



# GENERAL LEDGER REDESIGN PROJECT

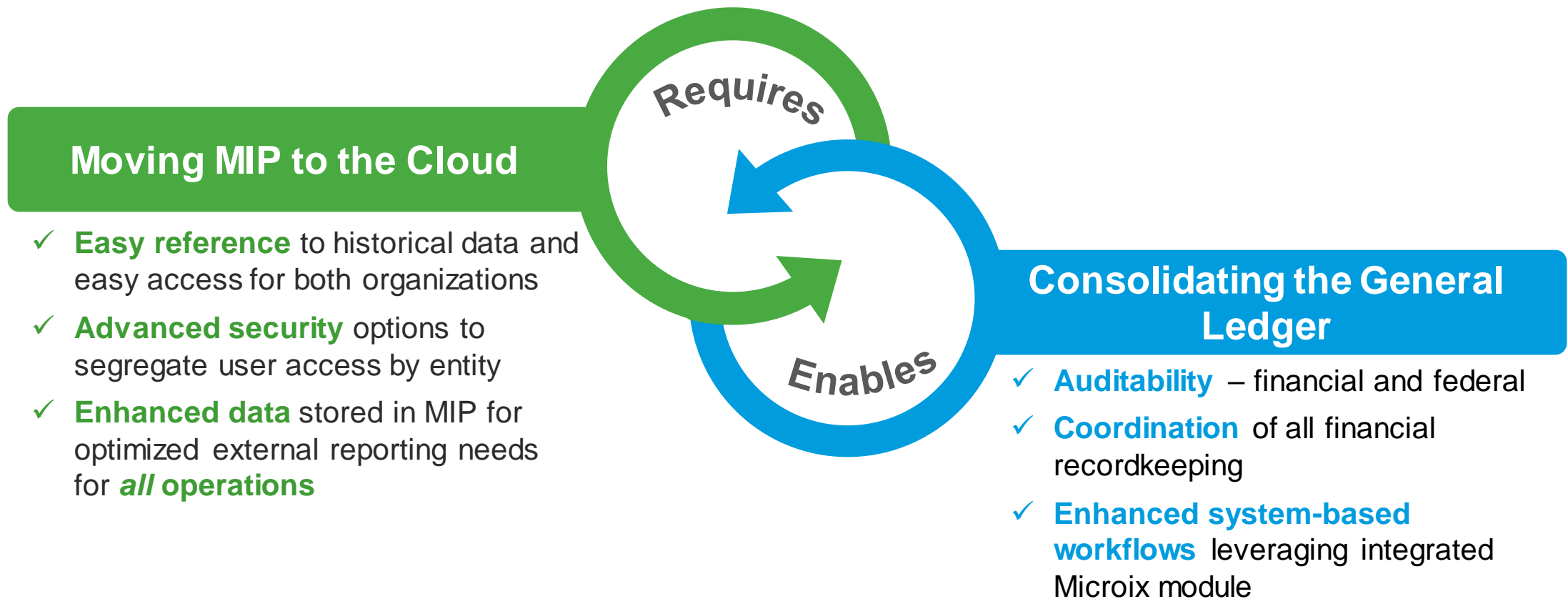
## Changes & Impacts

December 1, 2023 (Preview); January 16, 2024 (Update); February 12, 2024 (Publish pgs 1-23)

