



RUTGERS

Cornerstone



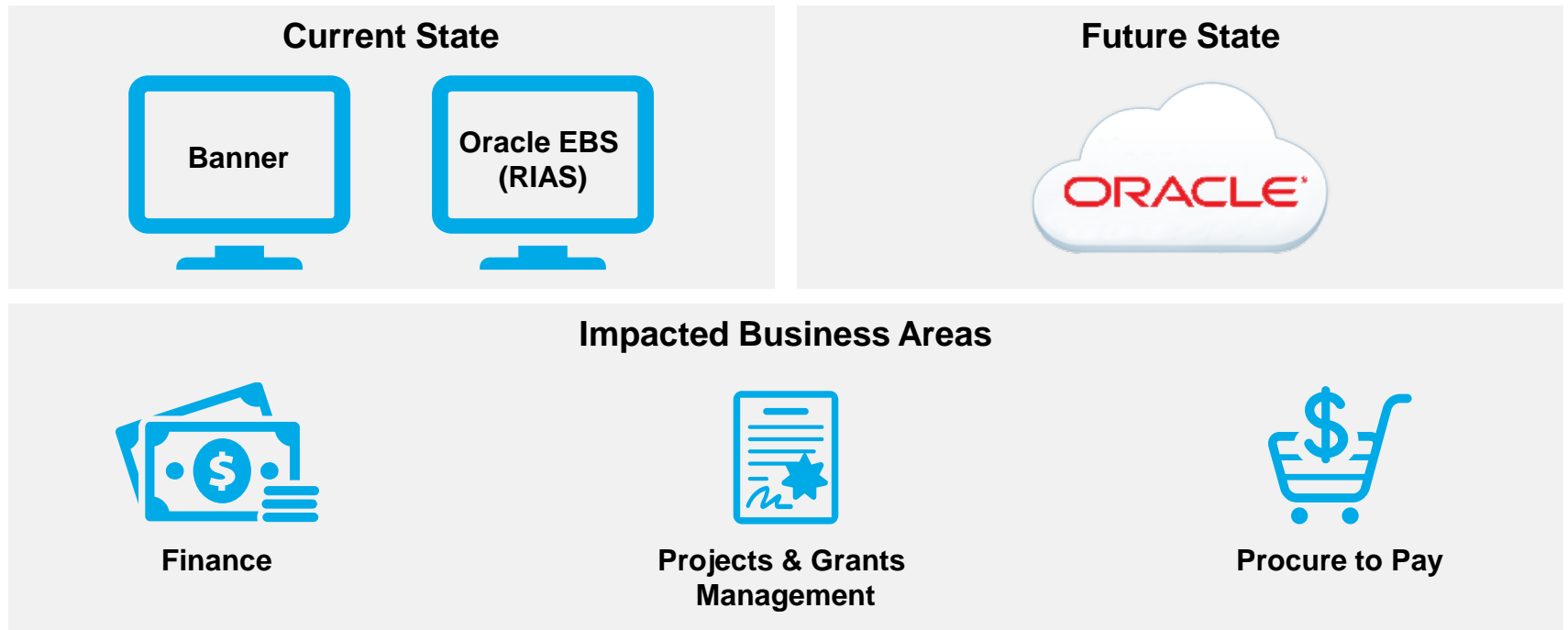
Transforming the Way We Work at Rutgers

Financial Management
Road Show

FINANCIAL MANAGEMENT IMPLEMENTATION OVERVIEW

Financial Management Implementation

The **Oracle Cloud Financials Implementation** (CFI) is an initiative to replace existing financial applications with **Oracle's Enterprise Resource Planning Cloud** software.



Program Objective: Transform Rutgers into a more efficient organization by standardizing processes and providing access to better quality information on a single technology platform.

Project Charter

The primary objectives of the Financial Management Implementation are to:

- Provide an integrated financial/business system
- Provide employees with tools and data to make better decisions
- Provide enhanced management reporting
- Streamline business processes to take advantage of best business practice

Project Components

Chart of Accounts (COA)

The Chart of Accounts has been redesigned to facilitate financial reporting across the institution while providing flexibility at the local level.

General Ledger, Projects, Grants, Cash Management, Accounts Receivable, Expense Reports

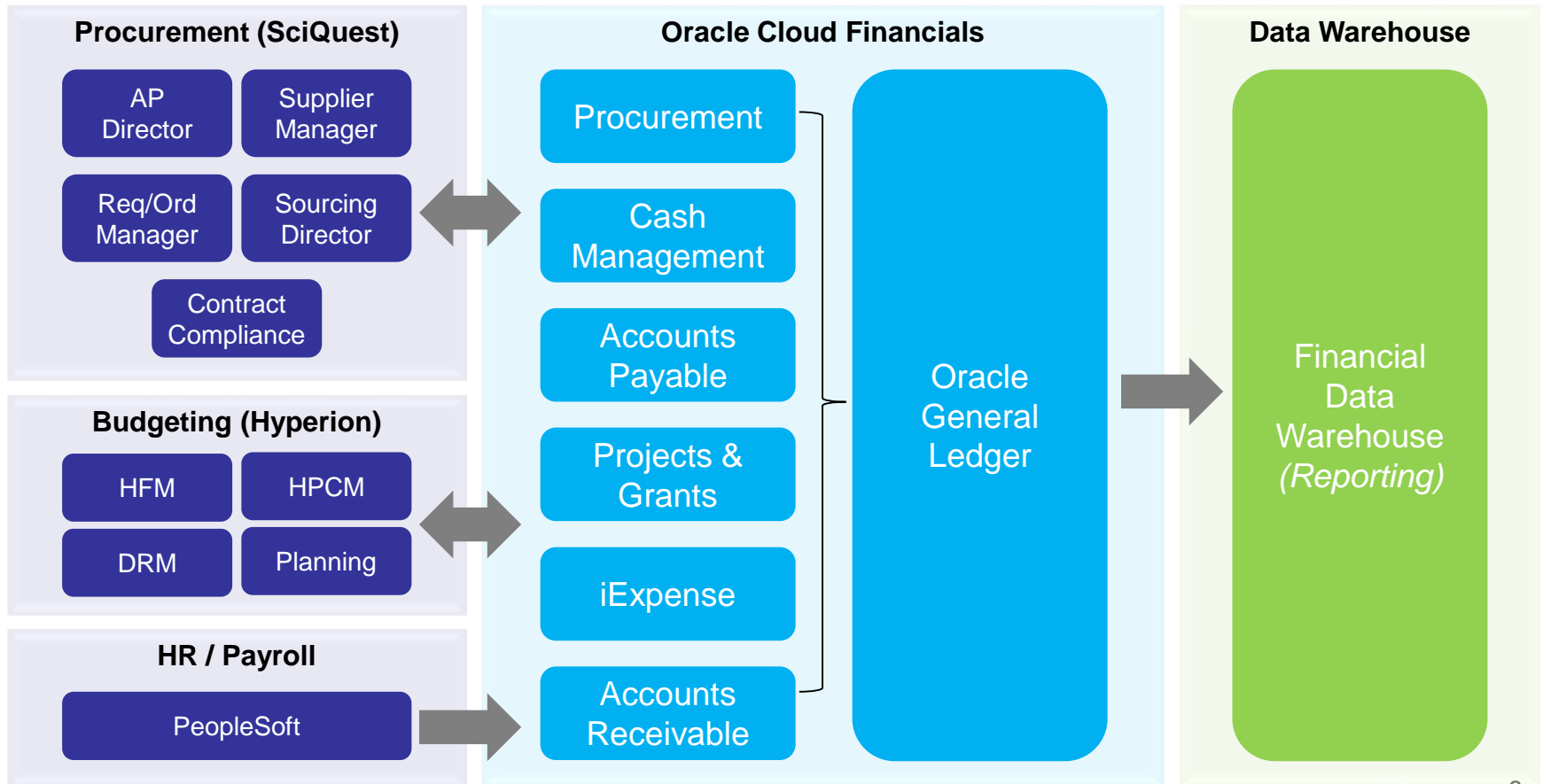
Implement a single Financial System that incorporates the needs of Rutgers schools, centers and central units currently using Oracle EBS and Banner systems.

