WHAT DO YOU NEED TO KNOW ABOUT FINANCIAL SYSTEMS MODERNIZATION (F$M)?

ENGINEERING DIVISION SUPERVISORS

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FINANCIAL SYSTEMS MODERNIZATION PROJECT (F$M)

Financial Systems Modernization Project

May 29, 2014

Agenda

- Introductions
- F$M Overview
- Project Scope & Purpose
- Overview of Changes
- Q&A

Introductions

F$M Overview

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Current State needs to change:

Lab's Business
has grown & changed significantly

140% Growth since 1997 to –

- 950 Sponsors
- 24,500 active "projects"
  - 12,300 research projects
  - 12,200 work orders/job orders

Expanded 'Business Models' joint research, matrixed staff, multiple sponsors

Complexity in Reporting required from Sponsors, e.g. NIH, DOE, EVMS

Lab Financial Systems
are aging & over-customized

Obsolete Systems

- Implemented in 1997
- LBNL's current version ORACLE/PeopleSoft support ended in 2011

Unsustainable Customization

- Costly to maintain
- Locked out new functionality
- Complex, manual, & duplicative processes

Cumbersome Data Extraction

- Current data structure does not allow for quick, dynamic reporting & "bank balance"

F$M Value Proposition

F$M Delivers

Vastly improved quality and access to **Financial Data** essential to effective research management	High value, end-to-end OCFO **Services** (e.g. Procurement) that are delivered promptly, efficiently and transparently	OCFO operational **Efficiency** that maximizes dollars directed to Science	Solution for institutional **Risk-mitigation** related to: • Financial Compliance • Cost Growth • Technical Obsolescence (17 year old system based on LLNL architecture)

Overview Summary

Why Change?

Aging Financial System
- 17 years old

Lab needs have changed
- 140% funding growth since 1997
- Increasingly complex sponsor requirements
- Expanded business models (e.g., JBEI)

Better support for research
- By implementing a new financial system that meets the Lab's current and future research needs

What's Changing?

Improved End-to-End Financial Services
- Streamlined Internal LBNL Proposal Process
- Detailed procurement tracking
- Automated fund balance checks

Improved Quality & Access to Financial Information
- Dashboards
- Intuitive drag & drop queries
- Comprehensive, timely data, including "bank balances"
- Meaningful purchase, cost, & project groupings

When?
- **Overview Training:** Apr/May 2014
- **System Demos:** June 2014
- **Full Training Begins:** Jul 2014
- **User Testing:** Aug 2014

System Launch:
Oct 1, 2014

Learn More:

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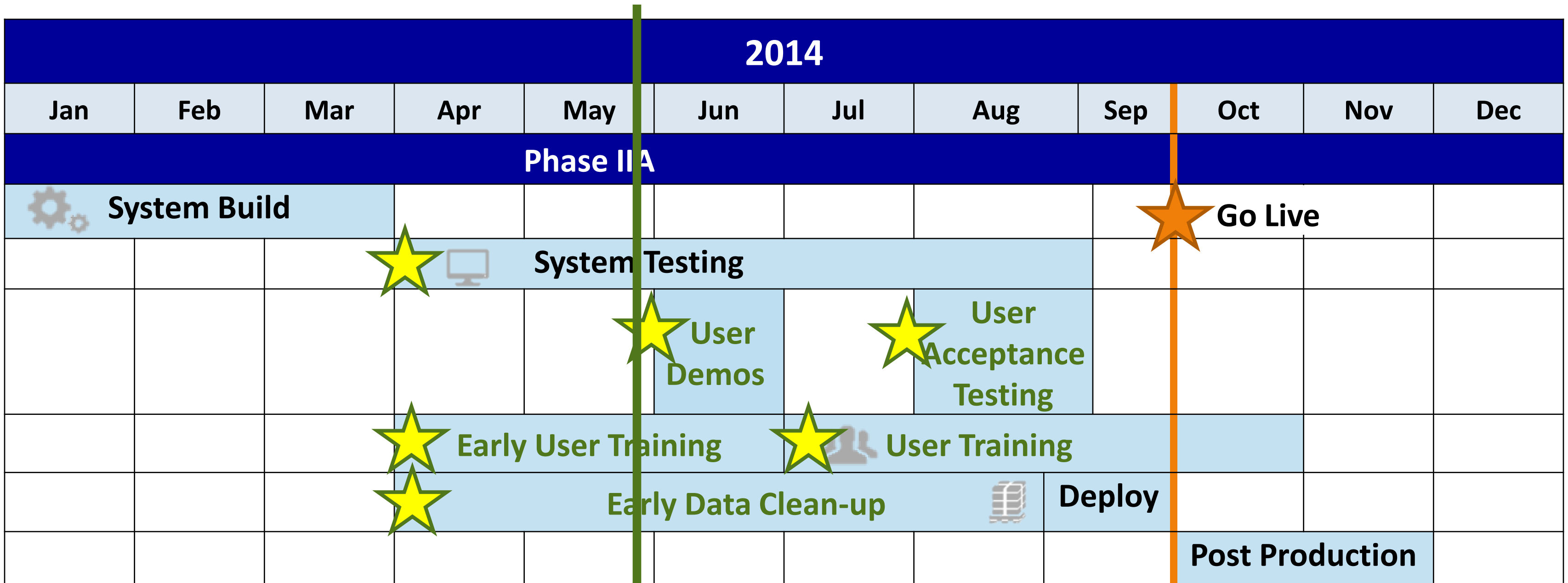
2014 User Engagement Schedule

