Focusing on Changes in Financial$ with PeopleSoft

This document is intended to give you an overview of the changes that will result from implementation of the PeopleSoft® Financials module. Several Financial systems will go live on July 5, 2005. They are: Accounts Payable, Purchasing, General Ledger, and to a minor degree, Expenses (reimbursements).

Each of these implementations will impact, in some way, how we do business in the University of Maine System. For example, many of you have used WebFA$T to look up account information. WebFA$T will be replaced by a similar but improved tool. The way you have purchased goods and services will change when we start using PeopleSoft’s requisitioning. Many of you have likely filled out paper requisitions and sent them to a central office at your campus. In PeopleSoft you will now be able to create your requisitions on-line.

On the next pages you will find a description of each system and some changes you can expect to experience as we go live with PeopleSoft. There are staff members at each University of Maine System institution working on the Financials implementation. If you have questions about the material in this document and don’t know whom to ask at your campus, please contact Hope Eaton in the Project Enterprise office at 561-3300 or heaton@maine.edu.
**Chart of Accounts**

The Chart of Accounts is the foundation of any accounting system. The Chart of Accounts as you know it now is the collection of FAST ten-digit accounts. In PeopleSoft the various “ChartFields” contained within the Chart of Accounts describe the impact of a financial transaction. For example, every transaction impacts a specific account in a particular department at a given campus. A transaction may be for a specific project.

The Chart of Accounts has been completely revised. Our “simple” little ten-digit account numbers are being replaced with eight ChartFields. While that sounds more complicated, the ChartFields actually replace the complex meaning that had been “baked into” the ten-digit FAST accounts and their accompanying attributes. In PeopleSoft, “account” is one of the eight ChartFields. Therefore, instead of saying “PeopleSoft account,” we’ll refer to it as a “ChartField combination.”

For example, you currently charge office supplies to a particular account (fictitious in this example):

FAST Account (5-2-55551-420)

<table>
<thead>
<tr>
<th>5</th>
<th>2</th>
<th>55551</th>
<th>420</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institution</td>
<td>Ledger</td>
<td>Department</td>
<td>Object Code</td>
</tr>
</tbody>
</table>

In the new Financials systems this charge will be to a PeopleSoft ChartField combination (these values are FICTITIOUS – except for Business Unit).

<table>
<thead>
<tr>
<th>UMS05</th>
<th>5556666</th>
<th>61000</th>
<th>00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Unit</td>
<td>Department</td>
<td>Account</td>
<td>Fund</td>
</tr>
</tbody>
</table>

While this example doesn’t include all the ChartFields, it does show that you won’t need all eight ChartFields for each transaction you will create. Every transaction requires four ChartFields: Business Unit, Department, Account, and Fund. All the other ChartFields are necessary only if the particular type of transaction requires them.
The eight ChartFields are:

**Business Unit** – Each University is identified as a Business Unit. Examples are: UMS01, UMS02, UMS03. This field is comparable to our current Campus designation. **Always required.** (5 digits)

**Department** – This field tracks information according to an organizational structure within each Business Unit. Can be compared to our current ledger 2 FAST Account Number. **Always required.** (7 digits)

**Account** – Can be compared to current Object Code. This field classifies the nature of the transaction into one of these categories: assets, liabilities, fund balances, revenues, expenses, and transfers. **Always required.** (5 digits)

**Class** – This field will allow users to further qualify the transaction. Example: use this code to indicate that an “office supplies” purchase was for colored paper rather than white copier paper. **Optional.** (2 digits)

**Fund** – Used for financial reporting. Will often default but will vary based on different types of Project and Program codes. Examples are unrestricted (E&G); restricted expendable (Annual Gifts); restricted non-expendable (endowments). **Always required.** (2 digits)

**Program** – Used to track expenses and revenues, as well as to identify reserves, endowments, loans, gifts, and other sources of funds that need to be tracked, possibly across multiple departments and/or projects. **Sometimes required.** (5 digits)

**Project** – Used for all capital projects, grants, contracts, and any other project with specific start and end dates, or that crosses fiscal years. **Required when transaction is related to one of these.** (7 digits)

**Operating Unit** – This field can be used with Department to indicate a location (for example, Portland vs. Gorham), or other defining characteristic as determined by individual university Chief Financial Officers. **Sometimes required.** (3 digits)

You won’t need to memorize your PeopleSoft **ChartField combinations.** The project technical team has built a translation tool into which you will be able to enter your FAST account and the tool will provide you with the PeopleSoft **ChartField values.** While this tool won’t be around forever, it will remain in use as long as it is needed to translate from existing systems.
General Ledger

What we now call Journal Vouchers or “JVs” will be called Journal Entries in PeopleSoft. Journal entries can be created two ways in PeopleSoft: using a Journal Entry page for individual transactions; or using Excel when you need to build lots of journal entries. The Excel journal entries are then uploaded into PeopleSoft. One change from FAST to PeopleSoft is that journal entries can be posted immediately when necessary. You won’t necessarily have access to do that, but you will be able to contact someone at your campus who can.

