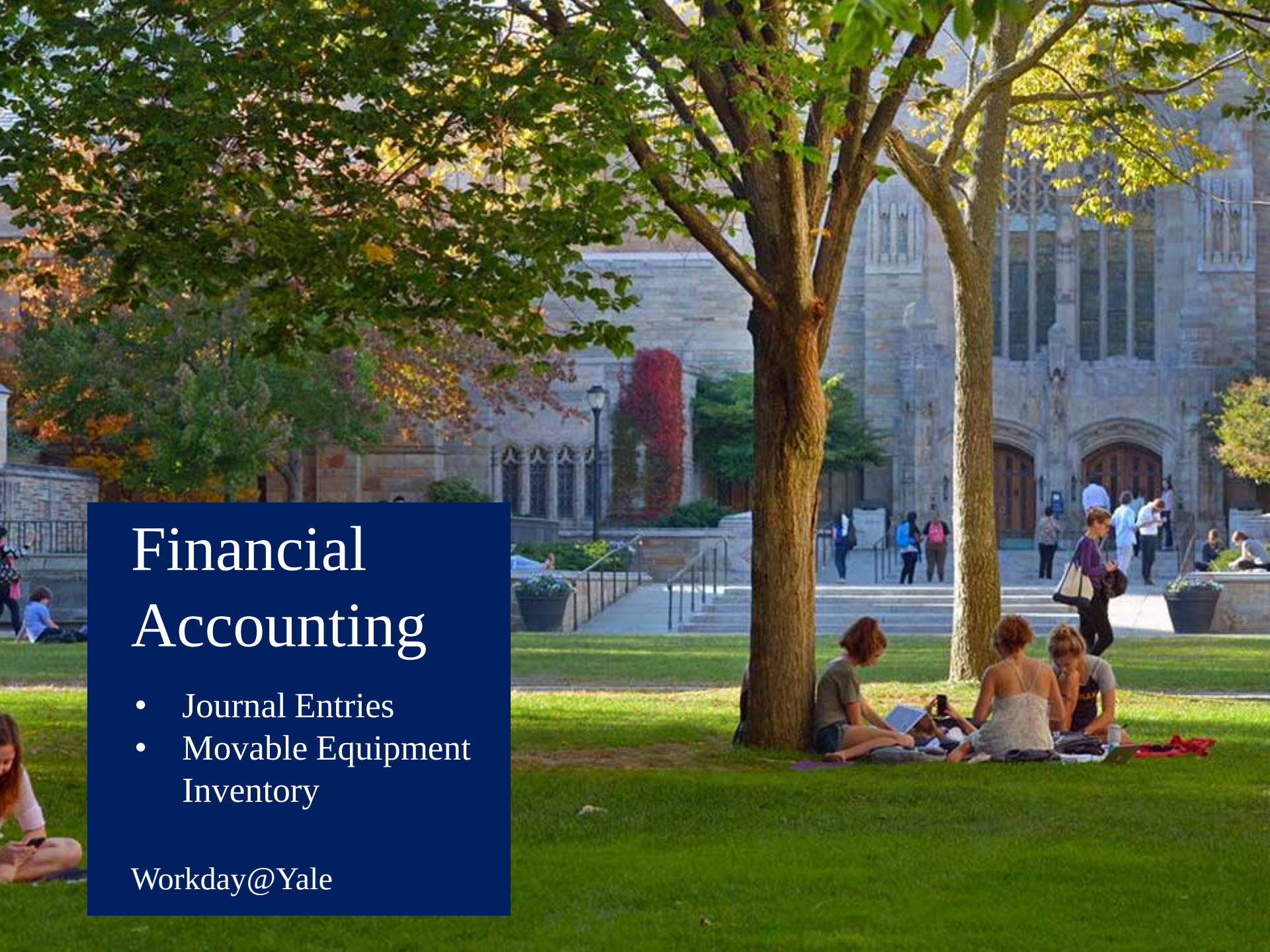

Financial Accounting

- Journal Entries
- Movable Equipment Inventory

Workday@Yale

Agenda

- Welcome
- Overview
- Chart of Accounts
- Key Changes & Demo
  - Journal Entries
  - Moveable Equipment Inventory
- Q & A
- Next Step

Change Network Roles

Before Go-Live
"Focus on Readiness"

After Go-Live
"Support Users"

Change Partners:

Feedback and communications channel between their business unit and the Change Management team.

Supporter

- **Ambassador of Change**
- **Learn about the Changes**

Listener

- **Serve as a Liaison**
- *Direct Users to Help Resources*

Local Workday Gurus:

Community of users who can **provide business process support** as a part of their current role.

Early Adapter

- **Learn their assigned areas of the system**
- **Test the System**
- **Lead User Training**

Coach

- **Provide User Support**
- *Participate in this Community of Practice*
- *Serve as a Liaison*

Knowledge Sessions Objectives

- Early opportunity to collectively study a specific Workday topic
- Come to a deeper understanding of the topic through interactive questioning and dialogue
- Exposure to the Workday system via demos, when possible
- Become fluent in the concepts and information covered in the session
- Concepts and information presented today may change as Yale continues to improve the configuration of Workday

Success depends on participation!

