



Chart of Accounts

January 4, 2022

Big Picture

- Workday ERP project is about new Finance and HR software and improving how Salt Lake City does business
- Why City was deliberate in examining its current finance, human resources and payroll business processes
 - Consider needed improvements to meet best practices
 - Develop common definitions
- City has contracted with the Government Finance Officers Association (GFOA) to revise the current Chart of Accounts





WORKDAY

ERP IMPLEMENTATION

FALL/WINTER 2021

Implementation team begins system training, designing the new system, and inputting data into Workday for HR Functions & Payroll

MAY/JUNE 2022

Citywide Training for HR Functions

SUMMER/FALL 2022

Citywide Training for Payroll and Finance Functions

JANUARY 2023

Finance Functions and Payroll operational in Workday
Benefits and full use of the new timekeeping system (time tracking and absence management) operational in Workday

AUGUST 2021

Implementation officially begins with meetings between City staff, Workday and Avaap (implementation consultant) to coordinate implementation

FEBRUARY-APRIL 2022

Implementation team begins training, designing and inputting data for Finance Functions and continues for Payroll

JULY 2022

HR Functions operational in Workday

MID-DECEMBER 2022

Employees enter their hours in Workday for the first time

OCTOBER 2023

Begin using the new budget system for FY 2025

WORKDAY SOFTWARE

HR Functions = Jobs & Positions, Recruiting, Compensation, Worker Data, and Learning

Finance Functions = Core Financials, Expenses, Procurement, Inventory, Grant Management, Project Management

Program Based Budgeting

- Information is organized around the City's programs and services
- Shows cost of a program, revenue the program may generate, and performance metrics to evaluate the program's effectiveness
- Organizing information in this way provides a clearer picture of
 - Money spent on each program
 - Services that program delivers to constituents
 - Program performance
 - Meeting Mayor and City Council priorities and goals
- New Chart of Accounts will allow better report spending
 - Common cost centers and reduction of fund classes
 - Program and project tags, track programs/projects costs across departments



Priority Based Budgeting

- Related to program based budgeting
- Priority based budgeting focuses resources into programs based upon community impact assessments and engagements
- Working with Resource X to establish the framework
 - Testing Police and Finance
- Commonly other cities include public engagement into their priority based budgeting process to identify priorities from residents



Chart of Accounts

- Collection of cost centers and object codes
- Used to track expenses
- Updating business processes, policies, and procedures in accordance with industry standards
- GFOA is supporting the modernization and development of improved and consistent policies and procedures



Chart of Accounts

- Critical component for the Workday ERP project
 - Serves as foundation for financial system and all financial transactions
- Revised Chart of Accounts better tracks city expenses, helps budgeting and increases public transparency
- Vital as City moves into program and priority based budgeting
- Allows staff to easily report out on leadership priorities with a cleaner, simpler structure

