Financial Systems Transformation

Campus Forum

Winter 2021
Introductions

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## Objectives of Today’s Session

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Attendee Poll
FST PROGRAM OVERVIEW
FST Program Overview

Financial Systems Transformation (FST) is a multi-year initiative to replace the University’s legacy mainframe-based Financial Accounting System (FAS) and related operational systems.

- The University manages more than $1.07B in government and private grants, gifts, and contracts annually via disparate and loosely integrated systems.
- The University manages procurement and payment activities averaging $600M annually through multiple platforms.
Scope of FST Program Work

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

**Operational & Analytical Reporting**
Points of Intersection

- Chart of Accounts: Shared COA that is scalable and flexible
- Intercompany Transactions: Reduce the burden of manual transactions
- Financial Statements Mapping: Aligns accounts across organizations
- Close & Consolidation: Streamline and automate close & consolidation process

Operational efficiency and cost savings
FST Timeline

Wave 1: Financials, Supply Chain and Inventory, Projects, and Grants

SI RFP
Implementation Readiness

Points of Intersection: UChicago and UCM

Wave 2: Budget

Wave 3: Assets (Optional)
SOFTWARE RFP
The University invited two vendors, Oracle and Workday, to respond to the request for proposals (RFP) and demonstrate the functional and technical capabilities of their cloud ERP solutions.

- **1,897** Software requirements were included in the RFP
- **42** Total software demonstration sessions were conducted in a 2-week period
- **284** Members of the UChicago community attended at least 1 demo
- **116** Members provided responses to the evaluation survey
## Software Evaluation – Scoring Summary

### Area | % Weight | % Requirements Met | % Use Cases Met
--- | --- | --- | ---
Forecasting, Budget & Planning | 20% | 94.1% | 75.2%
Financial Management | 20% | 86.7% | 73.2%
Supply Chain Management | 20% | 93.3% | 71.8%
Grants & Projects | 20% | 81.1% | 65.0%
Asset Management | N/A | 33.3% | 31.0%
Technical Management | 5% | 99.7% | 86.3%
Master Data Management* | 5% | 89.0% | 76.4%
Basic ERP Requirements | 5% | 94.0% | N/A
Overview | 5% | N/A | 81.5%
Points of Intersection | 5% | 99.0% | 78.3%

*Section is titled 'Data' in Use Case section
PREVIEW OF ORACLE CAPABILITIES
Oracle Example: Financial Dashboard

Oracle Financials Cloud allows unit finance leaders to monitor key financial information across their unit.
Oracle Example: Activity Notifications

The dashboard notification tool informs users of activity and provides streamlined access to related work. Example: Login to find notifications of awaiting purchase, requisition, or invoice approvals. Drill-down to the source transaction, and to approve, reject, or return to the requester for additional information.
Oracle Example: Role-based Views

Dashboards can be configured by role to make tailored financial information readily available for data-driven decisions.
Grants activity can be reviewed and managed directly from a dashboard:
• Monitor progress
• Review budgets
Oracle Example: Invoice Management

Create, adjust, finalize, and submit invoices for approval. Preview invoices to confirm accuracy before approving billing.
Embedded communications tools allow for collaboration and follow-up among members of a team.
Cross-dimensional analysis can be done within Oracle or you can utilize SmartView, an Excel plug-in.
Oracle Resources

• FST Website: fst.uchicago.edu/
• Oracle ERP: https://www.oracle.com/erp/
• Oracle YouTube: https://www.youtube.com/channel/UCm-InxqUejQC-cXyTRAzYJw
• Oracle University: https://education.oracle.com/learning-explorer
SYSTEM INTEGRATOR RFP PROCESS
Systems Integrator (SI) partners are consulting firms with deep experience in cloud ERP implementation projects in a multitude of sectors including higher education and academic medical centers.

What roles will SIs Play?
- Software Configuration
- Process Design
- Project Management
- Organizational Change and Training Support

How will SIs support the ERP project?
- Project Processes and Methods
- Risk Management
- ERP Cloud Skilled Teams
- Tools and Techniques
System Integrator - Timeline

Autumn AY21
- Issue RFP

Winter AY21
- Written Responses
- Down Select & Live Presentations

Spring AY21
- Selection & Negotiations
- Project Approval

SI Selection Committee includes key contributors from:

**Academic Units**
- Paul Cronin – Pritzker School of Medicine
- Mumtaz Darbar - BSD
- Esty Gur – SSA
- Jeremy Guthrie - Booth

**Provost’s Office**
- Jim Belshe – Budget Office
- Paul Castellucci – Budget Office
- Melina Hale – Vice Provost
- Mike Ludwig – URA
- Jennifer Waters - CSL

**Administrative Units**
- Kevin Boyd - ITS
- Patti Ferriter – F&A
- Brett Padgett – F&A
- Brian Schinker – ITS
- Mark Weber – F&A

**FST Program Leadership**
- Chris Carroll – OCM Lead
- Geethanath Marri – Program Director
CHART OF ACCOUNTS INTRODUCTION
Current State to Proposed Future Segments

Current State

FAS COA
L-XXXXX-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.)
Proposed Future State Segments

Highest level 'parent' entity, representing UChicago
Tracks spending restrictions and designations to categorize fund balance
Exec Unit or High-level roll-up of departments
Describes the nature of the transaction (e.g., revenue, expense, asset, liability)
Used by individual areas to report on a group of related activities
Physical location of the delivery of services
Used to designate the purpose /mission/ NACUBO
Used to identify intercompany transactions.
Used to track activities that span over multiple fiscal years

Entity | Fund | Organization | Account | Program Activity* | Location | Function | Affiliate | Payor/Plan | Procedure | Recharge | Provider |
--- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
UChicago | UCM | MBL |
Unrestricted |
Temporarily Restricted |
Permanently Restricted |
Financial Reporting |
Operating |
Non-Operating |

11-Lab School |
437- Lab Schools-Finance & Operations |
Exec Unit |
Department |
Sub Dept. |
Sub Sub Dept. |

Assets Liabilities Fund Balances Revenue Expenses |
Booth Annual Fund |
Crime Lab |
Clinical |
A500-Academic Support |

Assigned by system when transaction is between two different entities |

Potential Project Types |
Grants |
Endowments |
Capital Projects |
Non-Capital Projects |

Possible additional segments for UCM
READINESS ACTIVITIES
Other Upcoming Calendar 2021 Activities

- Process Improvements and Policy Changes
- Data Preparation
- Reporting Capabilities and Needs
- Change Management
More Questions?

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