PeopleSoft

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AAMC Case Study - PeopleSoft Grants Management Implementation

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Overview

The Anne Arundel Medical Center (AAMC) Research department uses Velos to manage Clinical Trials. Milestones are established in Velos to track expenses, revenue and billing for the Clinical Trials. When a milestone is met, the Research department works with the Finance department to manually create accounting entries to record revenue, receivables, and expenses. A manual invoice is created to send to the sponsor. When payment is received, the receivable balance is reduced through a manual journal entry.

Goal

As part of the implementation of the Grants Suite (Grants, Customer Contracts, Project Costing, Billing and A/R), we looked at several ways to automate this process. The solution took the following requirements into consideration:

- Each Clinical Trial is associated with a specific (home) department at AAMC but work on the clinical trial is done across various departments
- Depending on the type of expense, different accounting entries are required
- All accounting entries associated with Clinical Trials revolve around the 'home' department
- Accounting entries for expenses, revenue, receivables, and payment are automated
- Automated accounting entries must replicate accounting entries manually created
- Setup of Clinical Trials in PeopleSoft does not replicate the setup of the Clinical Trials in Velos
- The solution must be able to be maintained by functional users due to limited technical support

Options

Two options were considered when developing a solution.

- The first option is to send the billing milestones to Billing to create an invoice when the milestone is met. The expenses and revenue milestones are sent to the General Ledger.
- The second option is to send the milestones to Project Costing.

Solution

The option to send the milestones to Project Costing was chosen. It met the requirements without requiring a lot of technical development and was easily maintained by functional users. In addition, multiple interfaces did not have to be developed and this solution uses delivered functionality in PeopleSoft.

Each Clinical Trial Grant is set up as a Cost Reimbursable Grant in PeopleSoft instead of a Fixed Amount Grant. Milestones are not established in PeopleSoft. Rather the milestones are loaded into the the INTFC_PROJ_RES table and the delivered transaction loader process is used. When the information is loaded into PeopleSoft, the Pricing process creates additional rows. The Project Accounting process creates the accounting entries based upon the type of milestone. For billable milestones, the As Incurred Billing process is used to send the information to Billing. Once the information is in Billing, an invoice is created, and a receivable is established.

List of Updated/ Added Configuration Items

The following is a list of the configuration that is used in this solution:

- Integration Templates
- Project Costing Installation Options
- Project Costing Organization Hierarchy
- Analysis Types
- Rate Sets
- Rate Plan
- Source Types
- Accounting Rules

Configuration Items

- *Integration Template:*

Each project is required to have an Integration Template. The Integration Template determines which GL Business Units can use the Project.

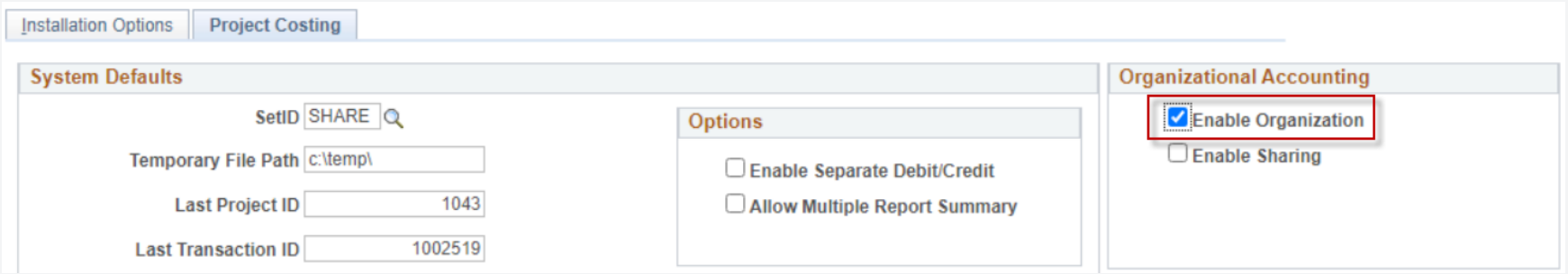
Since transactions associated with Clinical Trials can be spread across multiple (21) Business Units in Velos, this is accomplished using Integration Templates. A GL Business Unit must be defined as the Primary Ledger Business Unit. For this solution, the Primary Ledger Business Unit is associated with the Research Business Unit. Associate the additional Business Units that can be used with projects using the Integration Template.

Navigation: Set Up Financials / Supply Chain > Product Related > Project Costing > Project Options > Integration Templates

Configuration Items

- *Organizational Accounting:*

This additional setup is required for the accounting entries to be properly generated. It allows for the Clinical Trial Grant to be associated with a 'home' GL BU and Department. The 'home' GL BU and Department' is defined as part of the Project setup process.



