




City of Seattle
Accounting Process Review Project
Future State Recommendations

Final Draft 1.0

February 24, 2010

	City of Seattle	Project: Accounting Process Review	Document: Future State Recommendations
Contact: Millie Babicz (206-684-0959)		Last Update: February 24, 2010	

Document Revision History

Version #	Revised Date	Description	Distribute Date
1.0	2/24/10	Final Draft	

Other Supporting Documents

Document Title	Description	Date Distributed
Project Costing Overview	Provides a summary of findings based on the Departments' survey submissions and gives a high-level overview of the PeopleSoft Project Costing module (Summit). Highlighting functionality available in release 8.8 versus 9.1.	1/13/2010
Project Costing ChartFields	Overview of the ChartFields / attributes used in PeopleSoft Project Costing module (Summit). Highlighting the current usage of each and considerations for alternative use where applicable.	1/27/2010
General Ledger ChartFields	Overview of the ChartFields available (regardless if used) in PeopleSoft General Ledger module (Summit). Highlighting the current usage of each and considerations for alternative use where applicable.	2/3/2010
Activity Billing / Labor Distribution	Assessment of the two major Summit customizations. Highlighting other delivered alternatives that may be able to replace them.	2/10/2010
Project Costing Integration	Overview of the delivered integration points between Project Costing and other PeopleSoft modules. Highlighting modules currently licensed by the City and introduction of other modules that would benefit the City (but would need to be purchased / implemented).	2/17/2010



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1 Project Overview

1.1 Background

The City's Financial System (Summit) was successfully implemented in July 1999 with the following goals:

- 3.1. Meet the year 2000 requirements – when the calendar year changed to year 2000, the financial system had to be in operation.
- 3.2. Apply existing functionalities in SFMS (the financial system prior to Summit) to Summit.
- 3.3. Provide the ability to query the database easily.

In 2007, a study made by an EPM (PeopleSoft Enterprise Performance Management System) consultant recommended to standardize the use of ChartFields including Project ID and re-evaluate the use of Project module. With this recommendation, DOF and DEA initiated in 2008 the Accounting Process Review (APR) Project with Phase 1 concentrating on ChartField Redesign. This project met with accounting and budgeting management and staff of several City departments in focus group sessions, and developed the ChartField Design Report with recommendation of a Fund and Org structures and the use of commitment control. It also recommended further analysis of the other ChartFields including Program, with respect to its use by the GEN departments, and Project.


In June of 2009, Phase 2 of the Accounting Process Review (APR) project was initiated involving the Department of Parks and Recreation (DPR), Department of Executive Administration (DEA), and Seattle Department of Transportation. This phase of the project evaluates current usage of the ChartFields by the subject departments against the recommended uses; identifies the gaps; finalizes the ChartField policies for Fund, Org, Account, and Program; and recommends any changes to bring the subject departments in compliance with the policies. The recommendations may include strategies to achieve staggered or phased-in compliance with the policies.

In September of 2009, APR Project Phase 2 was amended to include analysis of the City's use of Project and Activity codes, documentation of usage variances among departments; and development of an approach to support citywide monitoring and control of Capital Projects budgets and expenditures as well as tracking of revenue sources. This phase of the project shall include development of a conceptual design of standards to allow citywide capital improvement project tracking and reporting; and streamlining of revenue and expenditure (or expense) data collection and recording. APR Project Phase 2 is an accelerated and short-term project to match the consultant contract timeline.

1.2 Business Goals / Benefits

Goals:

- ❖ Develop citywide standards for the use of Project ID and Activity ID.
- ❖ Develop approach to monitor and control capital spending within each department as well as for cross-departmental projects.
- ❖ Develop approach to standardize the process of tracking funding sources.

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Benefits:

- ❖ Financial Management
 - Provide centralized reporting across all departments.
 - Provide effective monitoring of multi-department capital improvement projects.
 - Provide all departments the ability to use Summit for internal management as well as central reporting.
 - Improve communication among departments, policy makers and senior management.

- ❖ Compliance
 - Enable compliance with FASB, GASB, FERC, BARS, and other federal and state regulatory reporting requirements.
 - Enable compliance with the City regulations, policies and other rules.


- ❖ Organizational Change
 - Establish a repeatable project and organizational change methodology that can be leveraged on other projects.
 - Support standardization of accounting, financial and business processes.
 - Improve transferability of accounting subject matter expertise across departments.

- ❖ System Maintenance
 - Reduce business and financial risks to the City by maximizing the use of PeopleSoft functionality.
 - Establish the appropriate coding structure that will underlie the potential use of a citywide budget management system.

1.3 Audience

This document is intended for the following:

- ❖ **Executive Project Sponsors:** Dwight Dively, Fred Podesta
- ❖ **Project Sponsors:** Glen Lee, Victoria Galinato, Bryon Tokunaga
- ❖ **CIP Departments:** SCL, SPU, SDOT, Parks, Seattle Center, FFD, DoIT and Library
- ❖ **DOF/DEA:** Budget Managers, Central Accounting Staff, and Summit Team
- ❖ **Project Management Team:** Makiko Tong

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2 Approach

2.1 Process Overview

The current state information gathering process consisted of a survey and various group meetings focused on the use of individual ChartFields in the accounting and budgeting systems for all CIP Departments (SCL, SPU, SDOT, Parks, Seattle Center, FFD, DoIT and Library). The Functional Consultant also worked very closely with the SDOT Core Team to analyze the use of the ChartFields in SDOT's current processes. This provided the Consultant with the opportunity to conduct detail analysis of the current usage of Summit and its various complex customizations. The detail analysis of SDOT and the Department survey results were the basis of all recommendations made herewith in to support the conceptual design of standards.

The Department Conceptual Design Education Sessions (see Table 3) provided an opportunity for open discussion and allowed Departments to ask clarifying questions on proposed solutions and issues they felt were the most important. Supplemental meetings with subject matter experts were conducted as required. The budget, accounting and operational processes were all discussed, with an emphasis on Capital Improvement Project (CIP) Accounting. Information obtained during the meetings was validated outside of the meeting with accounting extracts of data to ensure a comprehensive analysis of the ChartField usage.

2.2 Session Schedules

Table 1: SDOT Current State Sessions – Attendees

Date	SDOT	Summit	Other	Topic	Status
11 Sessions 7/30/09 thru 12/15/09	-Lenda Crawford -Byron Williams -Scott Clarke -Gail Srithongsuk -Christine Patterson -Gail Srithongsuk -Patricia Rigali -Monica Schmitz -Veronica Schindler -Don Padgett -Cheryl Ooka -Mike Wypiszinski -Minh Ta	-Makiko Tong -Millie Babicz	-Glen Lee (DoF) -JoEllen Kuwamoto (DoF) -Lynn Johnson (DEA) -Victoria Galinato (DEA) -Lynn Johnson (DEA) -Steve Spada (DEA) -Katie Ewing (DoF) -Steve Barham (DoF) -Fon Chang (DEA)	Use of Summit, including interfaces and reports.	Complete


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Table 2: Department Survey Review Sessions – Attendees

Date	Department	Summit	Other	Topic	Status
12/16/09	-Lewis Turner -Flor Abuan -Karen Haslam	-Makiko Tong -Millie Babicz	-Victoria Galinato (DEA) -Byungjoon Yoon (DEA) -Kathryn Ewing (DOF)	Discuss DPR survey response	Complete
12/17/09	-Karen Brooke -Carrie Jones -Jeany Lau	-Makiko Tong -Millie Babicz	-Byungjoon Yoon (DEA) -Kathryn Ewing (DOF)	Discuss SPU survey response	Complete
12/29/09	-Dean Nishimura -Eve Sternberg	-Makiko Tong -Millie Babicz	-Byungjoon Yoon (DEA)	Discuss Library survey response	Complete
12/30/09	-Patti DeFazio -Jan Tanning -Emelita Barber	-Makiko Tong -Millie Babicz	-Byungjoon Yoon (DEA)	Discuss DoIT survey response	Complete
12/30/09	-Christine Chea	-Makiko Tong -Millie Babicz	-Byungjoon Yoon (DEA)	Discuss Seattle Center survey response	Complete
1/5/10	-Debbie Nagasawa -Miriam Roskin -Natalya Lizunova -Precy Tugublimas -Teresa Lewis -Frank Coulter -Chris Potter	-Makiko Tong -Millie Babicz	-Byungjoon Yoon (DEA)	Discuss FFD survey response	Complete
1/5/10 and 1/6/10	-Kyung Kim -Tom Losteter -Jon Lutton -Mark Mikkelson -Julie Renick	-Makiko Tong -Millie Babicz	-Byungjoon Yoon (DEA)	Discuss SCL survey response	Complete

Table 3: Department Conceptual Design Education Sessions – Attendees

Date	Attendees	Attendees	Topic	Status
1/13/2010	Lenda Crawford (SDOT) Christine Patterson (SDOT) Patricia Rigali (SDOT) Miriam Roskin (FFD) Debbie Nagawawa (FFD) Precy Tugublimus (FFD) Natalya Lizunova (FFD) Frank Coulter (FFD) Teresa Lewis (FFD) Patti DeFazio (DoIT) Jan Tanning (DoIT) Mitz Barber (DoIT) Kim Mickelson (DoIT)	Mark Mikkelson (SCL) Tom Losteter (SCL) Karen Brooke (SPU) Christine Chea (Seattle Center) Jeany Lau (SPU) Lewis Turner (Parks) Karen Haslam (Parks) Gerry Asp (Parks) Glen Lee (DOF/CBO) Victoria Galinato (DEA) Hongnhan Le (DEA/Summit) Millie Babicz (APR Project) Makiko Tong (APR Project)	-Summary of survey results -Project Costing current functionality in 8.8 and available functionality in 9.1	Complete