If you have a question, please ask.

Prerequisite Foundational Core Concepts

Online Videos

- Financials Overview
- Chart of Accounts (COA) Overview
- Introduction to Worktags
- Reporting
- Overview of Workday

Core Concepts

- Software as a Service
- Configuration vs. Customization
- Tenant
- Supervisory Organizations
- Roles
- Business Process
- Employee Self Service
- Delegation
- Inbox

Additional resources are available at workday.yale.edu

Why Workday?

Workday@Yale Program Objectives
Simplify, standardize processes
Easier to get work done and fewer mistakes
Minimize administrative work for faculty, students and staff
Lower operating costs
Accurate, trusted, and timely reporting

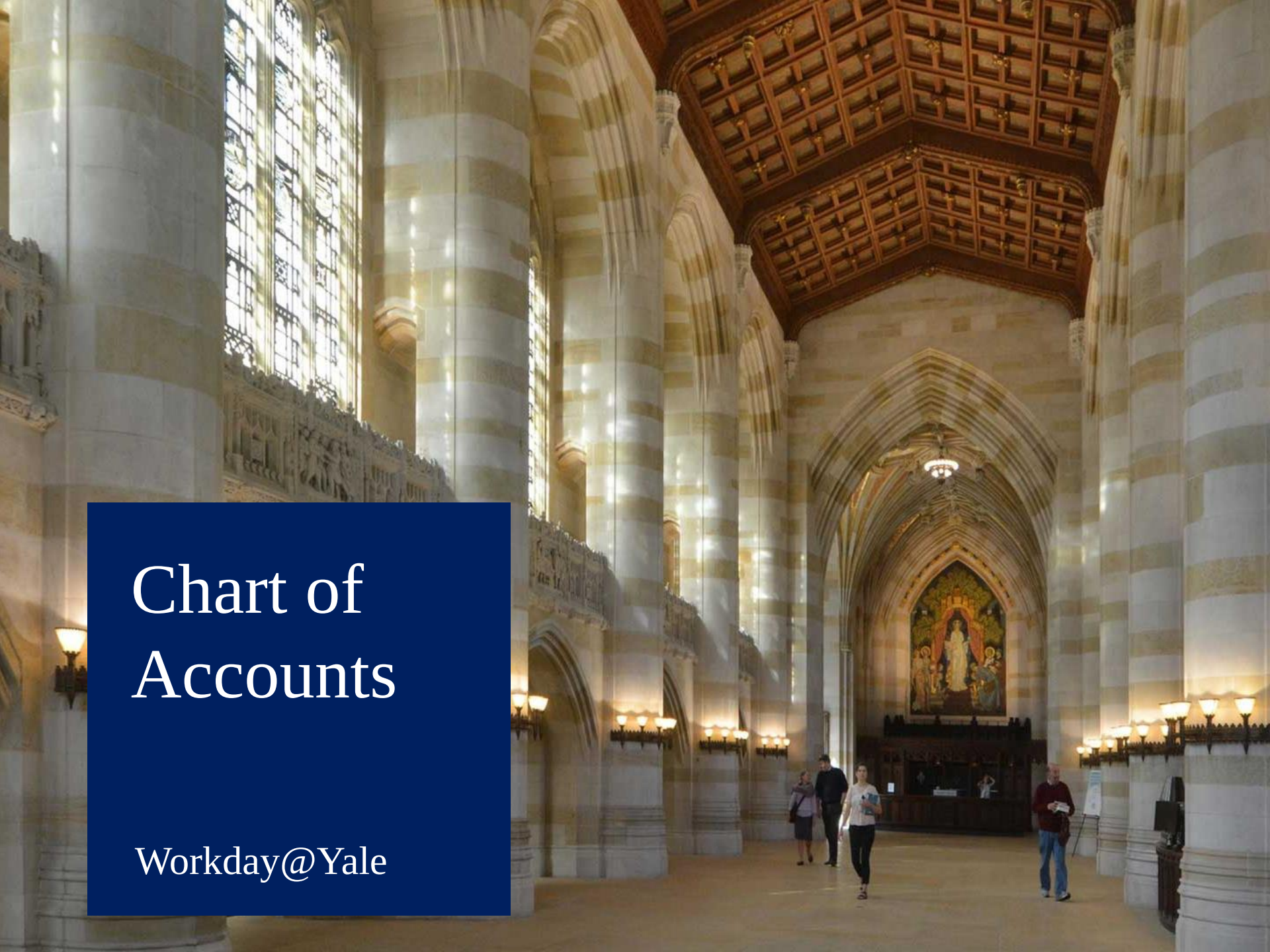

Chart of Accounts

Workday@Yale

Workday Chart of Accounts

Company

Funding *(must select one)*

- Grant *(will default other segments)*
- Gift *(will default Fund)*
- Yale Designated *(will default Fund)*