Financial Reports

Real time access to consolidated financial data university-wide that allows users to analyze the financial performance of business practices and identify opportunities for cost savings. The new reporting platform will have streamlined standardized reporting as well as advanced ad hoc reporting capabilities.

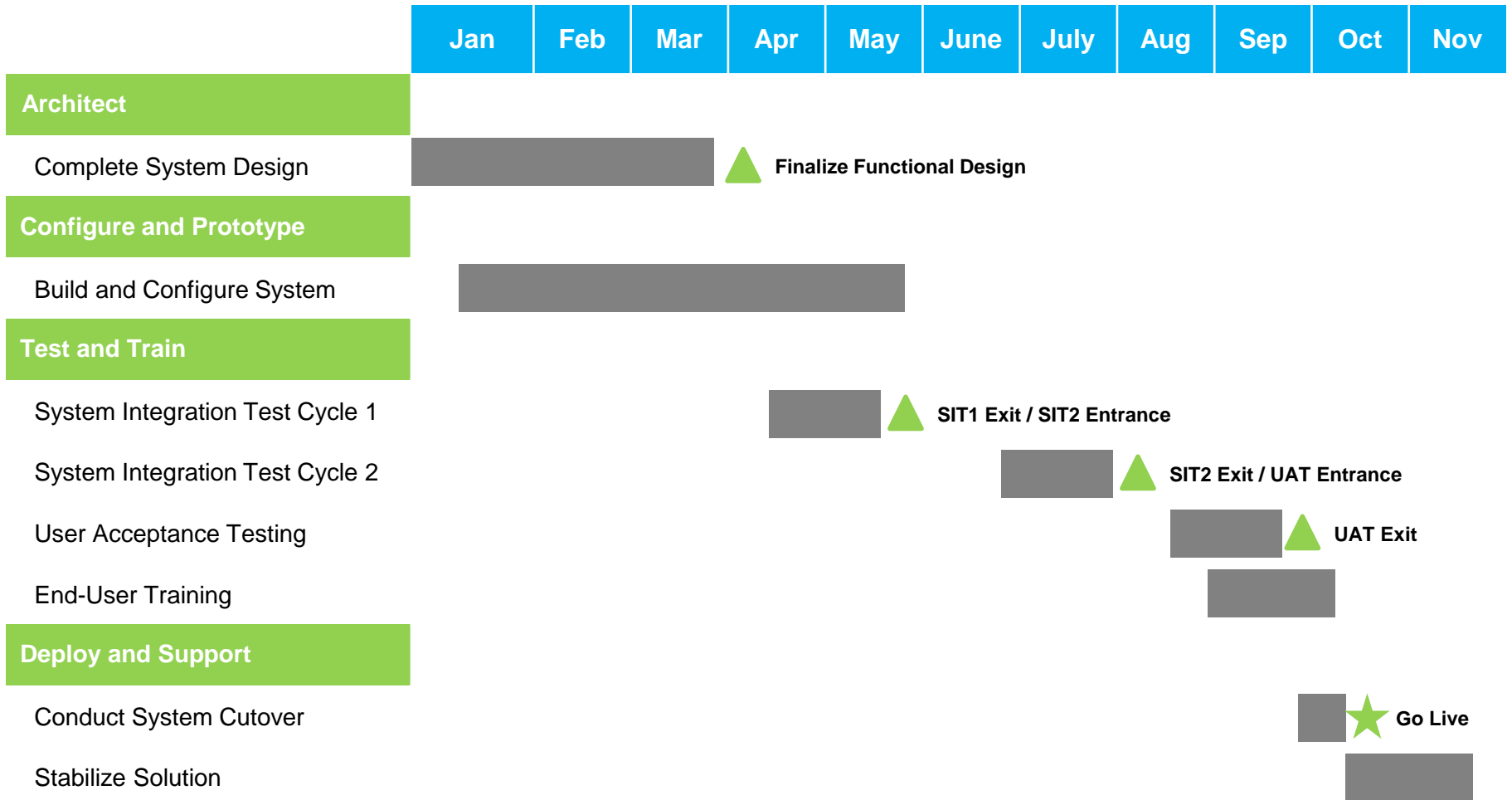
Financial, Procurement, and HR/Payroll Environment

The Oracle Cloud application is part of a larger network that includes the systems shown below.