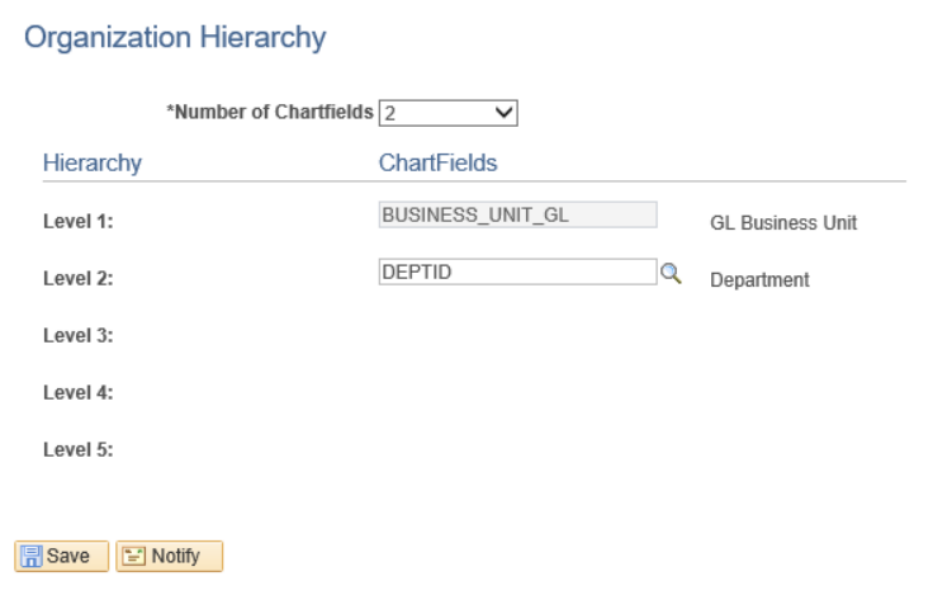
In order to turn on the organizational accounting, the Project Costing Installation Options should be updated. Enable Organization should be checked under Organization Accounting.

Navigation: Set Up Financials / Supply Chain > Install > Installation Options > Project Costing

Configuration Items

➢ *Project Costing Organization Hierarchy:*

After enabling Organization Accounting, the next step is to define the ChartFields which will be used. The GL BU is always the first level in the hierarchy. Since the requirement is track information associated with the 'home' department, this ChartField is associated with the second level in the hierarchy.



Navigation: Set Up Financials / Supply Chain > Product Related > Project Costing > General Options > Organization Hierarchy

Configuration Items

- *Analysis Types:*

There are 3 types of Velos Transactions: **Payables** (these type of transactions are used to track the velos expenses), **Receivables** (these type of transactions are used to track the revenue) and **Invoiceables** (these type of transactions are used to track the invoiceable amounts). To load the Velos transactions into Project Costing, an Analysis Type is associated with to the Payable, Receivable, and Invoiceable transactions during the mapping process.

- Three Analysis Types **VLE** (Velos Expense), **VLR** (Velos Revenue) and **VLI** (Velos Invoiceable) are created to easily identify Velos Payables, Receivables and Invoiceables respectively.
- Additional Analysis Types of **ALC** (Allocated Revenue), **FRD** (Forward Pricing for Revenue), and **BIL** (Billable Amount) are used in the Pricing process.

Navigation: Set Up Financials / Supply Chain > Product Related > Project Costing > Transaction Options > Analysis Types

Configuration Items

➢ *Source Types:*

Within Velos, there are multiple types of Payable transactions for which expenses need to be recorded. Each type of Payable transaction requires different accounting entries.

- Examples of some of the Payable transaction are Over Head, Pharmacy Fees and Stipends.
- Source Types are created for each type of Payable transaction in Velos.

Navigation: Set Up Financials / Supply Chain > Product Related > Project Costing > Transaction Options > Source Types

Velos Mapping

The mapping of the information associated with each milestone in Velos to PeopleSoft is displayed in the table below:

Velos Field	PeopleSoft Field
Milestone date	Transcation Date and Accounting Date
Study ID	Project ID (PC business unit and Activity are derived from the Project ID)
Milestone description	Description (Description of the corresponding transcation)
Payment Type	Analysis Type 1. Payable - VLE 2. Receivable - VLR 3. Invoiceable - VLI
Payment For	Source Type (Only populated for Payable transcations)
BU	GL Business Unit
Dept	Department
Milestone Amount	Resource Amount

Configuration Items

➢ *Rate Sets:*

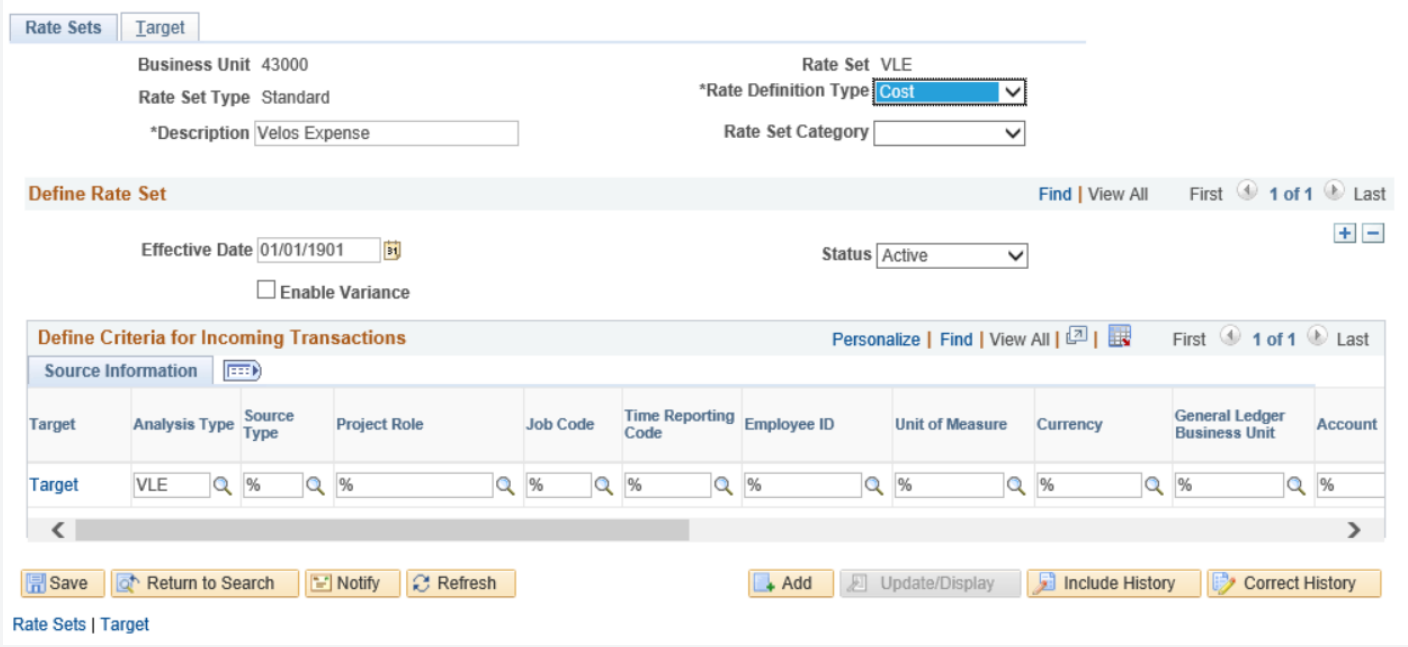
- A Rate Set is used to generate new transactions when specific criteria is met.
- The Rate Set defines the transactions that are basis for the new transaction rows (source) and the calculations to be performed on the original row to create the new row (target).
- ChartFields values used on the source row are inherited by the target row in the Project Costing Resource table.
- Target rows can be used for the purpose of creating billable transactions or accounting costs
- Billable transactions are used in the invoicing process and create accounting entries which are sent to the General Ledger
- Accounting costs can be used to create accounting entries but are not sent to Billing
- Three Rate Sets **VLE** (Velos Expense), **VLR** (Velos Revenue) and **VLI** (Velos Invoice) are used in the Pricing process