Cost Center *(will default Project)*

Program

Project

Assignee *(may be required by your unit)*

Spend Category or Revenue Category

Ledger Account *(required for Journal Entries Only)*

Journal Entries

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Journal Entries Roles

Current State

Preparer Only
YUGL_Phase 2 JSA Staging User

Preparer and Approver
YUGL_Phase 2 Staging Manager w/no GC xfers

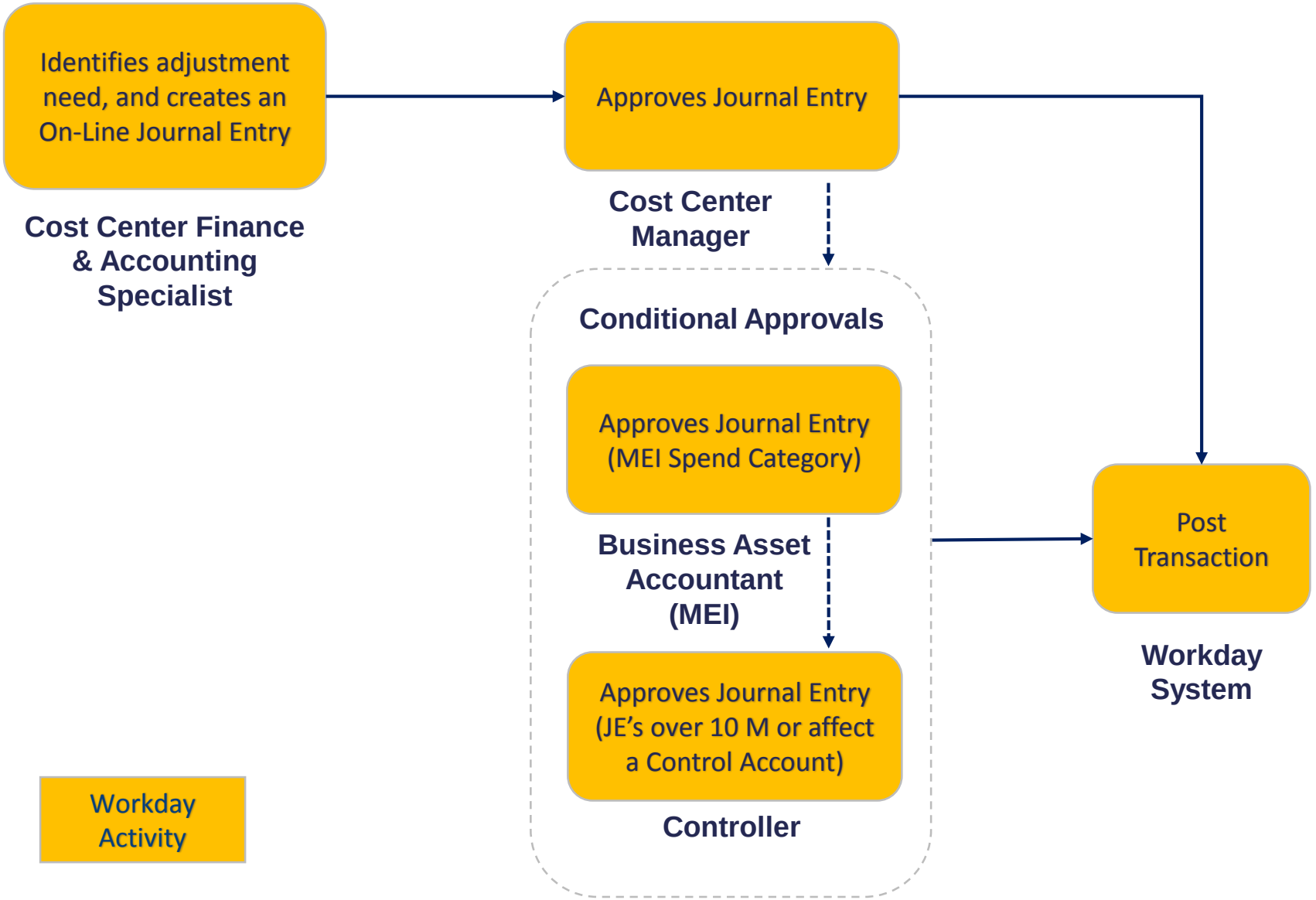
YUGL_JSA_Department_ Grant_Approver

Future State

Preparer
Cost Center Finance and Accounting Specialist

Approver
Cost Center Manager Finance and Accounting

Journal Entries: Future State Detailed Process Flow



Key Changes

- **Workday Journal Entries** replace JSA or Oracle Journal Staging Area.
- All journal types in the current process (inter-fund transfer, income, balance sheet, etc.) will now be processed on the same journal entry. *even in the same Journal Entry*
- Documentation can be attached directly to journals within Workday. Attachments will no longer be attached using multifunction devices.
- Users will have the ability to copy a previously processed Journal Entry, make changes, and submit the new Journal Entry.
- In Oracle, you chose an **Expenditure Type Code** but in Workday you will be required to choose a **Revenue** or **Spend Category**. Additionally, Journal Entries require that you choose a Ledger Account.

