February 8, 2021

Kickoff and Overview Session
FOUNDATION DATA MODEL (FDM)

ONE WASHINGTON | One Washington
A Business Transformation Program

GROUND RULES

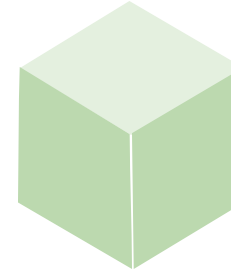| Ask	Represent	Resolve
Collaborate	Speak	Listen
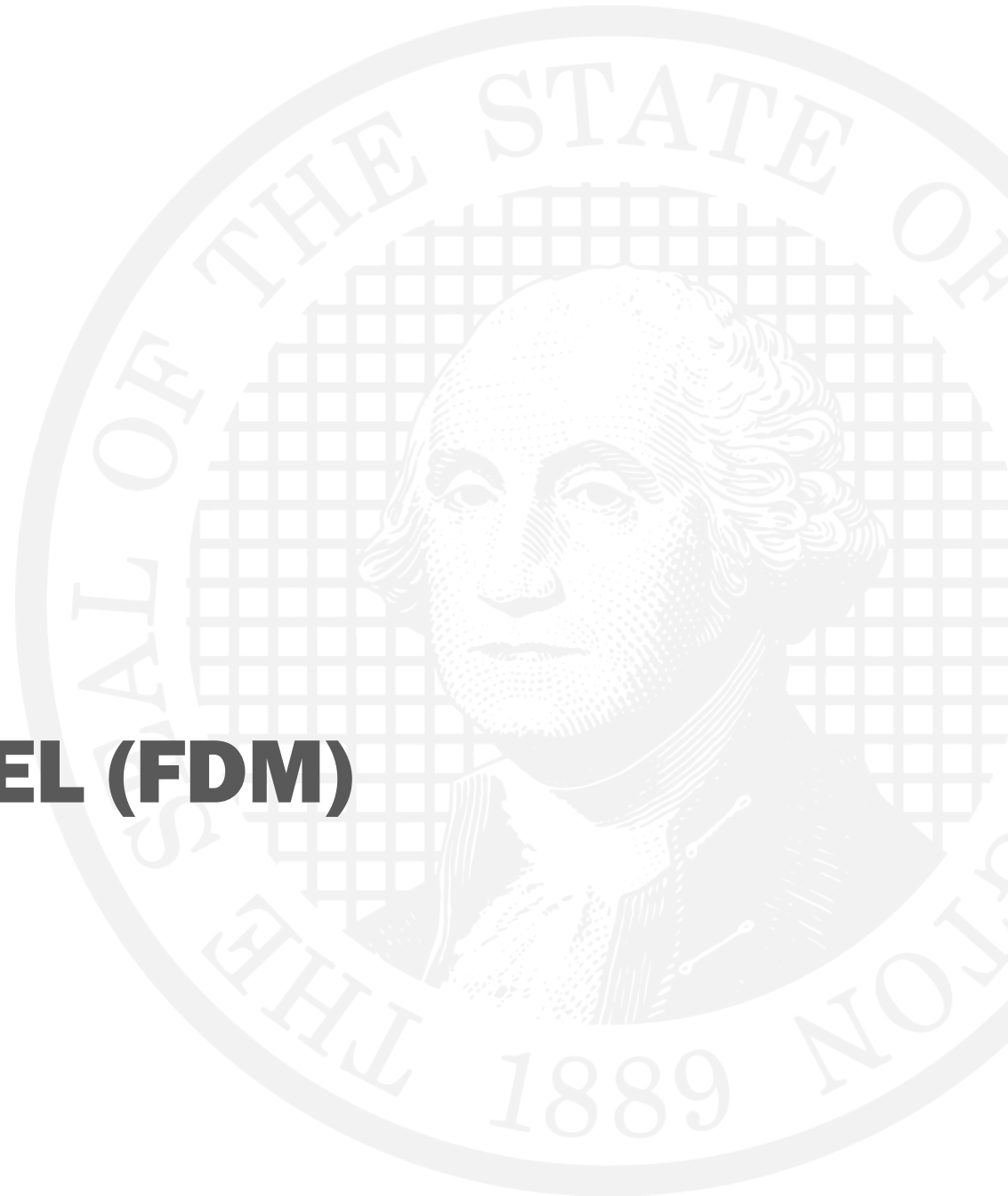
Ground Rules

