



# Oracle West Coast Healthcare and Research Forum

November 4, 2016

Fred Hutch Labor Cost Distribution  
PeopleSoft Bolt-On

# Agenda

- Presenter/Organization
- PeopleSoft/Oracle History
- Overview of Challenge
- Evaluation of Functionality/Options
- Solution
- Lessons Learned
- Questions

# Presenter/Organization

Cameron McClurg, Director - FMS

Fred Hutch Cancer Research Center

- Non-profit Cancer Research Organization opened in 1975
- Home of three Nobel laureates
- Birthplace of bone marrow transplantation
- Annual Budget: \$436 million
  - ~900 active awards
  - ~3500 active projects both sponsored and non-sponsored
  - ~1,300 proposals submitted in last year
- ~2800 employees/staff (218 Faculty)
- Close affiliation with University of Washington and Seattle Children's

# PeopleSoft/Oracle History

## Applications

### PeopleSoft Financials 9.2

- ePro, PO, AP
- GM, PC, CA
- AR, BI
- GL, KK, AM
- Bolt On DataMart

### PeopleSoft HRMS 9.2

### Custom Effort/LCD

## PeopleTools

### PeopleTools 8.54.13

### SQL Server

# Overview of Challenge

## As a Federally Funded Organization...

- Comply with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (a.k.a. “Uniform Guidelines”)
  - “Consolidation” of A-122 (Non-Profits), A-21 (Higher Ed), A-87 (Government entities)
- Oracle does not provide software/applications to support the federal requirement

# Overview of Challenge

## Labor Specifics:

- Monthly, after the fact reporting of effort
- Certification by an individual with first hand knowledge of the activity
- Must account for 100% of the time the employee is paid and include all institutional activities (federal or not)
- Separate Salary and Effort

# Options

## Fred Hutch Options

- Buy
  - Outsource Effort
  - Labor Distribution?
- Build
  - Allocations
  - Project Costing Functionality (Rate Sets, etc.)
  - Offline/Journal Entries to GL
  - Hybrid/Bolt On between HRMS and FIN

