

# USC Information Technology Services

## PLANNING AND PROJECTIONS PROJECT

### What is the purpose of the project and planned benefits?

The Planning and Projections Project creates an online tool within the IBM Cognos TM1 (Tables Management 1) software that supports the management of funds at USC through financial forecasting. This platform provides visibility into available funding across fiscal years and enables scenario management for the purposes of financial decision support. The project establishes a financial projection model upon which budget and planning scenario models may be built.

Phase 1.0 and 2.0 benefits include:

1. Hands-on forecasting using a common platform for projections
2. Integrated with financial and research data
3. Flexible projections using university's hierarchy
4. Ability to create personalized projections
5. Enhanced cost categorization allows for increased exposure and accuracy to types of activity
6. Financial models can be adapted in the future as a budget system replacement
7. Interactive sharing of projections
8. The Research model focuses on sponsored and restricted funds, replacing the Financial Project System (FiPS) within TARA. Principal Investigators (PIs) and support staff will be able to project labor, travel, tuition costs and other direct costs in an easy format, with visibility into funds available to complete the project within the awarded budget. Researchers can update cost variables to respond to changing demands as a project progresses. Contract and grant performance periods start and end at any time. The effort entered in the cost projections are transferred to the payroll upload module, sparing error-prone redundant data entry into the payroll system.
9. The Research budget reallocation model enables the projection of planned changes to sponsored fund allocations, integrated into the Budget reallocation process in Quali Coeus.
10. The Payroll model enables the projection of planned salary increases, position funding changes and simulates positions to-be-hired. Integrations from the projection system will implement position funding changes to Workday if desired.
11. The Income and Expense model for current unrestricted funds replaces a legacy projection system (WIZ) with modern interactive technology. Schools may submit feedback on the university's forecast to the central office and share their projection process as well. Commonly used methods are built in features and a flexible hierarchy allows users to drill down from the 5-digit organization code to the lowest expense category.

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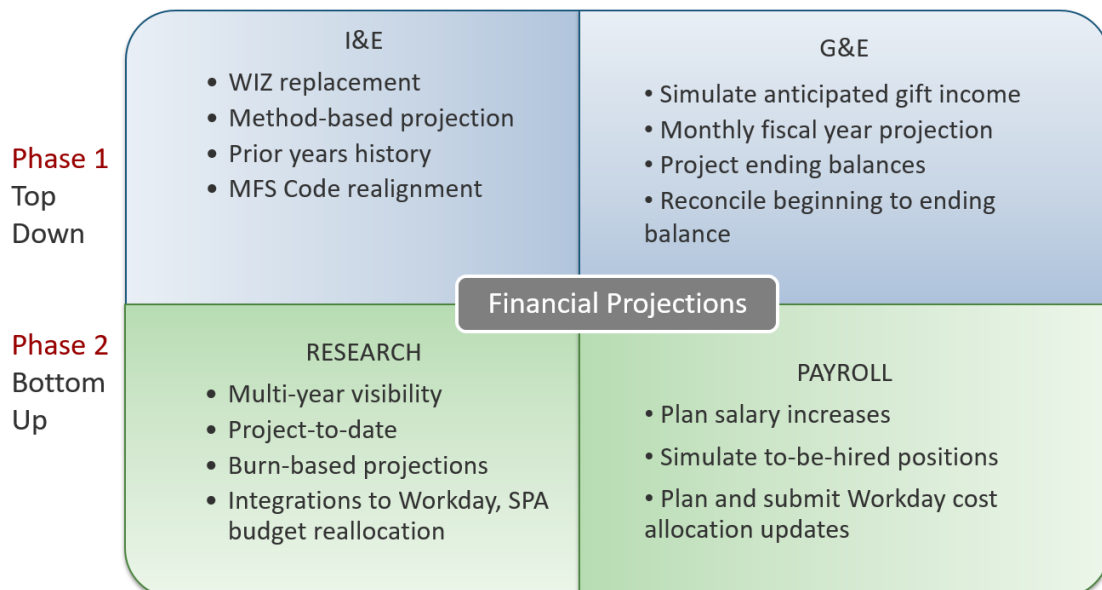
12. The Gifts and Endowments model focuses on the current fiscal year, displaying actuals on a month-by-month layout. This template allows for the simulation of anticipated income in gift and/or endowments accounts, and the ability to project expenses in the given object code/cost categories.
13. An *Export* feature allows users to export data and save files externally. Printing may occur at the 5, 7 or 10-digit level.
14. A personal *Sandbox* feature allows users to create and save multiple versions of their projections, which are private until published by the owner, and then viewable by all authorized users.
15. An Excel interface permits a familiar platform on which to produce financial projections, with real-time updates to the projection models.