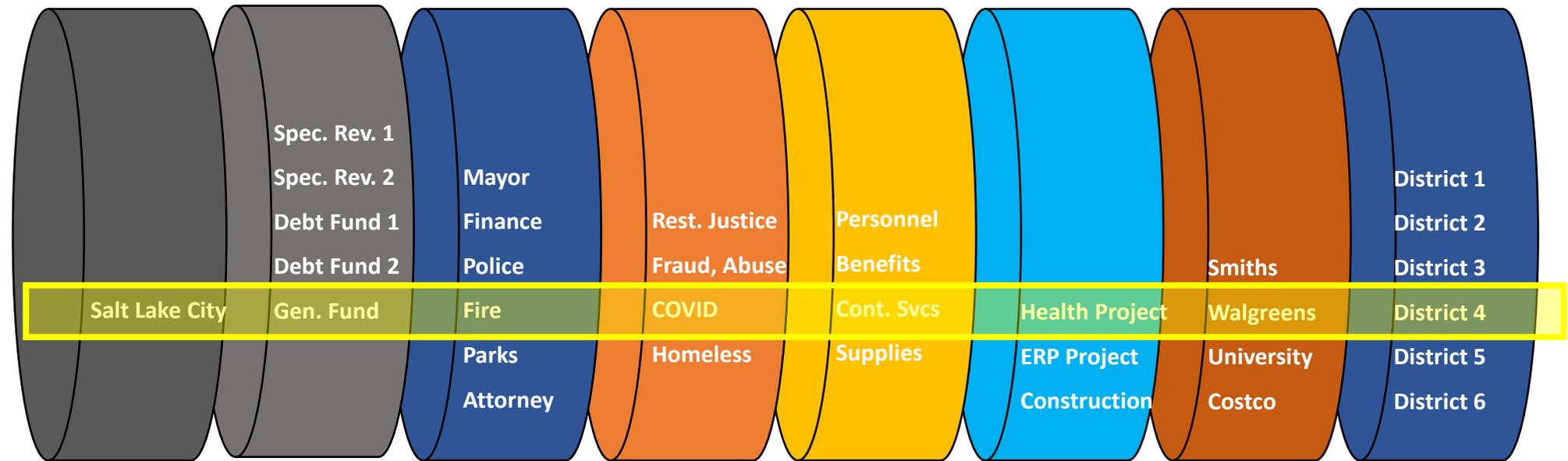


Modern Chart of Accounts

- Based on relational fields where each field has its own definition
- What this means: combinations of fields may be used for transactional and reporting purposes
- Best Practice: Each field has one (and only one) definition!
- Workday: Fields are commonly referred to as “Worktags”. Worktags are often depicted as multiple spinning drums (similar to a bicycle lock combination).
- Key: Worktags may be used throughout the solution – not just chart of account structures



Workday “Worktag” Concepts



Company

Fund

Cost Center

Program

Spend
Category

Project

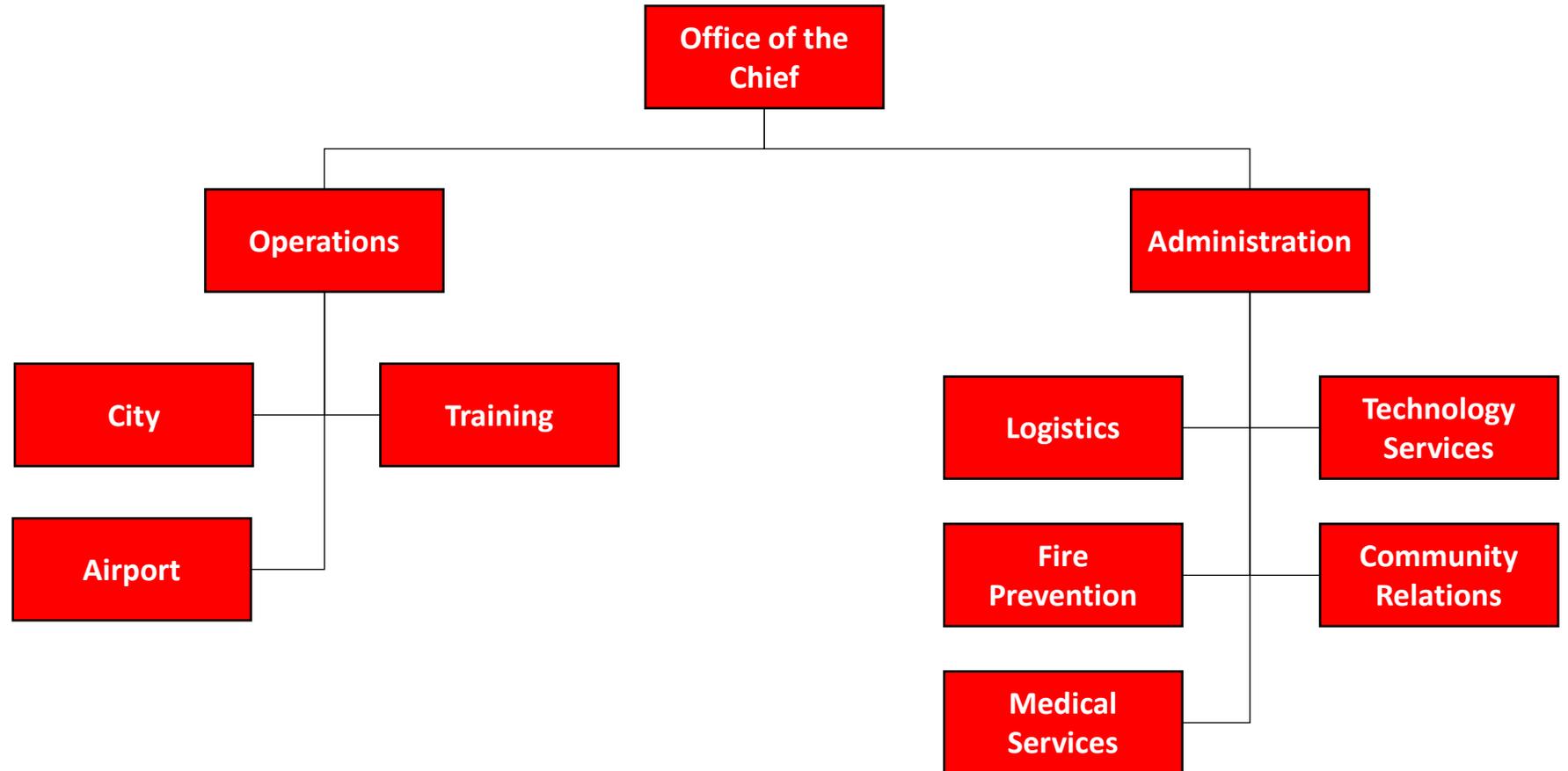
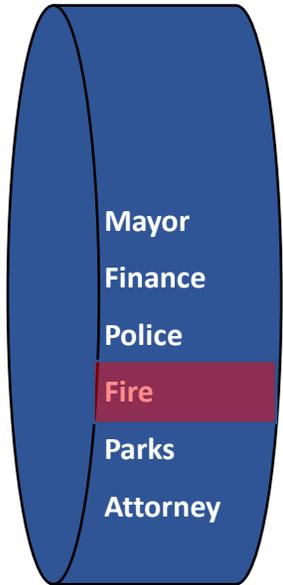
Supplier