NOTE: HFM (Hyperion Financial Management), HPCM (Hyperion Profitability and Cost Management), DRM (Data Relationship Management), Planning (Hyperion Planning)

High-Level Project Timeline and Milestones



PROJECTS AND FINANCE OVERVIEW

Introduction

- A number of systems and business processes within Accounting and Finance will change as a result of the **Oracle Cloud Financials Implementation** (CFI).
- These changes will help drive **consistency and efficiency** in the way Rutgers operates and reports financials across the University. However, we understand that **change is never easy**.
- One of the biggest changes that we expect to face is the transition from a General Ledger-centric Enterprise Resource Planning (ERP) environment to a **projects-focused ERP environment**.
- This change will require us to learn **new concepts and terminology**, perform new tasks, work in a new system, use existing systems differently, and collaborate in new ways.
- While hands-on, role-based training will be provided to all impacted users, this presentation aims to **develop a basic understanding** of important concepts before training so our time in the classroom can be as practical and effective as possible.

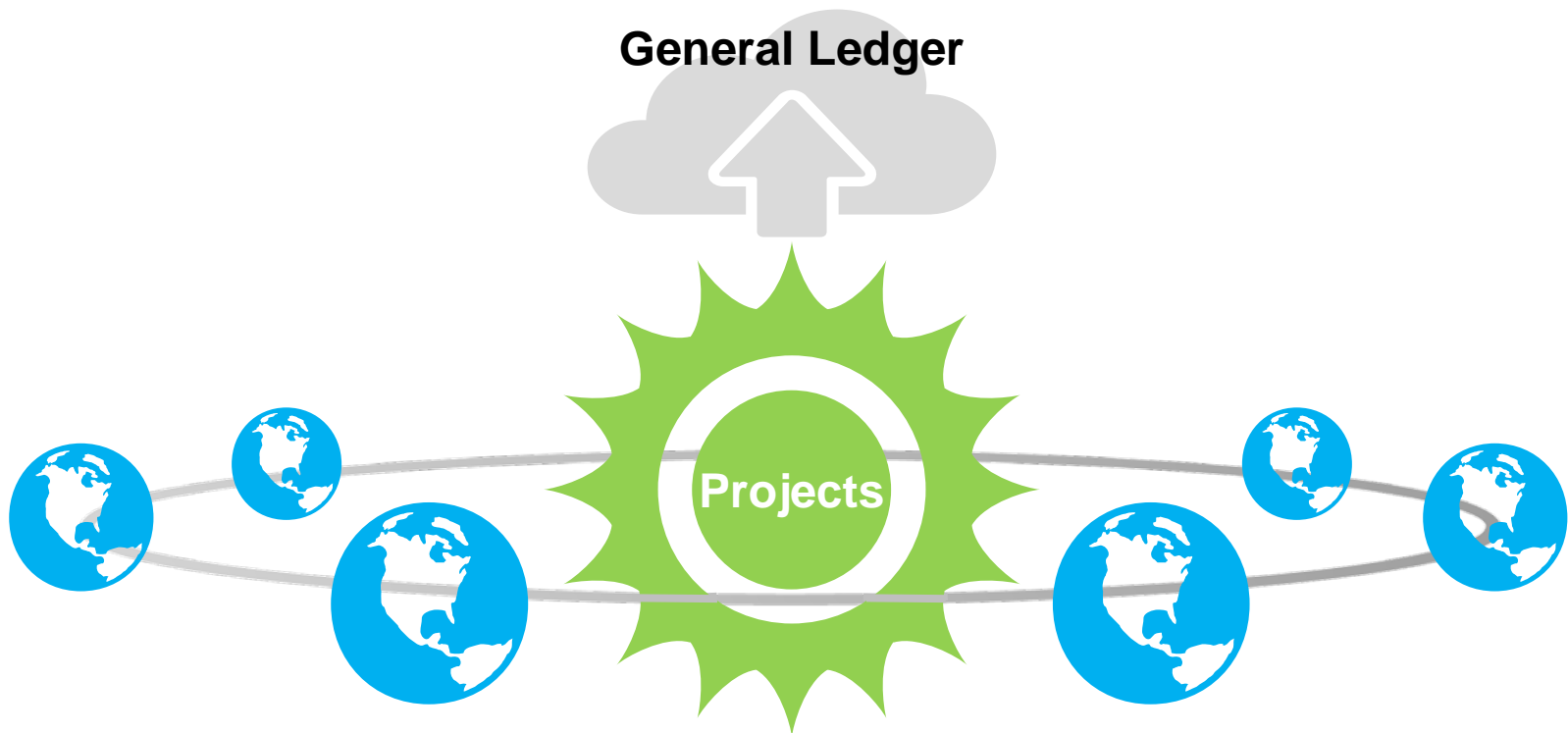
Current State: General-Ledger Centric Environment

General Ledger (GL) is the center of the ERP universe. A significant number of transactions are entered directly in the General Ledger as manual journals. Separate General Ledgers are maintained in Banner and RIAS, and there is no ability to drill back from general ledger to subledgers (e.g., Accounts Payable) to view transactional details.



Future State: Project-Focus Environment

Oracle Projects is the center of the ERP universe. The majority of transactions are charged to an Oracle project and task in separate applications (e.g., PeopleSoft) and are interfaced to Oracle Projects. These transactions will be automatically accounted and the accounting entries will be transferred to the General Ledger in Oracle Cloud.



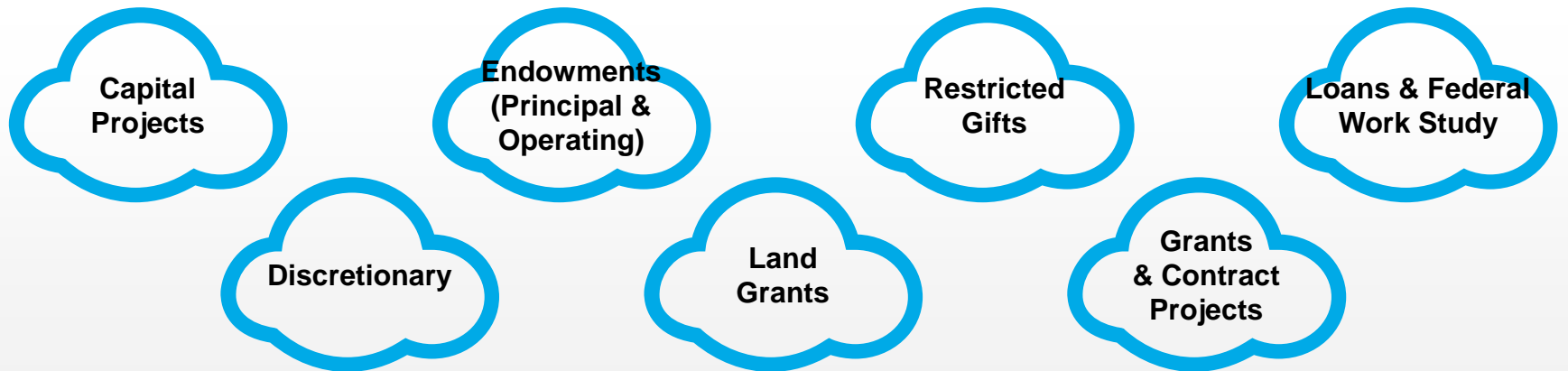
What is a Project?