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Date	Attendees	Attendees	Topic	Status
1/27/10	Patricia Rigali (SDOT) Marion Hitchcock (SDOT) Debbie Nagawawa (FFD) Christine Chea (Seattle Center) Dean Nishimura (Library) Jan Tanning (DoIT) Mitz Barber (DoIT) Kim Mickelson (DoIT) Mark Mikkelson (SCL) Tom Losteter (SCL) Karen Brooke (SPU) Carrie Jones (SPU) Jeany Lau (SPU) Lewis Turner (Parks)	Karen Haslam (Parks) Flor Abuan (Parks) Gerry Asp (Parks) Victoria Galinato (DEA) Jake Yoon (DEA) Lynn Johnson (DEA) Jamie Carnell (DEA) Zenaida Santiago (DEA) Tom Taylor (DOF/CBO) JoEllen Kuwamoto (DOF/CBO) Hongnhan Le (FAS/Summit) Millie Babicz (APR Project) Makiko Tong (APR Project)	-Usage of Project Costing ChartFields and Attributes	Complete
2/3/10	Patricia Rigali (SDOT) Marion Hitchcock (SDOT) Debbie Nagawawa (FFD) Precy Tugublimas (FFD) Christine Chea (Seattle Center) Dean Nishimura (Library) Patti DeFazio (DoIT) Mitz Barber (DoIT) Kim Mickelson (DoIT) Fati Le (DoIT) Mark Mikkelson (SCL) Tom Losteter (SCL) Fernando Estudillo (SCL) Jeany Lau (SPU)	Kathleen Organ (SPU) Lewis Turner (Parks) Karen Haslam (Parks) Flor Abuan (Parks) Gerry Asp (Parks) Victoria Galinato (DEA) Jake Yoon (DEA) Jamie Carnell (DEA) Tom Taylor (DOF/CBO) JoEllen Kuwamoto (DOF/CBO) Hongnhan Le (DEA/Summit) Millie Babicz (APR Project) Makiko Tong (APR Project)	-Usage of General Ledger ChartFields -Introduction of ChartFields not used currently	Complete
2/10/10	Patricia Rigali (SDOT) Christine Patterson (SDOT) Debbie Nagawawa (FFD) Precy Tugublimas (FFD) Christine Chea (Seattle Center) Dean Nishimura (Library) Mitz Barber (DoIT) Kim Mickelson (DoIT) Fati Le (DoIT) Jan M. Tanning (DoIT) Tom Losteter (SCL) Karen Brooks (SPU)	Jeany Lau (SPU) Kathleen Organ (SPU) Wai Leung (SPU) Lewis Turner (Parks) Flor Abuan (Parks) Gerry Asp (Parks) Victoria Galinato (DEA) Tom Taylor (DOF/CBO) Hongnhan Le (DEA/Summit) Millie Babicz (APR Project) Makiko Tong (APR Project)	-Options for Activity Billing and Labor Distribution replacement	Complete

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Date	Attendees	Attendees	Topic	Status
2/17/10	Patricia Rigali (SDOT) Christine Patterson (SDOT) Debbie Nagawawa (FFD) Precy Tugublimas (FFD) Christine Chea (Seattle Center) Dean Nishimura (Library) Mitz Barber (DoIT) Kim Mickelson (DoIT) Fati Le (DoIT) Jan M. Tanning (DoIT) Patti DeFazio (DoIT) Tom Losteter (SCL) Mark Mikkelson (SCL) Karen Brooks (SPU) Jeany Lau (SPU)	Kathleen Organ (SPU) Wai Leung (SPU) Lewis Turner (Parks) Flor Abuan (Parks) Karen Haslam (Parks) Gerry Asp (Parks) Victoria Galinato (DEA) Jake Yoon (DEA) Tom Taylor (DOF/CBO) JoEllen Kuwamoto (DOF/CBO) Jamie Carnell (DEA) Hongnhan Le (DEA/Summit) Millie Babicz (APR Project) Makiko Tong (APR Project)	Project Costing integration with existing and new modules	Complete

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3 Future State Vision

It should not be to any one's surprise to affirm that the technology surrounding the City's current Financial System has evolved but the Department's business practices and usage of those systems has not. Many components of the initial design (dating back to the old McCormack & Dodge mainframe financial software) have been carried forward with every technical upgrade with minimal regard to business process reengineering. The City's inability to quickly generate and gather cross-departmental financial data is not due to the shortcomings of Summit, but is the result of failing to maximize the capabilities of Summit.

The City lacks a long-term strategic plan for its financial system architecture. The current perception from Departments is that Summit does not meet their needs and they have the autonomy to implement their own systems as needed. This behavior unintentionally results in an inconsistent system architecture and as a result critical department financial data is being kept in shadow systems. There is a significant cost associated with individual departments maintaining resources to support these disparate systems and the data transformation logic between these systems is so complex that only key department personnel understand it. However, one of the benefits of standardization is so the Departments can improve the transferability of knowledge.

DOF / DEA vision of Summit and supporting architecture should align to that of the City as a whole: *"Councilmember Harrell announces technology initiatives for 2010 Plan aim to improve city's accountability, transparency, and effectiveness."* Source: 9/8/2009 press release

The appearance that the City's Financial System Architecture has the ability to provide transparency to how public resources are being used is bit of an illusion as underneath the covers a highly decentralized culture exists in City operations which makes the generation of information more cumbersome and less timely.

Improving business practices and standardizing ChartFields will not be sufficient in meeting City's data needs, but these are the necessary steps to start building a solid foundation. The long-term strategic focus should be on overall improved data integration. It's no surprise that different processes have led to different systems, many of which are unable to share information in a centralized manner making data collection more difficult. There is also an overwhelming redundancy of data that is costly to maintain.

If the City had a program of active governance that would provide direction for uniformity in data, processes and architecture of current Financial System, it can start to control these incremental Department costs and start to incorporate economies of scale by implementing enterprise-wide solutions for common business practices.

Currently, City departments follow different business practices for each of these functions:

- ❖ Financial Accounting
- ❖ Cost Accounting
- ❖ Budget Management
- ❖ Project Management

Even though there are third party enterprise-level vendor solutions (e.g. PeopleSoft, EPM, Clarity) designed to enable the City to realize the benefits of data and process integration, the City will not be able to take full advantage of these systems until it enforces an element of standardization across all Departments.


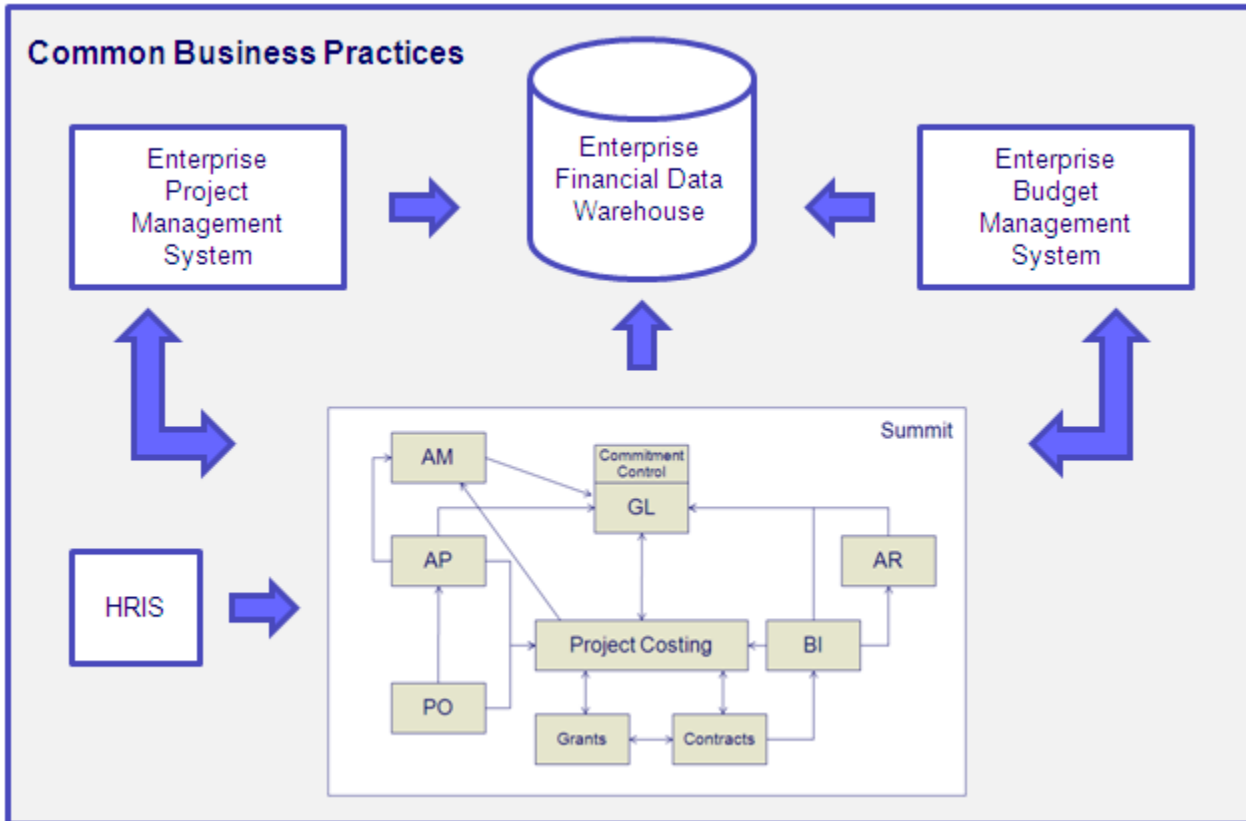
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Diagram 1: Proposed Strategic Vision




3.1 Summit

The foremost goal is to develop a ChartField structure which supports citywide financial reporting and analysis. The structure should also align budgetary and accounting information to satisfy the monitoring and decision making needs of elected officials and senior management. Basically, the City needs to treat data and data elements more uniformly to make better cross-department funding and resource allocation decisions.