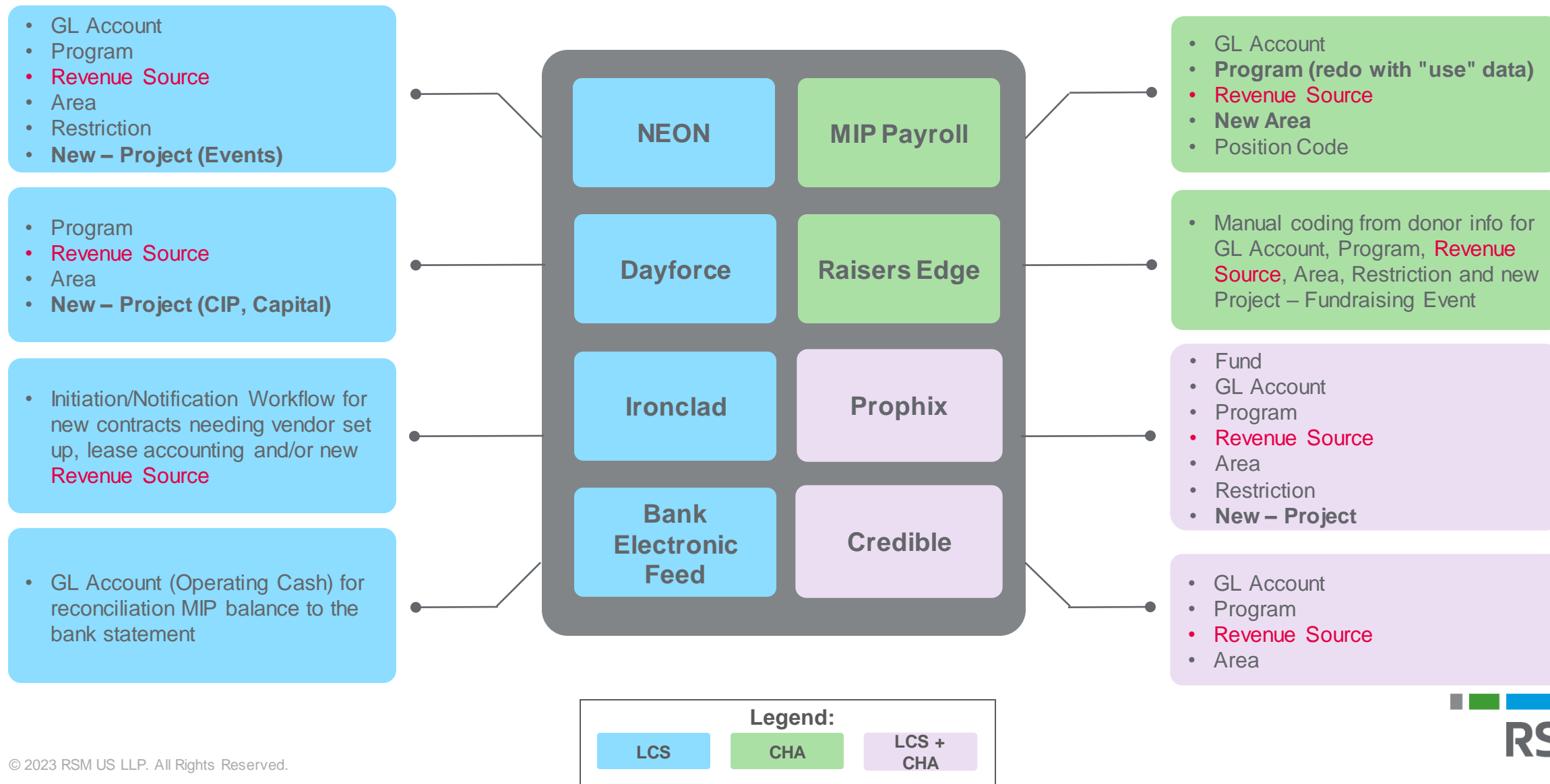
# Project Overview - Dual Strategy



There is a need to **combine the two legacy general ledgers** (GLs) of Lutheran Community Services Northwest (LCSNW) and Compass Housing Alliance (CHA) into a **single accounting system**. The current software, albeit powerful and filled with features, is **not optimized** for the way we operate in today's complex environment.



# Organizational System Segment Usage



# Organizational System Impacts



	Usage	Relationship to GL	Finance Usability	Future State
NEON	Fundraising Revenue	Sub-Ledger		Less administrative burden on Advancement
Dayforce	Labor Expense	Sub-Ledger		Ongoing optimization
Ironclad	Contract Management and Record System	No Connection, but Referenced		Improved information flow
Bank Reconciliation Feed	Automated Bank Reconciliation	Cash Inflow/Outflow Tracking		New Bank (KeyBank)
MIP Payroll	Compass Payroll	Sub-Ledger		Convert to Paylocity
Raisers Edge	Compass Fundraising Revenue	Sub-Ledger		Automated data warehouse
Yardi	Coast Property Mgt (15 facilities)	Sub-Ledger		Match MIP GL in Yardi
Prophix	Operations Reporting	Recipient of GL Data		Automated budgeting and forecasting
Credible	Client Revenue	Sub-Ledger		Automated interface, matrix optimization, and reconciliation