## Who will use the tool and how will they use it?

The system will be made available to principal investigators, departments, centers and schools as a tool to create financial cost projections for a portfolio of accounts. Core features include structured projection templates, flexible projection sheets and customizable reports, as well as a feature to create personalized scenarios (conservative, moderate, aggressive) that can be shared as appropriate.

The tool will be implemented in two phases, the first will implement projection functionality for current unrestricted, gift and endowment funds in a top-down, trend-based approach. The second phase will create research, effort, payroll and budget reallocation models for sponsored and restricted funds in a bottom-up approach.

## Projection Models



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## What is the timing for release of the tool?

**Phase 1.0 Financial** go-live was **June 21, 2018**. Phases 1.1 and 1.2 were subsequent releases with bug fixes and enhancements. Phase 1.1 go live was 7/22, and Phase 1.2 go live was 8/20. Additional Financial Production support is ongoing. Phase 1.0 includes the following financial projection templates:

- Income and Expense – Central Office model (replaces WIZ system)
- Income and Expense – Department model
- Gifts and Endowments

**Phase 2.0 Research** go-live date is pending the onboarding of (3) new Business Analysts (BA), completing a knowledge transfer, with a reassessment beginning in May. The project schedule will be re-baselined by May 31<sup>st</sup>. A full-time BA will manage Financial Production support, freeing up the Research development team. A dedicated contract BA and an internal BA with Research expertise will focus on Research development. The scope includes the following financial projection visibility:

- Research, Labor Planning, Tuition Cost Planning, Miscellaneous Expense Planning, Travel Planning, Principal Investigator (PI) Summary Report with project-to-date expenses
- Sponsored Project Accounting budget reallocation (SPA/BR)

**Phase 2.1 Payroll** go-live date is dependent on the Payroll assessment findings and appropriate staffing for Research Production support. It includes the following financial projection template:

- Payroll

## What scope is included in Phase 2.0 Research and Phase 2.1 Payroll?

**Research Phase 2.0** includes the following scope:

1. PI Portfolio
  - a. Owner assigned to an award or grant
  - b. Multiple awards per PI
  - c. Plan and project expenses for entire PI portfolio
  - d. Summary-level view: project-to-date, liens, sub-awards, master/satellite (parent/child) permits Research Admin (RA) to project over pre-determined timeline
  - e. Scenario management
  - f. Security: sub-awards can be outsourced but PI maintains visibility into the award
  - g. Terms and Conditions view: T&C per award vary; the need to extend the budget and/or the timeline is defined in the T&C.
  - h. View entire PI portfolio regardless of the type of account (color of money): current government, current unrestricted (30 total). Sub-funds or accounts can be selected from a drop-down for a single sub-fund via a pick list.