The secondary goal is to take advantage of the comprehensive functionality / integration already built into Oracle's PeopleSoft system as it relates to the management of Capital Improvement Programs (CIP). This includes the implementation of three additional modules:

- ❖ **Commitment Control** (already licensed by City) – Used by majority of the public sector to control budgets by performing “upfront” budget checking. Enables tracking of pre-encumbrance, encumbrance, expenditure, and revenue. Note: to take full advantage of commitment control, all purchasing activities must go through PO process (which is not a common practice in the City).

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- ❖ **Contracts** (not licensed by City) – Enables you to adhere to proper revenue recognition practices without manual intervention or accounting workarounds. It provides increased visibility into any contract’s financial status and commitments. An element of the current Activity Billing customization would be replaced by this module. This would allow for all billing/receivable activities to be in one area so standardization of this business practice can take place.
- ❖ **Grants** (not licensed by City) – Used to manage the complete grant life cycle from proposal to award (including subrecipient tracking) which is currently a highly manual and decentralized process. Grants is not a standalone application, as it leverages functionality that is delivered within Contracts, Project Costing, General Ledger, and Billing to provide the ability to systematically capture cost/revenue entries for award transactions and manage reimbursements.

There is also an overwhelming need to take advantage of functionality and integration available within the existing modules currently owned by the City (Project Costing, Purchasing, Accounts Payable, Asset Management, General Ledger, Billing and Accounts Receivable). The Project Team’s focus for this assessment was predominantly around the Summit ChartFields and Project Costing module (refer to *Recommendation Details* section for more information).

3.2 Enterprise Budget Management System


Based on the Citywide Budget System analysis conducted in 2007, it was recommended that the City implement an enterprise wide budget system solution. Centralizing the City’s budget process into one system provides a single version of budget information replacing the many disparate systems used today and is in alignment with the proposed strategic vision.

To date, the City has implemented PeopleSoft’s EPM Budget solution only for a few Departments (O&M budgets only). One of the significant challenges in moving forward with this solution is the inconsistent usage of the Summit ChartFields. This is why there is a compelling business case for City resources to focus initially on the standardization of business practices within Summit before rolling out EPM Budgets to additional Departments (especially CIP departments).

3.3 Enterprise Project Management System

During our analysis, it was discovered that several Departments have implemented their own Project Management solutions. Some fairly simple and some very sophisticated. These systems maintain some critical data (e.g. schedules, % complete, estimates-to-complete, etc.) that is used to support the information recorded in the DOF’s Quarterly CIP Monitoring report. In an effort to automate the reporting of CIP information, the process and what information is tracked needs to be standardized. Some recommendations have already been made and can be applied within the Project Costing module. However, an implementation of a new citywide project management system offers the opportunity to re-evaluate current practices and can help facilitate the complete change.

Another benefit of a single version of PM system is that it will enable the City to track employee labor and contractor labor by Project then feed the information to Project Costing for costing accounting purposes. The current HRIS system should not be used to track time spent on projects. Its primary function is to track hours worked, time off, employee benefits, etc.

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3.4 Enterprise Financial Data Warehouse

As mentioned throughout this document, the City has many systems to manage data so it's not a revelation that the City has several disparate reporting tools to report on that data. The individual Departments have spent a great deal of time and money to implement reporting solutions outside of Summit (utilizing Summit data) for various reasons, including:

- ❖ Need to track projects at different level of detail
- ❖ Need to report on non-financial data (schedules, milestones, etc.)
- ❖ Summit delivered reports are not sufficient
- ❖ Not familiar with Summit reporting tools
- ❖ Not familiar with Summit table structures

An Enterprise Financial Data Warehouse solution can help bring all the data together (from various systems) under a common data model and utilize a common reporting tool to retrieve the information. Basically, a warehouse model takes the guess work out of what tables need to be joined to produce the report as it presents the data in a more logical / user-friendly format.

The Data Warehouse would most likely be the last solution implemented in the overall vision, but it is critical for effective management of Capital Improvement Programs (CIP). There is no single system that is likely to adequately meet the requirements of every financial and management related function in the City but an enterprise level data warehouse can at least bring all the information together into one place.

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4 Recommendation Details

The Project Team’s focus for this assessment was predominantly around the Summit ChartFields and Project Costing module and the details in this section support that assessment. There are no further details documented on the overall proposed strategic vision as that was not the primary focus of the APR project, the overall vision is just a by-product of some of the Project Team’s findings.

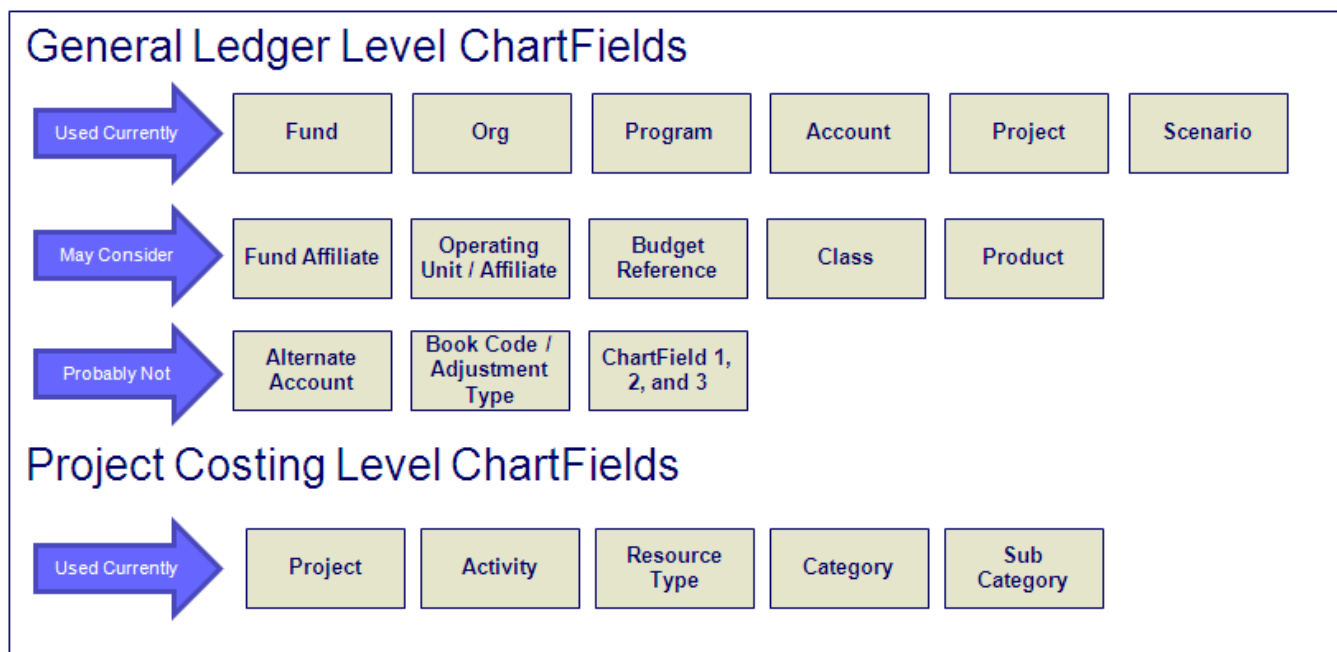
4.1 ChartField Usage

Each transaction that enters the City’s system should be able to answer the following questions:


- ❖ How monies are used (by what authority)?
- ❖ Who is spending the money?
- ❖ Why is the money being spent?
- ❖ What are you spending on (type of work)?
- ❖ Where (which location) are you spending? ← *if applies*

The current ChartField structure does allow the City to address these questions, however, the issue is that Departments don’t use the same ChartField for each question, and in some cases one ChartField is used to answer all the questions (e.g. Org, Activity). Overall, it was determined that there isn’t a compelling business case to add additional ChartFields to the accounting string, however, the City will need to put in significant effort to make recommended changes (*refer to matrices in next section for details*).

Diagram 2: ChartField String



Note: Since the ChartFields are not being used consistently across departments thus making citywide reporting a challenge, it will take a strong commitment from the City’s leadership team to enforce citywide definitions and policies.

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4.1.1 General Ledger ChartFields

Overall comments

Departments are embedding significant logic within ChartFields which make it difficult to transition during any type of re-organization. It is recommended that the delivered *ChartField Attribute* functionality and *Tree Hierarchies* are used more often to identify certain characteristics about the ChartField instead of coding that information within the ChartField value.

It was discovered that routine maintenance is not being performed on all ChartFields / System Rules as several values were found to be “active” yet not used in the past year(s).