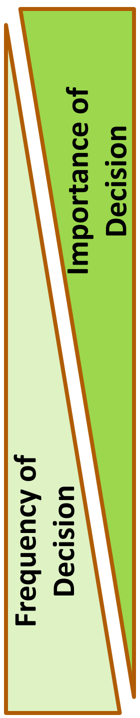


User Engagement Points

We Are Here
We've completed building the System and our first cycle of System Testing

Project Scope & Purpose

Phase II Governance



Tier	Scope	Threshold				- C - Consult (Consulted PRIOR to decision)	- A - Accountable (Decide or delegate)	- R - Responsible (Do the work)	- I - Inform (Informed AFTER the action)
		Cost Impact	Schedule Impact	Impact per Organizational Impact scoring	System Integrator Contract Impact				
Tier 1	Strategic – Lab wide Impact	Very Large	Go Live date	Extra-ordinary	Terminate and Re-compete SI Award	Steering Committee , Stakeholder Advocate	Executive Sponsor	Stakeholder Committee, Business Process Owners, Project Team	Internal LBNL and External Stakeholders
Tier 2	Impacts Science or Operations experience (significant)	Large	Delays more than three milestones	Large	Significant Contract change	Steering Committee, Stakeholder Advocate	Project Director	Stakeholder Committee, Business Process Owners, Project Team	Internal LBNL Stakeholders
Tier 3	Impacts Science or Operations experience (limited)	Medium	Delays more than one milestone	Small or Medium	Moderate Contract change	Stakeholder Committee, Project Council , Business Process Owners	Project Manager	Project Team	Internal Stakeholders, Project Director
Tier 4	Impacts internal business owners – workflow, schedule and design decisions	Small	Change in deliverable dates or in one milestone	None	None	Project Council, Business Process Owners	Deputy Project Manager	Project Team	Project Manager
Tier 5	Configuration or technology decisions.	None	None	None	None	Deputy Project Manager, Working Groups	Team Lead	Project Team	Project Manager

CARI Matrix Approach –Definition of Roles

Consulted	Engaged with prior to the decision in an interactive process to determine the best path forward
Accountable	The person or group making the decision or held accountable if the decision is delegated
Responsible	The person or group doing the work and making the recommendation on the decision
Informed	Informed of the results after the decision has been made

Satisfy Core Business Requirements	Meet the Core Needs of the Berkeley Lab Business Models
Simplicity	Simplify Business Processes, Information Structure and Related Business Rules
Standardization	Standardize Business Processes
Information Accessibility	Deliver and Present Information Easily to End Users
Data Integrated Across Systems	Ensure Data is Integrated Across Systems
Limited Customizations	Optimize Use of Delivered System Capabilities
Usability	Optimize Usability (Ease of Use and System Performance) to Promote System Adoption

F$M

Financial Systems Modernization Project

GOVERNING PRINCIPLES

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Project Scope

DOE Funds & Gen Acct

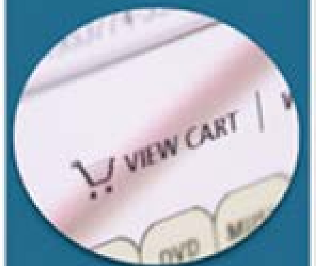
-FWP's
-Funds control
- Planning
- Project management
-Costs & liens
-Indirect budget
-STARS transmission

Phase II A

WFO

-Proposal
-Negotiation
-Award
-Execution, Billing & AR
-Continuations
-Closeout

Phase II A



Buying/ Paying

-Requisition
-Buying
-Receiving
-Asset mgmt.
-Invoice cert.
-Vendor pmt.

