (no contractors will use this) (DAVE)

Q: What is our budget?

A: The bank has enough resources to do what you need to do for this project.

Q: Can you give us a timeline that we would have for system development and completion?

A: The analysis phase – December 4; Will continue on until... final system should be prepared by March 14(?)

Q: Do you wish for the system to be able to pay companies and/or individual contractors (i.e. those who would need a 1099)?

A: Yes

!!! – The bank's (Bellevue) network is very secure (firewalls, etc.)

Q: Do you require that your contractors require some sort of security clearance, and we need to know what to do if you get more contractors(?...)

A: Sign a non-disclosure agreement to maintain security

!!! – Parallel or phase transition?

!!! – This is ONLY for contract programs

!!! - Paper checks; no wire transfers (Q15)

!!! – we track information about bank units... crap forgot to write everything else

!!! – contractors work at an hourly rate; every contract has a max amount of \$\$\$, not hours

!!! – Invoices are sent monthly – bi weekly <<< (when contractors are billed)

Q: frequency of contractual payments

A: They should be processed as soon as they come in (invoices). Invoice processing goes on throughout the month (The minute you get it, it should be processed ASAP)

!!! – It could take Dave up to 30 minutes to process an invoice using the Excel stuff

Q: How many pages are the invoices?

A: It's not so much there's a ton of pages, it's because he has to go back and find all the... (all the what?)

Q: Would the records for these contractual payments need to be accessible by either the main corporate office or any other branch? 18:39:01

A: Certainly not the main corporate office, and at this point not by any other branch. EVENTUALLY, if this thing works out then we need to scale this out to every other branch.

!!! – We track every invoice the minute it enters the department

!!! – Dave makes a copy of every invoice (apparently they get lost often?)

!!! – We use an Excel workbook right now, and ONLY an Excel workbook

Q: Would you like this system to be integrated with the current IT suite that you have set up? 18:39:01 @5:00

A: Eventually, but not right now. It could either be installed on Dave's PC and possibly 1 or 2 other related employee's PCs, or server and have it so that only Dave and his cronies can have access to it.

Q: How do you pay your employees?

A: HP-3000 system (it's a mainframe), HR handles that...

Q: Is there some sort of default contract you use?

A: Yes, there is a standard contract that contract people use. Every contract used is essentially the same.

Q: Are there any elements of the contract you'd like to track?

A: NO. Be glad I said that!

Q: What types of information and data(?) will be needed to be inputted?

A: The contracts, the programmers themselves, the companies they work for, the invoices they provide, the different bank units/departments, the project managers/people responsible for handling the contractors.

Q: Does it have to be custom software or off-the-shelf? (Same as Q16)

A: It's up to you. Research and recommend us.

Q: Are there existing vendor contracts that we need to honor?

A: Yes, there are.

Q: Do we get to see an example of this contract?

A: Yes... Appendix A (the last pages of the contract)

!!! – Yes, you can have a copy of the Excel workbooks (?)

Q: What is the operating system of the server you use right now?

A: Windows. Version inspecific...

Q: Can we see an example of an invoice? 18:50:16 @ 3:20

A: YES! YES!

Q: Will there be a need for calculated fields?

A: Almost certainly.

Dave Spencer (4:18)

Q: What are the key things you look for in the contract?

A: 1. Programmer/contractor listed 2. Start/end date 3. Fee maximum amount 4. Hourly rate for each programmer on contract 5. Bank contact unit, bank charge unit, project manager, and their signatures (PM)

!!! – It's one programmer per contract!

Q: What are the problems with the invoices (Using Excel workbook???)

A: Sometimes the invoices can't be processed... if the invoice's outside of the start/end date; if the programmer isn't on the contract; if the money's exceeded; if the hourly rate doesn't match; these are problems that can cause the invoice not to be paid. This slows Dave down when I have to handle these exceptions

Q: Do you have any processes for contract change orders?