Navigation: Set Up Financials / Supply Chain > Product Related > Project Costing > Pricing Structure > Rate Sets

Configuration Items

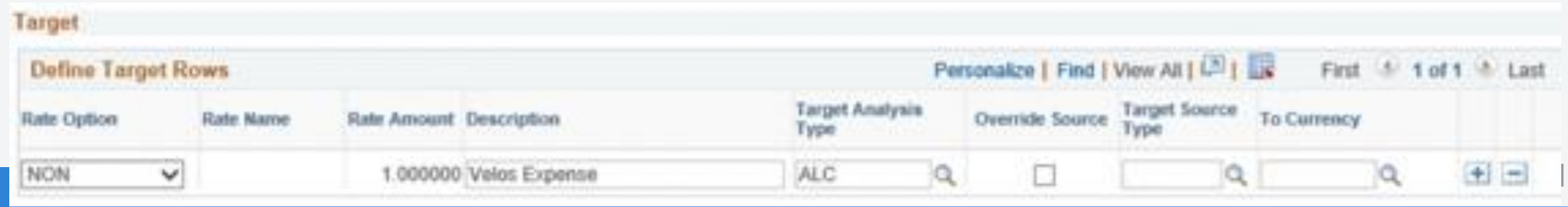
➢ *Rate Sets:*

This Rate Set is applicable when the source transaction is a Velos Payable (Analysis Type of 'VLE').



The Rate Definition Type of Cost indicates the target row will be used to create accounting costs.

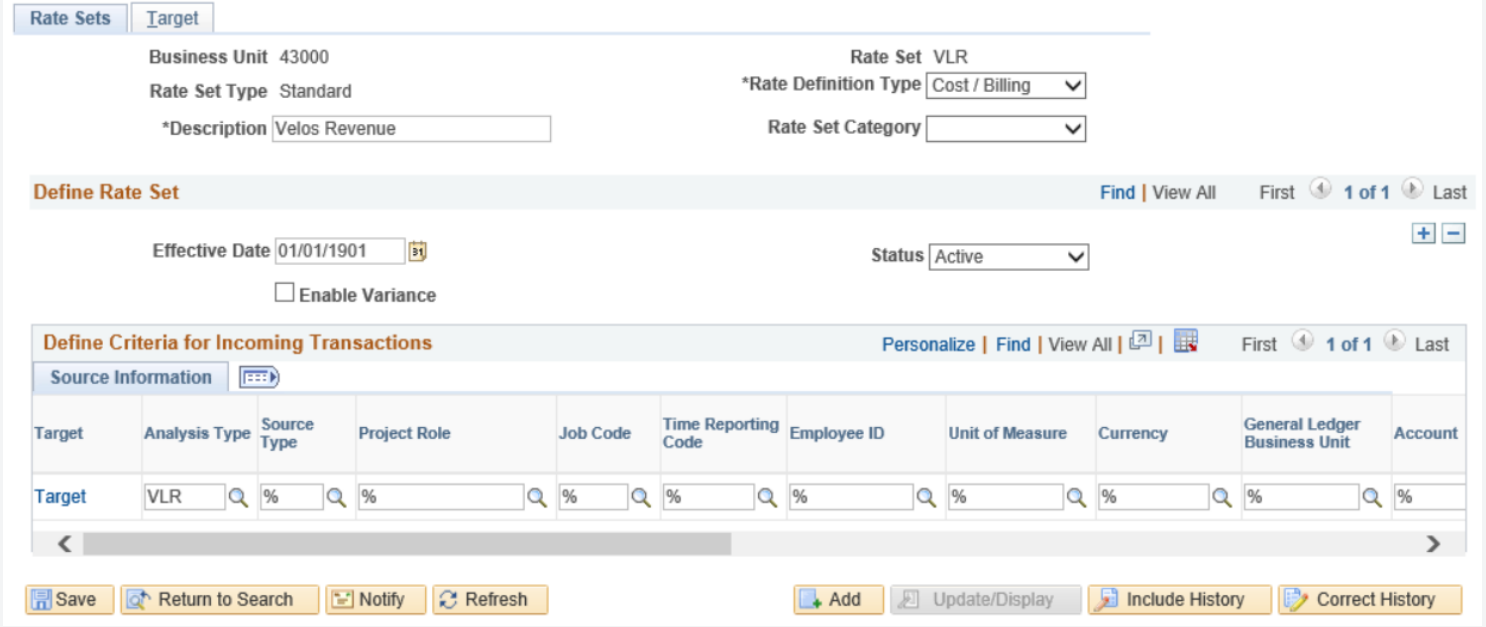
When the source transaction is a Velos Payable, a target row is created with an Analysis Type of 'ALC'. All other ChartField values (including Source Type) on the target row are inherited from the Payable transaction.



