FINANCIALS: GETTING BACK TO THE BASICS

INCREASING NAVIGATIONAL SKILLS AND AVOIDING COMMON MISTAKES

PRESENTED BY: CHERI WILD AND ANDREA PHILLIPS

NOVEMBER 21, 2019
AN OVERVIEW OF THIS TRAINING SESSION

• Our main goal is to “Get Back to the Basics”
• “Why should I care about the MDR/PDR?”
• “How to run the MDR/PDR?”
• “How to read the MDR/PDR?”
• “What are all these pieces and parts and how do they fit together?”
• Key Take-a-ways/ Tool Kit
WHY SHOULD I CARE ABOUT THE MDR AND THE PDR?

• First and foremost, we are all human and we all make mistakes. Timely reconciliation is a control. It gives us a way to check the transactions managed and maintained by Operational Support Areas.

Benefits of reconciling MDRs and the related PDR:

• You have the opportunity to find students/employees that have not been **terminated** in the system because they are still receiving a pay check.

• You know whether or not a pay rate or pay conversion has been calculated and keyed correctly within the employee’s employment record.

• You will know if a transfer was made and whether or not it was keyed correctly.

• More awareness of the area’s financial sustainability and the ability to cover unforeseen expenses with a particular budget string/chart-field.
WHERE DO I EVEN START?

STEP 1: THE DATABASES USED FOR STUDENT ADMINISTRATION AND OPERATIONAL SUPPORT
ALL TRANSACTIONS ARE PROCESSED USING A UNIQUE SET OF CHART-FIELDS WHICH IS OFTEN REFERRED TO AS A “BUDGET STRING”

STEP 2 (1 OF 2): WHERE DO I FIND THE BUDGET STRING?
ALL TRANSACTIONS ARE PROCESSED USING A UNIQUE SET OF CHART-FIELDS WHICH IS OFTEN REFERRED TO AS A “BUDGET STRING”

STEP 2 (2 OF 2): SOARFIN>USM PROCEDURES>USM EAGLEVISION
SIGNATURE AUTHORITY TABLE:
USM EAGLEVISION
WHAT AREAS ARE CONTROLLED BY THE USM EAGLEVISION TABLE

Workflow for SOARFIN transactions:

- Implemented
  - P-Card Transactions
  - Requisition Requests / Purchase Orders

Future Workflow Projects:

- Interdepartmental Invoices/Journals
- Budget Revisions
- Financials ListServ for Dynamic Communication
WHAT ARE SOME OTHER WAYS TO FIND THE BUDGET STRING (S)/ CHART-FIELDS FOR YOUR SCHOOL, DISCIPLINE, OR DEPARTMENT?

- The financial contact or payroll contact for the department,
- Budget manager for the college and or the budget director,
- Any of the following Support Offices:
  - OFPA listserv: budgets@usm.edu; McLemore Hall 3rd Floor; EXT: 601.266.4091
  - ORA listserv: ora@usm.edu; Bond Hall 3rd Floor; EXT: 601.266.4119
  - Payroll listserv: payroll@usm.edu; Bond Hall 2nd Floor; EXT: 601.266.4084
  - Controller’s Office Listserv: controllersoffice@usm.edu; Bond Hall 2nd Floor; EXT: 601.266.4084
WHERE DO I GO NEXT?

When trying to decide what the next sequential step is, focus on the data cycle or the nature flow of how and where our data is processed.

Log into SOARHR- this database stores the data for the following modules: our E and G Budget Book, Self-Service: (Pay Stubs, Hours Worked, Leave Taken), All Employment Records, All Benefit Records, The Department Budget Table (which is where the funding source(s) for payroll transactions are maintained), and all Payroll processing and payment transactions reside.
WHERE DO I EVEN START?
STEP 3: THE DATABASE YOU NEED TO ACCESS

- EMAIL
- CANVAS
- SOAR
- SOAR FIN
- SOAR HR
- PEOPLE DIRECTORY
WHAT IS THE PDR?

• The PDR “Payroll Distribution Report” is a detailed listing of earnings and fringe benefits by employee charged to a specific budget string.