ChartField	Current Usage	Issue Ref#	Recommendation	Business Value	Level of Complexity
Fund Length 5	Fund is a balanced ChartField (debits = credits) and is used to demonstrate fiscal accountability. Used for Main Fund and Subfund established by City Charter or ordinance. Also used for administratively created Subfund to track certain revenues and associated costs. Some funds are sometimes mixed within a single “operating” fund. Funds are mostly derived (via key assignment customization) from the Org ChartField.	I003 I010	There are currently inconsistencies with the current usage of Fund ChartField and GASB reporting requirements. Further analysis is required to rectify this. There should be more direct charging to Fund (instead of using Activity Billing / Allocation). The only exception would be Labor transactions. Use a ChartField attribute to identify fund type.	Fund should be used to measure the “how” monies are used. The structure must fulfill the City’s GASB and other statutory and regulatory accounting requirements.	MEDIUM Can be HIGH if new fund structure requires an element of re-mapping / data conversion. Can be accomplished within release 8.8.
Fund Affiliate Length 5	Not used by the City.		Certain delivered PeopleSoft functionality (e.g. Allocation, Funds Distribution) would require this ChartField to be turned on to ensure the Fund is balanced.	This ChartField is used when inter-fund transactions are maintained using the same due to/due from account. This means that you will not need a separate account to represent each fund.	LOW Turning this ChartField on would not have a significant impact to the City and can be accomplished within release 8.8.
Operating Unit Length 8	Not used by the City.		Did not find an overwhelming business case for the City to implement this ChartField. Departments are currently represented by multiple Org codes and tree hierarchies are used to identify which Org belongs to which City Department.	Operating Unit can be used to measure “who” is spending the money. Generally used to capture major organizational entities within a single GL Business Unit (e.g. Parks, Library, and SDOT).	HIGH Implementing a new ChartField has a HIGH level of complexity and should only be done in conjunction with re-implementation to a new release.

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ChartField	Current Usage	Issue Ref#	Recommendation	Business Value	Level of Complexity
OU Affiliate Length 8	Not used by the City.		Do not recommend for the City, even if the OU ChartField is used.	This ChartField is used only if the OU ChartField is turned on as a "balancing" ChartField.	HIGH Implementing a new ChartField has a HIGH level of complexity and should only be done in conjunction with re-implementation to a new release.
Org (DEPTID) Length 10	<p>The Org ChartField is used in multiple ways and can track any one of the following:</p> <ul style="list-style-type: none"> -organizational structure -projects / events -locations -fund codes <p>There is no consistency in BCL level for those Departments that budget at the Org level.</p> <p>The nodes on the DEPT_RPT_STR tree are not consistent with codes defined on the appropriations page of the Budget Book.</p>	I035	<p>The Org code should represent the lowest organizational unit within a City Department. If you do not use OU ChartField, then an Org code must be unique to a City department so that it can be represented in a Tree Hierarchy.</p> <p>The only exception is to use a Balance Sheet Org when recording transactions affecting Balance Sheet accounts.</p> <p>Use a ChartField attribute to identify which City department the Org belongs to instead of embedding the logic in the value.</p> <p>The BCL should be a Summary Org value (not detail) and applied consistently across all Departments. One BCL Tree should be developed and utilized by all Departments.</p>	Used to track information according to a divisional breakdown of organization. Generally used to indicate "who" is responsible for or affected by a transaction.	MEDIUM Can be HIGH if new Org structure requires an element of re-mapping / data conversion. Can be accomplished within release 8.8.



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ChartField	Current Usage	Issue Ref#	Recommendation	Business Value	Level of Complexity
Program Length 5	<p>Program ChartField is used differently by each of the GL Business Units:</p> <p>GEN – Uses to capture summary categories of expenditures to comply with State Budgetary, Accounting and Reporting Standards (BARS). Not used with Revenue or Balance Sheet accounts. Codes are mostly derived (via key assignment customization) from the Org / Activity ChartField.</p> <p>SCL – Uses to capture summary categories to meet financial reporting requirements of the Federal Energy Regulatory Commission (FERC). Used on every P&L and B/S account. Codes are mostly derived (via key assignment customization) from the Activity ChartField.</p> <p>SPU – Uses to capture summary categories to meet GAAP financial reporting requirements.</p>	I018 I037	<p>Continue using a ChartField (for all Business Units), but move the functionality to another “unused” ChartField so Program ChartField can be used as intended.</p> <p>Use of the “program” term is very confusing to Departments as it generally applies to Project work.</p> <p>Note: PeopleSoft’s definition of this ChartField is to use it to measure “Why “(programmatic) you are spending.</p> <p>Consideration was given to use Program as a BCL ChartField but it would have a significant impact to the City and may not be practical.</p>	This ChartField allows the City to be compliant with various regulatory reporting requirements.	<p>HIGH</p> <p>Moving the codes to another ChartField will have a great deal of impact on existing interfaces / reports and should only be done in conjunction with re-implementation to a new release.</p>
Account Length 10	<p>Account is used to classify financial activities for financial reporting.</p> <p>SCL / SPU Business Units only use this ChartField to comply with City’s budgetary accounting requirements. The Program ChartField is used for their financial reporting.</p> <p>Inconsistent usage of the Chart of Accounts is impairing the budgeting process.</p>		<p>Evaluate current account list and consider the following:</p> <ul style="list-style-type: none"> • Are there any account name inconsistencies (e.g. IF naming conventions)? • Are account names too broad (e.g. professional services)? • Are accounts used inappropriately (e.g. animal feed)? <p>Designate “Budgetary Only” accounts for budget purposes. Roll forward LTD balances to those accounts instead of using 76000, 86000, 96000 accounts.</p>	Account is used to measure “what” is the nature of the transaction. Generally to identify the types of costs/revenues associated with a managed scope of work. Also to classify asset/liability transactions for financial reporting.	LOW
Alternate Account Length 10	<p>Not used by the City.</p> <p>Note: consideration was given on whether alternate account can be used to replace the coding in the Program ChartField.</p>		Do not recommend for use by the City.	Using alternate account, you can enter and maintain both a statutory (local) account value and a corporate (internal) account value at the detail transaction level.	<p>HIGH</p> <p>Implementing a new ChartField has a HIGH level of complexity and should only be done in conjunction with re-implementation to a new release.</p>



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ChartField	Current Usage	Issue Ref#	Recommendation	Business Value	Level of Complexity
Budget Reference Length 8	Not used by the City.		Did not find an overwhelming business case for the City to implement this ChartField.	Used to identify unique budgets where individual budgets share budget keys and overlapping periods (e.g. track the period when funds were appropriated).	HIGH Implementing a new ChartField has a HIGH level of complexity and should only be done in conjunction with re-implementation to a new release.
Scenario Length 10	The City uses it to identify different budget iterations that use different assumptions (e.g. BUD – Adopted Budget, CFC Carryforward CIP) Transactions are posted to the LEDGER_BUDG table.		Recommend tracking the Spending Plan as another scenario so that it can be used in reporting.	Facilitates the reporting of budget vs. actual.	LOW
Class Length 5	Not used by the City. Note: This ChartField is already included in Summit customizations / interfaces.		Did not find an overwhelming business case for the City to implement this ChartField.	Has no specific purpose, but should be used first before you repurpose an existing ChartField.	HIGH Implementing a new ChartField has a HIGH level of complexity and should only be done in conjunction with re-implementation to a new release.
Product Length 6	Not used by the City.		Did not find an overwhelming business case from the CIP Departments for the City to implement this ChartField. However, DEA may consider using it to support programs supported by fees (e.g. Burglar Alarm Dealer, All Ages Dance, Trade Shows, etc.)	Used to capture additional information useful for profitability and cash flow analysis (e.g. What good or service you are selling).	HIGH Implementing a new ChartField has a HIGH level of complexity and should only be done in conjunction with re-implementation to a new release.
ChartField 1 ChartField 2 ChartField 3 Length 10	Not used by the City.		Did not find an overwhelming business case for the City to implement this ChartField.	Has no specific purpose, but should be used first before you repurpose an existing ChartField.	HIGH Implementing a new ChartField has a HIGH level of complexity and should only be done in conjunction with re-implementation to a new release.
Book Code / Adjustment Type Length 4	Not used by the City.		Do not recommend for use by the City.	Identify subsets of ledger rows to segregate and maintain in the same ledger various accounting, recording and reporting requirements for transactions in different accounting environments (e.g. multiple GAAPs). Define adjustment types associated with varying accounting treatments of prior period adjustments.	HIGH Implementing a new ChartField has a HIGH level of complexity and should only be done in conjunction with re-implementation to a new release.