Phase II A & B

Effort Accounting

-Timekeeping
-Payroll
-Labor Cost Distribution

Phase II B

Travel & Conferences

-Authorizations
-Relocations
-Travel expense reports
-Meeting planning & coordination

Phase II B

Reporting/ Data Analysis

-Standard reports
-Dashboards
-Transaction details
-Data analysis tools
-Operations metrics

Phase II A & B

Overview of Changes

Berkeley Lab F$M: Overview of Changes



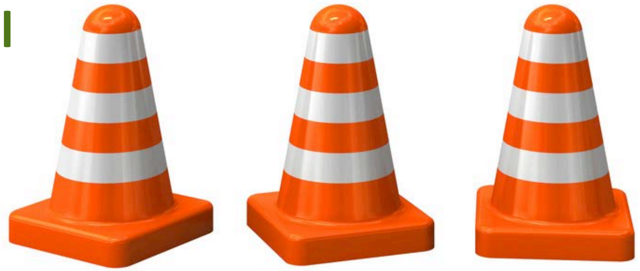


Your activity	What you will see starting 10/1/14
Accessing Financial Information	• NEW self-service tools will provide project "bank balance" and cost information • NEW auto-generated project IDs & automated lookup for funds and costs
Buying Goods & Services / Procurement Requisitions	• NEW automated alerts if there are not enough funds available • NEW status information for your pending purchases/requisitions • NEW purchase descriptors to show what you purchased, not how
Submitting Proposals / Award Deliverables	• Unified LBNL front-end system for proposals (eSRA) with auto form generation, automated and Deliverable tracking with customized notifications
Reporting Time in LETS	• NEW way to enter project ID information • Only valid project IDs will be accepted
Travel Authorizations (TREX)	• New way to enter project ID information

Accessing Financial Information: Improved Project Funds Management

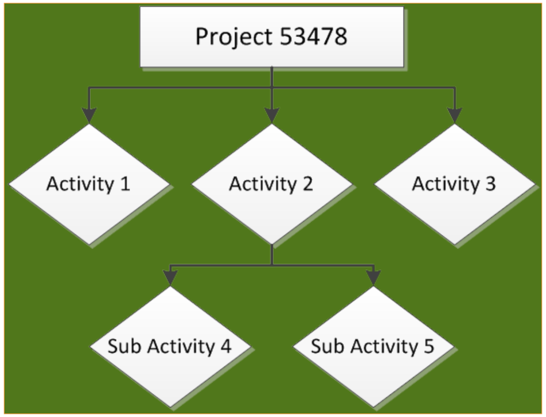
- **Why we are doing it**
  - To help you manage project funds by providing an overdraft safeguard
  - To provide more comprehensive information on project balances and pending transactions
  - To eliminate the need to track pending purchase commitments* separately

- **How this impacts you**
  - **You will get an automated alert**, when making a purchase, if there are not enough funds available on the project
  - **Pending purchase commitments will be tracked automatically**, with full burdening, to provide you the most complete procurement cost information
  - **Funds must be allocated at the project level**



** Travel commitment tracking is planned for F$M Phase IIB*

Accessing Financial Information: Cleaner Project Structure & New Project IDs



Why we are doing it

- **Current Project Tree Structure does not easily support Project/Portfolio/Division "Bank Balances."**
  By establishing a consistent definition of "Project," we can better capture actual project work breakdown and provide better reporting.

- **Current Project Tree Structure used for all reporting roll-ups, limiting how you can slice and dice data**.
  Project-related information (e.g., Division, PI, Sponsor) will be pulled out of the Project ID Structure and stored in other data fields to provide more flexible access, querying, modification.