Key Changes

- In Workday, there are fewer user-defined fields available.
- Departments who submit journals electronically will use a new file format.
- Currently, balances do not reflect approved transactions made on the same day. In Workday, **all** approved transactions will be reflected immediately, except for some the associated assessments.
- In Workday, Journal entries will now be approved by one cost center manager from each cost center that is impacted by the transaction.
  - This approval process affects all manual journals (ISP and Non-ISP as well as almost all electronically submitted journals).
  - Most ISPs whose journals are generated from system integrations– Famis, ITS, YSM FinOps —are exempt and their journal entries will auto-approve.

Types of Journal Entries

There are a variety of Journal Entry Types:

- Manual Journal Entries
  - ➢ Copy Journal Functionality
- Spreadsheet/Electronically Submitted Journal Entries
- Journal Entries created from System Integrations
- Operational Accounting Adjustments

Manually Entered Journal Entries

- Manual Journal Entries are entered through the **Create Journal** task.
  - ➢ You can find a previously processed Journal and copy it, which opens the Create Journal task and prepopulates many of the needed fields.
- For manual Non-ISP Journals, you will choose **Manual Journal** as the Source.
- For manual ISP Journals, you will choose **Your ISP** as the Source.
- All manually prepared Journal Entries will require approval from each Cost Center.

Electronically Submitted Journal Entries

- Journal Entries can still be submitted electronically via an Excel spreadsheet for both Non-ISPs and ISPs.
- New templates and procedures have been created in conjunction with the Integrated Systems Remediation process.
- Almost all electronically submitted Journal Entries will require approval from each Cost Center on the JE.
- If you believe you have a significant volume of transactions and would like to submit Journals electronically, there is a process to request this access.

Types of Journal Entries

Journal Entries Generated from System Integrations

- There are many ISPs that will have direct system integrations with Workday (i.e. FAMIS, YARC, ITS, YSM FinOps).
- Almost all of these Journals will auto-approve and will not require the Department Cost Center Managers approval.
- There are only five situations in which the Cost Center Managers will need to approve these Journal Entries:

  Yale Drama (3 Systems)
  SFAS Student Loan
  Yale Press

Commitment Journals

- Managing Custom Commitments in Workday is done a few different ways.
- Using Commitment Journals is one solution for managing some types of Commitments.
- Commitment Management best practices will be established and a follow-up knowledge session will be held once they are finalized.

Operational Accounting Adjustments

- Released in Workday 28 on 3/13/2017
- Are generated when you go into an original transaction and make changes to the charging instructions
- Limited to Procurement transactions - Invoices and Expense Reports
- We continue to test and learn about its functionality. Additional information is forthcoming as it is vetted

Journal Entries

Moveable Equipment Inventory (MEI)