A project is a **collection of financial activities** for which no specific business lines exist. A project in Oracle is similar to the fund sources / indices that are used today.

When Oracle Cloud goes live in October 2016, projects will be created for active fund sources / indices with:








- Non-zero balances and/or at least one transaction recorded in or after fiscal year 2015
- Non-zero cost/expenses incurred
- Non-zero revenue/funding recorded

...that can be classified into one of the following buckets:



What types of Projects will Rutgers use?

Rutgers will use a number of Sponsored and Non-Sponsored project types. The following is a list of **Non-Sponsored Project Types**.

		<i>Existing Fund Source / Index</i>	<i>Project Number</i>	<i>Tasks</i>
	Capital Projects	77 & 88 series / P- Fund Code	7 series	Construction, Design, Admin
	Endowment Principal	06 series - Includes Terms, True & Quasi / E – Fund Code	6 series	Endowment Principal / Endowment Operating
	Endowment Operating	6 series / R index with Fund type 75		
	Gifts Restricted	53 series / R Index with Fund Type 75	5 series	One Task per Fund Type, Activity, Fund Source combination
	Loans	05 series / L – Fund Code	1 series	One Task per Loan / Fund Source / Index
	Discretionary	28 series / R Index with Fund Type 04	2 Series	One Task per Fund Type, Activity, and Location Combination,
	Future	N/A	3 Series	OR purpose of the Fund Source / Index, OR – other approved task

What types of Projects will Rutgers use?

Rutgers will use a number of Sponsored and Non-Sponsored project types. The following is a list of **Sponsored Project Types**.

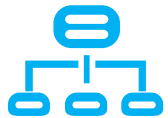
		<i>Existing Fund Source / Index</i>	<i>Project Number</i>	<i>Tasks</i>
	Grants	4 Series, Cost Share - 22/23 series / R Index with Fund Type 02	8 series	One Task – Name of Project
	Land Grants	RU Specific, HATCH/SML	29 series	One Task per Fund Type, Activity, Fund Source combination

What are the criteria for creating “Discretionary” projects?

Departments are able to create projects to help track and manage financials activities at a lower level than business line in Oracle Projects. The following criteria must be met for “Discretionary” projects.

- Requires tracking and reporting of an activity which may cross fiscal years or has a recurring activity within a fiscal year, AND meets any one of the following criteria:
 - Has a minimum of \$5,000 in expenditures over the life of the project
 - Requires a mechanism to track multiple fund sources
 - Requires tracking of budgeted vs. committed vs. actual at the project / task level
 - Requires budgetary control and funds check at the project level
 - Requires transacting and reporting at the task level
 - Requires project classification group reporting

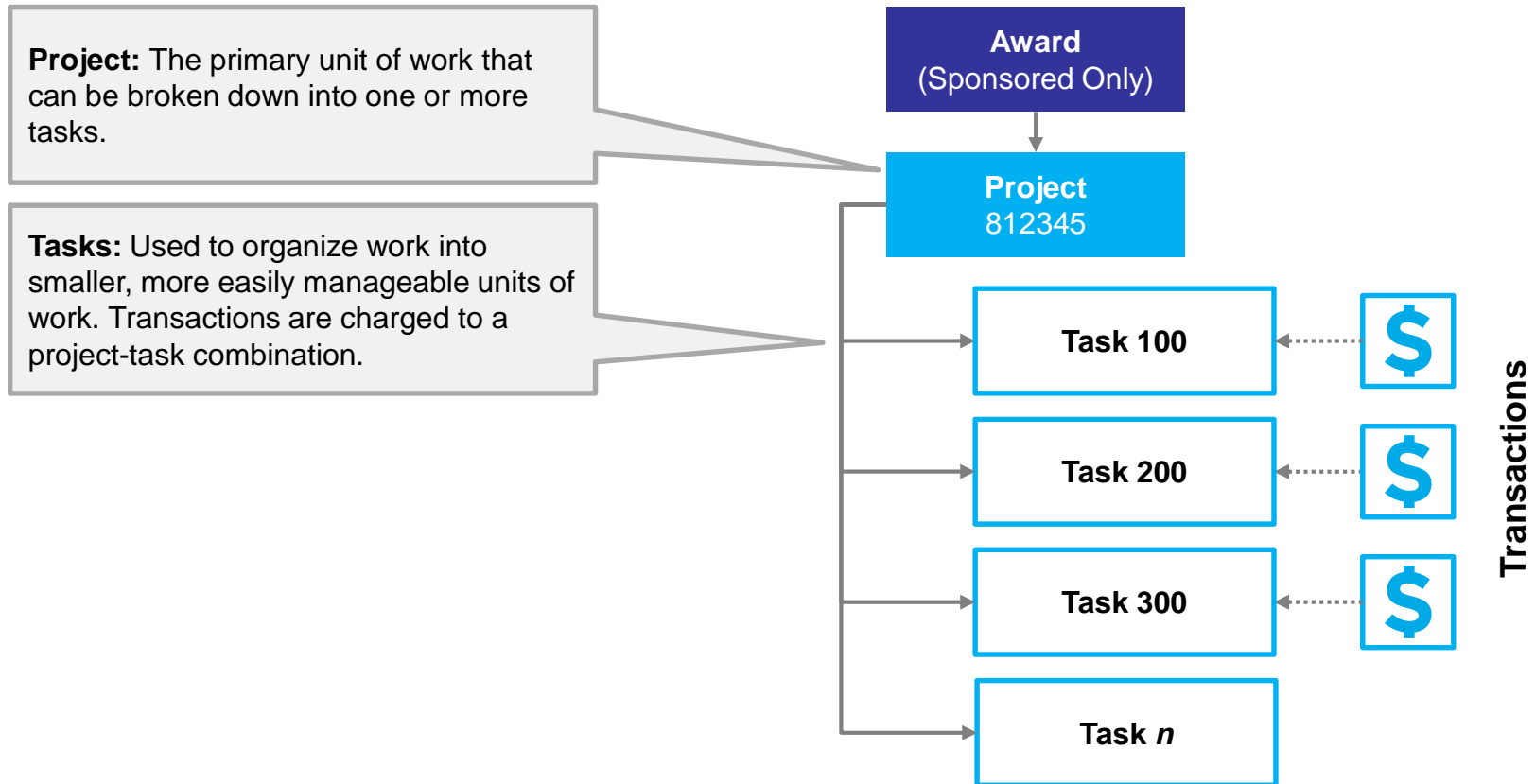
Example “Discretionary” Project:



Project to track Study Abroad revenue and expenses by Country utilizing the task segment in Projects

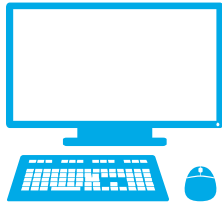
How are projects structured?