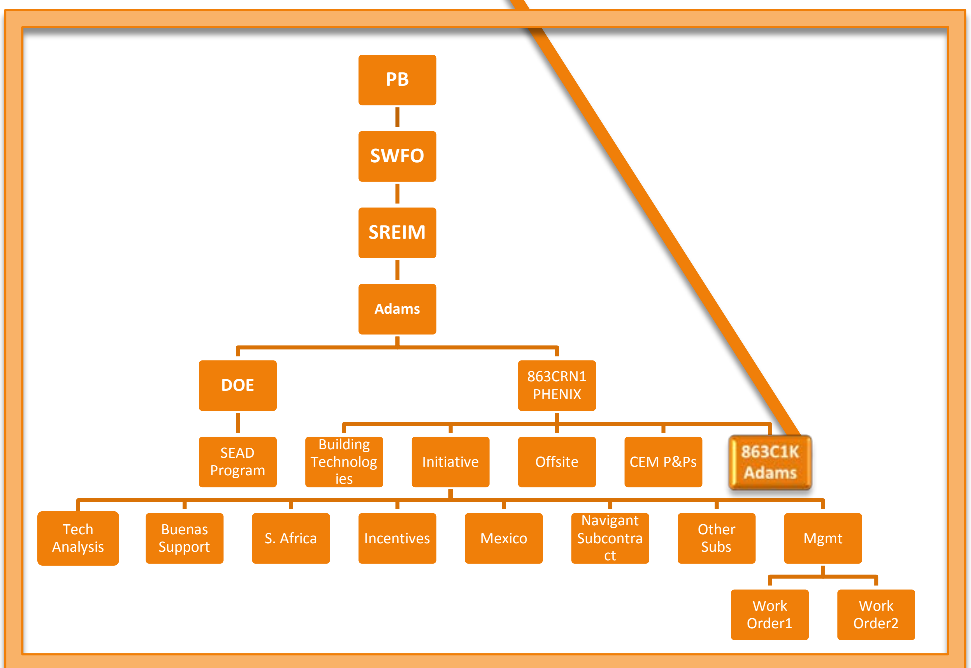
How this impacts you

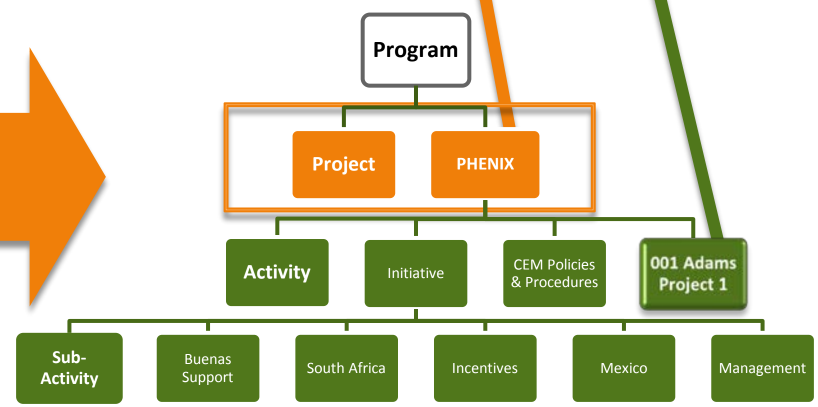
- **Report creation will be faster and easier**, and the system will provide "bank balance" information at the Project, Portfolio, and Division level
- **Everyone will use new, system-generated Project IDs**, and/or searchable, short project names
- While LETS & TREX are **<u>not</u>** changing at this time, they **<u>will</u>** require the use of the new project IDs or short project names
- Job Orders and Work Orders will no longer be projects but will be recorded separately on transactions

Accessing Financial Information: Project ID Structure Changes

Current Project ID (Example): 863C1K

Future Project ID & Activity ID (Example): 200015 001





<u>Current Project Structure (Example)</u>

22 Projects

(Incl PI, Dept, Div, Sponsor, Work Order etc.)

<u>Future Project Structure</u>

2 Projects & 10 Activities

(PI, Dept, etc. captured separately)

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Accessing Financial Information: LBNL needs to implement Institutionally consistent project levels

	Program	Project	Activity	Sub-Activity
LBNL Definition	A large body of related work scope, typically consisting of a combination of several projects, sometimes crossing funding sources and organizational boundaries	A Sponsor defined, segmented scope of work, where costs and commitments must be controlled.	An activity within a Project, often Sponsor dictated, for cost collection and reporting.	An activity within a Task, sometimes Sponsor dictated, for highly granular cost collection and reporting.
WBS Usage	Is a summary level project for ease of seeing, managing and reporting the overall program activity.	This is the LBNL funds control point and reviewed and opened centrally.	Driven by individual sponsor and division needs, task work breakdown structures would be managed by the divisions.	Further breakout of science activity, complete flexibility at the individual project level.

Accessing Financial Information: Integrity of WBS Structures

8.8 Project	PROGRAM ID	PROJECT ID	ACTIVITY ID	New Name	Activity WBS ID
	RGENOH			EG - General and Administrative	
RGENLOVHD		111345		EG_Strategic Planning	
RGA406			001	RGA406 Adv Manufacter	1
RPLAN			002	RPLAN - Kem Robinson	2
RCADOVHD		111346		EG_CAD Software - Hardware	
RCOHEE			001	RCOHEE - CAD ESIE	1
RCOHEEH			003	RCOHEEH Hardware	1.1
RCOHEES			004	RCOHEES Software	1.2
RCOHME			002	RCOHME - CAD ME	2
R3DPRINT46			005	R3DPRINT46 3D Printer B46	2.1
RCDWIND			006	RCDWIND Windchill	2.2
RCOHMEH			007	RCOHMEH Hardware	2.3
RCOHMES			008	RCOHMES Software	2.4
		111347		EG_Intern Program	
RNTERN			001	Intern Program	1
R77INFR		111348		EG_77 Infrastructure	
R210A			001	R210A Welding Procedures	1
R262			002	R262 Shops Orientation	2
RLEASE			003	RLEASE Shop Leases	3
RTOOLRM			004	RTOOLRM Maintenance	4
R162			006	R162 Labor	4.1
R163			007	R163 Consumables	4.2
R163A			008	R163A Freezer Maint & Upkeep	4.2.1
R163B			009	R163B B77 FTU Maint	4.2.2
R232			005	R232 Non-Cap Equipment	5

