Financial Systems Transformation

Campus Forum

Spring 2021
Introductions

Representing FST program leadership today:

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Objectives of Today’s Session

- FST Program Overview & Recent Activities
- Readiness Activities Update
- Q&A
ATTENDEE POLL
FST PROGRAM OVERVIEW
Financial Systems Transformation (FST): A multi-year initiative to replace the University’s legacy mainframe-based Financial Accounting System (FAS) and related operational systems.

Executive Sponsors
Ka Yee Lee | Kenneth Polonsky | Ivan Samstein

Steering Committee
Kevin Boyd | Melina Hale | Mumtaz Darbar
Mark Weber | Brian Schinker
Geethanath Marri | Ivan Samstein | Brett Padgett

Program Contributors
Finance and IT Leaders from Schools, Divisions, Units, and Affiliate Organization

Program Team
Technical | Functional | Project Management
Change Management
Scope of FST Program Work

Enabling inter-process reporting

Financial Management
- Chart of Account Redesign
- General Ledger Redesign
- Endowment Accounting Redesign
- Fixed Assets Redesign
- Receivables Redesign
- Cash Management Redesign
- Treasury Redesign
- Payables Redesign
- Forecasting

Projects & Grants Management
- Project Costing
- Project Billing
- Grants Management

Budgeting & Planning
- Budgeting
- Planning

Supply Chain
- Procurement
- Sourcing
- Contracts
- Inventory
- Management

Asset Management
- Facilities Operations & Maintenance
- Construction Program Management
- Space Utilization & Planning
- Property Management

Points of Intersection
- Financial Statements Mapping
- Chart of Accounts
- Close & Consolidation
- Intercompany Transactions

UCHICAGO
Enterprise Resource Planning (ERP) System Update

Oracle ERP Cloud: An end-to-end, cloud-based software as a service (SaaS) suite. It can manage enterprise functions such as financial management, grants, projects, and procurement.

- Oracle ERP Cloud was selected in a competitive request for proposals process
- Contract was finalized in February 2021
- The FST team gained access to the UChicago Oracle ERP Cloud software in April to begin pre-configuration work
- Previews are available online – email fst@uchicago.edu for more information
Systems Integrator Update

**Systems Integrator (SI):** A partner, usually a consulting firm, with experience in cloud ERP implementation projects. For FST the SI will have experience specifically in higher education and will assist the FST program in software configuration, process design, organizational change management, and training.

**The SI RFP Status**

- **Autumn 2020:** Issue RFP
- **Winter 2021:** Written Responses
- **Spring 2021:** Down Select & Live Presentations
- **Summer 2021:** Selection & Negotiations

We are here
Key Readiness Activities

- Chart of Accounts Design
- Data Conversion
- Integration
- Reporting
**FST Timeline**

<table>
<thead>
<tr>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
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</thead>
</table>

- **Wave 1:** Financials, Supply Chain and Inventory, Projects, and Grants
- **Points of Intersection:** UChicago and UCM
- **Wave 2:** Budget
- **Wave 3:** Assets (Optional)
COA: List of financial accounts available for recording transactions in an organization's general ledger. At UChicago our COA serves as the foundation of our financial record keeping system.

### Current State COA Concepts
- FAS Account Number includes Ledger Number, Account # within ledger, Account Controls, Sub-Accounts
- All Sub-ledger accounts linked to General Ledger Account
- GL is arranged/blocked to correspond to related SL Accounts
- Master Accounts and Associate Accounts mapping (Sub-Ledger 5-7)
- COA standards and definitions are loosely defined across enterprise

### Future State COA Concepts
- Future state segments replace the current 10-digit FAS Account, with the possibility to establish additional user-defined segments
- Segment attributes / strings to support related information on Grants, Gifts and Endowments
- Hierarchy roll-ups to support transparent reporting at multiple levels (posting vs. summary) in a more automated fashion
- Establish a university-wide common definition for each dimension

### Legacy Solution
- Smart Code 6-digit Account Number with 55,000+ accounts
- Limited ability to slice and dice data at the expected granular level of details for reporting and analytics
- No use of hierarchical structures to facilitate financial and internal business reporting
- No ability to capture programs, projects, and/or activities effectively
- Lack of change control and automation over FAS Account and Hierarchy maintenance and management
- Cumbersome COA attribute validation by hard coded values in FAS mainframe system

### New Solution
- Extended Segment attributes to eliminate smart code structure
- Create independent multi-dimensional views and provide rich attributes to support reporting (each segment to serve as a distinct data point)
- Multiple hierarchical structures to be built in required segments to support the COA segment relationships and financial consolidation and reporting
- Program, Project and Activity tagged as segments on select transactional postings
- ERP supported data governance and automation will enhance overall data quality and will reduce the time needed to make applicable data adjustments
- The built-in validation rules will prevent transactions using invalid GL chart string segment combinations.
COA: Current State to Proposed Future Segments

Current State

FAS COA
L-XXXX-SSSS

Ledger Number

Account Number within Ledger

GL: Account Control
SL: Sub Account

Proposed Future State

Additional Segment Considerations

General Ledger

Segment 1  Segment 2  Segment 3  Segment 4  Segment 5  Segment 6  Segment 7

Optional Segment 1  Optional Segment 2  Optional Segment 3  Optional Segment 4

Sub-Ledgers (AP/AR/Projects, etc.)
**COA EXAMPLE**: Lab School SL Account Mapping to Future State