AGENDA and OBJECTIVES

AGENDA

- Welcome and Introductions
- Review Housekeeping Items
- What is the FDM?
- FDM Concepts
- Review FDM design process and engagement
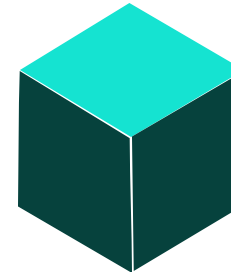- Introduce FDM Governance
- Wrap Up

OBJECTIVES

Begin education around Workday FDM concepts

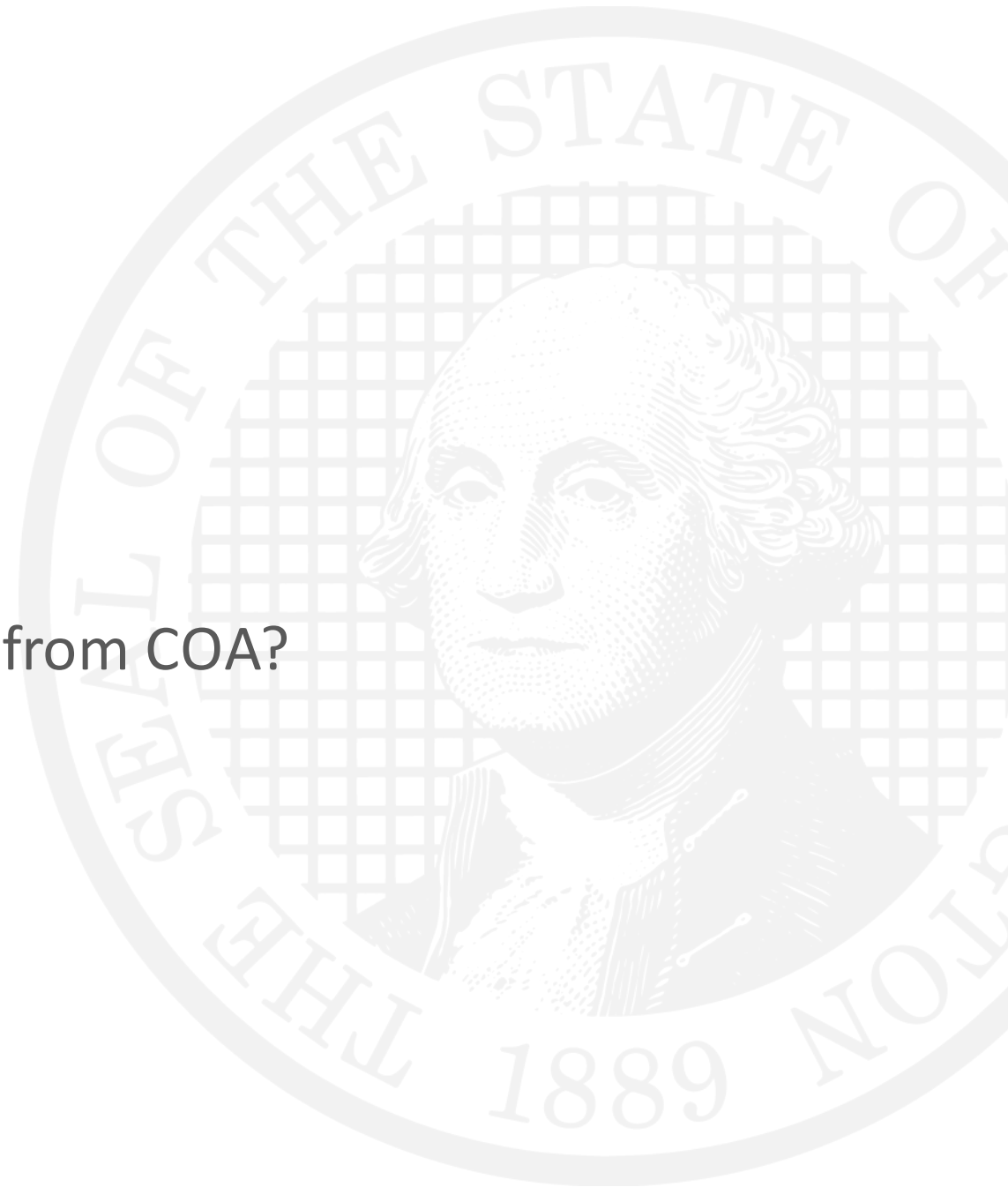Visualize Workday FDM and how it's used within the system

Provide overview of FDM design journey and engagement

FDM Overview

What is the FDM and how it's different from COA?