A: Yes, there is a contract exception memo; attach it to the contract and send it back to the contract people and have them fix it. One of the most common things left off is the charge unit... if it's a mission critical project, the programmers made the fix long before the contract is ever made... then when the invoice comes it, there's a contract occurrence on it. Can't pay the invoice without having

the charge unit... If the invoice comes in and I can't pay it, it goes back to the contract people; it does not get returned to the vendor/programmer; it goes to the contract people for a resolution then it goes back to me (Dave).

!!! – The contract has to have the unit that gets the dollar charge and the contractor unit(?) it's mailed to

Q: Would there be a need to merge the current Excel data into the new system? If so, would you want us to do it?

A: Perhaps... eh... I don't know how perfectly accurate it all is.

Q: What would you estimate is the current margin of error in the Excel workbooks?

A: There are probably some small mistakes I haven't caught... I need something that will allow me to make as few errors as possible.

!!! - It could take up to half an hour to process these invoices... (for me anyway) It would cost me \$15 to process 'em; I get paid \$30 an hour.

Q: Are you open to having an assistant?

A: Sure, I'm in need of some.

Q: Is there a standardized way of inputting data into the workbooks?

A: [Will explain later]

!!! – Contract ID is the main identifier (in workbook?)

Scott/Rob(?)

Q: How many contracts do you expect to receive on a monthly basis?

A: Hundreds, and growing.

Q: Is there any kind of back charge provision in case someone doesn't fulfill their contract?

A: Yes (we don't need to know about that though)

Lyle Newhart

!!! – I get the original invoices, not the copies

!!! – A copy of a contract extension, I can give it to you! I can also give you an exception memo copy.

Correspondences



Bank of Xanadu

Corporate Headquarters: **George Town, Cayman**

Major Banking Centers: **Amsterdam • Aspen • Beijing • Bellevue • Berlin • Beverly Hills • Canberra • Cape Town • Dallas • Denver • Hong Kong • Kuala Lumpur • Las Vegas • London • Mumbai • Newport • New York • Nice • Ottawa • Palm Beach • Pine Valley • Santiago • Savannah • Sao Paulo • Scottsdale • Singapore • Tokyo • Wellington**

Information Systems Work Request

Date	1/25/08	Department	
	Accounting		
Contact	Patrick Jay	Location	Bellevue, WA
Title	Vice President, & Manager Email pjammer@box.bank		

Project Description (in brief):

The strategic direction and growth of the bank has put new emphasis on streamlining our internal procedures. Xanadu Bank is in the business of banking, and to remain profitable and competitive, we have shifted our focus to concentrate on our core competencies, outsourcing any functions and processes that are not part of these core business operations. Since we began this process late last year, we have redeployed all in-house programming positions, resulting in the need to use outside contractors to provide the necessary programming services. This move will save our company over one 1 million dollars annually in employee administrative and benefit costs.

The major problem we face now is finding a suitable way to track these new programming expenses to the scope of service stipulated

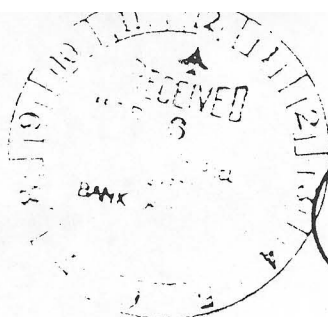
in their official contracts. While the accounting department has hastily thrown together a stop-gap solution using an Excel workbook, it is taking an incredibly large amount of time to manually enter all the contractual information, receive and process the incoming programming invoices, prepare accurate accruals, determine whether the invoice falls within the time limitations, and calculating whether enough funding is left on the contract to pay the invoice. In recent strategic planning sessions, the senior management has determined that a new, more automated process for managing contractual payables is needed. The objective of this project is to investigate and recommend a solution to control payments in accordance to contractual time and fee limitations throughout the company.

