PeopleSoft GL 101

• Objectives
  – Provide a translation of FRS to PeopleSoft
  – Provide an overview of the General Ledger structure
  – Provide direction for obtaining basic financial information using PeopleSoft and DataMart
  – Provide some instruction on some traditional activities in a PeopleSoft world
PeopleSoft Terminology

• Chartfield String
  – Unique
  – Combination of individual chartfields
  – Each chartfield has a specific meaning
  – Similar to attributes in FRS
  – Revenues and expenses are recognized at this level

Whereas FRS had attributes behind the scene that supported the FRS account, PeopleSoft has individual chartfields that specify many of the same things. It is the combination of these chartfields that create a chartfield string.

Like the various FRS attributes, you are also able to report against each of the individual chartfields or the entire chartfield string.

The combination of the chartfields establishes a unique revenue or cost center. A change in any one of the chartfields points a transaction to a different revenue or cost center that may or may not be valid.
In General Ledger we have multiple business units. A business unit is a separate legal entity. We have two that utilize our system, UTMB (UTMBG) and UTMB HCS (UTHCS). We have a third business unit for consolidation and reporting purposes only. Customers will not have any management responsibility over the activity in CONSL.

In the Purchasing module additional business units have been established due to unique purchasing guidelines. The use of the formulary in the clinical enterprise is an example.
The fund is very similar to the minor fund sources previously used in FRS. Examples of that were MSRDP, TDCJ, Other Designated, and Service Department. Although many of these sound like activities it was also a grouping of financial activity which had to stay in balance.

Because many rules within PeopleSoft are set at the fund level we have established a few more.
The Sub-Fund is equivalent to the FRS GL. Fund balance (Equity) is aggregated at the sub-fund level, just as the rest of the balance sheet items like cash, A/R, liabilities, etc.

Just as in FRS, where many SLs could be mapped to one GL or you could have a 1 to 1 relationship, PeopleSoft also maintains the relationship between class or project and subfund.

The department is similar to what has been used institutionally for as long as I can remember. In some cases the change to PeopleSoft meant only a change in numbers, in other cases where there existed pre-defined divisions the department chartfield was established at the lower level. As you have become well aware, access, routing and reporting will continue to evolve using the department as a key field.

As interdisciplinary activity flourished in UTMB, centers and service lines have evolved. This type of activity where on one hand it reports to a traditional department and on the other should be captured to report all like activity allows us to have our cake and eat it too. Reports can be written based on department or on program.

The class is very similar to the old FRS number and we are doing are best to maintain its unique relationship. Expenses and revenues will post to this level for fiscal based activities, but only when associated with the rest of the chartfield string. A class associated with an incorrect fund or sub-fund will effectively post in a cost-center that has no spending authority and generally will error out.
PeopleSoft Terminology
Chartfields (cont’d)

- Project – Similar to class, however it is for cost centers that have a defined start and end date
- Account = FRS object code for revenue and expense and account control for assets and liabilities
- Budget Reference – indicates the year of a multi-year project (all projects were converted with a 00 budget reference)

The Project chartfield is similar to class however it has a defined start and end date that more than likely differs from the fiscal year. Many of the PeopleSoft modules require a project be populated in order to fully use the functionality. An example of this is the Grants module and the AR/Billing module, both of which contain supporting data for the accounting transactions.

The account is similar to the FRS object code for revenue and expense and the account control for assets, liabilities, and fund balance. The plus in PeopleSoft is that it is all one numbering sequence where 1 is assets, 2 is liabilities, 3 is equity, 4 is revenue, and 5 is expense.

The budget reference will allows PeopleSoft to maintain a consistent chartfield string, excluding the reference, through the life of a project. When originally converted the budget reference was populated with “00”, however as the grant renews the appropriate budget reference will be established. For example if upon renewal a grant is going into the 3rd year of a 5 year grant, the budget reference will have “03”. As I mentioned before, changing any one particular chartfield within the chartfield string create a new unique cost center, changing the budget reference does the same thing.
PeopleSoft Terminology

- Speed Chart – quick link to a chartfield string
- Pre-encumbrance – financial commitment of spending authority created when a requisition is budget checked
- Encumbrance – financial commitment of spending authority created when a purchase order is budget checked
- Tolerance – prior year encumbrance

The speed chart is a tool to help pre-populate the chartfield string in order to reduce key stroke errors and hopefully ease the transition to PeopleSoft. While the legacy systems (HRMS and Materials Management) are still being used we will continue to use the FRS account number as the speed chart.

At the time a requisition is created and budget checked a pre-encumbrance is established committing funds and reducing available spending authority.

At the time the requisition is converted to a purchase order and budget checked, the pre-encumbrance is removed and an encumbrance is established. Available spending authority should not change if the requisition and purchase order are for the same amount.