• Since the PDR is payroll report is the combined data of employment records, benefits, funding sources for salaries and wages, and pay check data, this report is generated within SOARHR.
“HOW TO RUN A PAYROLL DISTRIBUTION REPORT, PDR?”

- Complete online training course, and security access will be granted.
- Log into SOARHR.USM.EDU
- Navigate to Payroll for North America>USM Payroll>USM Manage Payroll>RPT N-Z
- Click on Payroll Distribution Report
- Run Control ID. If this is the first time to run the report, Add a new value
- Enter School/Discipline/Department
- Enter Program code
- Enter Project (If Applicable, leave blank if not)
- Enter Fund
- Enter the dates needed for return results of the report
- Click appropriate Sort, Then Run> Click OK> Click on Process Monitor
- Click on Details>View Log Trace>PDF file
“HOW TO READ THE PDR?”

• The PDR will list the employee name, ID, the journal ID, the pay period end date, total earnings and benefits.

• The fringe benefits will be itemized by account code.

• Depending on the sort chosen, lines will be totaled appropriately.
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<th>Employee Name</th>
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<th>Journal Date</th>
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<th>Total Benefits</th>
<th>Total FICA</th>
<th>Total Workers Comp</th>
<th>Total Health</th>
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FREQUENTLY ASKED QUESTION RELATED TO THE PDR

• When are reports ready for campus users?
• How do I know?
• What are the biggest challenges for users?
• usm.edu/controller
### Business Unit
USM01: The University of Southern Mississippi

### Fund: 141440  Design Special Project: Hastie
**SCH/DISC/DEPTH:**

### Prog: 00000  Default for Non-sponsored

#### BUDGET LEDGER

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**YEAR TO DATE**

#### ACTUALS LEDGER POSTED TO THE CURRENT MONTH

In this section, all negative numbers are credits and increase the balance. All positive numbers are debits and decrease the balance.

#### Journal Entries

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<tr>
<th>Date</th>
<th>Program</th>
<th>Fund</th>
<th>Account</th>
<th>Description</th>
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#### Accounts Payable Detail

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AP Subtotal: 4,954.40
**Budget Ledger**

**Year to Date**

- Budget Collected: 9,882.68
- Unrealized Revenue: (9,780.68)

**Actuals Ledger Posted to the Current Month**

In this section, all negative numbers are credits and increase the balance. All positive numbers are debits and decrease the balance.

<table>
<thead>
<tr>
<th>Date</th>
<th>Fund</th>
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<th>Description</th>
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**Monthly**

**Negative № means this budget received money.**

**Money deposited at the Business Office - 1st Floor - FCH.**

**Interdepartmental Invoice money from another USM budget.**

- **March Budget Entries:**
  - March Revenues: 2,469.23
WHAT IS THE MDR?

• The MDR “Monthly Detail Report” is a month-end detail report; it is a lot like a bank statement for a checking account. There is a beginning balance and an ending balance. There are summarized and individual charges and or transactions processed on a particular budget string.
STEP 4: WHERE DO I FIND THE TRANSACTION DETAIL OR A MONTHLY STATEMENT INFORMATION?
“HOW TO RUN A MONTHLY DISTRIBUTION REPORT, MDR?”

• After training, security access will be granted.
• Log into SOARFIN.USM.EDU
• Navigate to USM Procedures – General Reporting
• Click on the applicable Monthly Detail Report
• Run Control ID. If this is the first time to run the report, Add a new value
• Enter Budget String as prompted
• Choose month you wish the report to return results. Budget Period is Fiscal Year
• Click Run> Click OK> Click on Process Monitor
• Click on Details> View Log Trace> PDF file
“HOW TO READ THE MDR”

• **Encumbrances**: These are open POs that have not yet been paid. Funds are “encumbered” or subtracted from your available balance so that these funds are not spent on other invoices.

• **Accounts Payable Details**: These are invoices that have been paid to outside vendors; either through PO and invoice, or remittance voucher.