Submitted by: _____

Date: _____

Approved by: _____

Date: _____



APPENDIX A

TECHNOLOGY
MANAGEMENT

AGREEMENT TO PROVIDE PERSONNEL BETWEEN
Bank of **XANADU**
and Savings Association (BANK)
and

APPROVED
NAME R. L. H.
DATE 2/17/08

DAN VAN RITZ, INC. (Contractor)

- I. All work and/or services provided under this Appendix shall be performed in accordance with the provisions of this Appendix and Master Agreement:

Project/Services Number: 16358.000 Charge Unit #: 3620

Bank Project Manager/Phone: Peter Tripple 206/675-2696
XANET 785-2696
NEFAX /675-2459

- II. Scope of Services:

- A. Provide an overview of the project:

Support product development projects, as well as acquisition preparation for Demand Deposit Systems.

(See attached sheet for continuation of Scope of Services)

RITZ 0408

- III. Fee Schedule: Total fee shall not exceed \$ 26,000.

Name of Individual	Generic Job Level	Hourly Rate	Start Date	End Date
Dan VAN Ritz	CSE	\$65.00	2/16/08	4/15/08

A NEW APPENDIX A MUST BE EXECUTED TO AUTHORIZE PAYMENT BEYOND THE AMOUNT NOTED ABOVE IN III.: FEE SCHEDULE, OR TO AUTHORIZE WORK BEYOND THE COMPLETION DATE NOTED ABOVE.

Agreed and Accepted:

DAN VAN RITZ, INC.
(Contractor)

Signature: [Signature]

Vendor Officer: DAN VAN RITZ

Title: President

Date: 2/15/08

Invoices should be directed to:

Bank of **XANADU**
Retail Automation Serv. #3464
P.O. Box 37000
BELLEVUE, WA 98002

ATTN: Bryan Davis

Agreed and Accepted:

BANK OF **XANADU**
SAVINGS ASSOCIATION (BANK)

Signature: [Signature]

Name: MaryLou Corrigan

Title: Vice President

Date: 2/14/08

Countersigned: [Signature]

Name: Christos Skeadas

Title: Vice President

Date: 2/15/08

[Signature]

Bruce Fadem, Senior Vice President

AGREEMENT TO PROVIDE PERSONNEL BETWEEN

Bank of ~~XANADU~~
and Savings Association (BANK)
and

DAN VAN RITZ, INC. (Contractor)

II. Scope of Services - Continued:

B. List the specific tasks to be performed:

Complete systems design specifications.
Analyze and code in COBOL.
Perform unit, system and integration testing.
Provide installation support.

C. List the deliverables expected to be produced:

Detailed design specifications.
Code.
Test specifications.
Unit testing, system testing.
Conversion specifications.
Installation specifications.

D. List the specific technical expertise required (hardware, operating systems, programming languages, etc.)

1. IBM 30XX, TSO/ISPF, OS JCL, VSAM.
2. Ability to analyze and code in COBOL.
3. Design, coding and testing skills.
4. Accounting systems background required, banking preferred.
Deposit systems/prior acquisition experience a plus.
5. Prior BofA experience a plus.
6. Strong communications and documentation skills.
7. Team player with good interpersonal skills.

E. List the performance standards that will be used to determine quality of work (e.g., SDP, documentation standards, testing standards, etc.)

Adherence to project standards.
Code reviews.
SDP.
Test plans and test result reviews.