## Legend:

LCS

CHA

LCS + CHA

RSM

# Project/Cost Center Example – Lutheran Labor Costs



Current State

0 – 405 – 1303 – 301 – 1

Fund      Program      Revenue Source      Area      117/Restriction

Future State

10 – 2405 – 10180 – 152 – C23001 – 10

Fund      Program      Revenue Source      Area      Project      Restriction



# Organizational Segments – Lutheran



	Fund	General Ledger	Program	Revenue Source	Area	Restriction	Projects
<b>Use</b>	Entity	Financial Category	Delivery of Services	Source of Funding	Location or Department	Donor Accountability	New – will shift some RS codes to projects segment
<b>Current State Sample Code</b>	0 = Operations	4000 = Contribution Revenue	100 = Clinical Mental Health	3622 = OR/DHS/CAF Office of Self Sufficiency	160 = GPS	8 = Restricted-Purpose	New
<b>Change</b>	2 Digits, Starting with 10, Updated Titles	New Numbering if needed for broader range of accounts	4 Digits and some new numbering	5 Digits and New Numbering	New Numbering	New Numbering, 2 Digits, Updated Titles	6 digits, start with an alpha, 2-digit year, 3-digit sequential
<b>Future State Sample Code</b>	10 = LCS Operating	4000 = Contribution Revenue	2100 = Clinical Mental Health	11035 = OR DHS CAF Office of Self Sufficiency - Federal	130 = GPS	60 = Donor Restricted-Purpose	C23001 = Capital Project start 2023 (z0000) = n/a
<b>Explanation / Logic</b>	No Logic Change	No Logic Change	Adding preceding digit (2) to represent LCS	Adding preceding digit (1) to represent LCS	Accommodate new segment for Compass	No logic change, streamlining numbering	Tracking for events, facilities, and IT projects

# Special Considerations for Lutheran



- Extend the segment lengths, add project segment, and test GL Extract in **Dayforce**
- Develop **Credible** matrix project plan to **solve basic system architectural issues**, while continuing manual export/translate/import process for MIP GL posting and month-end close
- Extend segment lengths, add project segment to **Prophix**, plan cutover activities for nightly refresh, and rebuild reports from new GL in MIP Cloud
- Add project segment and update values for program/revenue source & area in **NEON** to reference document for staff keying donations