Configuration Items

➢ *Rate Sets:*

This Rate Set is applicable when the source transaction is a Velos Receivable (Analysis Type of 'VLR').



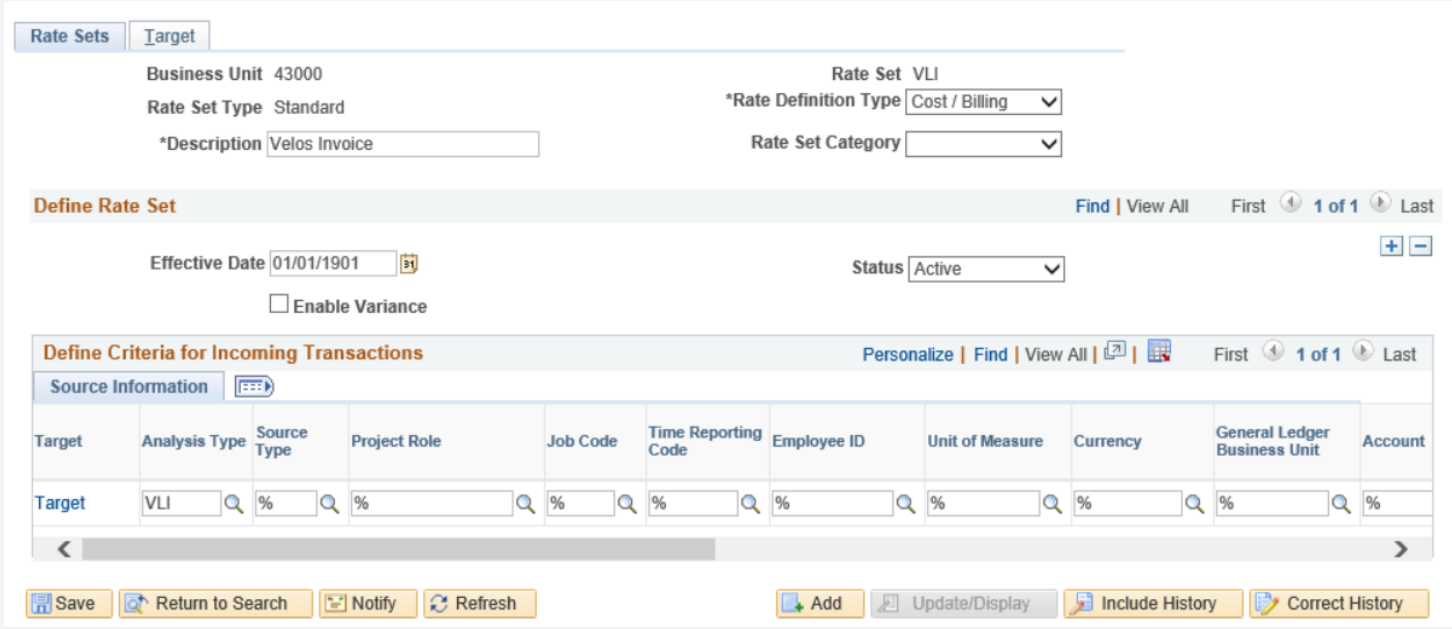
The Rate Definition Type of Cost/ Billing indicates the target row can be used to create accounting costs or billable transactions.

When the source transaction is a Velos Receivable, a target row is created with an Analysis Type of 'FRD'. All other ChartField values are inherited from the Receivable transaction.

Configuration Items

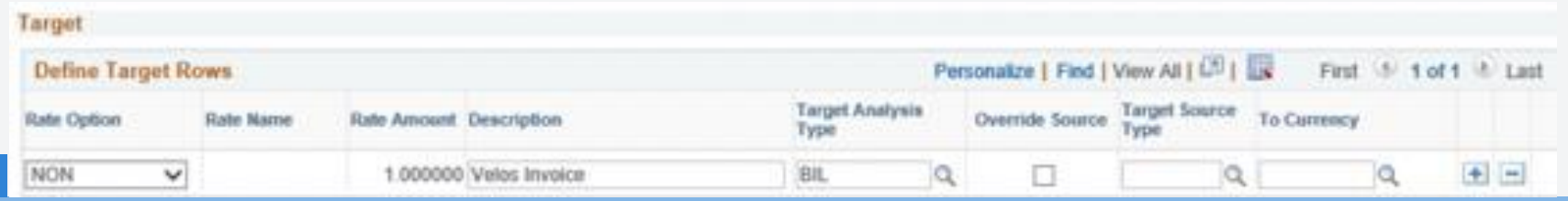
➢ *Rate Sets:*

This Rate Set is applicable when the source transaction is a Velos Invoiceable (Analysis Type of 'VLI').



The Rate Definition Type of Cost/ Billing indicates the target row can be used to create accounting costs or billable transactions.