A tolerance is established for the amount of a prior year encumbrance brought forward. FRS brought forward prior year encumbrance into budget authority, in PeopleSoft these same type encumbrances do not increase spending authority, however you are allowed to over-expend your spending authority to the extent of the tolerance.
Budgetary Control (spending authority) is maintained in Commitment Control (KK). It is the segment of the General Ledger that the Purchasing, Accounts Payable, and Travel/Expense modules reference when budget checking. The initial spending authority is that approved at the Institutional Budget Committee level, however it also includes any adjustments associated with new revenues and budgeting of fund balance.

Although we (UTMB) do not actually budget check for revenue, PeopleSoft maintains it in a separate segment within KK. In order to inquire on revenue you must go to the KK_Rev ledger.

KK also segments project related cost-centers from fiscal based cost-centers. If you see the project chartfield populated that typically means there is an established start and end date that most likely is different than UTMB’s fiscal year (Sept-Aug), however it could still be a project and have that same start and end date. Cost-centers with no project and only a class chartfield populated are fiscal year based and are budgeted and re-budgeted each fiscal year.

Due to the timing of the posting of encumbrances and expenses from PARS and HRMS there will be inconsistency at times between what the legacy system reflects and what is stated in PeopleSoft KK.
Commitment Control (KK) Inquiry

- Necessary Steps
  - Commitment Control
  - Review Budget Activities
  - Budget Inquiry
  - Budget Details

- Save as Favorite!

The Commitment Control Inquiry is the easiest way to determine available spending authority for a specific class or project. It is pulling data directly from the KK ledgers and allows for the most real time information.

Although the navigation is a little cumbersome the 1st time you try the inquiry, once your there save it as a favorite and then its one click away.
The KK Inquiry will allow you to inquire on any number of chartfields. If some of them look unfamiliar it’s because we have chosen not to use them and can be disregarded.

The only critical value that must be entered in the inquiry is the Ledger Group which I’ll discuss further in a moment. After populating that value, the inquiry can be generated on just about any chartfield your familiar with. If you populate the class, then it will bring up the specific class, if you populate the department only it will bring up each of the chartfield strings associated with the department. If your not quite sure of a value you can always go to the magnifying glass and it will show you all the valid values.
The appropriate ledger group selection is critical to the inquiry and is oftentimes the cause of the most frustration. Many of the calls we’ve received have centered around the fact that the person couldn’t see any spending authority or find out their remaining balance. Oftentimes, not always, it was because the incorrect ledger group was selected.

Anything (spending authority, encumbrances, expenses) associated with a class will only be reflected in KK_FISC. Those same items associated with a project will only be found in KK_PROJ or KK_PROJPAR. All revenue will only be found in KK_REV.
Commitment Control
KK_FISC / KK_PROJ

KK_FISC
• Expense and Encumbrance recorded in a single pool
  – 500000 - Expense

KK_PROJ
• Expense and encumbrance recorded in multiple pools
  – 501000 - Salaries
  – 508000 – Benefits
  – 510000 – M&O
  – 514000 – Sub-contract
  – 525000 – Educ. & Training
  – 530000 – Capital Outlay
  – 540000 – F&A

Transactions posted to cost-centers with only a class chartfield are recorded in KK_FISC. Because UTMB has elected to establish only a single, bottom-line budget pool for its fiscal based activity you will only see transactions recorded at a summary 500000 level.

On funds that are restricted for budget purposes the KK_PROJ ledger is maintained at the budget pool level which is why it is referred to as the “child”. When all of the budget pools for a project are rolled up and summarized it becomes KK_PROJPAR. By referencing the KK_PROJPAR ledger you can determine on a project basis the total spending authority, encumbrances, expense, and remaining spending authority.

On projects that fall in an unrestricted fund and there is only a single budget pool the KK_PROJ and KK_PROJPAR should be identical.
All revenue, expense, asset and liability transactions are recorded in the “Actuals” ledger. These transactions are recorded at the PeopleSoft account level so there is a much greater level of detail available. However, no spending authority (budget) or encumbrance information resides in the Actuals ledger.

Transactions are posted on a nightly basis from the feeder systems including HRMS and PARS (2003 PO payments, Materials Management).

Expenses associated with Travel/Expense and Non-PO are not posted until the payment is vouchered. This currently creates a timing difference when comparing against KK since the expense is posted in the KK ledger when a transaction is budget checked.

Accounting is reviewing the steps necessary to accrue this expense in ledger at month end and reverse the 1st of the new month. This is appropriate due to the fact that reimbursement is being sought for travel or business entertainment expense that has already occurred or an invoice has already been received to be paid via Non-PO.
The Analytical (Reporting) Budget Ledger only contains the institution's original budget. There is no revenue, expense, or encumbrance information included. This ledger amount will remain unchanged throughout the year unless specifically altered by the Institutional Budget Committee.