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4.1.2 Project Costing ChartFields

ChartField	Current Usage	Issue Ref#	Recommendation	Business Value	Level of Complexity
Project Length 15	<p>The Project ChartField is used to record capital improvement projects, grants, or O&M costs.</p> <p>Level of detail captured varies by department.</p> <p>Level of detail tracked in CIP Budget Book is not consistent across departments.</p> <p>Projects are unique to Department. Distinct values required within each GL Business Unit (GEN, SPU, SCL).</p>	I005 I006 I011 I012 I021 I023 I031	<p>A project should be a logical grouping of work assigned to a Project Manager or logical grouping to capture O&M costs.</p> <p>Consider putting a \$ threshold on what constitutes a project / BCL.</p> <p>The BCL should be a Summary Project value (not detail) and applied consistently across all Departments.</p> <p>Project Managers can also use Summary Projects to group projects in the manner that they manage them.</p> <p>One BCL Tree should be developed and utilized by all Departments. This would be accomplished by changing the project SETID to "ALL".</p> <p>Enforce tracking of Grants via Project ChartField (unhide the Grants Flag function).</p>	<p>The structure must support financial monitoring and analysis of capital projects across City departments and over multiple project phases.</p> <p>The structure must meet the information and accountability requirements for department project managers.</p>	<p>HIGH</p> <p>Standardizing the BCL structure will require a great detail of analysis of each Department due to the high degree of divergence among departments.</p> <p>This can be accomplished in 8.8 but recommend to coincide with re-implementation to next release.</p> <p>The level of complexity to change the SETID to "ALL" for Project ChartField is LOW and the impact should be minimal.</p> <p>This option to unhide Grants Flag function was chosen because it will leverage future use of Grants module (should the City decide to implement in the future).</p>
Activity Length 15	<p>The Activity ChartField is used in multiple ways and can track any one of the following:</p> <ul style="list-style-type: none"> Track tasks for a project (can be a body of work or individual work order) Used to group costs together to allow reimbursement by internal/external entities Track funding source / ordinance Some departments only have one activity per CIP project The Activity Billing functionality is triggered by Activity ID usage so values are setup to utilize this functionality. <p>Note: several ChartFields are key assigned from Activity (Fund, Org, Project, Program). So why do we need the other ChartFields if all the information is embedded in Activity ID?</p>	I008 I013 I014 I025 I028 I032	<p>Changing the BCL level on Project ID should provide the opportunity to bring certain Activities to the Project level.</p> <p>Any common activities managed by one Project Manager should be brought up to the Project ID level.</p> <p>A project should have multiple activities (but never at a work order level). Having one activity per Project does not add any value.</p> <p>Do not define an activity just so you can use it in "key assignment". For example, manually code Program instead of setting up separate Activities to derive Program.</p> <p>Structure activity so it can facilitate allocations (via GL), reimbursement billing (via Contracts/Billing) and integration with Asset Management.</p>	<p>Used to represent individual tasks or events that enable more accurate tracking of project effort and costs.</p>	<p>HIGH</p> <p>Scrubbing activities will require a great detail of analysis of each Department due to the high degree of divergence among departments.</p> <p>Implementing a new structure to utilize new functionality (e.g. Funds Distribution / Billing) has a HIGH level of complexity.</p> <p>Should only be done in conjunction with re-implementation to a new release (9.1 or higher).</p> <p>Note: Consideration was given to implement "standard" activities across departments; however, the diversity of businesses run by the City would make it impractical.</p>



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ChartField	Current Usage	Issue Ref#	Recommendation	Business Value	Level of Complexity
Resource Type Length 5	Originally setup to track project phase. Note: Majority of the 2009 transactions captured in PROJ_RESOURCE do not utilize this value.		Use "Activity Type" to capture project phase and use this ChartField to capture Location. Note: Consideration was given to using the "Location" tab on the Project / Activity setup page; however, that value is shared by other Summit modules so setting up specific values for Projects would cause confusion. Also, this would force an Activity to only have one location.	A standardized Location code would enable the City to track various work being done in one location.	MEDIUM A few departments use this ChartField so their business process would need to change. Standardizing the Location code will require detail analysis of each Department. This can be accomplished in 8.8.
Category Length 5	The Category ChartField is used in multiple ways and can track any one of the following: <ul style="list-style-type: none"> Used to indicate location. Further defines type of cost (more granular than available in Account ChartField) Tracks sub-task (more granular than Activity ID) Phases of construction Identify Asset 		Allow departments to use as needed for their own internal management reporting. Move location information into the Resource Type ChartField	Category is an independent ChartField and can be used in any combination within a project costing transaction.	LOW Can leave Location information in this ChartField until fully transitioned into Resource Type ChartField.
Sub-Category Length 5	The Sub-Category ChartField is used in multiple ways and can track any one of the following: <ul style="list-style-type: none"> Used to indicate location. Further defines type of cost (more granular than available in Account ChartField) Tracks sub-task (more granular than Activity ID) Phases 		Allow departments to use as needed for their own internal management reporting. Move location information into the Resource Type ChartField	Sub-Category is an independent ChartField and can be used in any combination within a project costing transaction.	LOW Can leave Location information in this ChartField until fully transitioned into Resource Type ChartField.

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4.2 Project Costing Attributes

Attributes	Current Usage	Issue Ref#	Recommendation	Business Value	Level of Complexity
Project Type Length 5	Various values defined by each department, but generally not used for reporting (refer to Page 10 of <i>APR_Project Costing Attributes_27Jan2010</i> discussion document for value details)		Continue to use this reference field to track Project Type, but standardize the list across departments. The DOF should drive how they want to categorize projects (e.g. CIP Life to date, CIP Ongoing, O&M, etc.)	Currently there is no consistent mechanism to identify a CIP project so the use of Project Type would satisfy DOFs requirement. Having this information in Summit would facilitate automatic generation of the DOF CIP Quarterly Monitoring report.	LOW Since the value is generally not used for reporting the impact to departments would be low. This can be accomplished in 8.8.
Activity Type Length 5	Various values defined by each department, but generally not used for reporting (refer to Page 17 of <i>APR_Project Costing Attributes_27Jan2010</i> discussion document for value details)	I036	Use this reference field to track Phase and standardize the list across departments. The DOF should drive what phase information they want to capture (e.g. Planning, Design, Construction, etc.) Note: Consideration was given to keep phase information in the Resource Type ChartField, but it was determined that there is greater business value to use that ChartField to track Location.	The City would be able to track how much is being spent by Phase as well as indirectly see what phase a project is in based on the amount of spend. This would not require usage of "key assignment" since it is attached to the Activity ChartField.	LOW/MEDIUM Since the value is generally not used for reporting the impact to departments would be low. However, may require departments to add additional Activities since an activity can only belong to one Phase. This can be accomplished in 8.8.
Phase Tab (on Project Setup page)	Not used by the City.		Have the Departments load the estimate and actual phase dates for each Project (updated monthly at minimum).	Having this information in Summit would facilitate automatic generation of the DOF CIP Quarterly Monitoring report.	MEDIUM This information is currently tracked outside of Summit by Project Managers so it would require a change in business process and a customization to upload the information into Summit. This can be accomplished in 8.8.
Percent Complete (on Project Setup page)	Not used by the City.		Have the Departments load the percentage for each Project (updated monthly at minimum).	Having this information in Summit would facilitate automatic generation of the DOF CIP Quarterly Monitoring report.	MEDIUM This information is currently tracked outside of Summit by Project Managers so it would require a change in business process and a customization to upload the information into Summit. This can be accomplished in 8.8.



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Attributes	Current Usage	Issue Ref#	Recommendation	Business Value	Level of Complexity
Manager Tab (on Project Setup page)	Not used by the City. Note: the Summit system was customized to include this information at the Activity level. Refer to Page 12 of <i>APR_Project Costing Attributes_27Jan2010</i> for detail stats on usage by Department.		Additional analysis is required as why this is needed at the Activity Level. Mostly used by FFD, PRK, SCL and SDOT. Note: this gives a hint that some activities should be tracked via Project ID.	Would eliminate one more customization and save on upgrade costs.	LOW Address as part of next upgrade.
User Field Tab (on Project / Activity Setup page)	Not used by the City. Note: the Summit system was customized to include this information as a new tab at the Activity level (related to Mod #020).		Additional analysis is required whether the custom tab is still needed or can be replaced by the delivered tab at either the Project or Activity level. Note: not many departments use this page.	Would eliminate one more customization and save on upgrade costs.	LOW Address as part of next upgrade.
PC ChartField Attribute Length 15	Used to track funding source for Grants.	I033	Also, use to track ordinance number	It would standardize the location of this information and you can have multiple ordinance numbers per project. Note: Ordinance number is currently tracked in multiple places: <ul style="list-style-type: none"> • Some use MISC field at the activity level • Some use the ACTIVITY ID • Some track outside of Summit • Comments section of Justification tab on Project setup page. 	LOW Easy to configure and utilize immediately for inquiry / reporting. This can be accomplished in 8.8. Note: This will not allow you to directly enter a transaction to a particular ordinance number (if more than one is attached to a project).
Analysis Type Length 3	Analysis types are assigned to individual transactions to identify different types of transactions (e.g. estimated costs, budgeted amounts, actual costs, billed costs) Refer to Page 23 of <i>APR_Project Costing Attributes_27Jan2010</i> for detail stats on usage by Department.		Should be used to track Spending Plan and Adjustments to Spending Plan.	Evaluate how analysis type can be used consistently to allow for budget vs. actual reporting across all departments.	LOW/MEDIUM Easy to configure but the impact on existing reports would need to be evaluated.