When the source transaction is a Velos Invoiceable, a target row is created with an Analysis Type of 'BIL'. All other ChartField values are inherited from the Invoiceable transaction.

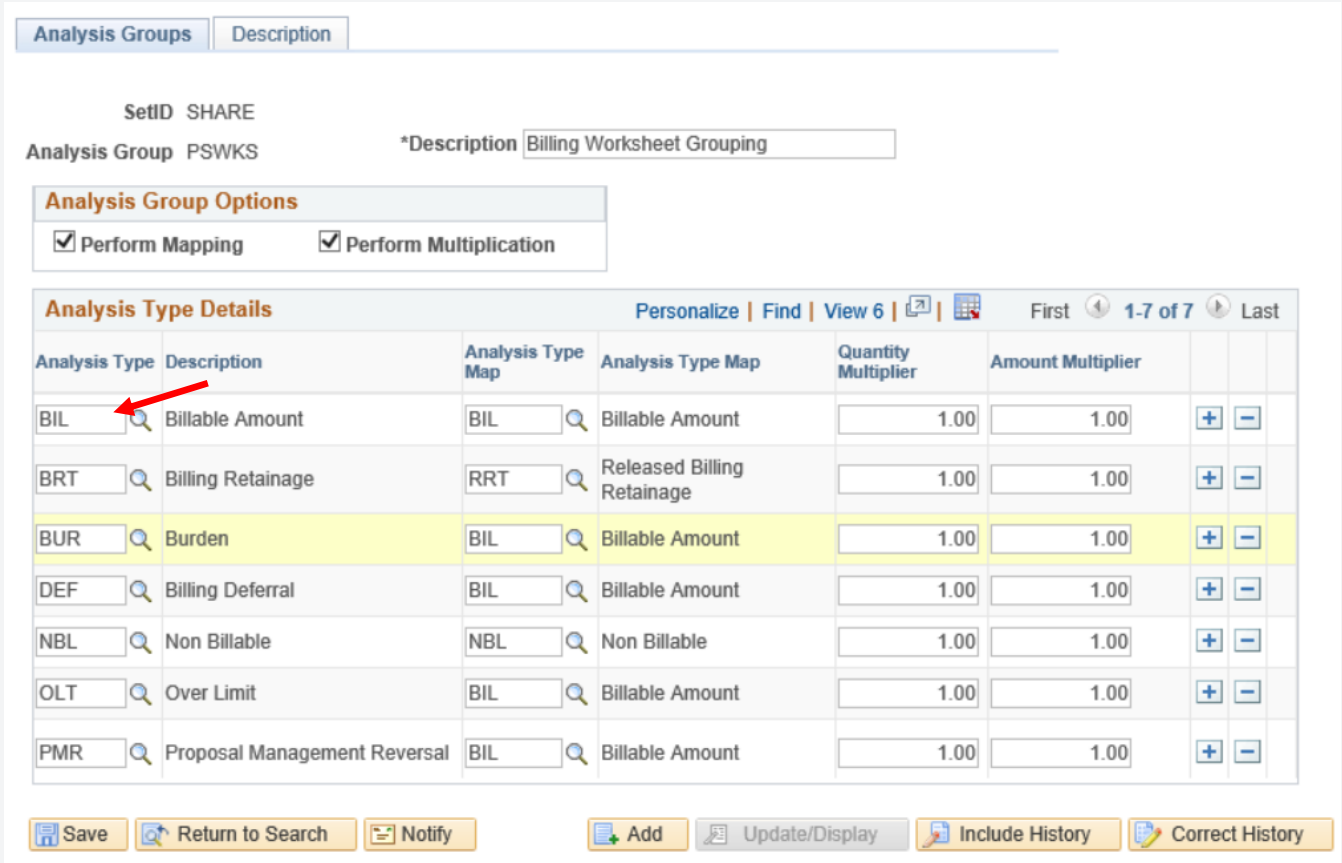


Configuration Items

- *Analysis Groups:*

Analysis Groups are used as part of the pricing process. The Analysis Group of PSWKS (Billing Worksheet Grouping) is used when establishing the target row for Rate Sets that create transactions to be sent to Billing. The BIL Analysis Type is associated with this Analysis Group.