Oracle uses **project and task structures** to organize work performed and costs incurred.



How are transactions charged to Projects?

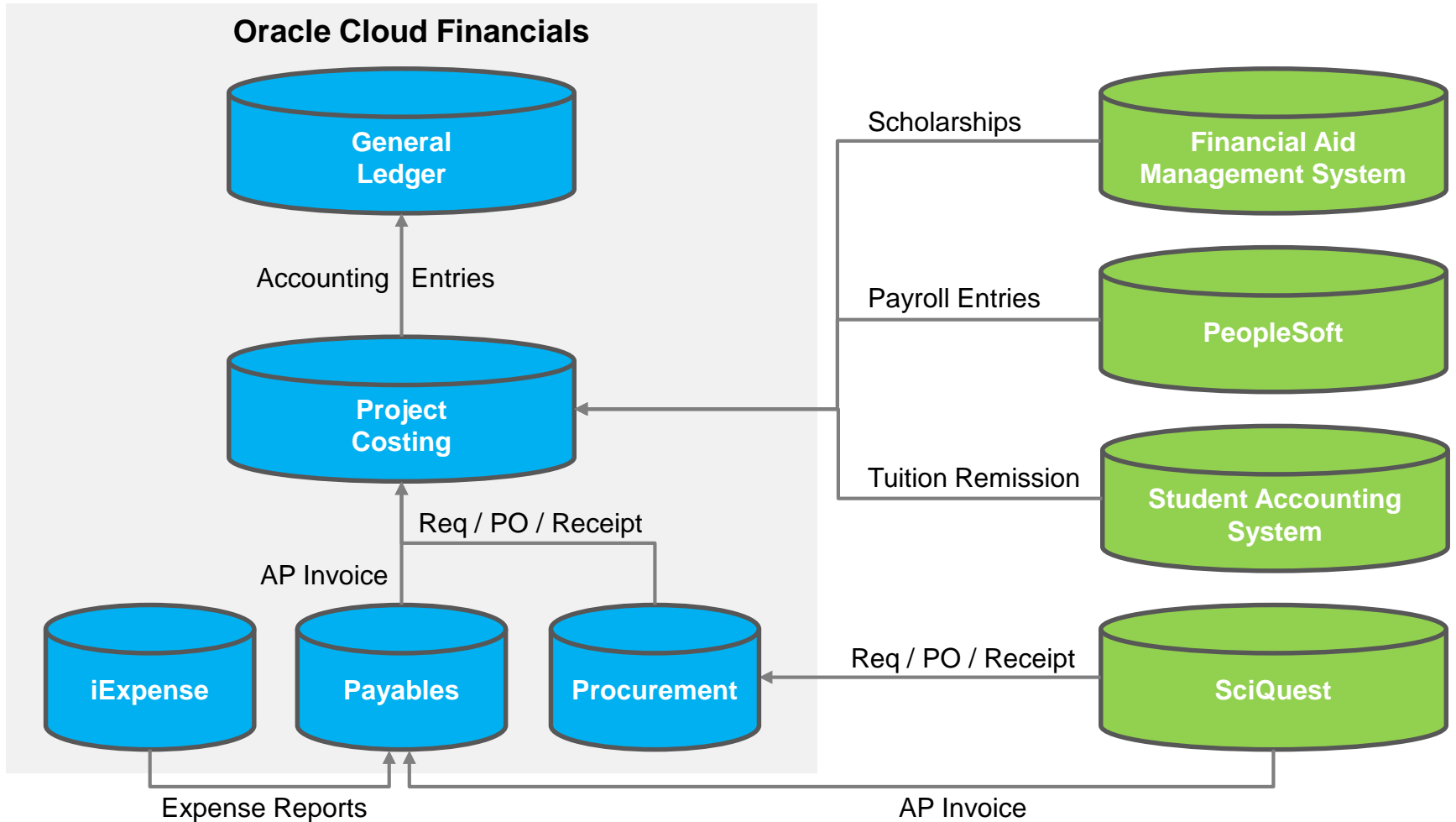
The majority of transactions will continue to be captured in external applications. However, the fields required to **record a transaction** will change to accommodate the fields required in Projects.



	<i>Field</i>	<i>What is represents</i>	<i>Sample value entered</i>
Required	Project	Project to which transaction is charged	812345
Required	Task	Task to which transaction is charged	100
Required	Expenditure Type	Natural account	50010
Required	Expenditure Org	Unit Code & Division Code & Org Code	11051254146
Required	Location	Area serviced	1300
Required	Business Line	Mission serviced	1010
Required	Activity	Initiative that spans multiple Units	1000
Optional	RU Initiative	Reporting project to group related costs	LBSTUP

Which expense transactions will be brought into Projects?

Note: These transactions will bypass Projects and go directly to general ledger if they are not project-based expenses.