# Cost Center Example – Compass Labor Costs



Current State

10 – 120 – 0 – Srv – 7500

Fund      Program      Contract      Use      Position

Future State

30 – 3475 – 32000 – 438 – C23001

Fund      Program      Revenue Source      Area      Project



# Organizational Segments - Compass



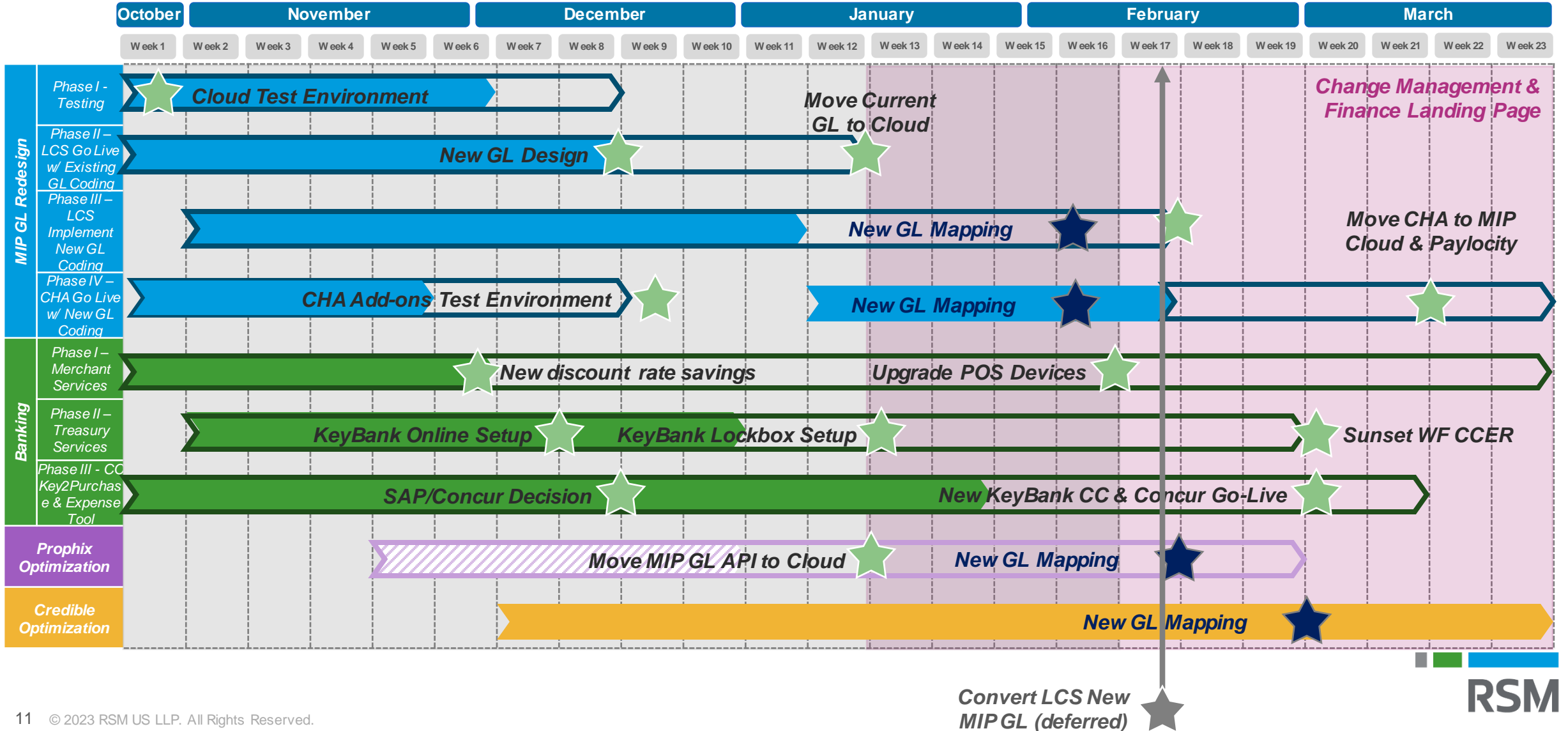
	Fund	General Ledger	Program	Revenue Source	Area	Project	Restriction	Dept, Type, Use, Position
<b>Use</b>	Entity	Financial Category	Delivery of Services	Source of Funding	Location or Facility	New	Donor Accountability	Payroll, Grant Accounting & WEBARS
<b>Current State Sample Code</b>	10 = Compass Housing Alliance	4010 = Contributions	100 = Client Services Office	CommsOMS = Commerce OMS 21-46131	Will be derived	New	2 = Restricted	Various states of applicability
<b>Change</b>	2 Digits and New Numbering	New Numbering	4 Digits and Repurpose Segment	5 Digits and New Numbering	3 Digits and New Numbering	6 digits, alpha-numeric starting	New Numbering	Removing segments in GL
<b>Future State Sample Code</b>	30 = Compass Housing Alliance	4000 = Contribution Revenue	3100 = Basic Serves	32000 = WA Department of Commerce	438 = Hygiene @ 65 S Washington	P23001 = Capital Project Started 2023	60 = Restricted for Purpose	Use > part of Program Position > Paylocity
<b>Explanation / Logic</b>	No Logic Change	Accommodate LCS & More Property Mgmt.	CSO to Area and create Basic Services Program	1st digit (3) = CHA, 2nd digit (5) = Corporate Source Type	Identify area / facility to distribute costs to occupants and segregate who pays bills	Tracking and reporting for facilities, and capital projects	No logic change, aligning with GAAP and types of restrictions	Unified Chart of Accounts MIP GL Segments for Consolidation

# Special Considerations for Compass






- **Changing** mixed use of **program segment** to **align** with audit, contractual, and Federal **reporting requirements**
- **Adding Area/Facility** segment to:
  1. Allow for **better distribution of costs** by occupancy
  2. Account for **segregated bill paying** to align with legal entities (Fund)
- **Change Management** aspect for all **employee timekeeping** and creation of **new "cost center"** with relevant segments for labor costs. Also need to accommodate labor cost distribution and reporting for cost reimbursement contracts by position/title in Paylocity
- **Higher risk** and **complexity** for project cutover with integrated modules
  - Ex: **HRIS/Payroll and Microix** (P.O. approval / AP Workflow)