WHAT IS THE FDM?
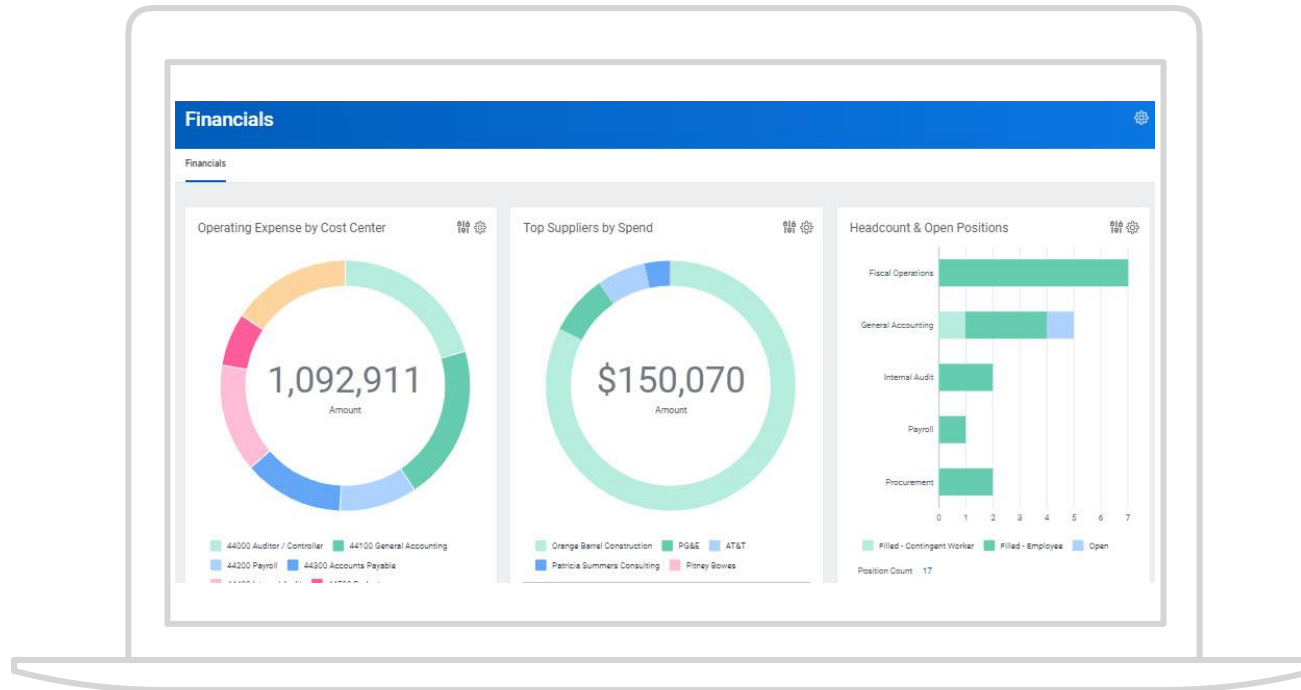
The Foundation Data Model or FDM is the data model used across Workday Financials and HCM that establishes the foundation for transaction processing and reporting.