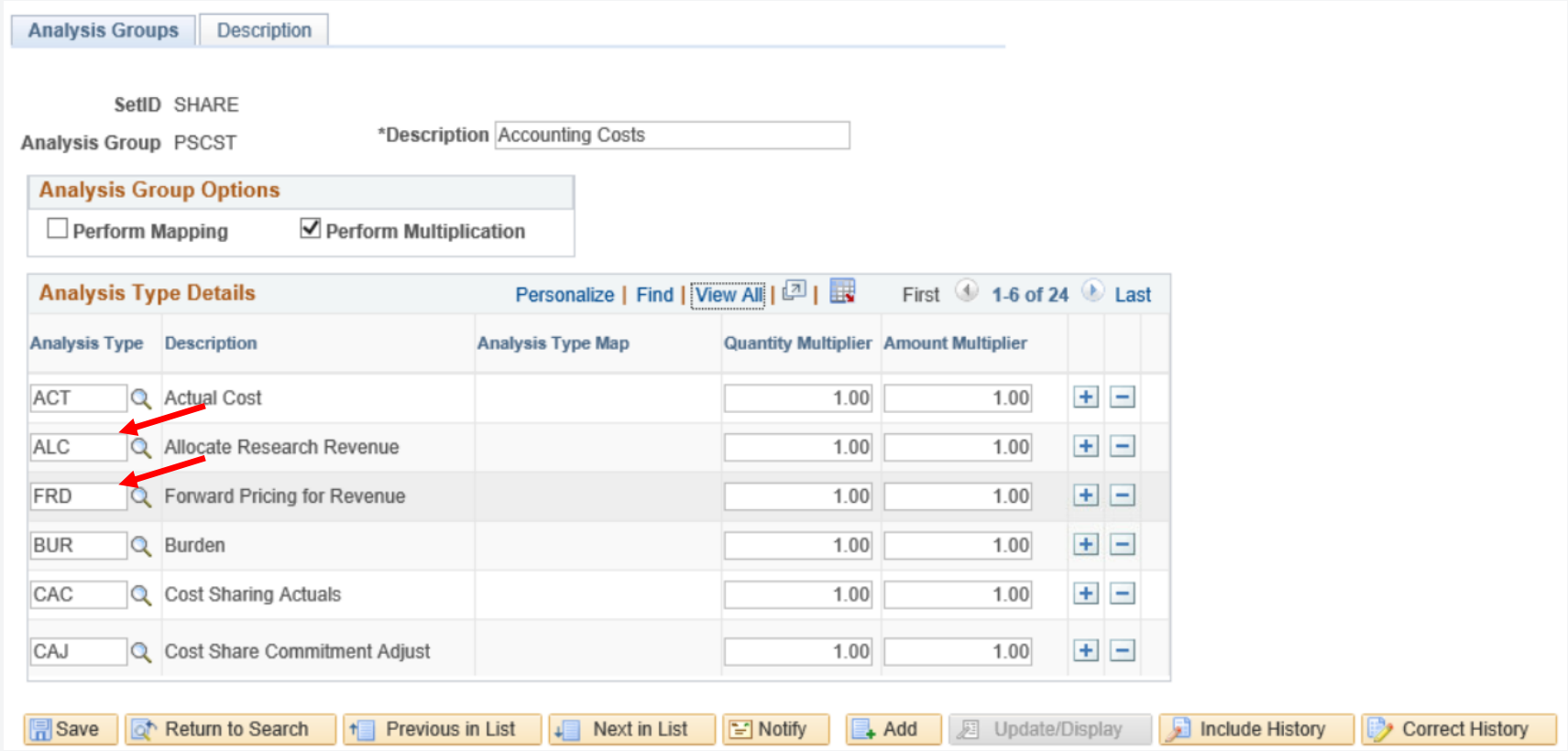
Navigation: Set Up Financials / Supply Chain > Product Related > Project Costing > Transaction Options > Analysis Groups



Configuration Items

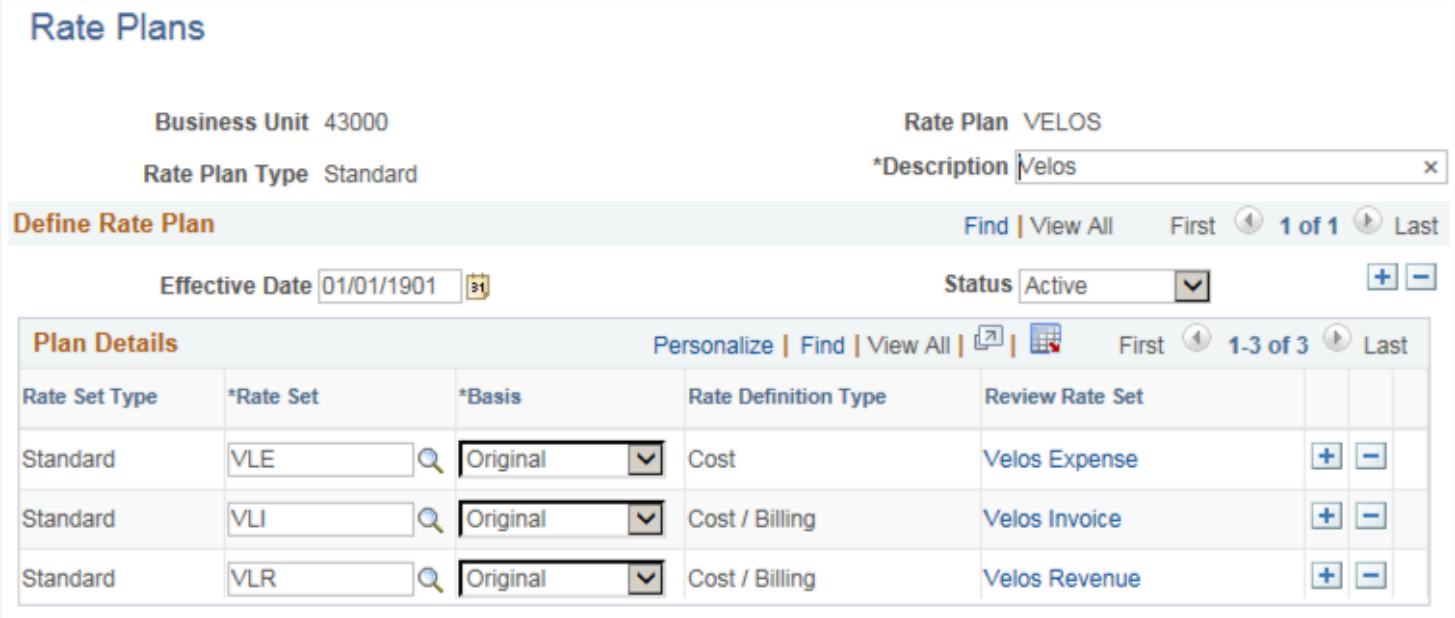
- *Analysis Groups:*

The Analysis Group of PSCST (Accounting Costs) is used when establishing the target row for Rate Sets that create transactions which are not sent to Billing. The ALC and FRD Analysis Types are added to this Analysis Group.