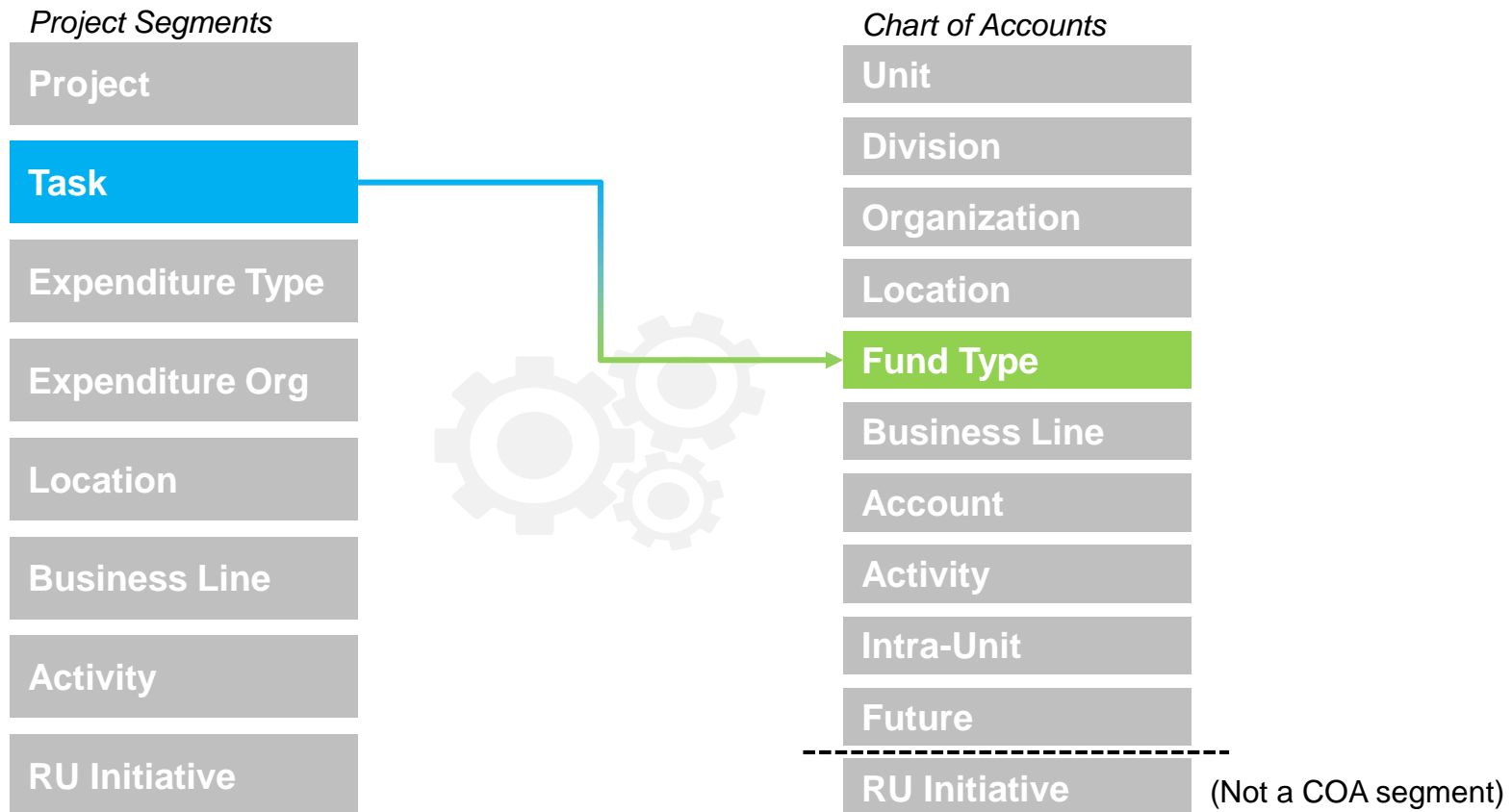
How are transactions reflected in the General Ledger?

Journal entries are **created automatically** for transactions charged to projects and are transferred to the general ledger. A new chart of accounts is being implemented and will be used across the entire University. The new chart of account string is shown below.

Segment	Description	Length
Unit	School, Institution, Center and/or a Central Unit which is required to produce a balanced Balance Sheet.	3
Division	Used to group Organizations into alternate hierarchies.	4
Organization	A business area with dedicated people and space.	4
Location	The area for which you are providing service, which could or could not be the physical geographic location of the people providing the service.	4
Fund Type	Identifies the funding source used to acquire goods and services (Unrestricted, Restricted, Endowment, Plant, Loan, Auxiliary).	3
Business Line	Identifies the specific line of business (or mission) being offered.	4
Account	Identifies the nature of the transaction such as expense or revenue (Natural Account).	5
Activity	Identifies total activity of high-level, interdisciplinary and strategic initiatives that span across multiple responsibility centers/units.	4
Intra-Unit	System generated (no user input required) transaction to balance journals for financial activity between a Unit.	3
Future	Placeholder for potential new segment in the future.	5
RU Initiative	Reporting project to group related costs (not a COA segment).	6