Sample Engineering Future State Tree

Accessing Financial Information: Reporting Tools & Data Structure

- **Why we are doing it**
  - We're changing how we capture financial data, to more effectively meet your reporting needs –
    - Streamlined access to financial information
    - Current "bank balance" of projects/ portfolios
    - More timely, accurate, & comprehensive data

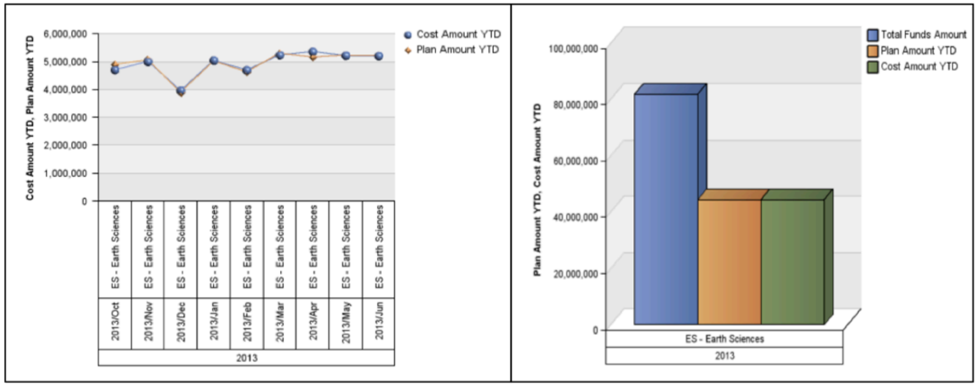
- **How this impacts you**
  - **Financial data will be collected and managed differently** to provide more flexible and detailed reporting
  - **New tools will be available**, such as:
    - Dashboard views for fast, intuitive access and drill-down
    - A pre-validated, pre-defined financial data source to ensure accuracy & timeliness, and to facilitate drag & drop reporting

Accessing Financial Information: Example Reporting Tools

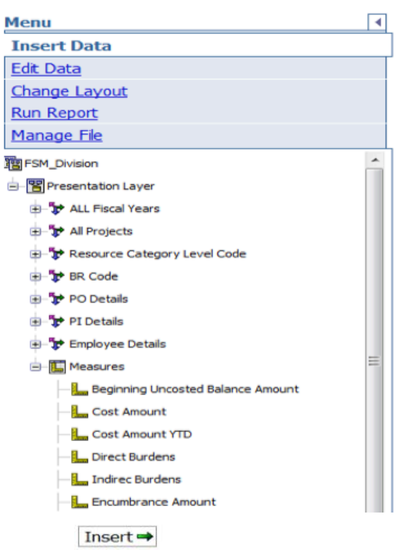
- Quick & Intuitive Dashboard Tool with Drill-Down

Division: ES - Earth Sciences | PI: Project Manager Name

	Total Funds Amount	Plan Amount YTD	Cost Amount YTD	Uncosted Funds Balance	Encumbrance Amount	Uncommitted Funding Balance
ES - Earth Sciences	81,800,772.14	44,426,877.96	44,442,333.99	37,358,438.15	4,708,691.32	32,649,746.83



- Drag & Drop Query Tools for Custom Reports & Analysis



L1 Project Id: ES - Earth Sciences

Suppression on Rows: Zero values, Divide by Zero values, Missing values, Overflow values

Fiscal Year	L2 Project Id	Cost Amount YTD	Plan Amount YTD
2013	3661 - EARTH SCIENCES LDRD	1,643,242.71	1,620,955.06
2013	4651 - ESD Organization Burden	-404,018.59	-201,611.56
2013	ESMLA - ES MLA	233,397.93	0
2013	G25301AR - NRAP Industrial Carbon Capture	695,182.52	697,507.83
2013	G342 - EGS ARRA	226,799.79	226,798.33
2013	G35801 - Review GeothermEx Modeling Rep	14,830.01	14,830.03
2013	G401000 - Dept of Agriculture	38.87	38.87
2013	G40101060 - NRC	464,607.65	475,919.62
2013	G403000 - Dept of Defense	90,982.57	91,710.89
2013	G406000 - Dept of Interior	198,257.92	213,945.06
2013	G408000 - EPA	337,164.13	334,123.79
2013	G409000 - NASA	117,388.43	117,388.43
2013	G410000 - National Science Foundation	16,418.08	16,142.81
2013	G41J - ASCEM	638,683.2	628,194.3
2013	G41U - FOLIUM Summary	600,223.16	542,071.74
2013	G61010 - Domestic Industry	2,353,709.8	2,639,143.23
2013	G61020 - Foreign Industry	1,079,001.69	1,051,886.97
2013	G62000 - Foreign Government	180,664.36	180,664.32
2013	G63000 - State & Local Governments Nonp	1,062,723.25	1,060,697.81
2013	G65000 - Universities and Institutes	1,260,764.9	1,195,676.63