# Solution

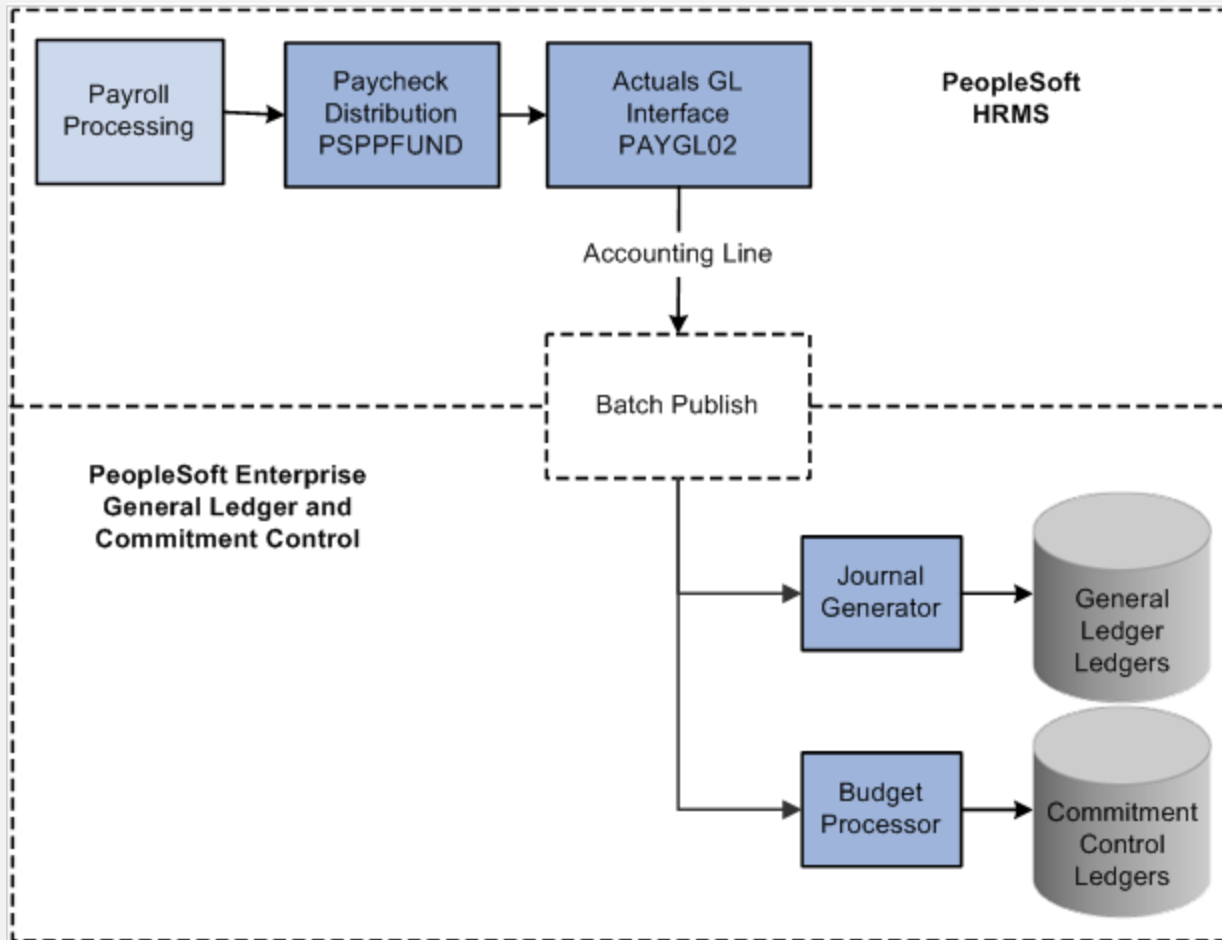
## Decision: Hybrid/Bolt On

- Minimal work for End Users (Effort Certs)
- Minimal work for Accounting
- High Complexity
  - Employee types (salary, hourly, stipend). Multiple “jobs”
  - Various Earnings Codes
  - Fringe/Vacation Rates per Employee Class/Type Combo
  - Redistributions
  - Cost Sharing
  - Other (Salary Cap, Unallowed Benefits, Direct Charges)



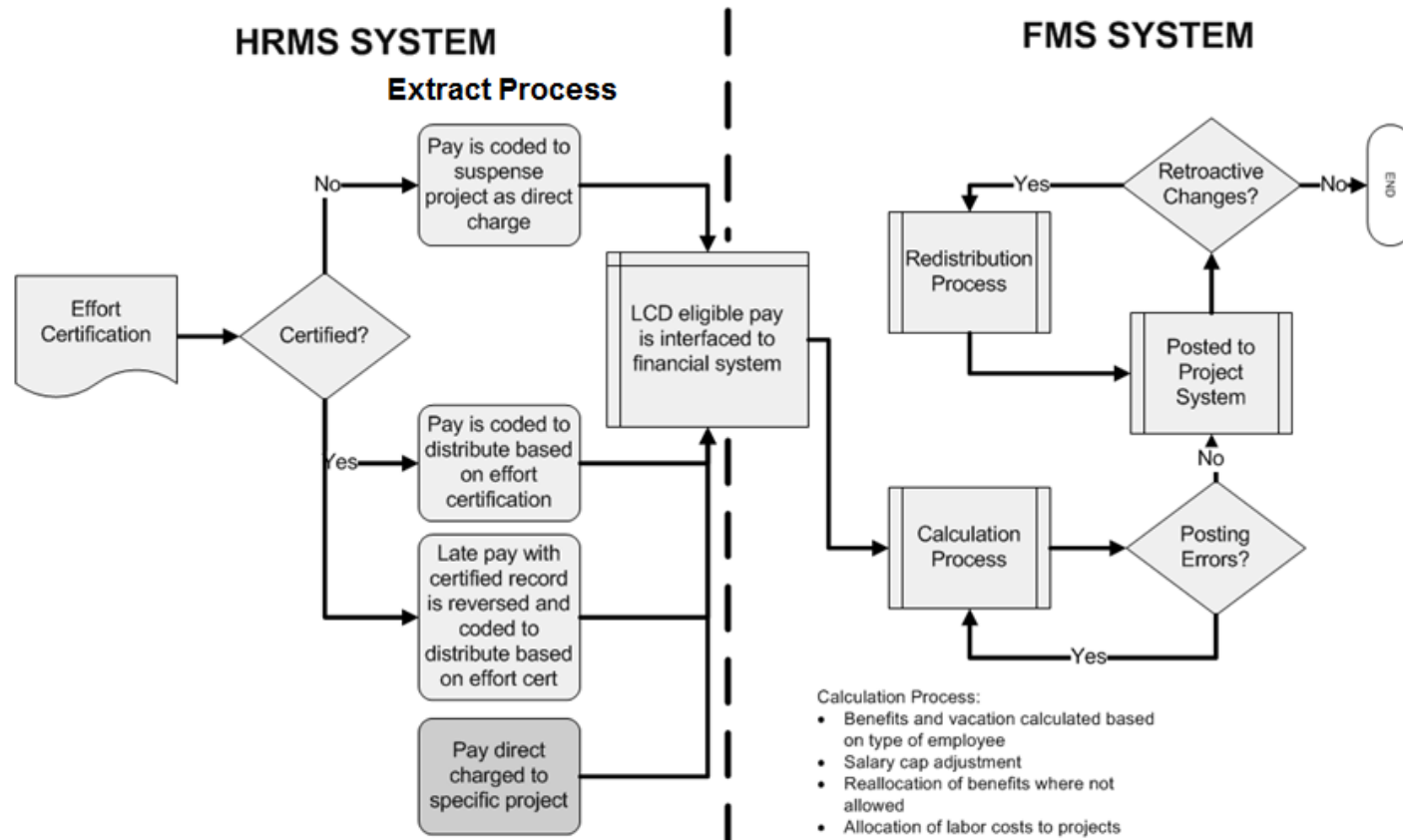
# Solution

## Oracle solution for distribution between HRMS/GL



# Solution

## Fred Hutch Solution



# Solution

## Steps/Overview of process

1. HRMS Setup
  - a) Job/Payee Setup
  - b) Earnings Codes
  
2. FMS Setup
  - a) LCD Combo Setup
  - b) Project Setup

# Solution

## Steps/Overview of process

3. Metadata Interfaces
  - a) FMS to HRMS
    - i. Project metadata
    - ii. LCD Processing Status
  - b) HRMS to FMS
    - i. Job Data
    - ii. Earnings
    - iii. Comp Rates