Location



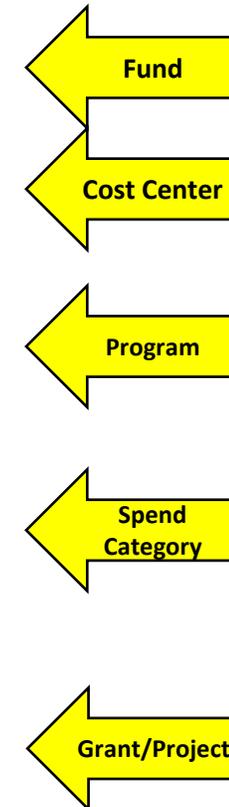
Approximately 100 “wheels” available

Worktags Have Hierarchies



GFOA Recommended Practices

Component	Description	Possible Segments
Fund	Fund is the self-balancing accounting unit required for governmental accounting	<ul style="list-style-type: none"> • Fund • Sub Fund
Organizational Unit	Organizational unit represents the organizational hierarchy represented by an org chart, listing of business units, or locations that the City wants to track data for.	<ul style="list-style-type: none"> • Company • Department • Division • Location
Program / Activity	Programs (also commonly called activity) are the services performed by organizational units. Each program should have a service outcome (result produced). Typically programs are ongoing and not limited to a specific organizational unit	<ul style="list-style-type: none"> • Function • Program • Activity • Sub-Activity
Object / Account	The object or account is the classification of the balance sheet item, revenue, or expense. For expense and revenue, this defines what was spent or earned (example: supplies).	<ul style="list-style-type: none"> • Object / Account
Project	Projects are often used to track programs with defined start and end dates or other events that would require additional detail beyond the chart of accounts. Project costs would be summarized in this segment but broken out in more detail in the project ledger. This allows for detailed tracking department by department.	<ul style="list-style-type: none"> • Project Roll Up (Additional segments defined as part of project/grant accounting)



GFOA Recommended Practices

- Define Each Segment
- Start Over
- Start Simple and Build-Out Detail
- Don't Store Unnecessary Data
- Don't Repeat or Bring Forward Ineffective Numbering or Accounts
- Establish a Long-Term Vision
- Build Trust and Open Communication
- Use Collective Decision Making
- Create Clear Rules
- Treat Everyone Fairly



General Approach

- Establish a Long-Term Vision
- Build Trust and Open Communication
- Use Collective Decision Making
- Create Clear Rules
- Treat Everyone Fairly



Chart of Accounts Preparation

- Analyze Major Components Together
- Review current structure
- Gain understanding why structure exists
- Understand any recommended improvements (i.e., work done so far)
- Discuss approach for reviewing, improving, and preparing



Chart of Accounts

- GFOA and City team have been meeting since August
 - Reviewing different aspects of the current Chart of Accounts
- Team has met with every department and reviewed every fund class
- GFOA learns City's current structure and shares best practices for future structure
- Update goals
 - Works for every department and finance activity
 - Follows best practices to ease time and confusion
- Concepts and base structure will be refined during Workday design process



Fall 2021 Budget Survey – Y2 Analytics

- Follow up to 2021 spring resident survey and based questions on Mayor's 2021 Plan
- Key takeaways:
 - Quality of life remains stable with slight improvement in perceived value of tax dollar spending.
 - Of the three broad goal areas in the City's budget plan, environment and sustainability is seen as the most important among respondents.
 - Regarding growth and development projects, respondents say providing services and recreation is most important and needs the most focus.
 - Water and air quality are top of mind for residents in thinking about environment and sustainability projects.
 - General access to housing and helping the unhoused are top concerns for people regarding community/neighborhood goals.





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