- Tools will be online, with download to Excel

Accessing Financial Information: Cleaner Management of Job Orders & Work Orders

- Why we are doing it
  - To eliminate the need to set up a project for each Job Order and Work Order, and to streamline our project tree
  - To improve the flexibility of reporting Job Order and Work Order activity separate from project activity

- How this impacts you
  - You will see Job Order & Work Order numbers as an attribute of a transaction; they will not be separate projects
  - You will still be able to roll up and view Job Order & Work Order information, using a different process

Buying Goods & Services: Improved Procurement Tracking

- **Why we are doing it**
  - To improve Procurement services for you
  - To eliminate the Procurement “Black Box,” and provide you with more specific and current status information on your Procurement activities

- **How this impacts you**
  - **You will have easy access to meaningful information on status** of your purchase and subcontract activities (e.g., Waiting on Documentation from Supplier, RFP/Solicitation Out for Bid), including comments
  - You will need to understand how to access the new statuses in the system

Submitting Proposals / Award Deliverables:
Streamlined Internal Proposal System

- **Why we are doing it**
  - To streamline the internal proposal submission process by providing a unified LBNL front-end system for most proposals
  - To automate approval processes, including regulatory, to let work start faster

- **How this impacts you**
  - Time savings related to automated workflow and auto form generation, and automated project creation by leveraging information from the proposal system
  - Ability to see more proposal/project lifecycle information
  - Online LBNL approvals for DOE and major WFO submissions

- **For more information:**
  esra.lbl.gov

Reporting time in LETS

After October 1, 2014
you will still use the LETS system to enter your time,
however, it will require:

- **A NEW, system-generated Project ID***
  - OR a new, searchable, Division-selected Project Name
- **Capturing one additional field: “Activity ID”**
- **Job Orders / Work Orders will be entered in a new Order # field**
- **Valid Projects / Work Orders Only only**
  - LETS will no longer accept inactive/invalid Project IDs
  - Current Project IDs will no longer be valid after October 1st
- **Type-Ahead Search by either ID OR part of Name for ALL fields in LETS**

*See fsm.lbl.gov for more information under **Training***

**New Project IDs will be system-generated for all projects that will be active after 10/1/14. Your Resource Analyst can help you determine your new Project ID(s) and searchable Project Name(s). The new Project ID and data structure will allow for much easier, faster, and more flexible reporting.*

Q&A

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Early F$M eLearning Training is here!

BERKELEY LAB
LAWRENCE BERKELEY NATIONAL LABORATORY
A-Z INDEX | PHONE BOOK | CAREERS |
U.S. DEPARTMENT OF ENERGY

Financial Systems Modernization Project

Home | About F$M | The Team | What's Happening | Training | Contact & Feedback

Training

- Overview
  - Schedule
  - Approach
  - Methods
  - Training by Role
  - Questions/Comments
- Demos
- Classes

Classes

Early Overview Classes (eLearning)

Got Feedback on the classes? Let us know.

Class	Audience	Duration (Min.)	Course Number
Understanding Project & Activity IDs	All Employees	15	FMS1010
LETS Entry, Approval and Timekeeping Overview	All Employees	5-10	FMS1500 & FMS1505
PeopleSoft 9.2 Navigation Introduction	All FMS Users	10	FMS1001
FMS Data Conversion Overview	All FMS Users with Direct Financial	15	FMS1004
DOE Funding Process Overview	Resource Analysts	15	FMS1201
eSRA Navigation Basics	Staff working on proposals and awards	20	ESR 2001
FMS 9.2 Funding and Spending Controls (Document-Based Course)	FMS Users, PIs/PMs, Business Managers	15	FMS 1015

A full curriculum of courses is being developed for various employees throughout the Lab.

| Course Listing by Role | OCFO Training Calendar | eSRA Training |

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Training Courses

eLearning
Available Now
(Total ~1.5 hrs)