# Finance Projects Workplan



# Segment Value Changes - Lutheran




Segment	Current State	Changes	End State
 <b>Fund</b>	<ul style="list-style-type: none"> <li>• “Legal” entity <ul style="list-style-type: none"> <li>• All operations/daily transactions occur in the Operating Fund (=1)</li> <li>• Balance sheets are at the Fund level</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Segment values will have updated titles and two (2) digits starting with 10</li> <li>• Accommodating current affiliated organization and future growth</li> </ul>	<ul style="list-style-type: none"> <li>• LCS Operating = 10</li> <li>• LCS Endowment = 11</li> <li>• LCS SeaTac Building = 12</li> </ul>
 <b>General Ledger</b>	<ul style="list-style-type: none"> <li>• Financial category role that drives the reporting for audited financial statements and single audit (Federal funding) <ul style="list-style-type: none"> <li>• Assets start with =1</li> <li>• Liabilities start with =2</li> <li>• Revenues start with =4</li> <li>• Expenses start with =5 to 9</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• No change in first digit of code, with codes remaining four digits in total</li> <li>• Remaining three digits will have new numbering</li> <li>• Accommodating more categories with affiliated organization complexities and future growth</li> </ul>	<ul style="list-style-type: none"> <li>• Assets start with = 1</li> <li>• Liabilities start with = 2</li> <li>• Revenues start with = 4</li> <li>• Expenses start with = 5 to 9</li> </ul>
 <b>117 / Restriction</b>	<ul style="list-style-type: none"> <li>• Donor Accountability <ul style="list-style-type: none"> <li>• Unrestricted =1</li> <li>• Board Designated =5</li> <li>• Management designated =6</li> <li>• Restricted-Time =7</li> <li>• Restricted-Purpose =8</li> <li>• Endowment =9</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 117 Segment title is changing to Restriction</li> <li>• Segment values will have updated titles, new numbering, and two digits</li> <li>• More transparency for donor intent variables</li> </ul>	<ul style="list-style-type: none"> <li>• Unrestricted =10</li> <li>• Board Designated =20</li> <li>• Management designated =30</li> <li>• Donor Restricted-Time =40</li> <li>• Donor Restricted-Purpose =60</li> <li>• Endowment =90</li> </ul>

# Segment Value Changes – Lutheran Cont.




Segment	Current State	Changes	End State
 <b>Revenue Source</b>	<ul style="list-style-type: none"> <li>Source of Funding <ul style="list-style-type: none"> <li>Limited maintenance of beginning number tied to funder type (i.e., 21XX = State of WA and 19XX = Covid)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Segment values will have five digits with first digit to denote organization</li> <li>Reestablish logic in funder type numbering range</li> <li>Allow for organizational growth</li> <li>Cleansing inactive revenue sources</li> </ul>	<ul style="list-style-type: none"> <li>Lutheran first digit start with =1 <ul style="list-style-type: none"> <li>I.e., LCS State of WA = 121XX</li> </ul> </li> <li>Compass first digit start with =3</li> </ul>
 <b>Area</b>	<ul style="list-style-type: none"> <li>Location or Department <ul style="list-style-type: none"> <li>100 - 500 = Districts</li> <li>600 - 999 = Departments</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Segment values will continue to have 3 digits</li> <li>New Numbering</li> <li>Accommodating current affiliated organization and future growth</li> </ul>	<ul style="list-style-type: none"> <li>100 – 399 = LCS</li> <li>400 – 600 = CHA</li> </ul>
 <b>Program</b>	<ul style="list-style-type: none"> <li>Delivery of Services <ul style="list-style-type: none"> <li>I.e., 100 = Clinical mental health general</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Segment values will have four digits with first digit to denote organization</li> </ul>	<ul style="list-style-type: none"> <li>Lutheran first digit start with = 2 <ul style="list-style-type: none"> <li>I.e., 2100 = Clinical mental health general</li> </ul> </li> </ul>
 <b>Project</b>	<ul style="list-style-type: none"> <li>New Segment <ul style="list-style-type: none"> <li>Enable tracking temporary, short-term activities across fiscal years</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Segments will have six digits with the first letter denoting type of project</li> <li>Start with letter, five numbers to follow</li> <li>Use project-initiated year as the start of the sequential numbering</li> </ul>	<ul style="list-style-type: none"> <li>Facility / Buildings = F</li> <li>Advancement Events = A</li> <li>Capital Projects (includes construction in progress) = C</li> <li>Other Projects as Needed = P</li> </ul>