Workday@Yale

MEI Roles

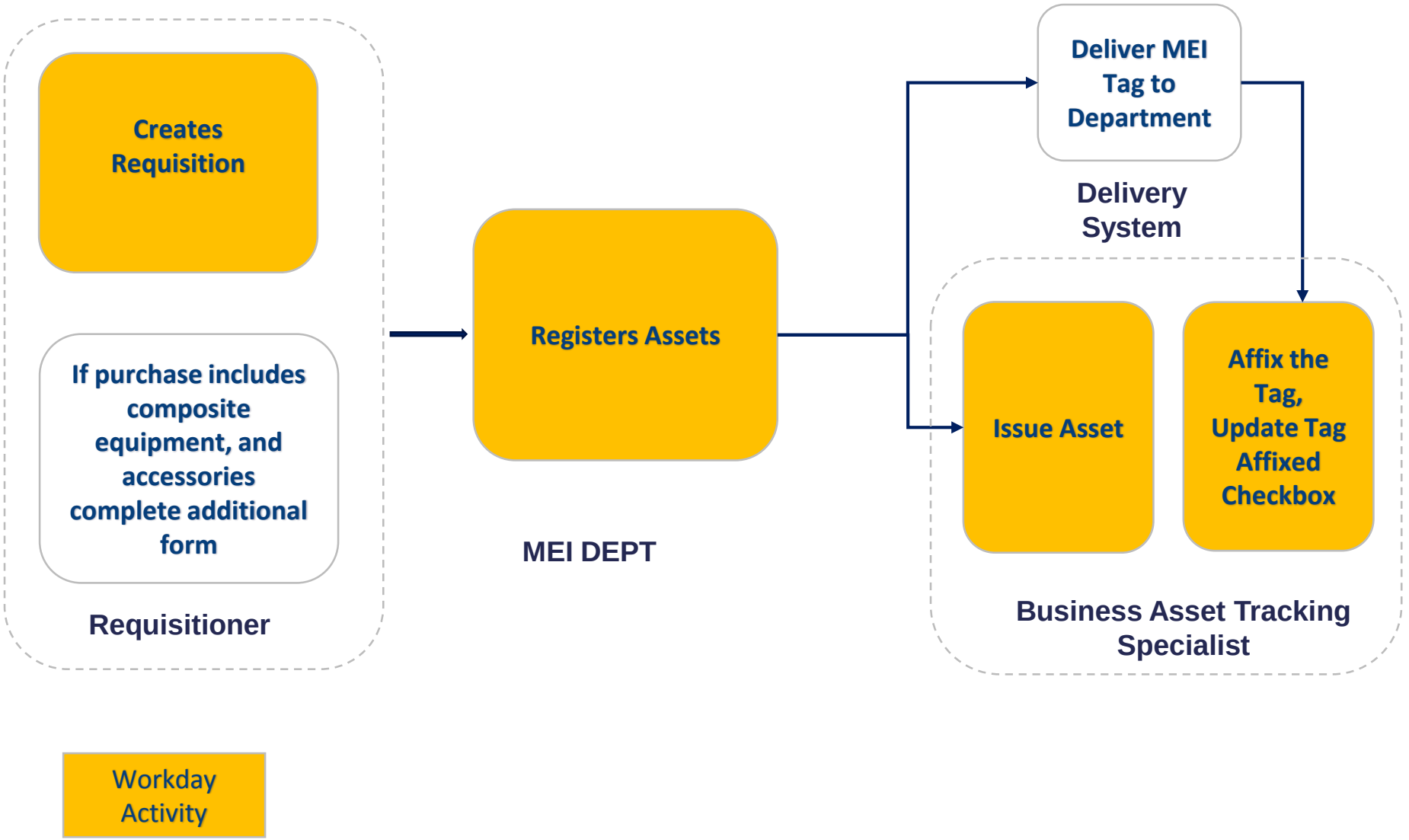
Current State

YUGL_MEI General User

Future State

Cost Center Business Asset Tracking Specialist

MEI: Future State Detailed Process Flow



Key Changes

- Currently, departments manage MEI directly in the MEI system or they request reports from the MEI unit and manage and submit changes via an Excel spreadsheet. In the future, all management of MEI will take place within Workday.
- Users will be able to view the invoice for the equipment within Workday.
- When selecting a location for the MEI, the office of the Initiators, usually Principle Investigators (PIs), is auto-populated. Users will review and correct, as required.
- Individuals to whom assets are assigned will receive notifications within Workday.
- Assets **must** be assigned to a person versus assigning to a department.
- Ability to upload and attach documentation, including photo's, **being explored**

Key Changes

- Information in Oracle MEI, **Comments** tab will not be converted to Workday. Comments in Workday can be entered in the Description field.
- **Policy Change**
  - Depreciation is moving from a monthly estimate to half-year depreciation. The in-service date begins half a year into the FY that the equipment was acquired.
  - Effective June 30, 2017, Fabricated Equipment is **no longer** considered to be an asset, will no longer be tracked in the MEI system, and will no longer be depreciated.
- Departments will **no longer** be allowed to assign Capital Assets/MEI related **Spend Categories** to lines on a purchase requests under 5K. However, there will be **Spend Categories** for Composite/Accessory Equipment.
- For any Composite/Accessory Equipment purchases, departments will need to submit a form to MEI outside of Workday and forward to the MEI unit in the Controllers Office.

Capital Assets & Projects

Capital Assets include the following after they are placed into service:

- Capital projects (Land, Buildings, qualifying Fabricated Equipment)
- Fixed Equipment
- MEI - Equipment whose cost is >5K and has a useful life >1 year
- Software Licensing >500K

A Capital Project is used for:

- MEI if it will be debt financed
- Qualifying Fabricated Equipment

Workday Spend Categories for MEI Transactions

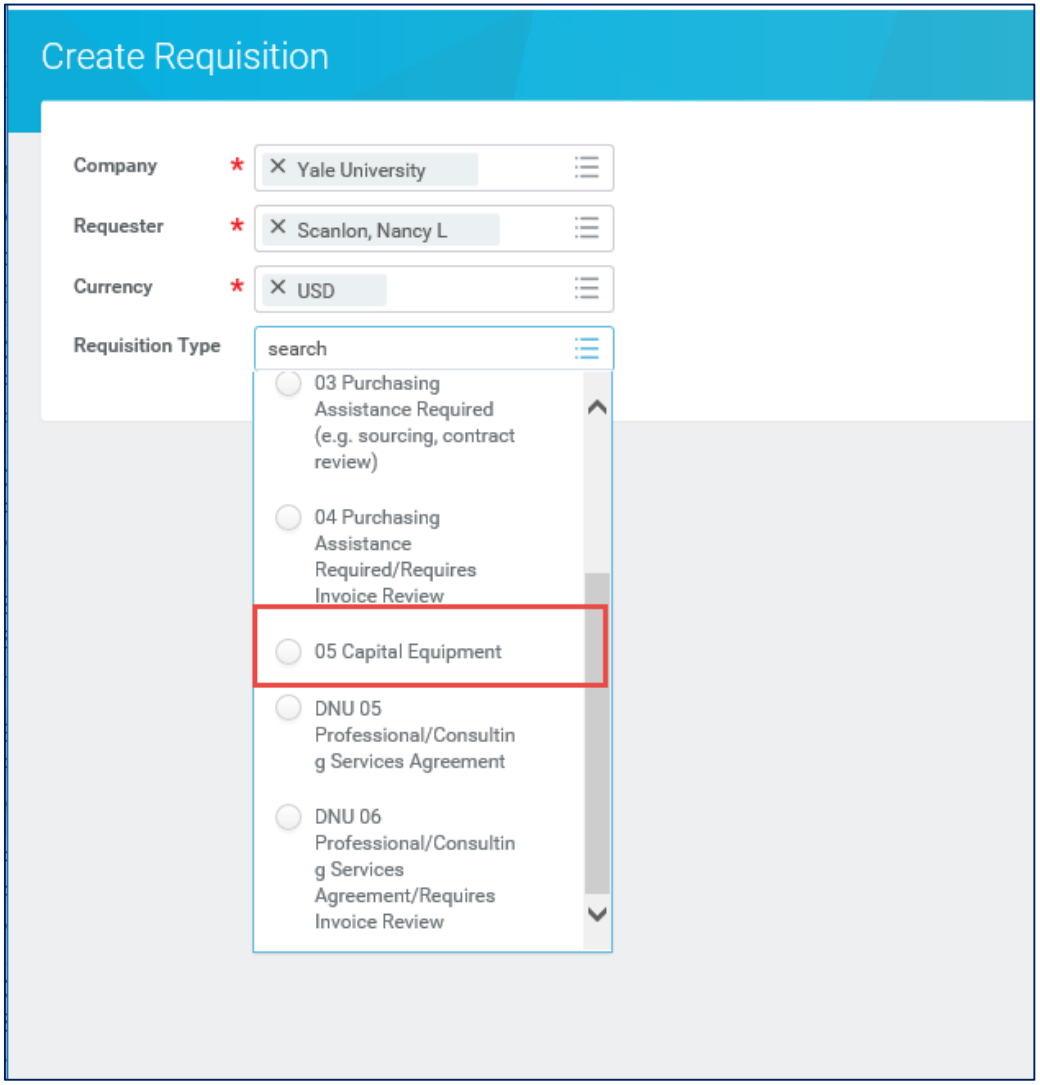
Outlined below are the 13 Spend Categories associated with MEI Transactions. The purchase requisition process will **not** allow you to use any of these if the line is less than 5K.

SC00022	Animal Caging
SC00023	Equipment - Cleaning & Maintenance
SC00025	Equipment - Computer
SC00028	Equipment - Electrical & Power
SC00031	Equipment - Food Preparation & Serving
SC00052	Equipment - HVAC - Heating, Ventilating, and Air Conditioning
SC00034	Equipment - Laboratory Instruments
SC00048	Equipment - Office & Photographic
SC00051	Equipment - Recreational and Athletic
SC00053	Equipment - Shop Components
SC00032	Furniture
SC00047	Musical Instruments
SC00058	Vehicles

This list does not include Composite Asset or Fabricated Equipment Spend Categories

Movable Equipment (MEI)

- MEI is equipment whose cost is >5K and has a useful life >1 year
- Follow standard Purchasing Process
- Requisition Type = Capital Equipment
- Spend Category = Appropriate MEI Spend Category



Composite Asset/MEI

- **Composite MEI** is when multiple pieces are needed to be put together in order to create a functioning asset.
- These parts **must** be purchased at the same time or within the same fiscal month (some limited exceptions may be allowed if multiple vendors involved or if purchases fall at the end/beginning of the month)
- Purchase will include multiple pieces valued under 5K each although in rare cases there may be a piece that is valued above 5K.
- For line items less than 5K use spend category SC417 Equipment – MEI Composite.
- For line items greater than 5K line, use the appropriate spend category.
- You will be required to complete and submit an MEI form outside of Workday to ensure that all composite parts will make up one piece of functioning equipment and require one tag.

Accessories/MEI

- **Accessories** are defined as parts that are being added to an asset that is valued greater than 5K . Accessories have to be purchased at the same time that you are purchasing the asset with which they will be used.
- These parts **must** be purchased at the same time or within the same fiscal month (some exceptions may be allowed if multiple vendors are involved or if purchases fall at the end/beginning of the month).
- Purchased accessories may be valued under or over 5K.
- For line items less than 5K use spend category SC417 Equipment – MEI Composite.
- For line items greater than 5K line use the appropriate spend category.
- You will be required to complete and submit an MEI form outside of Workday to ensure that all Accessory parts are classified with the main piece of equipment as one piece of functioning equipment and require one tag.

