PORTLAND METRO

Metro | *People places. Open spaces.*

GENERAL LEDGER AND COMMITMENT CONTROL REVIEW

SUBMITTED BY: CHRIS SNELLINGS

APRIL 20, 2011

EMPOWER SOLUTIONS
AN INTELLIGROUP COMPANY

Table of Contents

1 Review of System usage and configuration....3
1.1 General Ledger....3
1.2 Commitment Control....3
1.3 Pain Points....3
1.4 Current Considerations....3
1.5 Recommendations....4
2 Deliverable Acceptance Signatures....7

Revision History

Version	Primary Editor(s)	Description of Version	Date Completed
1.0	Chris Snellings	Original Document	04/09/11
2.0	Chris Snellings	Updated Recommendations	04/20/11
3.0	Chris Snellings	ExceltoCI	04/20/11
4.0	Chris Snellings	Complexity and Effort	05/20/11

1 REVIEW OF SYSTEM USAGE AND CONFIGURATION

1.1 General Ledger

Actuals Ledger

Portland Metro currently uses multiple ledgers to record transactions, the Actuals ledger records actual transactions on a modified accrual basis, the Gov't GAAP ledger and Gov't Wide ledger records on a full accrual basis, and the GAAP ledger is used to record transactions from Asset Management in order to be compliant with GASB 34. A Standard Budget ledger is also used. This is standard business practice and is typical of what government entities use.

Configuration

Metro uses a single SetID and multiple business units in the various modules; however, there is only a single business unit used in General Ledger. Chartfields consist of Account, Fund, Department, Program, Class and Project ID. Chartfield1 is activated, but is not used.

1.2 Commitment Control

Metro uses the Approp ledger as control and has several different rule sets based on Fund. This control represents the legal level of budget. It is typical to see an ORG ledger used to capture detailed transactions; however, using a standard budget ledger is not uncommon. The practice also provides an easier way to report Budget v/s Actuals and is widely accepted.

1.3 Pain Points

There is a transaction to Fund Balance from years ago that was recorded in British Pounds Sterling. Suggested recommendations for resolving this issue are made in the following section.

MERC currently only records personal service in the general ledger. MERC's true GL is held in another system outside of PeopleSoft. Suggested recommendations for resolving this issue are made in the following section.

1.4 Current Considerations

Metro is currently considering changing all of its ChartFields to better record and report data in the General Ledger. Although this decision is pending and the details have not been finalized, recommendations are presented below on items to be aware of.

1.5 Recommendations

A. Journal Workflow

Metro would like to implement Journal Workflow. PeopleSoft Enterprise Components Approval Framework (AF) is a feature that provides a configurable framework and page interface to implement workflow approval. PeopleSoft Enterprise General Ledger uses AF for its header-level Actuals and standard budget journals approval process. PeopleSoft General Ledger 9.1 supports both the Virtual Approver (approval method in prior releases) and the Approval Framework (alternative "configurable workflow" approval method). The default is the Virtual Approver method. Metro will need to determine what key items initiate workflow and who will approve for those key items, e.g. all journals over $10k must be approved by X, all journals over $100k must be approved by Y, all journals using account 8% must be approved by Z…

Complexity is high. Workflow can grow out of control if there is not a set plan on what will need to be approved by whom. Journal Approval Workflow will take 4 – 6 weeks to design, develop, test and roll-out. Metro would need to design and decide on an approval routing plan prior to initiating this effort.

B. Open Item Accounting

Open Item Accounting is not used at Metro. This is a feature that could prove useful in tracking employee travel advances. When a voucher is entered for an employee travel advance, the account used will be flagged as an open item account. The account is usually a receivable account. When the account is entered, a new Chartfield opens called Open Item. Most customers use the employee id in this field. A check is cut to the employee and the voucher posts to the general ledger. Under GL you have a section for open item reconciliation where you can match the receipts from the employee to the receivable and reconcile the open item. Payments can be sent to Accounts Receivable and AR can record against the open item thus journal generating an offset to the open item account.

The complexity to implement Open Item Accounting is low. This functionality can be implemented within two weeks.

C. British Pounds transaction in ledger

The GBP transaction in the General Ledger can only be cleared by an SQL update to the ledger. Because there was an unbalanced entry into the ledger it is not possible to correct the amount through the front end of the software.

The complexity to correct the British Pounds transaction in the ledger is Medium. A SQL update will need to be written, tested and run against the database. The estimated required effort is a maximum of 1 week. However, due to the sensitivity of the transaction, special attention needs to be placed on testing.

D. MERC recording only personal service in GL

We recommend that all transactions for MERC be held in PeopleSoft. Because of the requirement to reconcile payroll liability accounts and cash, the payroll must be posted in PS. Metro is not holding a complete ledger for the funds in MERC which can lead to inaccurate reporting.