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4.3 Project Costing Related Customizations

Mod #	Current Usage	Issue Ref#	Recommendation	Rel	Business Value	Level of Complexity
M016 – Common entry point for GL & PC	The main focus of this Mod is to re-integrate the PC ChartFields on the same page as the main journal line data instead of via hyperlink.		Should be able to remove as PC ChartFields are visible on distribution line since version 8.9.	8.9	Would eliminate one more customization and save on upgrade costs.	LOW
Mod 84C: Budget Carryforward for LTD and Continuing Projects	Mod creates Life-To-Date and Continuing Carryforward Budget journals for all projects within a predetermined accounting range for a specified PC (Project Cost) Business Unit. Uses Justification Type field on Project Setup Page to track C, G, H, L.		Use the delivered budget forward functionality in Commitment Control.	8.8	Would eliminate one more customization and save on upgrade costs.	MEDIUM Since the delivered functionality stores balances differently, all the reports would need to change to accommodate the new structure.
Mod 84C: Budget Carryforward for LTD and Continuing Projects	For GEN Business Units, the delivered Year End process actually generates the LTD balance for Projects in GL leveraging the functionality in this mod The SPU/SCL Business Units do not use this custom process. They rely on Allocation Rules to carryforward their balances at a Program Level.	I017 I019	Use the delivered year-end close process to calculate LTD for projects in GL. Note: continue testing the usage for SCL/SPU based on suggestions.	8.8	Would provide more consistency in reporting. Note: The allocation process currently moves the “balance forward” number to period 998. The delivered year end process uses 0 which is more accurate.	MEDIUM The current reports are based on beginning balances being stored in period 998, whereas the delivered year end process would store the data in period 0. This would require reports to change.
M011 - Key Assignment	This functionality acts to automatically fill in a field, or fields on an input line based on the completion of another field, e.g. assignment of Fund Code based on the Org (Department).		The only area with a compelling business case to use a form of key assignment is in HRIS (labor interface) since it would not be practical for resources out in the field to remember a lengthy ChartField string for time entry. Other areas should start to lower their reliance on this customization through improved business practices. For speed in data entry, you can use the delivered SpeedType functionality.	9.1	It does help to improve the accuracy of data especially in relation to Time Entry. However, key assignment can also be an inhibitor rather than an enabler and promote bad business practices. Note: with the release of 9.1, you can now assign SpeedType transactions down to the PC ChartFields.	HIGH There is no delivered functionality that would replace Key Assignment 100%. However, once the proposed ChartField changes are adopted, there may not be a need for key assignment. Note: SpeedType functionality only works in on-line data entry not during batch processing.



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Mod #	Current Usage	Issue Ref#	Recommendation	Rel	Business Value	Level of Complexity
M034 - Activity Billing (Type I – Inter/intra)	Provides for the ability within the Summit system to create balanced 'billing' journals in multiple business units to record revenues, expenditures, cash and due to/due from entries based on expenditures collected in activities.	I001 I002 I020	Any Activity Billing rules that are specifically setup to allocate costs / revenues among funds within their own Department should use the delivered Funds Distribution functionality delivered in Project Costing 9.1. <i>Refer to APR_Activity Billing_Functionality Overview_10Feb2010 for more details.</i>	9.1	Would eliminate one more customization and save on upgrade costs. Note: if Activity Billing is not replaced, at minimum there may be business value to use more "wild cards" in ChartFields to retain more expense / revenue detail	HIGH New distribution rules would have to be configured as the existing Activity Billing rules would not be able to be converted. Should only be done in conjunction with re-implementation to a new release (9.1 or higher).
M034 - Activity Billing (Type R – Receivable)	Provides for the ability within the Summit system to create balanced 'billing' journals in multiple business units to record revenues, expenditures, cash and due to/due from entries based on expenditures collected in activities.	I004 I009 I024 I026 I027 I034	Any Activity Billing rules that are specifically setup to collect costs in order to bill other internal / external entities would be setup as Contracts and bills would get generated via the delivered PC > CONTRACTS > BILLING integration. Consider purchasing Contracts for Billing and utilize the delivered PC > CONTRACTS > BILLING integration to get reimbursement from internal/external entities	8.8	Would eliminate one more customization and save on upgrade costs. All "receivable" relevant data would be consistently maintained in one area of Summit (AR/Billing).	HIGH This would require the purchase and implementation of the Contracts module. Should only be done in conjunction with re-implementation to a new release (9.1 or higher).
M034 - Activity Billing (Type A – intra with no cash)	Provides for the ability within the Summit system to create balanced 'billing' journals in multiple business units to record revenues, expenditures, cash and due to/due from entries based on expenditures collected in activities.	I015 I029	Any Activity Billing rules that are specifically setup to move costs between projects or distribute cost by percentage should utilize the GL/PC Allocation functionality.	8.8	Would eliminate one more customization and save on upgrade costs.	LOW As new allocation rules are setup, the Activity Billing rules can be inactivated.
M032 - Project Cost Allocations	The modification created a staging table within PeopleSoft's Project Cost environment, so that the allocation process can be verified before being applied to Project Cost and General Ledger.		There is nothing new in 9.1 to replace this, but not sure why the log file generated by the allocation could not be used for this purpose.	8.8	Increase accuracy of allocation rules.	NA



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Mod #	Current Usage	Issue Ref#	Recommendation	Rel	Business Value	Level of Complexity
M013 - AFUDC (Interest)	Used by Seattle City Light (SCL) and Seattle Public Utilities (SPU) to capitalize interest associated with construction work in progress (commonly called, AFUDC, Allowance for Funds Used During Construction).		The functionality in 9.1 has not changed so if the current process does not satisfy SPU / SCL requirements, then a customization is warranted. Would recommend opening a case with Oracle to make an enhancement request.	8.8	Continue to use custom SQR to calculate interest.	NA
M012 – Activity Closing	Provides the capability to “close” accumulated Project Activity charges from the Activity to the appropriate G/L asset or expense account. It has been designed for use by SCL & SPU only, but is only being utilized by SCL.		Perhaps once the usage of Activity for SCL is streamlined (so it’s not at the work order level) this process will be more simplified and SCL can leverage the delivered closing process.	8.8	Would eliminate one more customization and save on upgrade costs.	HIGH The delivered close process requires configuration of Asset Management.
M020 - Custom Activity Panel	Includes various custom MISC fields but not being used by many departments.		Re-evaluate the usage of these and try to use the delivered MISC fields instead (which are available in 8.8).	8.8	Ability to track additional information for projects / activities (at the discretion of the departments).	LOW / MEDIUM Depends on individual Department's reliance on this information and the interfaces / reports it may impact.
Labor Distribution	Employee level payroll data is entered into HRIS for a pay period and interfaced to Summit. The labor interface creates accounting transactions for priced labor (including labor overhead when applicable), city paid benefits and warrants.	1016	Keep existing customization. Continue with the review on how departments handle indirect/overhead costs as the rates defined and distribution methods are not consistent. Continue to pursue direct fund charging with some Departments.	8.8	Since the labor pricing component is required, it is more practical to keep the entire Labor Distribution functionality instead of moving the labor overhead piece to Allocation rules.	NA
115 Interface	Voucher Load Excel Template		Use the delivered voucher load spreadsheet.	8.9	Would eliminate one more customization and save on upgrade costs.	LOW
119 Interface	Labor Distribution to PC	1040	Feed labor to GL and then used the delivered integration from GL to PC.	8.8	Would eliminate one more customization and save on upgrade costs.	MEDIUM The level of detail loaded would change and impact reporting.
111 Interface	Journal Entry Upload		Use the delivered Excel Upload or Flat File interface.	8.9	Would eliminate one more customization and save on upgrade costs.	LOW

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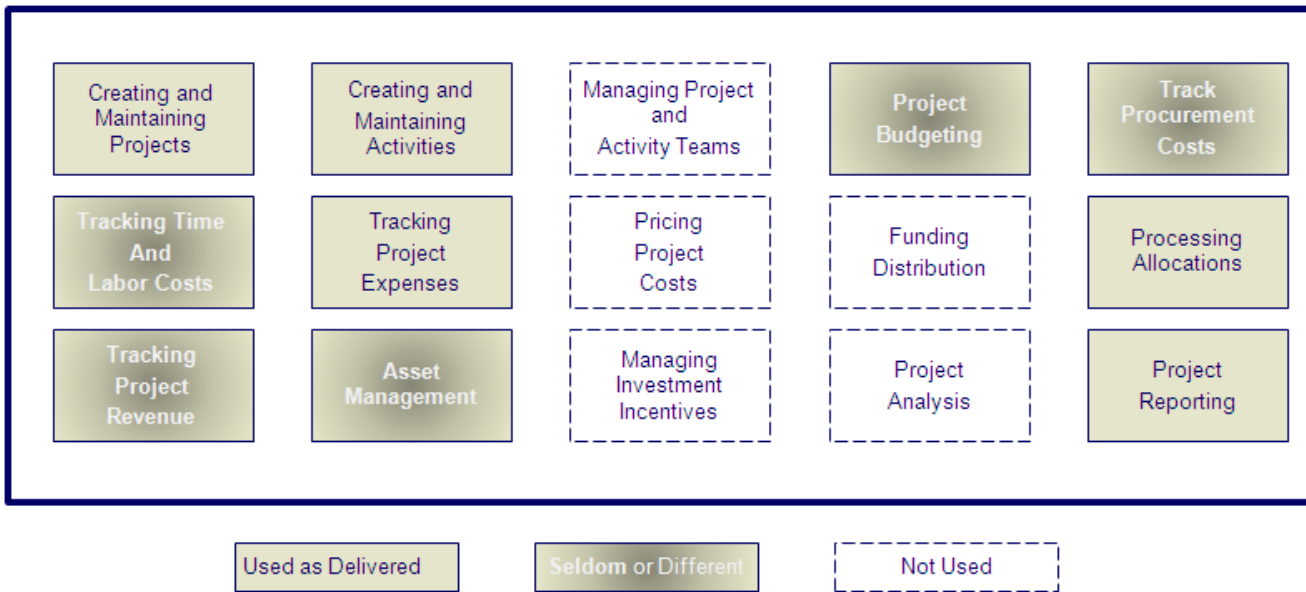
4.4 PC Functionality

During the Department discussions we walked through in various stages the level of functionality available in the current 8.8 release of Project Costing and what will be available in release 9.1. It was very educational for all participants and a few departments have already started exploring the possibilities.