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- A requirement to view all sub-funds or a subset of sub-funds may impact performance. Groups of sub-funds, or supergroups, may be categorized into centralized tables. (Gift account sub-funds have no restrictions on how funds are expended; we anticipate that gift sub-funds will be requested with other common supergroups.) The plan is to prototype the options and find commonality.
2. Award Expense
    - a. Categories: Compensation, Equipment, travel, subscription fees
    - b. Projection methods (5) include burn rate, liens, average, straight-line and drill down to the planning level, to detail the actual planning worksheet at the lowest level.
  3. PI summary statement/report includes the project, budget, project to-date expenses, lien, project number and surplus/deficit.
  4. Four planning worksheets: categorization of expenses that apply at the account level.
    - a. Labor Planning rolls up to employee expense, which rolls up to PI portfolio: employee level and labor utilization on each account, as a percentage, determines over or under-utilized employees. Labor encumbrances are a lump-sum amount. Planning is at a monthly level and permits users to change the monthly period. An account view and labor view are included, as is TBH (to-be-hired) scenario management. Since an employee may be paid from different accounts, labor planning has multiple accounts per employee.
    - b. Tuition Cost Planning applies when GA (graduate assistants) are hired; their tuition is paid by the school/unit. There is a small number of schools that need this worksheet.
    - c. Travel Planning involves two large sub-groups; domestic or international travel is scenario based and may repeat from month-to-month.
    - d. Miscellaneous Expense Planning includes office supplies, large equipment planning, subscriptions.
  5. SPA/BR integration: Kualii Financial system (KFS) moves funds between expense categories, as authorized by project sponsors. To obtain authorization, accounting lines are embedded in a file and uploaded to KFS to transfer funds from one expense category to another; the reallocation of dollar amounts occurs in Kualii between accounts or within object codes within the same account.
  6. Maintenance table includes rates and salary caps for grants. USC may opt to pay a higher amount from a separate account at the sponsor, award and fiscal year level. Calculations use this table and may change based on the award requirements; salary caps apply for the year.

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**Payroll Phase 2.1** includes the following scope:

1. Plan payroll expenses for any Research, sponsored and non-sponsored accounts.
2. Payroll integration to Workday employee cost allocations, accounts that pay salaries. Workday includes a compensation plan for annual pay frequency and duration (9 months, 12 months and many exceptions). The cost allocation determines the source account(s) for compensation, the frequency and changes several times per year by employee.
3. Similar to Research SPA/BR, a document with accounting lines is created and directly pays it to Workday, pushing updates to Workday multiple times daily.
4. Develop supplemental worksheets to eliminate the need for department shadow sheets.
  - a. Link Department I&E, G&E and Research to the planning worksheets (labor: compensation object codes - except for benefits, travel: people, when, frequency, tuition cost, and other miscellaneous expenses: equipment, subscription).
  - b. Drill down to lowest level for labor planning, travel planning, tuition cost planning, and other miscellaneous expense planning.
  - c. Planning worksheets tie into all projection models. Drill through from the rollup to the planning worksheets, as part of all top-down projections.
    - Create worksheets for Labor Planning, incorporating certification planning
    - Create worksheet for Travel
    - Create worksheet for Tuition Cost Planning.
    - Create worksheet for other Miscellaneous Expenses
    - Create PI statement/report
5. The Payroll template is the data entry point for payroll projections that will be transferred into Research. Research has master accounts and satellite accounts, budget, expenses, available balance, projected expenses, etc. and all at the Object code or Object category level. Compensation has consulting, temp, faculty, research, admin, etc.
  - a. Since the detail of the compensation expense line is not visible, add functionality to view the object code, then drill to the payroll model for the object, account, fiscal year. The detail represents people and comp lines being paid from the account and length of time based on encumbrances. Changes made at the payroll level roll up to the Research summary.
  - b. Security is restricted to people authorized to access payroll detail. Research users who are not members of the payroll group will receive a 'no access' error.
6. Department I&E, G&E and Research use payroll planning worksheet to project payroll by pay cycle. The seven-digit unique ID is the identifier for each person. Users enter projections in the Payroll planning worksheet and the summarized numbers transfer into Department I&E, G&E and Research templates.

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## What are the plans for raising awareness, training, user support and provision of user guides?

- **Training:** weekly training is available prior to and post-deployment, using a similar format by Labor Distribution, Encumbrance and Merit.
- **User Support:** a team of “super users” will be trained to provide first-line support for the creation of custom views and reports. The Organizational Change Management work effort will identify who to contact for first and second line of support.
- **User Guides:** custom step-by-step guide for each financial template, including screen shots for each business use case.

## Whom to contact for more information?

Please share your comments or questions by sending an email to: [data@usc.edu](mailto:data@usc.edu)