Configuration Items

- *Rate Plan:*
  - A Rate Plan is a collection of Rate Sets that the system executes in a specified order.
  - The Rate Plan 'VELOS' is created which consists of the 3 rate sets previously discussed.



Note: This Rate Plan is associated with all Clinical trail contracts to create target rows as part of the Award Generation process.

Navigation: Set Up Financials / Supply Chain > Product Related > Project Costing > Pricing Structure > Rate Plans

Configuration Items

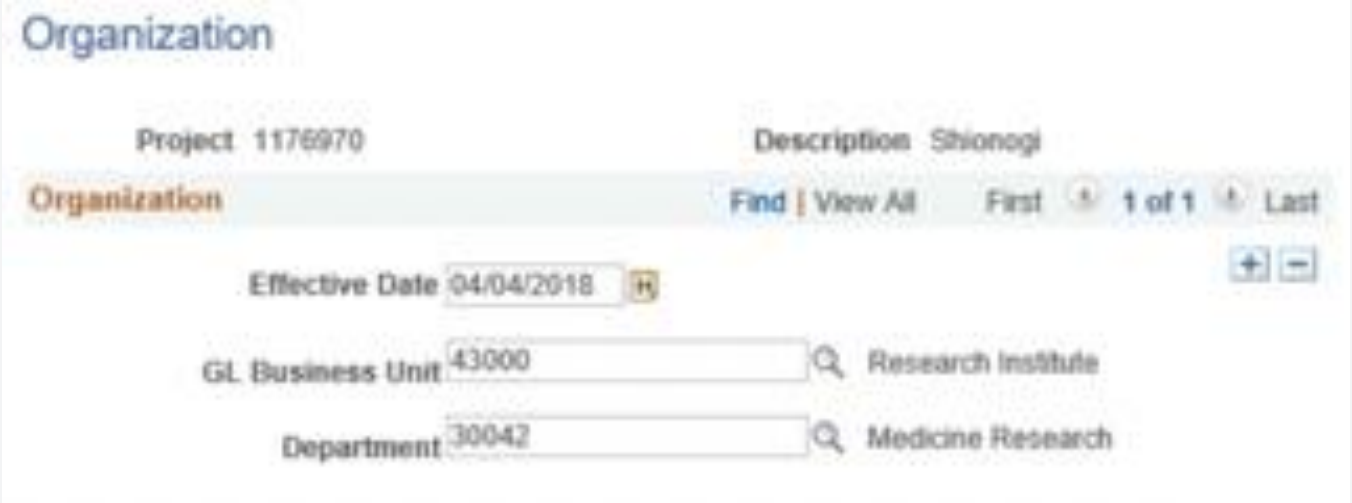
- *Product Rate Defaults:*
  - Products contain defaults which can facilitate the setup of the Contract.
  - One of the defaults associated with the Product is the Rate Plan / Set.
  - A Product was created for use with Clinical Trials and the Velos Rate Plan is associated with it

  - The Rate Plan is automatically associated with Clinical Trial Grants after the Award is generated

Navigation: Set Up Financials / Supply Chain > Product Related > Contracts > Contracts Product Options > Product Rate Defaults

Project Setup

- *Project Organization:*
  - Each Clinical Trial is associated with a 'home' Business Unit and Department as part of the setup process
  - This step is required for accounting entries to be created when Organization Accounting is enabled



Navigation: Project Costing > Project Definitions > Organization

Configuration Items

➢ *Accounting Rules:*

- Accounting Rules create accounting entries for Cost Reimbursable Grants when transactions created through the Pricing process meet the criteria for the Accounting Rule
- Accounting Rules are established for each of the Target Analysis Types (ALC, FRD and BIL) as well as for each GL BU that supports Clinical Trials

Velos Transaction - original row		Pricing Transaction - new ow		Accounting Rules			
Original Analysis Type	Original Source Type	Target Analysis Type	Target Source Type	DR/CR	Account	GL BU	Department
VLE	Overhead	ALC	Overhead	DR	*Expense Account corresponding to the Over head source Type*	*Organizational*	*Organizational*
				CR	*Revenue Account corresponding to the Over head source Type*	*Transactional*	*Transactional*
VLE	Pharmacy Fees	ALC	Pharmacy Fees	DR	*Expense Account corresponding to the Pharmacy Fees source Type*	*Organizational*	*Organizational*
				CR	*Revenue Account corresponding to the Pharmacy Fees source Type*	*Transactional*	*Transactional*
VLR		FRD		DR	*Regular Grants Receivable Account*	*Organizational*	*Organizational*
				CR	*Regular Grants Revenue Account*	*Organizational*	*Organizational*
VLI		BIL		DR	*Regular Grants Unbilled AR Account*	*Organizational*	*Organizational*
				CR	*Regular Grants Revenue Account*	*Organizational*	*Organizational*

Accounting Rules are also created for each Source Type associated with the ALC Analysis Type.