# Segment Value Changes - Compass

Segment	Current State	Changes	End State
 <b>Fund</b>	<ul style="list-style-type: none"><li>• “Legal” entity<ul style="list-style-type: none"><li>• All operations/daily transactions occur in the Compass Housing Alliance Fund (=10)</li><li>• Balance sheets are at the Fund level</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Segment values will have updated titles and two (2) digits starting with 30</li><li>• Accommodating current affiliated organization and future growth</li></ul>	<ul style="list-style-type: none"><li>• CHA Operating = 30</li><li>• Broadview = 35</li><li>• Renton Condominium = 50</li></ul>
 <b>General Ledger</b>	<ul style="list-style-type: none"><li>• Financial category role that drives the reporting for audited financial statements and single audit (Federal funding)<ul style="list-style-type: none"><li>• Assets start with =1</li><li>• Liabilities start with =2</li><li>• Revenues start with =4 to 6</li><li>• Expenses start with =7 to 9</li></ul></li></ul>	<ul style="list-style-type: none"><li>• No change in first digit of code, with codes remaining four digits in total</li><li>• Remaining three digits will have new numbering</li><li>• Accommodating more categories with affiliated organization complexities and future growth</li></ul>	<ul style="list-style-type: none"><li>• Assets start with = 1</li><li>• Liabilities start with = 2</li><li>• Revenues start with = 4</li><li>• Expenses start with = 5 to 9</li></ul>
 <b>Program</b>	<ul style="list-style-type: none"><li>• Program used for Location, Department, and Delivery of Services</li><li>• Three-digit segment</li></ul>	<ul style="list-style-type: none"><li>• Use defined for Delivery of Services only</li><li>• Segment values will have four digits with first digit to denote organization</li><li>• Alignment with 990, SOFE, and WBARS reporting</li></ul>	<ul style="list-style-type: none"><li>• Compass first digit start with = 3<ul style="list-style-type: none"><li>• i.e., 3100 = Affordable Housing Operating and Maintenance</li></ul></li></ul>

# Segment Value Changes – Compass Cont.

Segment	Current State	Changes	End State
 <b>Contract / Revenue Source</b>	<ul style="list-style-type: none"> <li>Inconsistent use and maintenance with funding source               <ul style="list-style-type: none"> <li>i.e., 35001 = CHA Boeing Grant</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Contract Segment title is changing to Revenue Source</li> <li>Segment values will have five digits with first digit to denote organization</li> <li>Create logic in funder type numbering range               <ul style="list-style-type: none"> <li>i.e., second digit 5 = Corporate funders</li> </ul> </li> <li>Cleansing inactive former contract codes</li> </ul>	<ul style="list-style-type: none"> <li>Compass first digit start with =3               <ul style="list-style-type: none"> <li>i.e., 35001 = CHA Boeing Grant</li> </ul> </li> </ul>
 <b>Department</b>	<ul style="list-style-type: none"> <li>Minimal utilization</li> </ul>	<ul style="list-style-type: none"> <li>No longer used</li> </ul>	<ul style="list-style-type: none"> <li>Removing from segment values</li> </ul>
 <b>Use</b>	<ul style="list-style-type: none"> <li>Primarily used to categorize WBARS reporting and cost reimbursement contract billing for supportive permanent housing programs</li> <li>Used with laborious manual processes to produce required reports</li> </ul>	<ul style="list-style-type: none"> <li>Recategorized amongst Program</li> <li>Indicator of which affordable housing program sub-type               <ul style="list-style-type: none"> <li>i.e., operating and maintenance, services</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Removing from segment values</li> <li>Incorporated with Program segment going forward</li> </ul>