DATA ENTRY SHEET

Processed by
Dave Spencer
1/11/08

Vendor Name:	Donny Wicks Associates
Vendor Number:	ZZ0002
Invoice Number:	329
Description:	A. Peckham 12/16/07 to 12/31/07
Invoice Date:	01/02/08
Due Date:	01/17/08
Invoice Total:	3,600.00
G/L Account:	507613
P.O. Number:	A. Peckham
Charge Unit:	9408

MEMO TO: Rob Watt
TAM #3411

MEMO FROM: Del Billingsley
Vice President/Project Manager
Consumer Lending Division - Consumer Loan Services
Project Management & Technology Support #3454
Xnet 666-1464

COPY TO: Mike DeVico #3454
Jim Petersohn #3761
Frank Smikoski #3326
Kris Walunas #3454

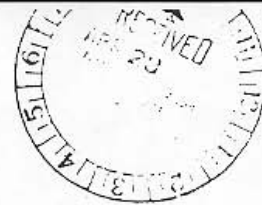
DATE: April 19, 2008

SUBJECT: Marathon Contract Extension - CPR PROJECT (#287)

The "Completion Date" on the Marathon Systems Consulting Service Agreement, Master Agreement #91-3664, has been extended to May 15, 2008. The Total Fees do not change; they will not exceed \$77,000.

Please make note of this change in your files.

Thanks for your help and call me if any questions.



Watt

*Edit Bloch 4/08
Kennedy 4/08
Iwing 4/08
Zatore 4/08*



DAN VAN RITZ Consulting, Inc.

5820 Stoneridge Mall Road Suite #
Pleasanton, WA 98506

INVOICE 100154

08 MAR 19 PM 1:24

SALESPERSON

Dan

INVOICE DATE

3/18/08

INFORMATION

Master Agreement #90-3167

Project/Service #

Charge Unit #3620

BANK OF CANADA

General Accounting #3707

P.O. Box 37000

BELLEVUE, WA 98002

ACCT#	DATE	PERIOD	TERMS	PURCHASE ORDER #
	3/18/08	3/1-3/15	Net 0	
HOURS	DESCRIPTION	UNIT PRICE	AMOUNT	
88	Computer Consulting RT65	65.00	5720.00	
RITE 408				
APPROVED FOR PAYMENT BY <u>[Signature]</u> UNIT # <u>3620</u>				
TOTAL			5720.00	

Thank You

Dan Van Ritz Consulting, Inc.

Contractor Time Sheet

Contractor Name:

Dan Van Ritz

Client Company:

BANK OF CANADA

Period:

From 3/1/08 To 3/15/08

Calendar Days

Hours Worked

	<u>8</u>
1	
2	
3	<u>8</u>
4	<u>8</u>
5	<u>8</u>
6	<u>8</u>
7	<u>8</u>
8	
9	
10	<u>8</u>
11	<u>8</u>
12	<u>8</u>
13	<u>8</u>
14	<u>8</u>
15	

Calendar Days

Hours Worked

16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
29	
30	
31	

Total Hours: 88

Client Company Representative

Acceptance:

Charles Monix
Signature

3/19/08

Date

Mail To: Dan Van Ritz Consulting, Inc.

Assumptions

We are planning to get internal support from the Bank of Xanadu in the next phase of this analysis. From there, based on The Bank of Xanadu suggestion and input of which automated software system meets their needs, if any.

We will then decide how the automatic software system will operate, in terms of what is needed including hardware, software, and/ or network infrastructure that needs to be in place. From there we will develop a strategy and how to approach the next phase, with is designing the automated system software system.

Issues

Would you consider using two automated software programs?

Is each major banking center and satellite branch, will be doing their own invoicing and payments, or is the banking center near the satellite branch, is doing both theirs and the satellite branch.

Bank of Xanadu corporate headquarters and the major banking centers would use the automated software that is global and the smaller satellite branches would use automated software that is for small to midsize companies that will integrate with the corporate automated software. This would save time and money.

How many IT contractors' programmers are employed at each satellite branch, major banking centers and at the corporate headquarters?

Do you plan to upgrade to the Windows 7 OS or continue to use Windows XP?

What version of windows XP are you using? Are they 32-bit, 64-bit or both?

What email service do you use for the company? Is it MS Outlook or Outlook Express or/and different email service?

Do you see in the near future any more IT projects taken place?