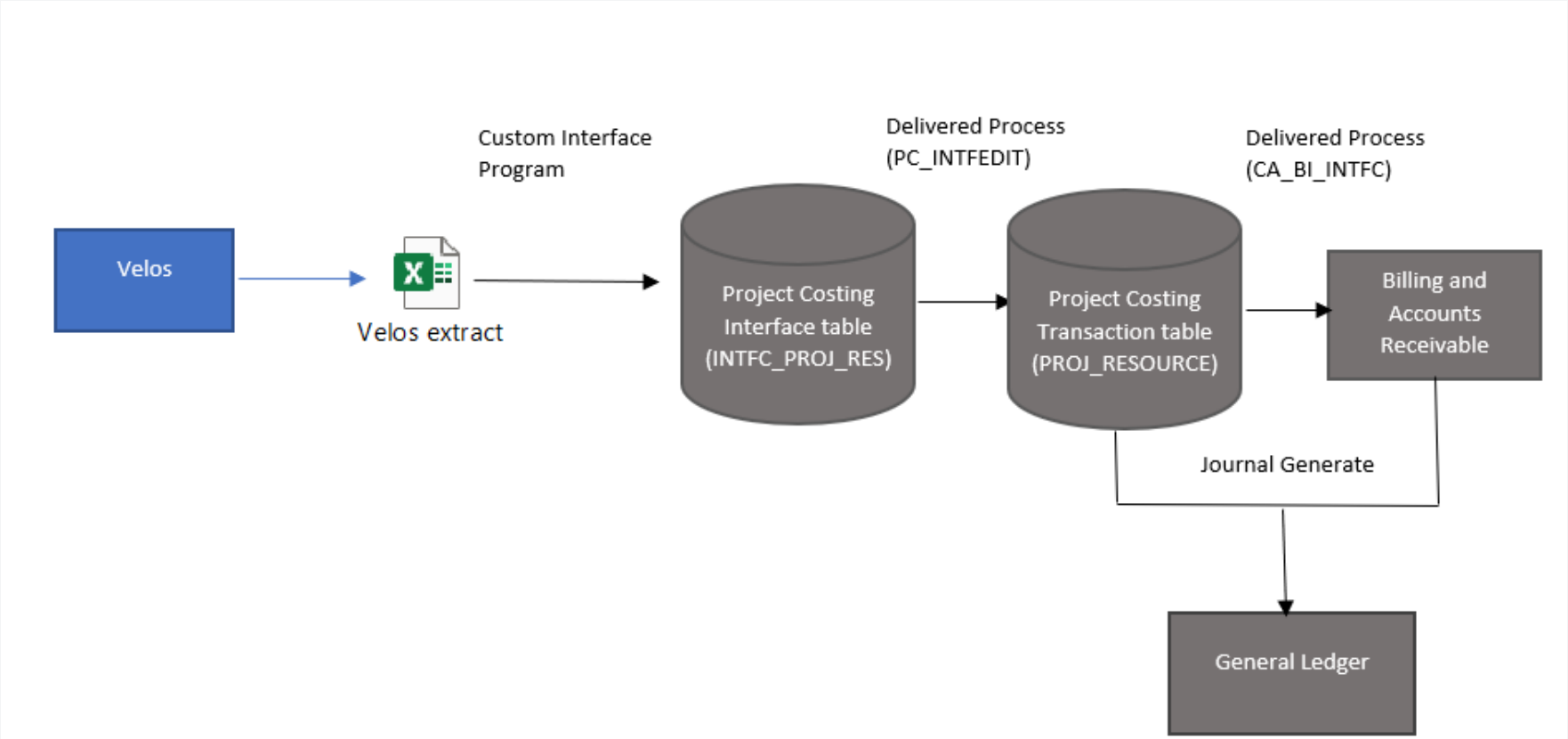
Organizational ChartFields are populated using the value associated to the Project Organization (the 'home' GL BU and Department).

Transactional ChartFields are populated using the value on the Project Costing Transaction table. The ChartFields values on this table originate in Velos.

Navigation: Set Up Financials / Supply Chain > Product Related > Project Costing > General Options > Accounting Rules

Solution Overview

The below process flow shows how the entries from Velos come into PeopleSoft Project Costing and flow all the way through General Ledger:



Velos Collection and Pricing

- Velos transactions originate when a Milestone is reached. These transactions will be sent to PeopleSoft in an excel report which is generated at the end of every month.
- The excel contains the information to be tracked in PeopleSoft. This information is loaded into Interface Project Costing table (INTFC_PROJ_RES) using a Custom Interface Program.
- After the Velos transactions are loaded into the Project Costing interface table (INTFC_PROJ_RES), the delivered PeopleSoft transaction load process (PC_INTFEDIT) is run to load these transactions in Project Costing Transaction table (PROJ_RESOURCE).
- The Pricing process is initiated when transaction load process runs. This process compares the Analysis Types (VLE, VLR and VLI) on the transactions to the Rate Plan associated with the Contract. Which creates new rows in the Project Costing Transaction Table with Analysis Types of ALC, FRD, and BIL.
- The target rows create the appropriate accounting entries when Accounting Process (PSA_ACCTGGL) is run based upon the Accounting Rules.

Velos Billing and Receivables

- Once the information is collected into Project Costing and the appropriate accounting entries are created, the billable amount (BIL rows) is sent to Billing using the As Incurred Billing process (CA_BI_INTFC)
- The billable rows are processed through billing and invoices are generated using delivered PeopleSoft processes.
- The invoice information is then sent to Accounts Receivables to create open AR items. Payments are applied against the corresponding AR items when they are received.
- The accounting entries created in each of these modules (Project Costing, Billing and AR) are fed into GL using the Journal Generation Process.

Benefits and Lessons Learned:

Benefits:

- Accounting entry creation is automated and mimics the accounting entries previously entered manually.
- Milestones in Velos are processed as regular reimbursable Projects without having to duplicate setting up milestones for billing in PeopleSoft.
- Entries are loaded into Project Costing and then into General Ledger using delivered processes.
- Easily maintained by functional users.

Lessons Learned:

- Evaluate data quality and cleansing needs early in solution design phase.

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