**Current State Account Structure:**

SL Account No = **284001** (PCED EXTENDED DAY) maps to GL – 015001 (AFTER SCHOOL PLAY)
2: Ledger 2 = Current Unrestricted Funds
84001: Classification = Miscellaneous Noncategorized (Range = 2-28300/28999)
0800: Revenue Subaccount ➔ Sales and Services of Auxiliary Enterprises, Recharge Operations, Designated Funds, Educational Activities, and General Funds (Range = 0800-0899) ➔ 0800: Sales via Cash

**Current State: Lab School After School Play**

<table>
<thead>
<tr>
<th>Map Code</th>
<th>SL Acct No</th>
<th>Ledger Cd</th>
<th>Delete Flag</th>
<th>Acct Short Name</th>
<th>Acct Name</th>
<th>Create Dt</th>
<th>Compt Off Resp Cd</th>
<th>Exec Level</th>
<th>Dept No</th>
<th>Sub Dept No</th>
<th>Acct Admin1 Name</th>
<th>Acct Admin2 Name</th>
<th>Acct Admin3 Name</th>
<th>NACUBO Cd</th>
</tr>
</thead>
<tbody>
<tr>
<td>015001</td>
<td>284001</td>
<td>2</td>
<td>0</td>
<td>PCED EXTENDED DAY</td>
<td>AFTER SCHOOL PLAY</td>
<td>B06</td>
<td>11</td>
<td>437</td>
<td>73</td>
<td></td>
<td></td>
<td></td>
<td>A100</td>
<td></td>
</tr>
</tbody>
</table>

**Future State Potential Dimension Mapping**

<table>
<thead>
<tr>
<th>Entity</th>
<th>Fund</th>
<th>Org</th>
<th>Account</th>
<th>Program</th>
<th>Location</th>
<th>Function</th>
<th>Affiliate</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>University</td>
<td>Current Unrestricted Funds</td>
<td>11 - THE LABORATORY SCHOOLS-437-73</td>
<td>Tuition &amp; Fees ➔ Sales and Services of Auxiliary Enterprises ➔ Sales via Cash 0800xx (Future State)</td>
<td>Extended Day-After School (Future State)</td>
<td></td>
<td>A100 (NACUBO) Default code for Academic expenses</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>
Current Chart of Accounts Design Activities

- UChicago is working extensively on design

- The University FST team is leading initial COA design discussions with participation from UChicago Medicine

- Meetings with units this summer to begin validating the initial chart design

<table>
<thead>
<tr>
<th>March – May 2021</th>
<th>June – October 2021</th>
<th>August 2021 – Early 2022</th>
</tr>
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<tbody>
<tr>
<td>UChicago &amp; UCM Alignment</td>
<td>COA Input &amp; Validation</td>
<td>Mapping FAS Accounts to New COA</td>
</tr>
<tr>
<td></td>
<td>Oracle Capabilities Demos</td>
<td></td>
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16
Conversion and Integration Overview

Preliminary Systems Rationalization Assessment:
Understanding the current state of financial administrative and operational systems used by units

- 128 University Software Systems Analyzed
  - 51 Candidates for Replacement
  - 47 Special Purpose Systems Retained & Integrated
  - 30 Re-Evaluated after Software Selection

Data Conversion and Archiving

Integrations
Data Conversion: The process of translating data from one format to another

June – September 2021
- Analyze
  - Review financial data sources

Fall/Winter 2021
- Plan
  - Determine migration vs. data warehouse
- Extract
  - Copy data from current systems
- Cleanse / Convert
  - Ensure data consistency; and accuracy; fill in gaps as needed

2022-2023
- Load / Archive
  - Load into Oracle / move to data warehouse / archive

TBD
- Verify
  - Review and monitor for accuracy

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TBD
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  - Review and monitor for accuracy
Data Conversion Activities – Grants Working Group

Initial Engagement

• URA
• FST Grants Team
• BSD (As Needed)

Scope

• Identify Risks, Issues, and Concerns
• Confirm Data Sources and Potential Data Cleanup
• Build Conversion Templates
• Discuss Configuration Items

Activities in Progress

• Identifying and mapping File Based Data Import (FBDI) templates to data from source systems

Next Steps

• Continue mapping fields in FBDI templates to source systems (AURA, FAS, etc.)
• Engage with other units
Integration

• Retained specialized systems that currently integrate with FAS and other applications that are being replaced will need to be integrated with Oracle ERP Cloud.
• The FST team is working with system owners to understand the current state of integrations in order to plan for future integration needs.
Units currently use a variety of financial reports within their organizations. These reports are driven by the business needs of the unit AND the reporting capabilities of current systems.

The FST team will work with units to review Oracle ERP Cloud reporting capabilities and identify any gaps that would require custom reports.

Current Financial & Administrative Reports

- What is possible with Oracle reporting?
- What reports are required? (i.e., government, accreditation, grants, etc.)
- Identify Gaps
More Questions?

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