Analyze business dimension tagged on a transaction

Ability to report on any (or multiple) worktags

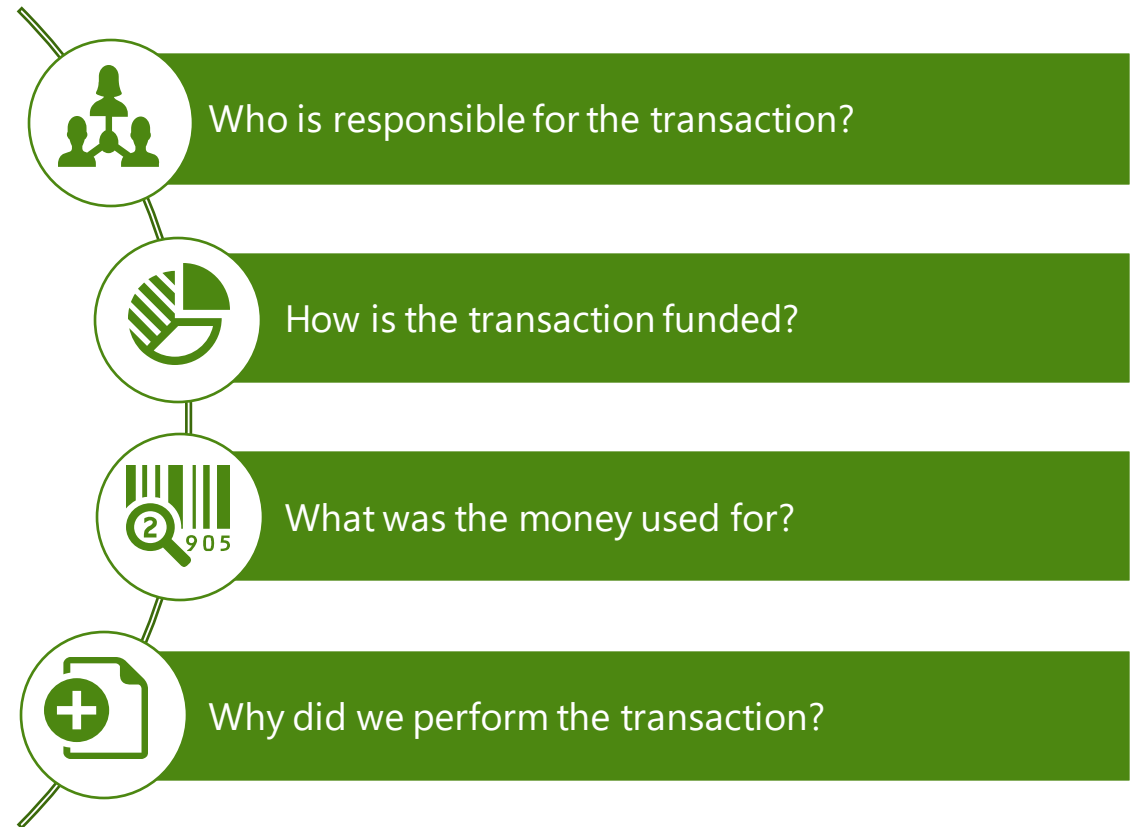Minimize natural accounts by utilizing worktags to provide detail

Creates flexibility by utilizing combination of worktags

HOW IS THE FDM DIFFERENT FROM A COA?

The FDM provides the ability to meet core accounting reporting needs and add additional information to support management reporting needs to each transaction that results in the ability to answer the following questions.

- More than object/sub-object codes, includes operational data dimensions (supplier, customer, grantor, employee, etc.)

- A multidimensional structure where all transactions are impacted by the FDM

- A flexible way to define dimensions that are relevant to different areas of the business

- Allow users to tag their transactions by business dimensions that are relevant to each area of the State

- A framework to support all financial and management reporting across the State and flexibility to meet agency requirements

Who is responsible for the transaction?

How is the transaction funded?

What was the money used for?

Why did we perform the transaction?

Demo 1

Process a supplier (vendor) invoice

AP Specialist
- Create a non-PO supplier invoice
- View accounting for a supplier invoice

Jeff Cortes

Demo 2

Supplier Invoice Reporting and Analysis

Accountant

- View Financials Dashboard and analyze spend
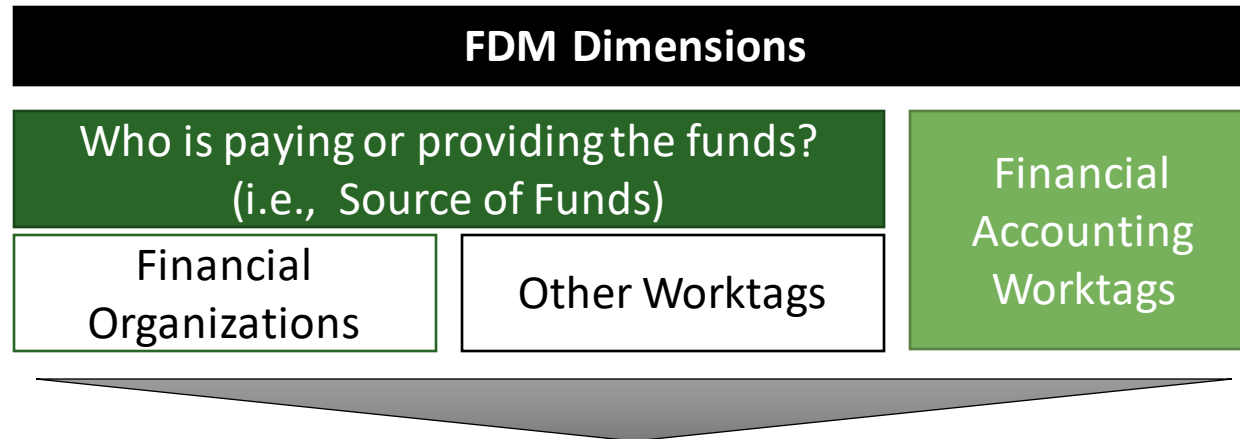
Matt Fong

FDM Concepts

What are the delivered values and how they are used on different types of transactions?