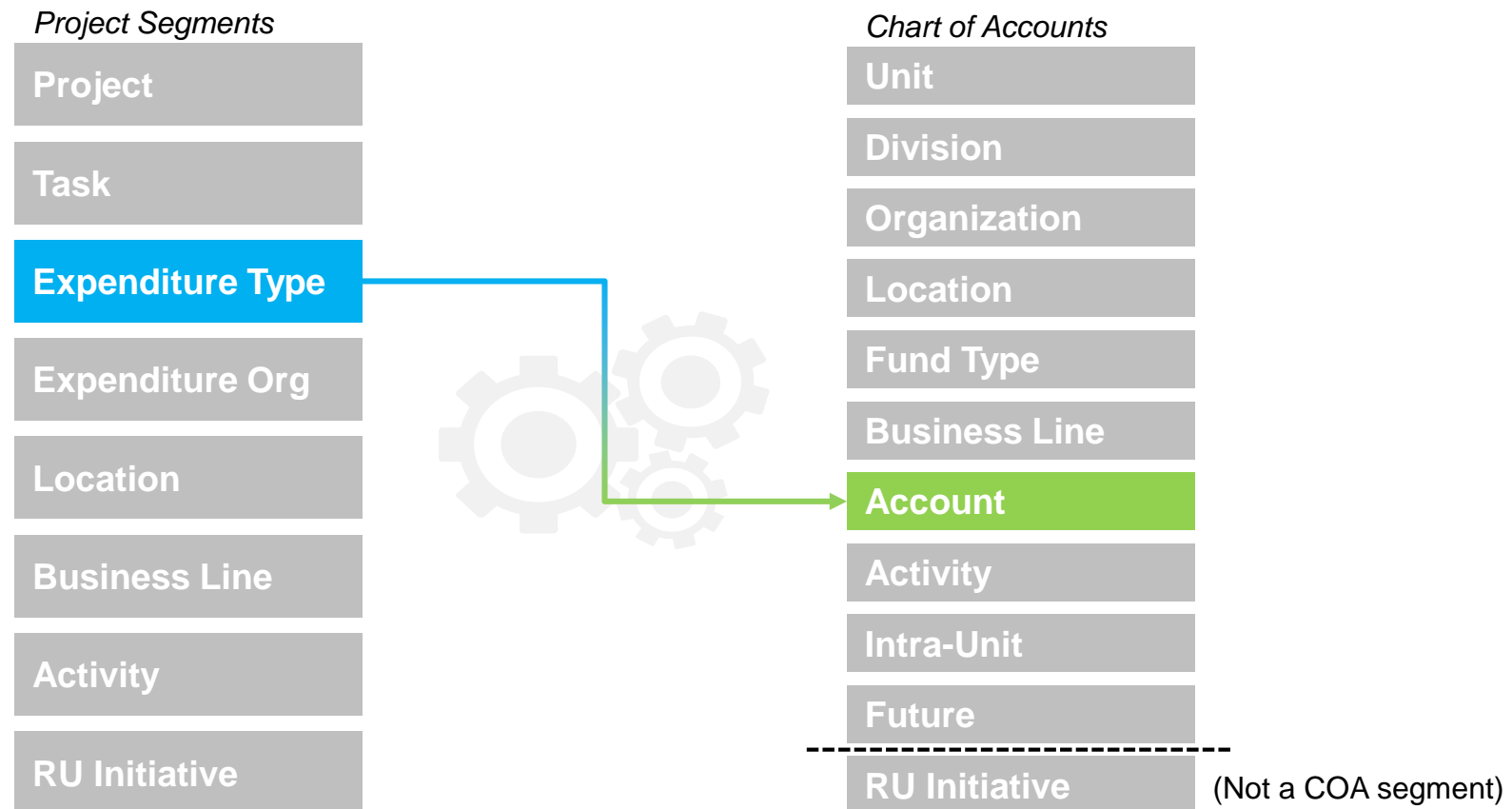
Accounting for Project Transactions

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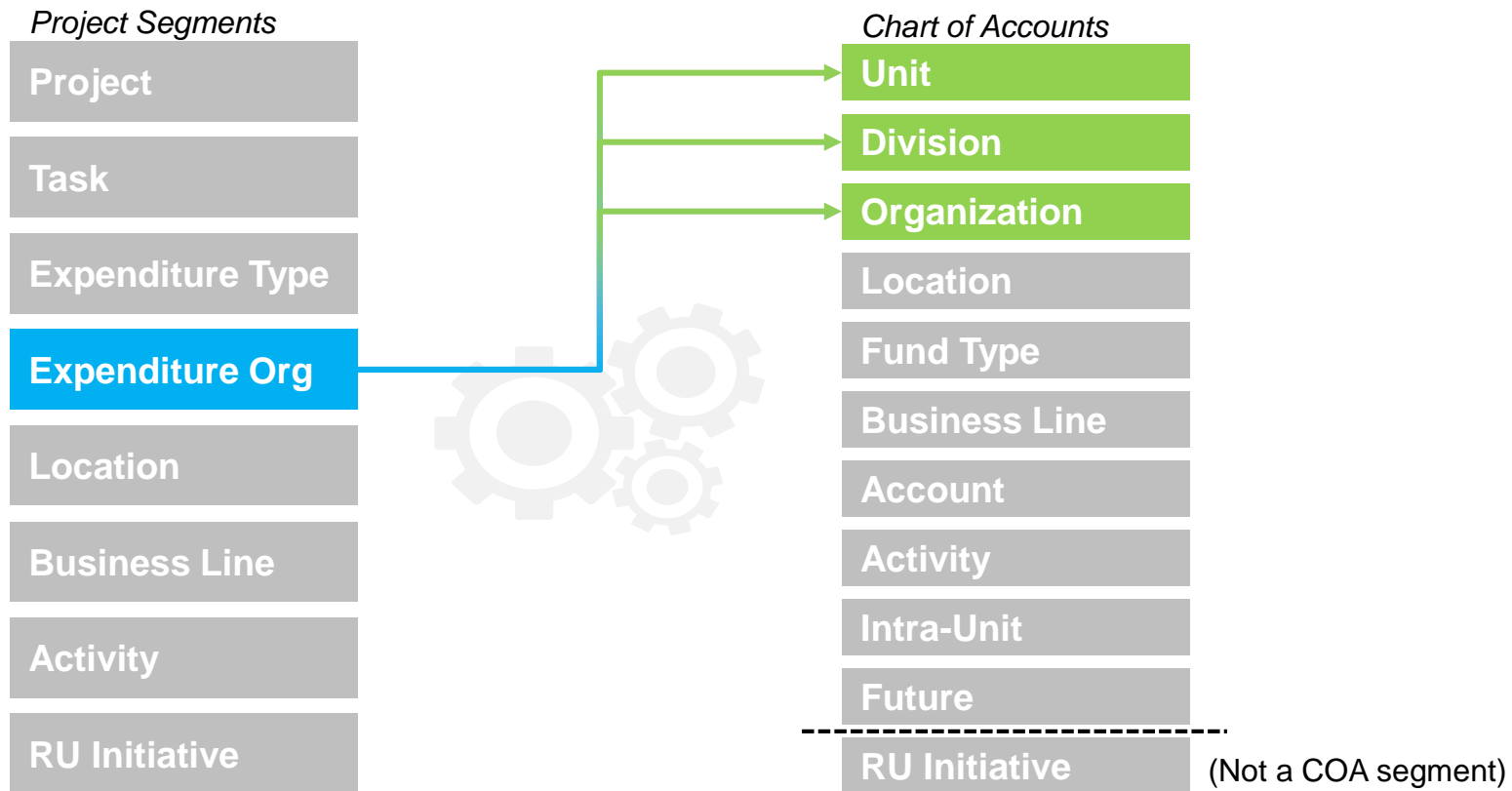
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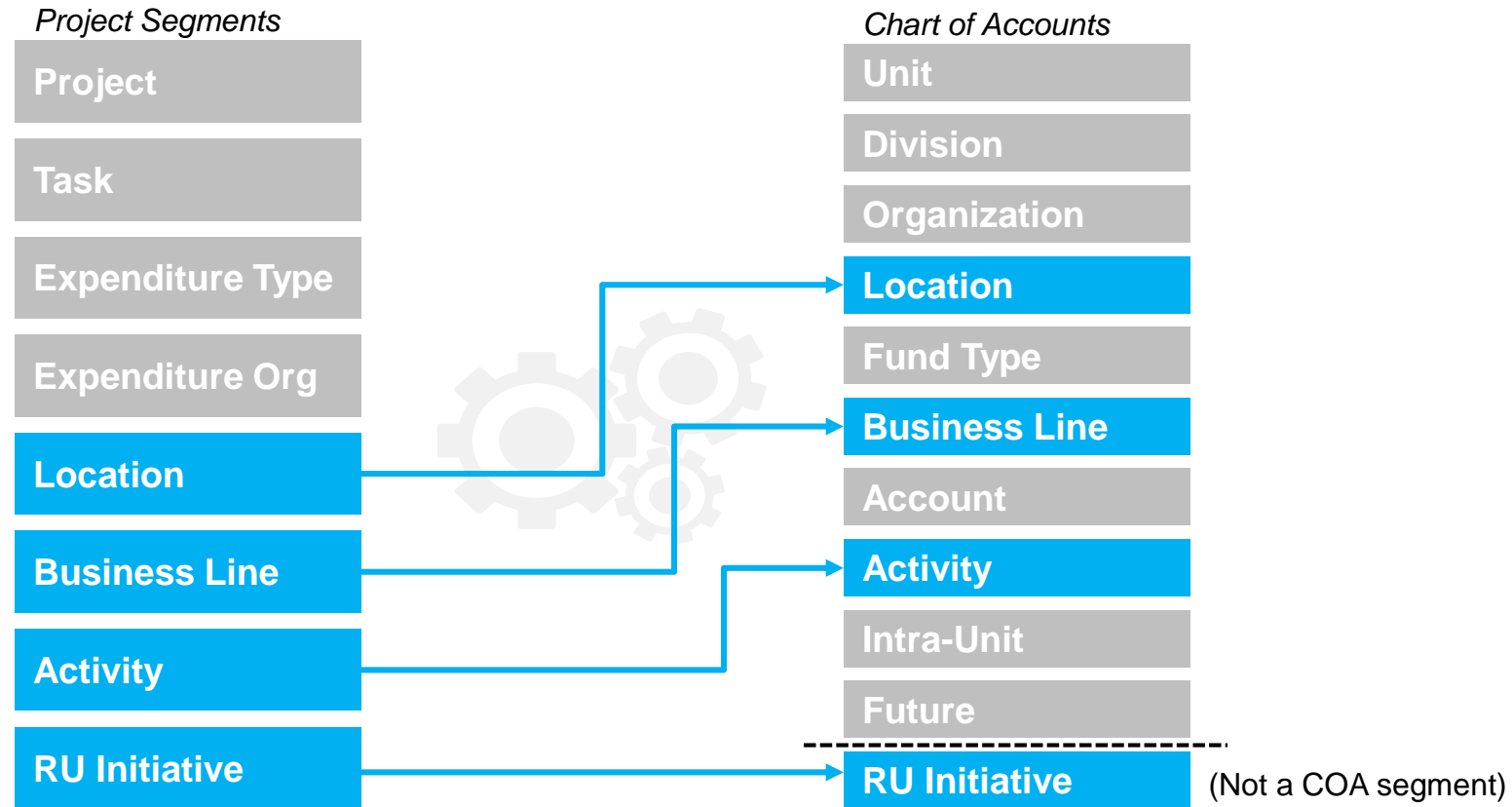
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What does it mean to me?