Out of all the supported business processes, there are recommendations only in four areas that would add business value to the City:


- ❖ ChartField / Attribute Usage – refer to previous section for details.
- ❖ Fund Distribution Usage – has been significantly enhanced in release 9.1 and should be taken into consideration in replacing certain Activity Billing functionality
- ❖ Asset Management Integration – the current AM module is underutilized and should be explored further as Projects/Activities are re-defined.
- ❖ Pricing Project Costs – this functionality would be used in conjunction with Contracts / Billing in replacing certain Activity Billing functionality

Diagram 3: Business Processes Supported by Project Costing 8.8



There is also an element of concern on General Ledger and Project Costing reconciliation. The current custom interfaces feed the system tables independently (sometimes at different levels of detail) and don't always utilize the delivered system integration. Similar reasoning can be applied towards the other modules Project Costing integrates with. Therefore, it is the Project Team's recommendation that future upgrades of Summit incorporate more of the delivered integration functionality and less reliance on custom interfaces.

Several Departments have also expressed concerns over the system response time and the inability to produce reports or run queries from Project Costing in a timely fashion. As the performance decreases, the Summit team may have to look at various technology enhancements or archiving strategies. It may also be prudent to implement a Project Ledger in the near future.

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5 Roadmap

The recommendations identified in this report for data, integration, process and system improvements will impact many Departments. Therefore, the City needs a clear systematic approach to make these improvements.

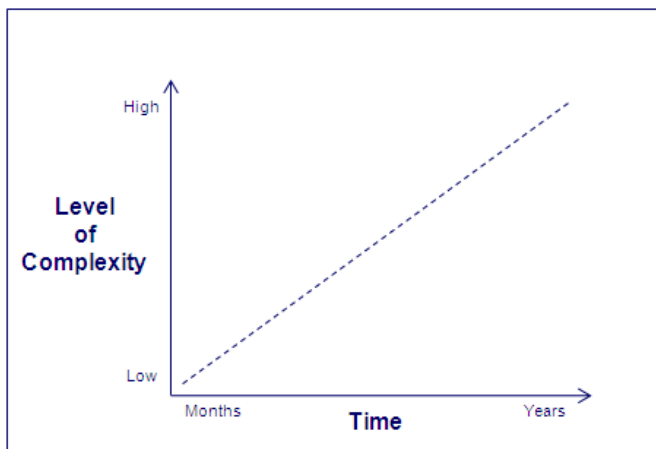
With the exception of Governance Structure, each step can be applied to individual recommendations or a group of recommendations. Depending on the complexity level of the recommendation(s), the deployment can occur either within release 8.8, upgrade to newest release (using delivered conversion scripts) or full scale re-implementation (requiring configuration and data conversion).




The City will be better prepared to identify and document system requirements for future use of Summit once it has established the necessary foundation (common definition of ChartFields, revised key policies/procedures, and approved data integration strategies). Then it can begin to map the existing PeopleSoft functionality (8.8 and 9.1) to the proposed business requirements, documenting the gaps along the way. Once a detail system design is proposed, the team needs to determine the level of impact on Departments in implementing the change. Lastly, an implementation plan needs to be created and communicated as deploying any change must be carefully orchestrated.

5.1 Timeline

The timeline associated with the change will vary based on the level of complexity. Something with a “low” level of complexity can be accomplished with a matter of months whereas recommendations with “high” level of complexity may take a period of 2-3 years. The overall proposed strategic vision, as outlined in previous section, may take 10-15 years before it is realized.



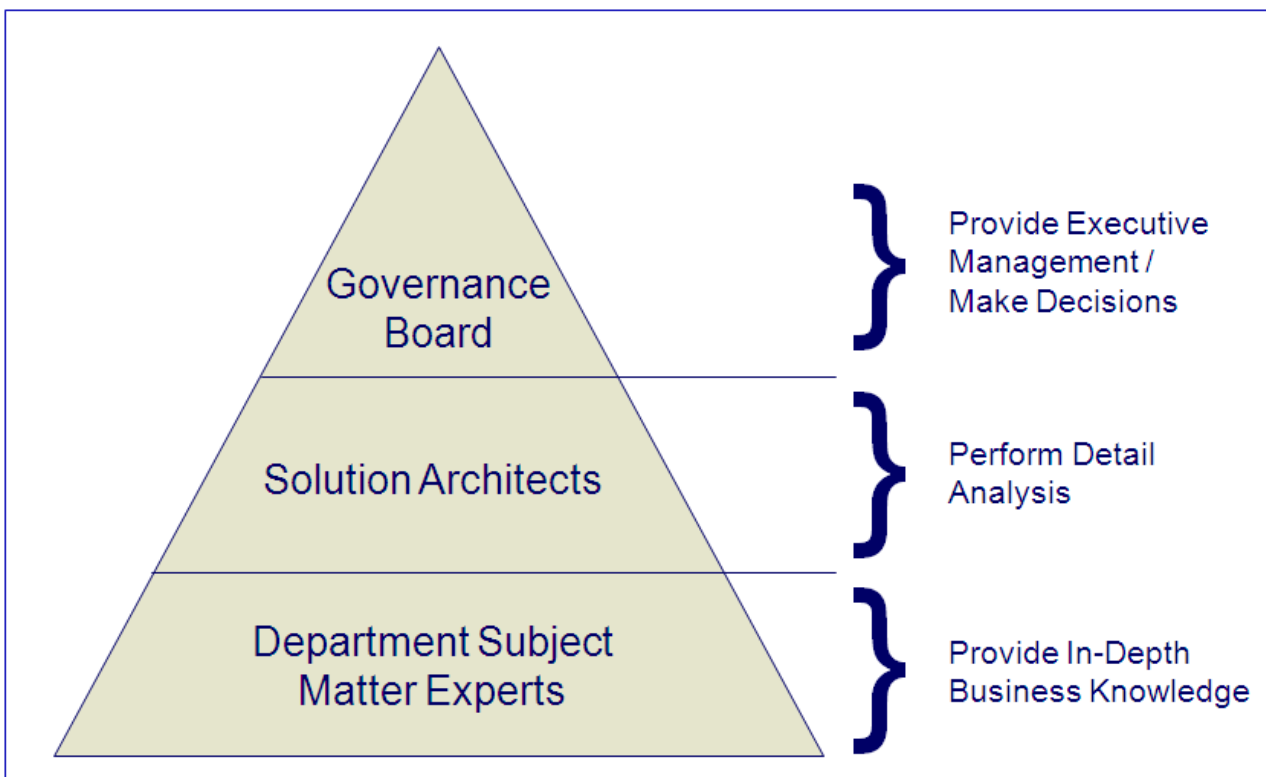
Note: It may be a bit premature and not cost effective to pursue a technical upgrade at this time without consideration to making any business process changes.

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5.2 Governance Structure


The Department’s variances in business practices must be addressed before the City can benefit from ChartField standardization and system integration. It will take a strong commitment from the City’s leadership team to enforce citywide definitions and policies. This is why an effective governance structure will need to be in place to manage the change as well as on-going realization of best practices.

Diagram 4: Proposed Governance Structure Organization



The role of every member within of the governance structure is very important and vital to the success of the group as a whole:

- ❖ **Governance Board** – must consist of individuals that will be “empowered” to institute change and have authority / influence to override existing Department practices. The individuals must stand “firm” in their beliefs and not concede during times when implementing any type of change may seem overwhelming and/or encounter resistance.
- ❖ **Solution Architects** – these individuals must be business and system analysts with fair amount of accounting / finance knowledge. One of challenges present today within the DOF / DEA departments is that neither side has a full complement of these skills. For example, the CBO team doesn’t have strong accounting knowledge and the Summit team doesn’t have strong business analysts.
- ❖ **Department Subject Matter Experts** – these individuals must have the capability to think “outside the box” and always looking forward, not only for the benefit of the department they represent but for the City as a whole.


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Here are some examples of the responsibilities of such a governance structure:

- ❖ Set clear strategic direction to meet City's goals and direction relating to Financial Management.
- ❖ Set clear and practical standards for data and common processes, including standardization of business vocabulary.
- ❖ Establish policies / procedures to enable standardization of ChartFields and related data elements.
- ❖ Enforce policies / procedures on overall ChartField usage.
- ❖ Provide consulting to Departments for upcoming projects that require system integration with the Financial System Architecture.
- ❖ Conduct business process focus group sessions to constantly validate City's and Department's information needs. A face-to-face forum where the interaction is direct and immediate is more beneficial.
- ❖ Monitor individual Department strategic plans and ensure they are aligned to the City's strategic direction.
- ❖ Communicate any proposed changes in Summit for a Department that may benefit other departments.

5.3 Closing Comments

The Project Team has built a great deal of momentum during this phase of the project. The CIP Departments are fully engaged and most are eager to start working on the next steps. Each Department has expressed a great deal of interest in being involved in some capacity in the decision making process and future state design sessions. This feedback was very encouraging and we recommend that some of the same individuals to be part of the active Governing Structure.