# Solution

## Steps/Overview of process

4. Direct Charges
5. Effort Cert Generation
6. Effort Entry/Certification

**FRED HUTCH**  
CURES START HERE

Favorites | Main Menu > Manage FMS LCD > Effort Certification

Workbench Summary | **Workbench Detail** | Workbench Sal Cap | Workbench Edit Errors | Workbench Attachments

End | View All | 1 of 1 | Last

**Albano, Denise L** **February, 2015**

Cert Status	Certified	Effort Cert ID:	325580	Eff Date	02/01/2015	Dept ID	PH0200
Edit Status	Valid	Certified By:	KKEALEY	02/27/15 3:13:31PM		Empl Type	Salaried
Process Status	Processed	Updated By:	KKEALEY	02/27/15 3:13:31PM		Empl Class	Employee
						Supervisor	Jeffrey A Cary
						Title	Grant & Contract Spect

Ready to Certify (Optional)   [Report Manager](#)

**Certification Totals**

Total	Salary %	Effort %
	100.0	100.0

[Users with Update Access](#)

Task Profile Details

*Project ID	% Salary	% Effort	Project Title	Sponsor ID	Sponsor	Exp Dt	PI	User Not
109672	100.0	100.0	DIVISION ADMINISTRATION-CPRP		NON SPONSORED	06/30/2099	Newcomb, Polly A	

# Solution

## Steps/Overview of process

7. Extract Process
8. Calculation Processes
  - a) PreCalc
  - b) Final Calc
9. LCD Posting
  1. Budget Checking
  2. Other Project Costing and Chartfield Edits
  3. Intfc\_Proj\_Res

# Solution

## Steps/Overview of process

10. Load Transactions
11. LCD Error checking
12. LCD Close

# Lessons Learned

Organizational/End User understanding

- Earnings vs. Pay vs. Accounting dates

Complex Code

- Lack of organizational/IT knowledge

Issues/Errors difficult to fix

- Job changes (stipend to salary)
- Partial Posts (kk errors or budgetary tolerance)



# Recent Changes

## Regulatory Changes:

- Use of Estimates for initial distribution. Must include a secondary review and adjustments/corrections
- Salary Cap changes?

## International Expansion:

- African BU's and Multi Currency (requires parallel processing and aggregation in reporting)

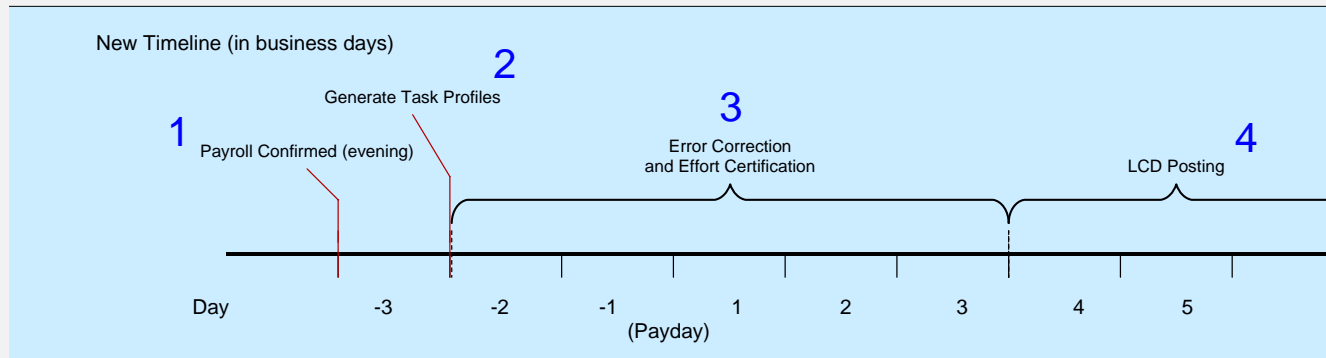


# Questions



# Appendix

# LCD Timeline



1. Monthly payroll is confirmed within HR system
2. Effort Certification is generated 2 days prior to payday  
Based on pay issued that month for an earnings period  
Reporting period of effort certification ties to earnings period  
Initial distribution based on prior month
3. Effort Certification Period runs until 3<sup>rd</sup> day after payday when certification system is closed to users
4. Labor costs are posted by 7<sup>th</sup> business day  
Effort Certification system opens for late certification  
Late certifications are not reallocated until end of the next month