• **Journal Entry Details**: These are transactions to internal (USM) departments. Interdepartmental Invoices, Food Service Journals, Barnes and Noble purchases, Post Office charges, and iTech charges are some examples of the transactions that fall in this category.

• **Additional Guidance for reading MDRs can be obtained through training videos offered by the Controller’s Office.**
FREQUENTLY ASKED QUESTIONS ABOUT THE MONTHLY DETAIL REPORT

• When are they ready?
• How do I know?
• What are the biggest challenges for users?
• [https://www.usm.edu/controller/]
WHAT IS MY CURRENT BUDGET BALANCE?

• Budgets overview
  • This is a feature of SOARFIN that will allow you to look at individual budgets online for a real-time balance. (This is like looking at your checking account online to see what the bank has posted.)
  • Navigation: Commitment Control – Review Budget Activities – Budgets Overview

• Budget Balance Available:
  • Budget – Expenses – Encumbrances (outstanding PO’s) = Budget Balance + Associated Revenue (if applicable)
    = Available Budget
  • For E&G funds, to calculate how much discretionary money you have to spend:

    
    Available Budget $25,000
    Less: Salary AB $15,000
    Fringe AB $5,000
    I CAN SPEND: $5,000

• For Designated Funds the Available Budget is the balance left in the account.
COMMITMENT CONTROL
WHAT ACTION IS NEEDED WITH BUDGET ERRORS AND WHY?

• Types of Budget Errors:
  • Exceeds Budget Tolerance: Transactions is larger than balance in budget
  • Budget Date out of Bounds: Budget has ended
  • No Budget Exits: This budget does not exist as entered, or is not able to use the expense category selected.

• These errors can occur when paying internal departments or external vendors.

• A quick answer is needed because one budget error can prevent an entire journal from posting.

• A budget error can be resolved by choosing a different budget string, adding funds to the selected budget string, adding the budget, or extending the budget.
WHAT IS AN II? INTERDEPARTMENTAL INVOICES

• In its simplest form, an interdepartmental invoice is similar to a bank transfer; it is merely the transfer of funds from one budget string (Account Number) to another budget string (Account Number).

• IIs are used to establish Start Up budgets, reimburse one budget from another, or correct transactions that have already been processed.
SPECIFIC ROLES OF THE OFFICE OF RESEARCH AND ADMINISTRATION, ORA

- For the monthly close process, we work to get all errors corrected right away and ultimately get all activity for the month posted. We verify restricted fund revenue, expenditures and then process billing as promptly as possible to get the system over to your office to run MDRs.

- ORA also verify MDR numbers before they are made available to the campus community.

- Contracts and Grants record salary and fringe of release time (buy-out time) to the projects on a journal. We historically have waited until time and effort were certified before we released the distribution. This is now a monthly process were we make corrections as they happen. We intend to automate that process as well.
SPECIFIC ROLES OF THE OFFICE OF FISCAL PLANNING AND ANALYSIS, OFPA

• For the monthly close process, we work to get all errors corrected right away and ultimately get all activity for the month posted. We verify restricted fund revenue, expenditures as promptly as possible to get the system over to your office to run MDRs.

• OFPA also verify MDR numbers before they are made available to the campus community.
HOW DO ALL THESE PIECES AND PART FIT TOGETHER

Let’s recap and step through the complete cycle of transactions related to Operational Support Areas together!

The monthly closing process pulls all of our areas together to produce a comprehensive detailed report for each unique set of chart-fields on a monthly basis.
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CONTINUATION OF PIECES AND PARTS

MDRs contain information that can be reconciled using PDRs, IIs, and information gathered from Budgets Overview.

It is important to reconcile MDRs to ensure that all transactions posted to a budget are, indeed, transactions that belong to the budget in question.
TOOLS FOR YOUR TOOL KIT

• TEST ENVIRONMENTS FOR LEARNING AND TRAINING ARE AVAILABLE
• UNIVERSITY BUSINESS PROCESSES
• NEW HIRE CHECKLIST
• QUICK REFERENCES
• CHEAT SHEETS
• SCHEDULES