Fabricated Equipment

Currently Fabricated Equipment is usually:

- Grant funded for research/development and is dismantled after research completed
- Built on campus
- Involves charges for labor and parts totaling >5K
- Classified as an Asset, MEI and is depreciated
- Charged to an Operating Project
- Charged using the Fabricated Equipment Expenditure type Code
- Not charged F&A costs

Fabricated Equipment

After July 1, Fabricated Equipment:

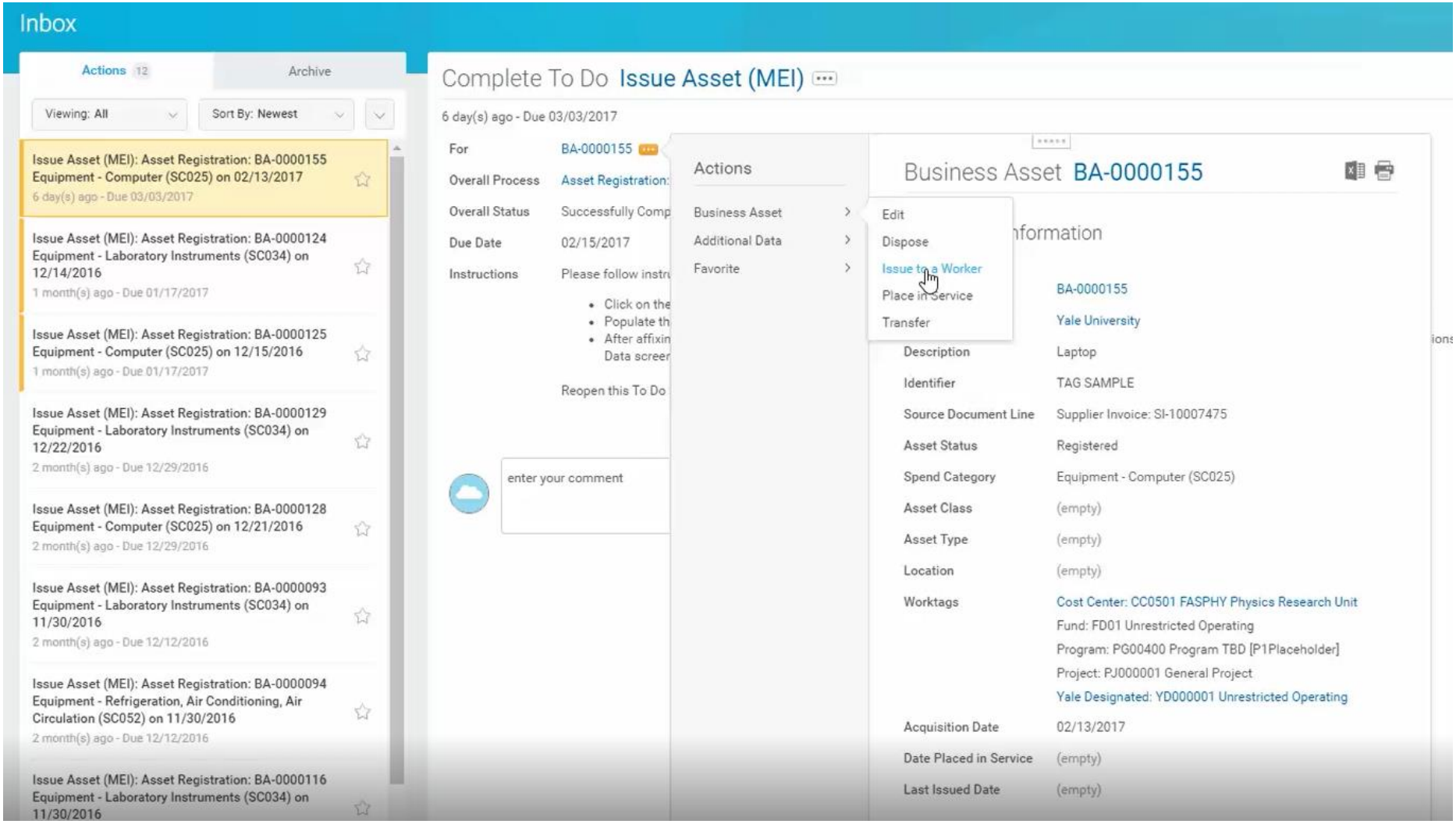
- Grant Funded Fabricated Equipment will **no longer** be classified as an Asset, MEI or be depreciated. Current Fabricated Equipment will not be transferred into Workday as MEI.
- If you are fabricating equipment that is **not** funded by a grant, and after it is completed the equipment will provide a benefit and be a functioning asset of the University, then it must be setup as a capital project. Only in these situations is fabricated equipment considered an asset, MEI and is depreciated.
- You may still use the Fabricated Equipment Spend Category.
- F&A Costs will not be assessed.