In contrast to KK, the Analytical Budget Ledger contains detail budget data potentially to the PeopleSoft account level.
Due to the complexity of project management, an environment exists within PeopleSoft dedicated exclusively to projects. Financial information from both the Actuals and KK ledgers are replicated in PROJ_RESOURCE.

But PROJ_RESOURCE contains much more than just financial information. It also maintains non-financial data related to the project, as serves as the environment which supports the Grants, Projects, Contracts, Accounts Receivable and Billing modules.

It is in PROJ_RESOURCE that F&A (indirect cost recovery) is calculated and passed to the Actuals and KK Ledgers.
DataMart Reports

• Canned Reports
• No Training Necessary
• Provides summary and detailed information for class and project.
• Provides balance sheet report for the sub-fund.

The Monthly Ledger Summary pulls information from a variety of ledgers. The upper right hand corner of the report pulls the information from KK. The Annual Budget is provided from the analytical budget (original budget). For that reason, if spending authority was established after the budget process no budget may be reflected. The YTD actuals are taken from the Actuals ledger.

Because the DataMart is refreshed nightly the reports may be out of sync with the KK inquiry due to postings occurring that same day.

As discussed earlier there may also be some discrepancies between the KK expense and Actuals expense due to the manner Non-PO and Travel/Expense records expense.
Setting Up a New Class/Project

• Go to Accounting website under “Forms and Instructions” http://www.utmb.edu/accounting/forms/default.htm
• Determine whether new project (non-research)/class requires a new sub-fund or will be mapped to and an existing sub-fund (FRS GL)
• Determine which department the class or project will be associated
• Complete FRS Levels 1-4
• Complete budget load information
• Complete “Signature Authorization Form”
• Send to Accounting Representative

The form for setting up a new class or project currently requires both FRS and PeopleSoft information. This is necessary because we are still using the legacy HRMS and Materials Management system which uses the FRS attributes for many of its functions. For this same reason a signature form is required on all new submissions.

In the event a new class or non-research related project is required the “Request for a New Class or Project Form” must identify whether or not the new class/project (FRS SL) will map to a current sub-fund or FRS GL. Non-research related activities will typically use a project chartfield when a contract is for a specific period other than the fiscal year. Because projects and classes have different rules pertaining to how it will close out at year end it can not share the same fund or sub-fund.

In the event a new class/project and sub-fund need to be established please check the “New FRS GL/SL and Attribute” box in the upper left hand corner of the form. If you are submitting a request for multiple classes/projects that are to be mapped to a single sub-fund please indicate that in the comments section of the form.

Budget load information for all classes will be at a summary level. Only restricted projects will have budget pools established for the different expense types (salary, benefits, travel, etc.). The budget pooling rules are established at the fund level and can not differ within the same fund.
Transferring Spending Authority

• Submit to your Accounting Representative the following from and to information:
  – Fund
  – Sub-fund
  – Department
  – Class/Project
  – Account
  – Amount

• If between sub-funds, an equity (fund balance) transfer will be required.

Spending authority transfers must be submitted using PeopleSoft chartfields as the budgets are no longer maintained within FRS.

Budgets that are included in the Analytical (Reporting) Budget ledger will not be transferred as it is the original budget as approved by the IBC.

Spending authority, which is contained within Commitment Control is what is available for reallocation, for that reason the PeopleSoft account should always be 400000 for revenue and 500000 for expense. Transfers involving “restricted” projects are at a greater level of detail and typically will involve OSP Post-award for validation prior to posting.

Transfers of spending authority between classes/projects that share a sub-fund will decrement the original spending authority for the amount of the transfer and increase the receiving class/project’s spending authority.

In the event a transfer is being made between a classes/projects that do not share a sub-fund a transfer transaction which fall within the expense and revenue account ranges will be created. An expense transfer will appropriately decrement the spending authority just as an expense would and will then be reflected in Commitment Control as revenue. Spending authority would then be increased in the class/project receiving the transfer. This provides the ability to view in its entirety the spending authority for the particular class/project.
Transferring Expense

- Transfer of a PeopleSoft expense should be generated from originating module
- A PARS generated expense will be transferred via a GL journal entry

**Necessary information – chartfields to and from, description of what and why transferring, voucher number**

- HRMS salary transfers will continue to occur in the same manner as always

DataMart detail reports provide the voucher number in the REF 1 field.

The Journal ID indicates the PeopleSoft module that the entry originated.
AP being the account payable module
EX being the Travel/Expense module

The idea at the end of the day is to have a detailed database consistent with what’s in ledger.