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6 Appendices

6.1 Appendix: Issues List

Sample Excerpt (see separate file attachment for complete document)


Ref. #	Department	Subject	Description	Resolution
I001	SDOT	CIP Project reporting - difficult to identify charges by fund	Charges to CIP funds (as well as the SDOT sub funds) are made in lump sum to one account. It is difficult to identify detail charges to CIP funds and projects.	Instead of using Activity Billing to distribute costs, think of using Fund Distribution in 9.1 to allocate costs to various funds. For labor charges, it may want to consider using PS Billing function.
I002	SDOT	Activity Billing loses detail data	SDOT uses Activity Billing to transfer charges from fund 10310 to CIP funds/projects. In that process, labor data (hours, employee ID), and AP data (Vendor ID and Voucher ID) are lost.	Stop using Activity Billing, and charge directly to CIP funds and projects for non-labor charges. For labor charges, consider using PS Billing which will allow charges by labor type with statistics.
I003	SDOT	Combining multiple funding sources into one fund	SDOT combines all funding sources into one fund to develop budget and manage projects. This is against the GASB requirement for managing special revenue fund.	Stop mingling CIP funding sources to the SDOT operating fund. SDOT needs to budget for each funding sources, and charge actual revenues and expenditures accordingly. Labor charges may be an exception as all of the other departments charge labor to their operating funds first,
I004	SDOT	Service revenue estimation	Hansen summarizes revenue from customers and uploads to Summit, which makes it difficult to estimate revenue.	All revenues (billing) should be uploaded to PS AR/BI.
I005	SDOT	Grant project identification	The City's policy (being developed) for Grant project is to create a Project ID for each Grant. SDOT creates an Activity ID for each Grant. Project is a summary of Activities.	All Grant projects should be set up as Projects.
I006	SDOT	CIP Summary project and Project ID	The City may be using Commitment Control in the future. If that happens, CIP projects will be defined at Summary project level. Currently some departments use CIP projects as lower level of Projects instead of Summary projects. Summary projects will be defined using Project ID and it will be a problem in the future.	Consider changing naming convention for the CIP projects in the budget book. SPU decided to change their CIP naming conventions, preparing for the future use of Project ID and possibly Commitment Control.
I007	SDOT	Too many funding sources in small amounts	SDOT creates multiple funding sources for each Activity ID (which should have been projects), and many of the funding sources are in small amount. A lot of set ups are \$1, and allow charges beyond \$1.	Reduce the number of funding sources within an Activity. Keep multiple funding sources on the CIP project level which should at a summary project level if Commitment Control is implemented.
I008	SDOT	Extensive analysis needed for capitalization	SDOT spends a lot of time to analyze labor charges prior to capitalizing Activity ID for the CIP Projects during the year-end process.	Move up Activity ID to a Project ID level, and charge expenses directly to Projects. Use Activities, Analysis Type and Resource Type to analyze expenditures. See resolution to I001.

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6.2 Appendix: Consolidated List of Survey Responses

Sample Excerpt (see separate file attachment for complete document)

Department Chartfield Survey Result-Project				
	How does your department use the Project chartfield?	If the chartfield is used for projects/programs, what is the definition of Project? Program?	List how your department uses the levels on the Summit Project BCL Tree (PROJECT_BCL). Please indicate which levels are used for the CIP BCL/Program Code and the CIP Project Id. Leave blank if your department	Does your department request additional tree levels? If so, please describe
SDOT	The Project Chartfield is used for CIP, one time O&M and ongoing O&M projects.	Project is a grouping of smaller projects(Activities) for project management purpose.	Department(LV1)-Line of Business(LV2)-BCL(LV3)-Program(LV4)-Project(LV5)	N/A
PARKS	The Project ChartField aligns with the Project ID used on the budget book except grant funded projects. Grant funded ProjectIDs are set up for each funding agency.	Cost /revenue control grouping tool used for Project Cost review and for GL review of expenditure by activity or by account.	Department(LV1)-CIP(LV2)-BCL(LV3)-Sub Program(LV4)-Project(LV5)	PM managed project level, below the Project ChartField, and above the Activity Char filed in hierarchy.
CEN	The Project Chartfield is standard coding block.	Project is used to record/track event costs, labor costs and contract costs.	Department(LV1)-Line of Business(LV2)-BCL(LV3)-Program(LV4)-Project(LV5)	No
SPU	The Project ChartField aligns with the Project ID used on the budget book.	Project represents a grouping of similar but not related activities(CIP Projects).	Department(LV1)-CIP(LV2)-Program(LV3)-BCL(LV4)-Project(LV5)	No
	The Project Chartfield is used to designate a specific project as	Project is defined as a budgetary line item.	N/A	No

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6.3 Appendix: Cumulative Functionality Enhancements 8.8 to 9.1

Sample Excerpt (see separate file attachment for complete document)

Product	Feature	First Release
General Ledger	Includes new functionality that enables you to have different adjustment periods open at the same time for two fiscal years. This enables multinational organizations to reduce manual efforts and improve controls and reporting by systematically managing all adjustments using the same entry and processing capabilities.	8.9
General Ledger	Automates the cash flow statement reporting process. Customers operating in different countries and industries can efficiently and effectively meet varied and changing cash flow reporting requirements at local or consolidated levels through flexible setup and processing rules, online reporting, and a complete audit trail for regulatory compliance.	8.9
General Ledger	Uses the PeopleTools Archiving Utility for archiving of actuals ledger, journal, and Commitment Control ledger, activity, and journal data, which provides for the efficient and effective use of IT resources through standardized archiving.	8.9
General Ledger	Includes improvements to batch processing and system performance, including the use of FMS Autopilot to automate the batch scheduling of Journal Edit and Post according to business specific parameters.	8.9
General Ledger	Enhanced spreadsheet import provides consistency with journal entry. Support for NEXT Journal ID to insure controlled sequencing of transactions. Support for use of Speedtypes to reduce data entry time and error correction. Support for defaulting of business unit from journal header to journal lines. Support for consistency of real time versus batch upload edits and capabilities. Support for entry of Commitment Control adjustment activity.	9.0
General Ledger	Uses open standards Web Services for Combination Editing that enables you to validate transactions from legacy systems up front. You can validate transactional data prior to saving it to the tables and that minimizes the time-consuming activity of reconciling errors after the fact.	9.0
General Ledger	Enhanced audits of VAT report amounts. The new VAT (value added tax) Transaction Report provides the details of the totals on VAT returns for use in audits and for the justification of the accumulated amounts that are reported in VAT returns.	9.0
General Ledger	XML Publisher for ChartField reporting. Delivers XML Publisher templates that can be used in place of Crystal reports. By delivering preformatted templates, PeopleSoft Enterprise General Ledger 9 enables customers to begin adopting Fusion middleware technology that can make for a smoother future transition to Fusion.	9.0
General Ledger	Enhanced Allocations provides exclusion logic for the pool and basis, enabling criteria selection refinement while reducing the need for multiple steps. Additionally, the allocation group is effective-dated, which allows companies to track the historical basis of the financial data that results from allocation processing in the ledger.	9.1
General Ledger	Enhanced Consolidations provides incremental processing of entities, thereby reducing processing time during the critical period-end close. Incremental processing of consolidations recognizes lower level tree nodes that were previously processed when running the current consolidation.	9.1

6.4 Appendix: APR Conceptual Design Discussion Session Handouts

Sample Excerpt (see separate file attachment for complete document)


Project ID – Grants

Tracking of Grants

Grants

Grants Project:


Project Primary Flag




Project: TC200100 Description: 109982-ELD/HND/CPD PED ACC-ABAN

System Fields	Project Currency
*FS_08 SetID: <input type="text" value="GEN"/>	Currency Code: <input type="text" value="USD"/>
System Source: <input type="text" value="CNY"/>	Rate Type: <input type="text" value="CRRNT"/>
Tolerance Percent: <input type="text"/>	Effective Date Default: <input type="text" value="Acct Date"/>

Option	Pro	Con	Comments
(1) Use the Project ID field to track Grant and unhide the Grants Flag function	<ul style="list-style-type: none"> This will consistently identify grants whether or not they are part of CIP project You can attach funding source using chartfield attribute 	<ul style="list-style-type: none"> This will be considered a customization since the City does not own the Grants module 	This function would be automatically available should the city decide to purchase the Grants module.
(2) Use the Project ID field to track Grant and use the Project Type to distinguish whether a Grant	<ul style="list-style-type: none"> You can attach funding source using chartfield attribute 	<ul style="list-style-type: none"> Would have to use multiple Project Type values to track combination of CIP grant, O&M grant, etc. 	Use of Project ID assumes that the value is strictly defined as a Grant and not comingled with other costs.
(3) Use the Project ID field to track Grant and use the Justification field to distinguish whether a Grant	<ul style="list-style-type: none"> Currently used today 	<ul style="list-style-type: none"> Not all departments use the carry-forward functionality so this would have to be enforced C and G values not used consistently 	Some projects have grant component but are marked as C in justification field
(4) Use another chartfield to track Grant (e.g. CLASS, ACTIVITY ID)	<ul style="list-style-type: none"> You can attach funding source using chartfield attribute (only for GL chartfields) 	<ul style="list-style-type: none"> Does not leverage the same functionality that is available with PROJECT_ID 	Other PC chartfields are being used by departments today.

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APR Project – Functionality Overview Sessions


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7 Acceptance

Steering Committee

We, the undersigned Steering Committee members, have reviewed this document and recommend that the Business Owner approve its contents.

Name and Department	Signature	Date
Fred Podesta, DEA		
Glen Lee, DOF		
Victoria Galinato, DEA Accounting Services		
Bryon Tokunaga, DEA Business Technology		
Makiko Tong, DEA Business Technology		
Millie Babicz, SpearMC (Functional Consultant)		