- F$M 101: Understanding New Project and Activity IDs
- LETS Entry
- LETS Approval
- PeopleSoft 9.2 Navigation
- Data Conversion for Go-Live
- eSRA Navigation Basics
- FMS System Funds and Spending Controls
- WFO Proposal to Closeout Overview (avail end of May)

See **fsm.lbl.gov** for details

Planned Courses July – October	Approx Time
DOE Proposal Development, Submission and Approvals	2 hrs*
FMS Financial Data Architecture	90 min*
ePro: Approving ePro Requisitions	15 min
ePro: Purchasing using ePro Requisitions	30 min
PCard: Approving PCard Transactions	10 min
PCard: Purchasing using PCard	30 min
Receiving Goods/Services	60 min*
Reporting: Essential Financial Reporting	30 min
Reporting: Intermediate Financial Reporting	2.5 hrs*
Reporting: Advanced Cognos Reporting	3.5 days*

**Classroom Training (all others are eLearning)*

Questions?

Who to contact:

Engineering Super Users:

Mike Barry
Project Planning and Controls
Engineering Division

Madonna Fricken
Principal Resource Analyst
Engineering/OCFO Divisions

General F$M Questions:

Karen Salvini (OCFO) - Change Enablement Principal
John Freeman (EG) – F$M Stakeholder Committee
Ana Luisa Aldana - Accenture
OR Submit a comment:
fsm.lbl.gov/contact.html

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APPENDIX

Financial Systems Modernization Project

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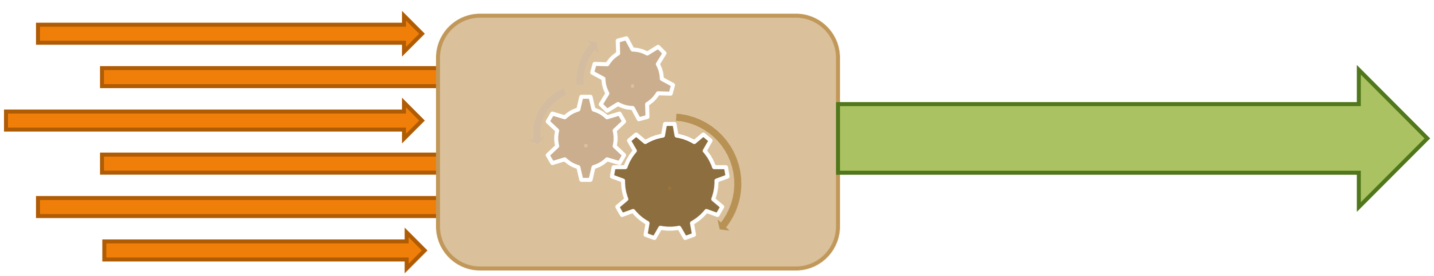
Data Conversion from Old => New System

- **All Open Balances will be uploaded into the new system**
  - For DOE & Indirect Projects: beginning uncosted balances (BUB) and open POs
  - WFO Projects: additionally - total costs to date, open items, advance payments
  - For quality assurance, there will be several practice conversions.

- **All historical data will be available in the old system**
  - All transactional detail prior to the 10/1/14 Go Live will remain available for viewing and reporting in the old 8.8 system and data warehouse.
  - Projects that span into FY15 will require querying both systems for transaction detail; this need will diminish over time.
  - Conversion of all historical data would require significant resources and result in inaccuracies due to data structure improvements and changes.



Lab-wide Communications – Current & Planned

- Leadership – Early Meetings
- Resource Analysts – Regular Meetings
- Business Managers – Regular Meetings
- Division All-Hands Meeting – As available / requested
- Demos - June
- Training – May through October
- Target groups - Administrators, Purchasers, Proposers, etc.
- System Messages & Emails
- TABL
- Flyers/Posters
- Website

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Where to find more information

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- About the Project (Scope, Schedule)
- Team Members
- Project Status & Updates
- Training & Demos
- Comment / Feedback form