# Segment Value Changes – Compass Cont.

Segment	Current State	Changes	End State
 <b>Position</b>	<ul style="list-style-type: none"> <li>Payroll &amp; Grant Accounting</li> </ul>	<ul style="list-style-type: none"> <li>No change in numbering or titles</li> <li>Remap distribution code to GL</li> </ul>	<ul style="list-style-type: none"> <li>Build functionality into Paylocity</li> </ul>
 <b>Restriction</b>	<ul style="list-style-type: none"> <li>Used minimally until recently</li> <li>Donor Accountability               <ul style="list-style-type: none"> <li>Unrestricted =0</li> <li>Board/Management Restricted =1</li> <li>Donor Restricted =2</li> <li>Permanently Restricted =3</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Segment values will have updated titles, new numbering, and two digits</li> <li>GAAP Compliant</li> </ul>	<ul style="list-style-type: none"> <li>Unrestricted =10</li> <li>Board Designated =20</li> <li>Management designated =30</li> <li>Donor Restricted-Time =40</li> <li>Donor Restricted-Purpose =60</li> <li>Endowment =90</li> </ul>
 <b>Area</b>	<ul style="list-style-type: none"> <li>Identify area / facility to distribute costs to occupants and segregate who pays bills</li> <li>Manual accounting processes to identify and distribute costs among facilities</li> <li>New</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate old mixed-use program codes for location of delivered services</li> </ul>	<ul style="list-style-type: none"> <li>Segment values will have three digits and organized by zip codes to accommodate both organizations</li> </ul>
 <b>Project</b>	<ul style="list-style-type: none"> <li>New Segment               <ul style="list-style-type: none"> <li>Enable tracking temporary, short-term activities across fiscal years</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Segments will have six digits with the first letter denoting type of project</li> <li>Start with letter, five numbers to follow</li> <li>Use project-initiated year as the start of the sequential numbering</li> </ul>	<ul style="list-style-type: none"> <li>Capital Projects = C</li> <li>Development Projects = D</li> <li>Advancement Events = A</li> </ul>



# Prophix Impact Readiness

20%

40%

60%

80%



## Platform Impact:

- Ongoing nightly data loads must shift from on-prem to cloud and be reconfigured
- New project segment requires new Prophix cube build out
- Change in segments' lengths must be updated in the financial data models

## Process Impact:

- Rebuild dataflow pipeline from on-prem to data hub
- Financial models will have new values, budget to actual financial models are exported to be uploaded to the budget/GL
- Handling of historical data – *change current cube or create new cube to align with both calendar and fiscal year ends*
- *CHA Position field is not built in Prophix*

## People Impact:

- FP&A, District, and Department Directors review budget to actuals, the titles/logic will remain

LCS

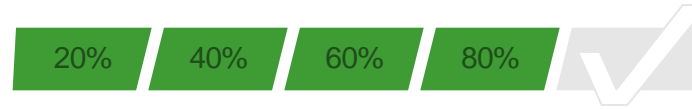
Legend:

CHA

LCS +  
CHA



# Dayforce Impact Readiness



## Platform Impact:

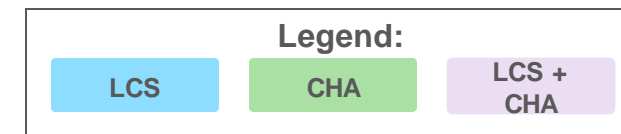
- Cost ledger codes are stored in one place as projects, in a flexible text field
- Journal ledger stores the GL account codes tied to payroll earnings and deductions
- Assignment of project ledger code to employee time sheets

## Process Impact:

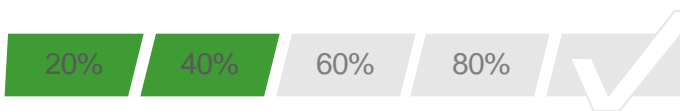
- Timing of updating Dayforce modules
- Payroll processing and cutover
- Export of the GL detail

## People Impact:

- All staff awareness of value changes plus additional segment combinations
- System administration to maintain valid codes



# Credible Impact Readiness



## Platform Impact:

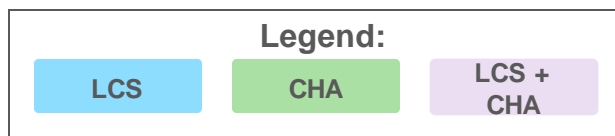
- Short term:
  - Use existing exports and map to new GL segments
  - Conduct a full repair/alignment of Payer data relating to Revenue Source in MIP
- Long term: The matrix will redefine the Credible field relationships to GL segments (primary, secondary, tertiary), optimizing operational Program (inconsistent use – program or geo area) in Credible with billing Program and the GL Program