FDM REPORTING DIMENSIONS OVERVIEW

FDM dimensions or **worktags** are **keywords or dimensions** that you **can assign to transactions** and supporting data to make the business purposes clear and establish common relationships through classification. Classification provides a **multidimensional view** of the State's business operations through reporting that can be **acted upon**.

- **Organization Worktags** are building blocks for managing information that are both financial and non-financial; can be organized into **hierarchies** and **roles** and **security** can be assigned

- **Other Worktags** provide quick way to capture additional information that can be used for reporting

FDM Dimensions

Who is paying or providing the funds?
(i.e., Source of Funds)

Financial Organizations	Other Worktags

Financial Accounting Worktags

Describes the nature of the transaction to support financial and management reporting across the State

Allows users to tag their transactions by business dimensions that are relevant to each area of the State while providing a framework to support financial and management reporting across OFM and the agencies

WORKTAG TYPE DESCRIPTIONS

Type	Description
Organizations (Delivered and Custom)	Definable worktags where people are assigned and used on financial transactions (e.g., cost center, fund, grant, project, etc.) • People often "belong" to them • Role assignments for reporting security and business process approval • Are hierarchical in nature • Ability to define up to 10 custom organizations as a financial worktag
Financial Accounting Worktags	Describes the nature of the transaction to support all financial and management reporting across the enterprise • **Ledger Account** – defines accounting treatment of transaction and used for financial statements • **Spend/Revenue Category** – aligns with item being exposed and used during operational transactions and reports; allows for sub-classification of ledger accounts to streamline COA with fewer revenue/expenditure accounts • **Purchase Item** – represents SKU or catalogue level detail of the purchase and used during procurement and operational reports • **Expense Item** – define the transactions workers use in expense reports (e.g., airlines, hotels, etc.) • **Sales Item** – reflects the details of customer contracts and orders • **Object Class** – ability to categorize grant related expenditures captured in internal financial spend categories and pay components using the terms defined by the grantor reporting and invoicing requirements • **Pay Group** – represents a worker's earnings and deductions on payroll transactions
Derived Worktags	Attributes about an organization or worktag that can be derived in reporting based on the relationship (e.g., grantor award contract or award info for a grant or where did a worker travel from/to and what airline for an expense reports)
Reference Objects (worktags)	Inherent on the operational transaction itself and carry through to the accounting and can vary based on the type of operational transaction (e.g., suppliers and tax info on a supplier invoice, employees on expense reports, grantors/customers on AR, deduction recipients on payroll deductions)
Custom Objects	Ability to extend Workday business objects by creating custom object definitions based on the business object and adding custom fields. Custom objects enable you to record additional data for which there's no Workday-delivered field. • Business objects are used to store data in Workday (such as organizations or workers). A business object has fields and instances, which are analogous to rows and columns in a spreadsheet.
Custom Worktags	Optimal when all you need is a simple tag for financial transactions that do not require any capabilities around roll-ups, security assignment, or assigning to workers. Ability to define up to 15 custom worktags with configurable names and values, which are available in financial, payroll, and time tracking transactions. Note: custom worktags cannot be used for payroll costing allocations and accounting adjustments

FDM REPORTING DIMENSIONS | SOURCE OF FUNDS

FDM Dimensions
Who is paying or providing the funds? (i.e., Source of Funds)