As part of this assessment project, the team evaluated some options for integrating EBMS, the ERP at MERC.

Based on the options evaluated, we prepared and delivered a spreadsheet to estimate the required effort in terms of time and budget. These estimates assumed that EBMS would be integrated to PeopleSoft in two ways:

1) On the Accounts Payable side, the integration would occur at the Purchasing level
2) On the Accounts Receivable side, the integration would occur at the Billing level

The anticipated phases for this effort will include the following efforts:

- Design - Identification of Reports, Tables, Interfaces and Additional Online Pages in PeopleSoft for BI/AP for Audit Trail, Review Pages.
- Development and Unit Testing – self explanatory
- Testing - System, Integration, User Acceptance
- GO-LIVE/Support - 2 Weeks of production support

The estimates presented were in the "Order of Magnitude" level. Upon further review, the effort may be increased or decreased based on multiple factors.

In lieu of configuring real-time 2-way integration between EBMS and PeopleSoft, the recommendation is to import the EBMS invoice information into PeopleSoft using the delivered Excel Sheet Upload method as a simpler way to bring the information into PeopleSoft. Because the delivered Excel Sheet Upload method is a "batch" interface method, there would be a delay in the time the information from EBMS makes it into PeopleSoft (i.e.: no real-time processing). In order to process EBMS information as close to real-time as possible, we would recommend using an "on-demand" billing cycle for the EBMS Source in Billing (as opposed to using a nightly, weekly, or other type of cycle). This would allow you to import EBMS information as hoc. On the AR side, the on-demand posting option enables users to immediately post time-sensitive transactions in (near) real time. Customer balances can reflect up-to-the-minute activity. This feature initiates the Receivables Update process for an individual group in real time, while allowing other users to use the system as normal.

E. Chartfield1

I recommend deactivating Chartfield1 in order to reduce the number of Chartfields shown when entering accounting information either in general ledger or in the sub modules.

PeopleSoft 9.1 uses many scrolls and the fewer Chartfields you have, the fewer scrolls you will see.

The complexity to deactivate Chartfield1 is low. This can be changed by any "power user" of the system in a matter of minutes. The "power user" would need the correct security access to the system.

F. Trees

There are a lot of active trees in the current system. Deleting trees is always tricky because of the possibility of deleting a tree that a yearly Nvision report uses. The safest way to remove a tree is to open the tree and save it as a draft tree. Draft trees can't be used by the system; therefore, if any report fails due to a tree, the tree can be saved as valid again. After 1 year draft trees can be exported to a disk and then deleted. Should a need for the tree arise again in the future, the technical team can simply import the draft tree back into your production system.

Complexity is low. Metro would need to identify the trees that they do not believe to be active and save them as a draft tree. Maximum estimated effort to save Trees as drafts is 1 week.

G. ChartField Restructuring

If Metro decides to restructure their ChartFields, Metro should be aware of the significant impact it could have on reporting. Potentially, all existing queries and Nvision reports would have to be recreated. It is not typical for a client to change their ChartFields and put them under a new SetId. The SetId is designed to be used through-out the configuration and can cause problems as you move from one set of ChartFields to another. For a time you would need to record using the old ChartFields and the new ChartFields as you close a year and begin a new one. One issue I have seen is creating a translate (Black box) from the old to the new. The time to create and maintenance can become overwhelming. Also, interfaces would need to pass through these translation tables which adds an additional complication to the process. ChartField restructure is best done across the board in all systems that feed PeopleSoft.

PeopleSoft delivers a tool called ExceltoCI. It is a spreadsheet component interface that will allow the user to mass update all ChartFields to inactive. This is done ChartField by ChartField, for example you can mass inactivate all of the Funds at once. Another ExceltoCI would be needed to mass inactivate the Accounts. These same spreadsheets can be used to load the new data into the system.

Complexity is high for this change. The new Chartfield structures must be defined then mapped to the existing data in the system. Data conversion would need to take place on historical data at least through the point of open purchase orders in the system. Queries, Nvision Reports, Custom reports would all need to be reviewed and revamped to accommodate the changes. Updating ChartField structures would take approximately 6 – 8 weeks to complete and require a full time GL analyst and a part-time technical resource.

2 DELIVERABLE ACCEPTANCE SIGNATURES

Document Prepared by: _Chris Snellings_/_____ _____
Name & Signature Date

Empower Solutions
Project Manager: _Marcelo Casas_/_____ _____
Name & Signature Date

Portland Metro Staff:

Project Manager: _____/_____ _____
Name & Signature Date

Business Lead: _____/_____ _____
Name & Signature Date