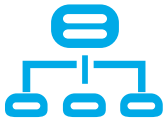


Some things will just be different...



New concepts related to projects and tasks

Users need to understand the concept of charging transactions to project segments, what each segment represents, and how segments map to the chart of accounts



Additional setup required for transaction processing

Finance / Departments need to establish projects in Oracle before transactions can be recorded and processed against the projects



Project adjustments will be performed in Projects, not GL

Project cost adjustments will be made and approved in Oracle Projects, and resulting accounting entries will be created automatically and transferred to GL



Additional reconciliation between subledgers (performed Centrally)

Additional reconciliation will be required between Oracle subledgers and external applications to ensure that all accounting entries reach the GL before period end

What does it mean to me?



...while other things will be improved.



Greater detail and transparency associated with transactions

Users can drill-down from the General Ledger to subledgers in Oracle Cloud to see detailed transactional information associated with the accounting entry



Greater ability to control expenditures

Oracle Projects provides robust transaction controls that can prevent unallowable / erroneous transactions before they impact financials



Enhanced reporting capabilities

The use of Oracle Projects in an integrated ERP environment provides enhanced, real-time reporting and more data to support analysis and decision making

NEXT STEPS AND SUPPORT






Meet your Business Advisory Group Members & School Unit Reps



- **Business Advisory Group Members and School Unit Reps** are your link to the Financial Management Implementation.
- Business Advisory Group Members & School Unit Reps meet with the implementation team on a monthly basis and receive updates on:
 - Project Status (Accomplishments, Upcoming Activities)
 - Key Decisions (e.g., Approval Process, Fringe Allocations, etc.)
 - Special Topics (e.g., Chart of Accounts, Project / Grants, Testing, Training, etc.)
- Contact your Business Advisory Group Member and/or School Unit Reps if you have questions about this project.

What other resources are available to me?

A number of resources will be provided to you to facilitate the transition to new systems and processes.

Business Advisory Group Members	School/Unit Representatives	Project Website	Training	Go-Live Support
				
<p>Business Advisory Group Members are your “go-to” source for information about the financial management project.</p>	<p>School/Unit representatives are available at every location to provide additional support as needed.</p>	<p>A new project website includes important information about the program.</p>	<p>Role-based, hands-on training will be delivered to all impacted end users of the financial management project.</p>	<p>A network of Super Users will be available to support you after go-live.</p>

Will there be training?

Yes! **Role-based, hands-on training** will be provided to all end users of Oracle Cloud. Financial Management training will:



Be **instructor-led or web-based**, depending on the complexity of the topic and audience size.



Take place **just-in-time** for go-live, so that information is provided when it is most relevant and more likely to be retained.



Provide **hands-on experience** with the system through the use of realistic exercises in a training environment.

When will I hear more about the Cloud Financials Project?

Stay tuned for **more information** that will be distributed via the website, newsletters, Business Advisory Members, School/Unit Reps, and other communications. Key topics will include:

- Manual Journal Approval
- Project Adjustments
- Monthly Financial Close Processes
- Cash Receipts
- Reporting Tools