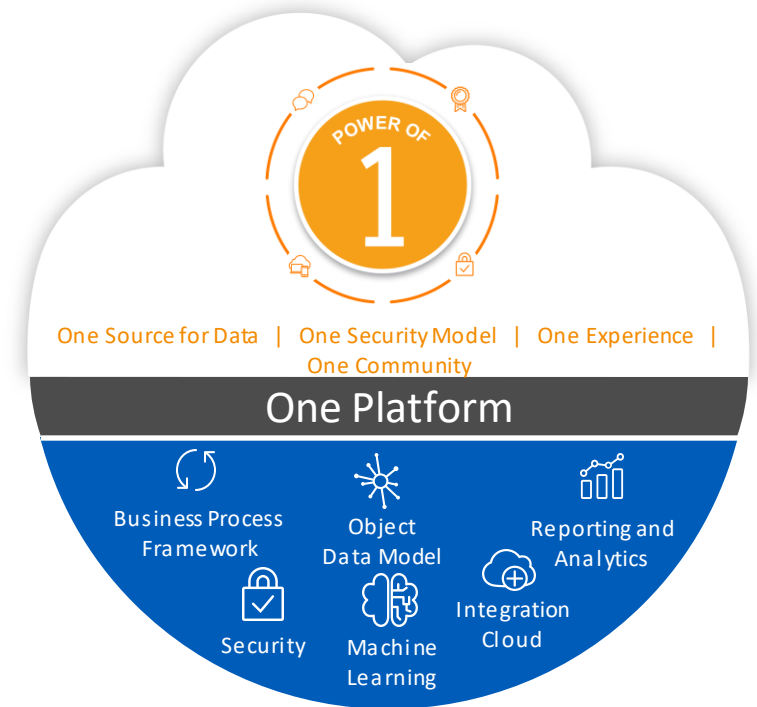| Financial Organizations	Other Worktags

■ **Company** – legal entity (generally), required on all transactions, balancing enforced at this level, ledger accounts linked to companies. Primary organization type used by Workday Financials.
 	
■ Delivered Organizations
  o **Business Unit** – define line of business or operating unit, some limitations include no effective dates or related worktags
  o **Cost Center** – departments of the agency/division where activities are tracked; typically, where workers and their costs are assigned
  o **Fund** – self-balancing set of accounts, segregated for specific purposes or fund restrictions and limitations
  o **Gift** – enables endowment accounting in Workday using the unitized method or used without endowment accounting to track spendable or non-pooled gifts
  o **Grant** – central organization type worktag for Grants Management used for external sources of funding from a grantor
  o **Loan** – object was designed for mortgage companies & banks to track loan transactions, and generate reports on specific loans
  o **Location** – physical address reflecting a worker's work location and captures financial transactions related to location (e.g., purchasing, business assets, inventory site or par location, or employees)
  o **Program** – track revenues and expenses by ongoing activity
  o **Project** – track revenues and expense by specific start and end dates for these types of projects: internal, capital, or billable
  o **Region** – geographic area for expenditure or revenue capture (not a specific location)
 	
■ Custom Organizations
  o TBD (e.g., Agency, Debt, Event, Loan Receivable)
	■ **Derived Worktags**
	  o Grantor Award Contract info for a grant
	  o Org level from a Cost Center
	  o Where a worker traveled from/to, and what airline on an expense report
	
	■ **Reference Objects**
	  o Suppliers and tax info on supplier invoices
	  o Employees on expense reports
	  o Grantors/Customers on AR
	  o Deduction recipients on payroll deductions

FOUNDATION WORKTAGS BY SOLUTION

These organization type worktags by solution highlights the flexibility of the data model to define dimensions that are relevant to different areas of the business.

Workday Financials	Workday HCM	Workday Payroll
• **Company** • Cost Center • **Location**[1] • Region • Program • Fund • Gift • Business Unit • Grant • Project	• Supervisory Organization • **Location**[1]	• **Company** • Pay Group • **Location**[1]

POWER OF 1

One Source for Data | One Security Model | One Experience | One Community

One Platform

Business Process Framework

Object Data Model

Reporting and Analytics

Security

Machine Learning

Integration Cloud

Note:
1. Location has shared usages across HCM, Payroll, Business Assets, Inventory, and Procurement. Plus, touchpoints with facilities maintenance and/or space management systems

WORKDAY TRANSACTION PROCESSING

Operational Transactions
(Purchasing, AP/AR Invoicing, Travel, Banking)

- Capture information required for posting, workflow routing; including FDM dimensions
- Often enabled by business process events (i.e., workflow)
- Examples (not exhaustive)
  - Requisition
  - Purchase Order
  - Supplier Invoice
  - Spend Authorization
  - Expense Report
  - Settlement
  - Miscellaneous Payments
  - Ad Hoc Payment
  - Ad Hoc Bank Transaction
  - Asset maintenance
  - Internal Service Delivery
  - Multiple Funding Sources

Account Posting Rules (APR)

Map Worktags and related attributes to Ledger Accounts

Ledgers
(Commitment, Encumbrance, Actuals)