A WebFA$T replacement is being built, called simply GL Inquiry Pages. These pages will look like any other PeopleSoft pages, and should be even better than WebFA$T. You will be able to determine what caused a transaction—a journal entry? A purchase order? If it was a result of purchase order, you’ll be able to find the invoice number.

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Purchasing

Purchasing tasks currently vary from campus to campus. On some campuses, employees create requisitions on-line. On other campuses, employees fill out paper requisitions and pass them on to another local campus office to enter. When PeopleSoft Purchasing goes live in July, we will be entering all requisitions on-line. Requisitions will automatically be approved up to a certain limit, with each university setting its own limit. Above that limit, an authorized campus user will have to approve the requisition on-line according to APL 30 guidelines. Anything above $25,000 will still have to be approved by the Director of Purchasing at the University of Maine System and put through a formal bid process.

In addition to creating on-line requisitions, you will also use an on-line receiving function to indicate that the goods or services you ordered have been delivered. You will be verifying that the correct goods in the correct amount have been received.

As part of the purchasing process, invoices will not be sent to individual departments, but will be directed to only one (or more) office at each institution. The PeopleSoft system will check the invoice against the purchase order and the receiving information. This is called a three-way match. If these three things don’t match, then a “match error” will occur. These errors are called “match exceptions,” and will need to be corrected.

You’ll learn about these “match exceptions” in a neat tool provided in PeopleSoft Financials called the “worklist.” The worklist is a link in PeopleSoft that you can click on to see work that may need your attention. Examples of work you may need to attend to include approving requisitions if you are an approver, and
correcting match errors. You will receive an e-mail from the PeopleSoft system informing you of new items on your worklist. If you will be away for a day, a week, or a nice long vacation, you may be authorized to forward your worklist to someone else to handle during your absence.

Another new feature to be implemented in July is a way of managing standing orders. There will be a page where you can review your standing orders and make any needed changes to them.

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**Expenses**
The PeopleSoft Expenses module is where reimbursements to employees for travel and other expenses are entered. This module will be rolled out in small bits. In July, the Expenses module will be implemented, but the **self-service travel expense** entry initially will be available on only one campus, probably System-wide Services. At the other campuses one or two individuals will be trained to enter summarized travel information into the Expenses module. Later, when the self-service component has been well-exercised, we will implement it at all other campuses. As you can imagine, that will be a very large training effort, as anyone who travels will need to be trained to enter his or her expense information.

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**Reporting**
Reporting will change with the Financials implementation. Nevermore will the green bar reports pile up on your desk. Reporting will be accomplished in several different ways:

1. **GL Inquiry Pages** (WebFA$T replacement). It is our hope that these pages will satisfy 95 percent of your financial reporting needs. These pages will provide options to generate printed reports where necessary or transfer the output to Excel format for further analysis.

2. **Delivered PeopleSoft reports**. PeopleSoft provides a great many reports. At a week-long session in May 2004, Financials functional leaders from all campuses met to review the PeopleSoft delivered reports, identify changes that need to be made to them, and determine what additional reports would need to be written to meet UMS-specific reporting needs.

3. **UMS delivered n/Vision reports**. The PeopleSoft n/Vision tool is a very powerful reporting tool that the Project Enterprise team will be using to deliver additional reports that are specific to UMS needs. This tool runs on the web through PeopleSoft navigation and looks very much like Excel.
You can save n/Vision reports in Excel, “drill” from summary values to the underlying detail values (for example: click on a total for an account and ask to drill to the transaction detail that supports that total amount).

4. **Query.** Query is a PeopleSoft reporting tool designed for creating simple, quick reports. It's good for producing lists.

Your training may include how to run reports in all of these ways. A small number of users will be taught how to create Query reports.

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**Training**
Training began in early fall of 2004 with sessions that explained the ways in which doing business will change with the implementation of PeopleSoft Financials. These sessions include overview information on the new Chart of Accounts, the GL Inquiry Pages (WebFA$T replacement), changes to Purchasing and Payables, and Reporting.

Those of you who work in campus Accounts Payable and Purchasing offices may receive training in spring 2005 on other processes, such as entering invoices.

Training in creating journal entries, requisitions, receiving goods, approving requisitions or running reports will also take place during spring semester 2005.

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**In conclusion**
This document should have given you a brief description of some of the changes we are all facing with implementation of the Financial Management module, and some of the powerful and flexible new procedures and tools that, in the long run, will make us more efficient at our jobs. For more information, please watch for announcements of upcoming training sessions, read the “Employee Update” newsletter, and check the Project website (http://www.maine.edu/peoplesoft/).