MEI Management in Workday

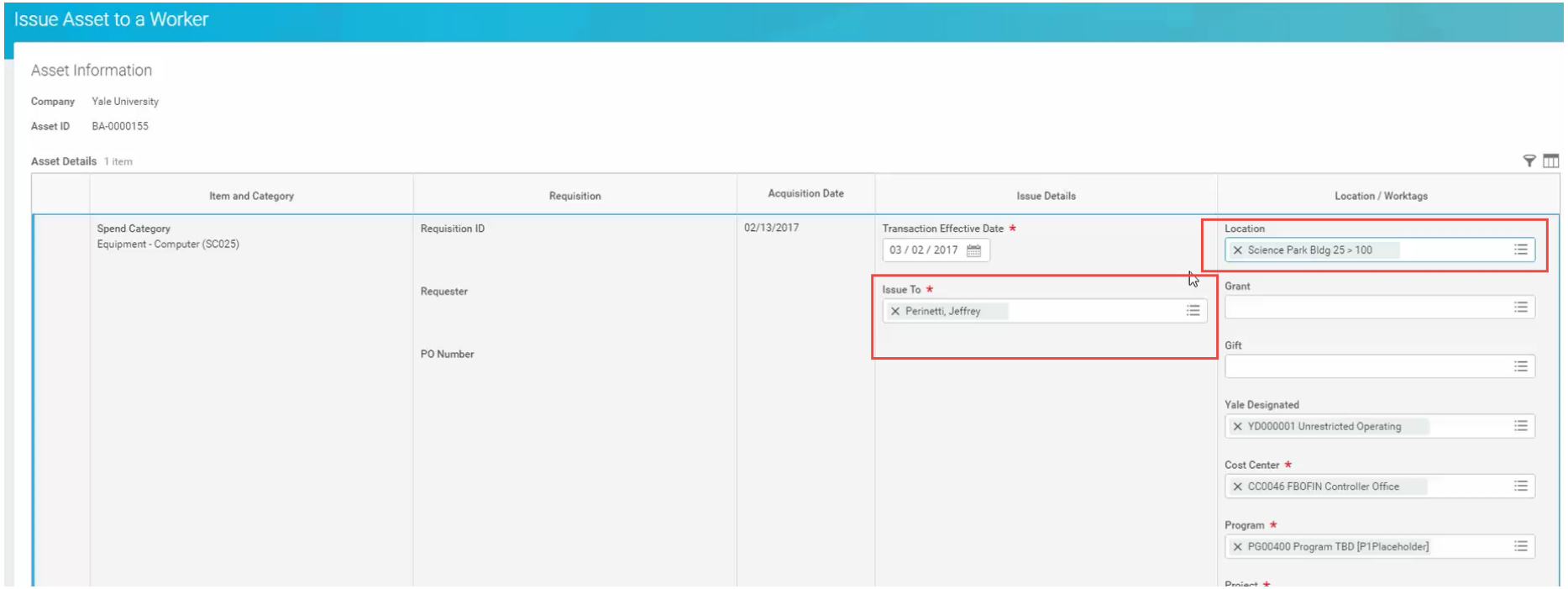
After purchasing your Asset, your department Business Asset Tracking Specialist will be able to:

- Issue an Asset to a Worker and Location
- Affix a Tag onto an Asset and update the asset record in Workday
- Update location or responsible employee
- Transfer an Asset between Departments
- Dispose of an Asset
- Run Asset reports in order to manage all MEI within their Cost Center

Issue Asset Task in Inbox



Issue Asset to Worker



What's Next

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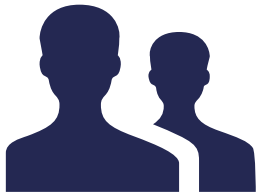
Training

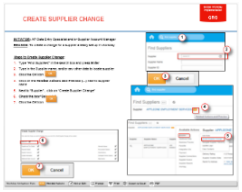
Training Guide

Instructor-Led Training

Coaching/Clinic Session



Quick Guide (QG)



Auditorium Session

Web Simulation

Web-Based Training

Support

You will have support!

- Local Workday Guru's are embedded in your department.
- Workday.yale.edu provides access to quick guides, web-based training, and additional supporting documentation.
- Yale Shared Services (YSS) will provide tier-one helpdesk support through the Finance Support Center (FSC).
- Heightened support will be provided from July through October.

Session Feedback

Tell us what you think!!

Please complete the short anonymous survey that will be emailed within the next 24 hours.

To download a copy of today's presentation, please visit workday.yale.edu.

What's Next

- Become an ambassador of change
- Grow your network and take some time to meet other Local Workday Gurus
- Topics for next Knowledge Building Session
- User Acceptance Testing April 17 – May 19
  - Testers who are selected will be notified soon
- End User Training begins May 22 (tentative)
  - Local Workday Gurus are encouraged to attend training that is specific to their business area
  - This will help you to continue to become comfortable with the content
- Local Workday Guru Preparation for Go-Live begin June 5 (tentative)

Questions & Answers

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