## Process Impact:

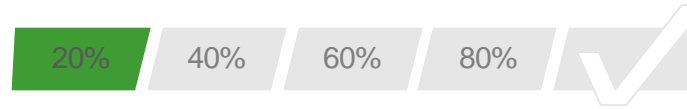
- Short term:
  - Accounting will use the mapping tool for the existing Credible export to record the monthly MIP JV
  - Establish an overarching approach to Payer data/alignment relating to Revenue Source in MIP
  - *Export analysis of the transactions for missing/wrong coding, make adjustments in Credible, re-export– to regroup on this item*
- Long term: Changing the logic in the matrix that drives the GL codes to verify that the transaction data is complete and accurate. Credible reconciles to the GL monthly

## People Impact:

- Short term: Additional setup for accounting with IT support for the mapping tool
- Long term: Data cleansing, system setup, and Credible matrix conversion for increased revenue through complete and accurate billing



# NEON Impact Readiness



## Platform Impact:

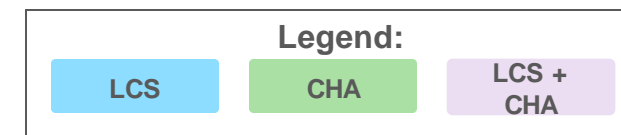
- Adding another UDF for Project segment
- Mapping the Fund and Campaign fields to new GL code combinations and Restrictions
  - *Fund, purpose, donor, and designated district*
- Changing the GL reference table in NEON affects all historical transactions

## Process Impact:

- Identifying Project segment for events
- Manually keying additional GL segment in NEON
- Understand how to leverage NEON or IT resources to automate GL segments

## People Impact:

- Continue to interpreting the limited NEON functionality for GL coding
- Updating the reference document for the remaining coding, helping with RS codes and project segments



# Yardi Impact Readiness

20%

40%

60%

80%



## Platform Impact:

- No Yardi system change, GL cannot accommodate Client Specific GL and cost prohibited to have Coast to build and maintain mapping tables

## Process Impact:

- Update the backend mapping "vlookup" for monthly transaction JV upload
- Leverage data tools to streamline monthly import, translate, upload activities

## People Impact:

- Maintain the backend mapping tables with new values from Coast Yardi

LCS

### Legend:

CHA

LCS +  
CHA



# Banking Impact Readiness

20%

40%

60%

80%



## Platform Impact:

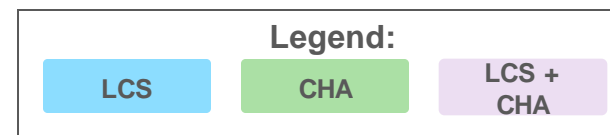
- Cutoff Wells Fargo CCER transactions as of 2/29/24 and archive 7-year history
- Set Up and Implement KeyBank Key2Purchase, effective 3/1/24
- Set Up, integrate with K2P and Implement Concur, for period ending 3/31/24

## Process Impact:

- Increased visibility to policy, compliance, valid GL coding and approval status
- Submitted Expense Reports via Wells Fargo CCER for period ending 2/29/24 will need to be mapped from current GL segment coding to New GL for MIP upload
- New Out of Pocket Reimbursement data transfer, payment process & frequency

## People Impact:

- Issue New Credit KeyBank Cards and align activation with WF-card deactivation
- Onboarding and access to ongoing training for new Expense Reporting tools



# CHA Payroll Impact Readiness

20%

40%

60%

80%



## Platform Impact:

- Adding REST API to CHA On-Prem for LCSNW IT support for GL conversion, testing and Profix Reporting
- Eliminate the HRMS/EWS shift & lift to MIP Cloud, but retain history
- Add Credit Card Workflow to Microix for GL Coding and AP Payment

## Process Impact:

- Move CHA MIP to Cloud and new MIP GL at the same time as Paylocity 3/16/24
- Focus IT support to Paylocity new GL mapping (and remove Position segment)
- Better align GL segment usage with external reporting and labor cost allocation

## People Impact:

- Employee new timesheet login, training and cutover happens once (Paylocity)
- Training and Change Management for new GL mapping and GL segments