Operational Journals
- Created automatically for operational transactions initiated through the various Workday transaction tasks
- Triggered by business process completion
- Additionally, can be generated in "reserved" status by budget check for select transactions
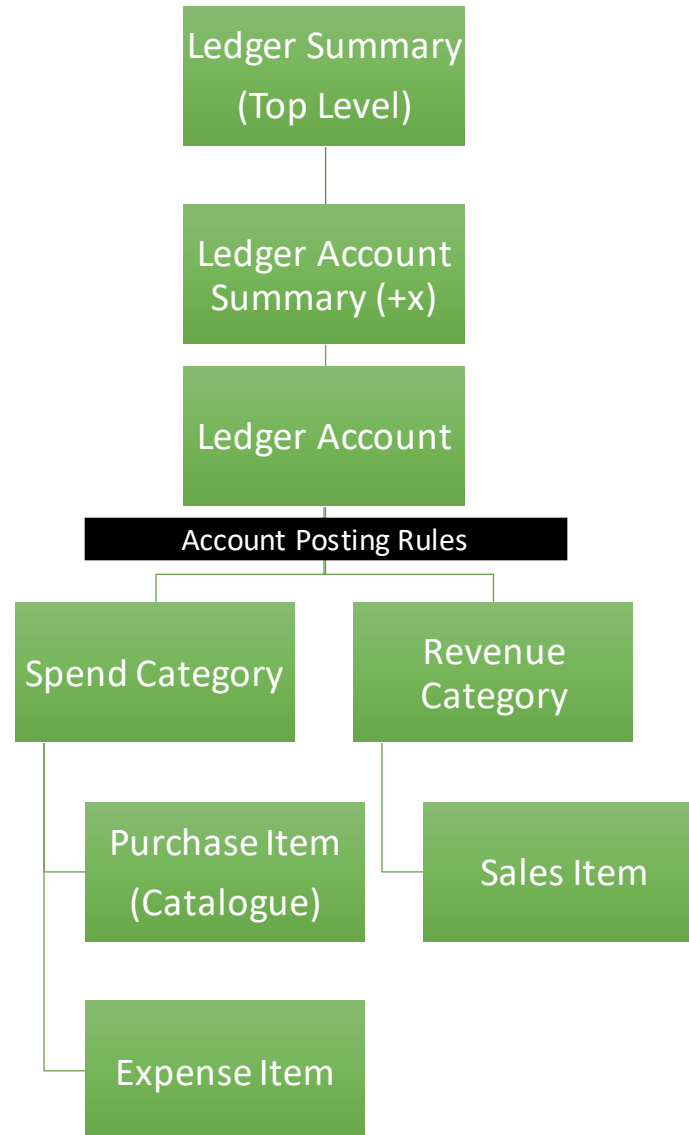
Accounting Journals
- Created manually, uploaded from XLS, or 3rd party integration for accounting purposes
- Workday doesn't automatically tie these journals to transactions

FINANCIAL ACCOUNTING WORKTAGS | OPERATIONAL TO ACCOUNTING JOURNALS

Operational Journals

Purchase Items - Catalogues

Pens	Paper

iPad	Laptop

Expense Items – Expense Report

Meals	Entertainment

Airfare	Car Rental

Sales Items – AR Invoicing

Landfill Fee	Special Events Fee

Spend Categories

Office Supplies

Mobile Office Assets

Entertainment

Travel

Revenue Categories

Public Services Revenue

Contracts Revenue	Cooperative Agreement	Grant Revenue

Account Posting Rules

Accounting Journals

Ledger Account – Natural Classification

Supplies

Equipment

Travel

Services

Grants

FINANCIAL ACCOUNTING WORKTAGS | STRUCTURE

FDM Design Process

How are we going to document the FDM design and how does it evolve over each stage of the implementation?

WHAT IS THE OUTPUT OF THE FDM DESIGN PROCESS?

The FDM Blueprint is the output from a series of sessions during the Plan and Architect stages that documents the new transaction data model design to support workflow processing and reporting requirements.

1. **Kickoff and Overview session** – today

2. **Discovery sessions** through early March to identify delivered & custom worktags

3. FDM project team **working sessions** during February and March

4. **Outreach sessions** with OFM Divisions and Agencies to validate the FDM design – from late March to early April

5. **FDM Blueprint socialization** by end of April in preparation for Configuration tenant build