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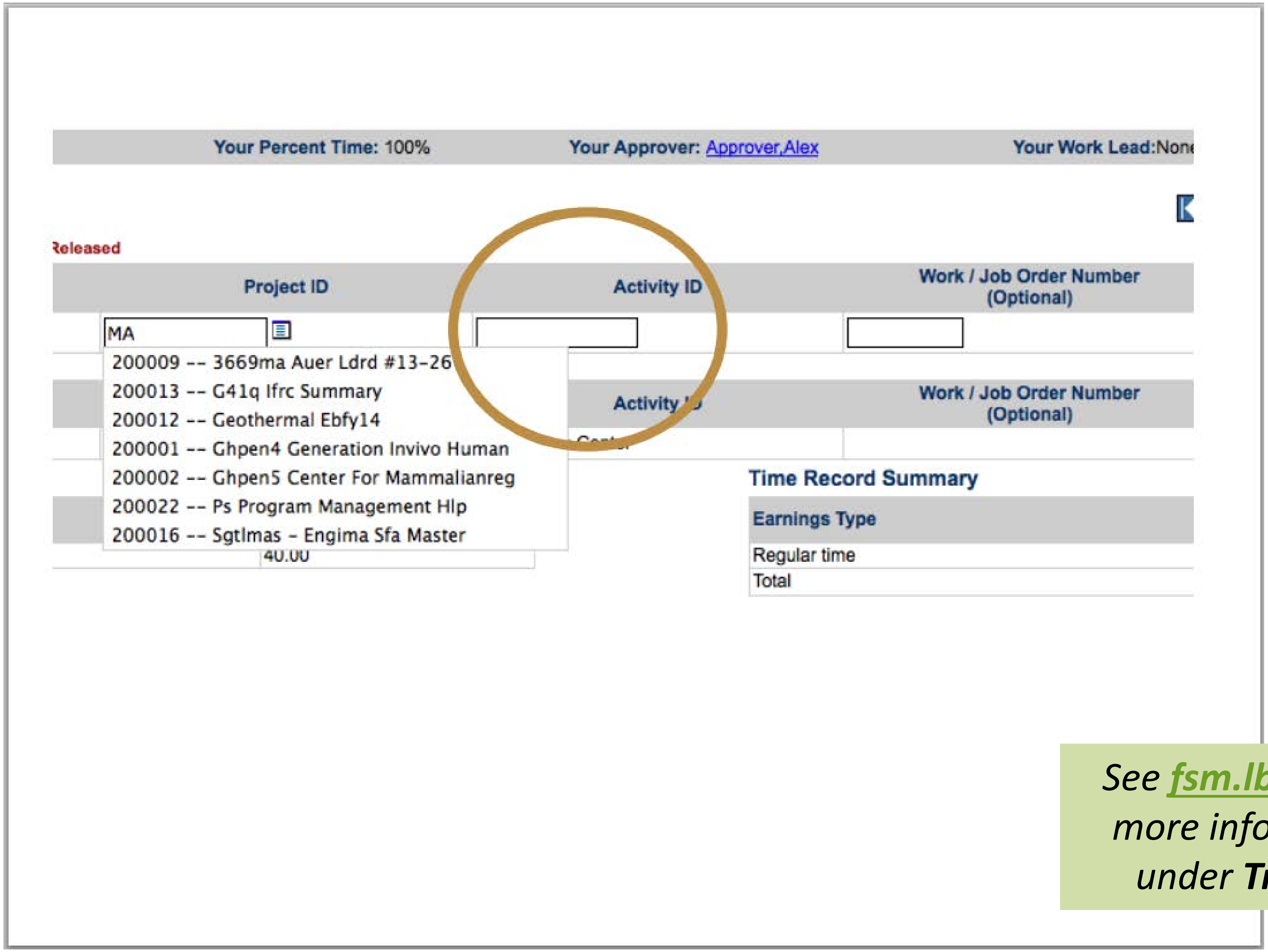
LETS Entry Screen – Project ID Smart Lookup



*See fsm.lbl.gov for more information under **Training***

More Descriptive Expense Categories

Why we are doing it

- To provide meaningful descriptions of what you're spending your money on
- Our current Resource (Cost) Categories don't capture all the information you need (e.g., Procurement is grouped by how it was purchased, instead of what was purchased)

Group	Category
Procurement	eBuy
	ePro

Group	Category
Procurement	Goods
	Services
	R&D Services

How this impacts you

- **Project costs will be categorized into more logical groupings, which will be visible in all reporting tools**
- You will need to understand and use the new categories

More Descriptive Purchase Categories

- **Why we are doing it**
  - To provide better reporting on what you've purchased
  - To take advantage of volume discounts, and lower your costs
  - Our current homegrown categories are not intuitive or descriptive enough, so half of all purchases are categorized "Miscellaneous."

- **How this impacts you**
  - **You will have better and more descriptive information** on what you purchased
  - **Procurement will be able to obtain better prices** for your purchases
  - You will need to understand and use the new item categories
  - Miscellaneous will no longer be a category

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Upstream Validation of Financial Data

Why we are doing it

- To ensure that projects being charged are valid and open, and to keep invalid data out of the financial system

How this impacts you

- **The data you access in the Financial System data will be more accurate**, reducing time spent on downstream adjustments
- Feeder owners will need to validate and resolve issues prior to submitting
- Time entry will require valid Project IDs

Examples of Data Fed to Financial System:
IT recharge, telephone recharge

Data Conversion from Old => New System

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