FDM Blueprint

Purpose
- Share initial draft of FDM to allow for build activities to begin
- Use as an education tool for project team members, project SMEs, OFM divisions, and agencies
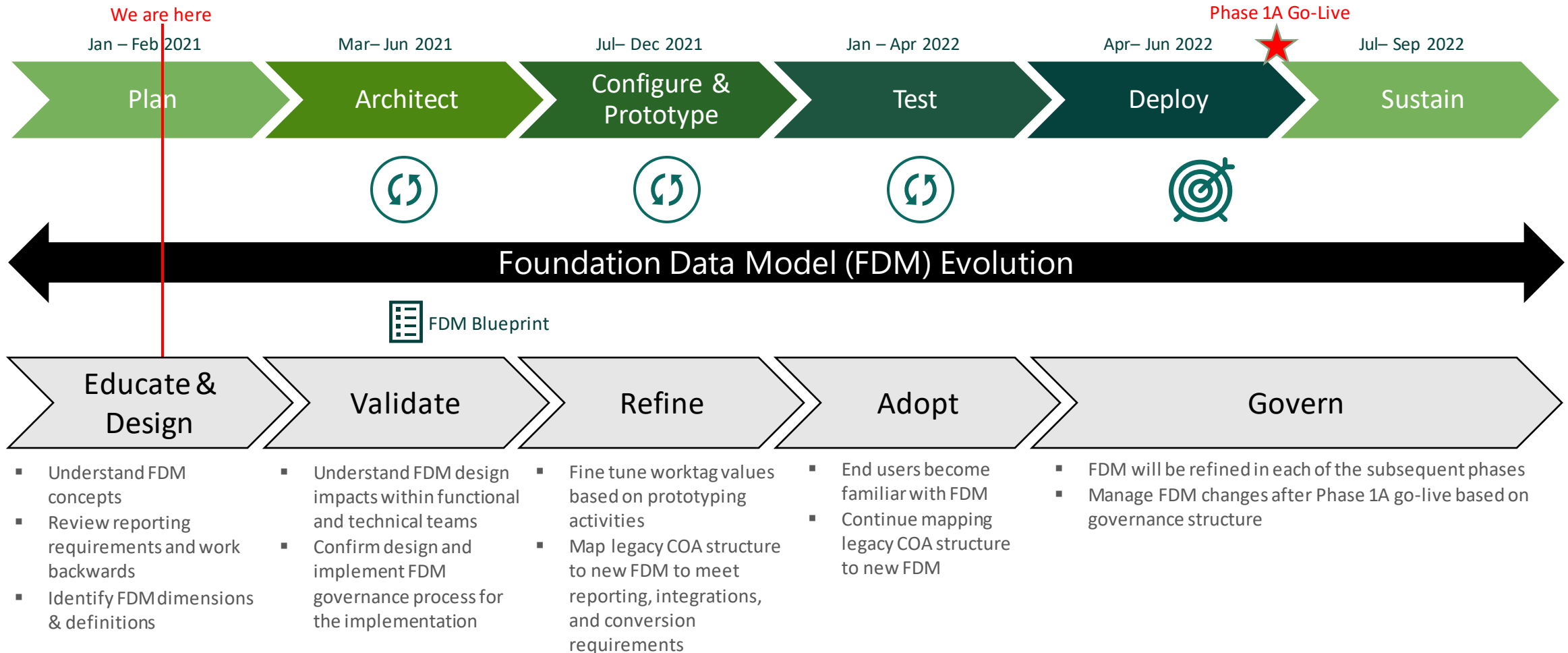
Contents
- Initial drafts of FDM structure and worktag definitions
- Information illustrating how FDM functions
- High-level mapping from legacy system (AFRS) segments to Workday
- Initial FDM governance highlights

Target Audiences
- Project team members
- SMEs working closely with project
- Finance leaders at OFM divisions and Agencies

FDM DESIGN PROCESS ALIGNED TO PROJECT TIMELINE

There is a multi-step approach involved when transitioning from legacy systems to Workday data model architecture. The FDM team will continue to refine the new data model over the life of the One Washington implementation based on user input and prototyping activities.

We are here

Phase 1A Go-Live ⭐

Jan – Feb 2021	Mar– Jun 2021	Jul– Dec 2021	Jan – Apr 2022	Apr– Jun 2022	Jul– Sep 2022
Plan	Architect	Configure & Prototype	Test	Deploy	Sustain

Foundation Data Model (FDM) Evolution

📋 FDM Blueprint

Educate & Design	Validate	Refine	Adopt	Govern
▪ Understand FDM concepts ▪ Review reporting requirements and work backwards ▪ Identify FDM dimensions & definitions	▪ Understand FDM design impacts within functional and technical teams ▪ Confirm design and implement FDM governance process for the implementation	▪ Fine tune worktag values based on prototyping activities ▪ Map legacy COA structure to new FDM to meet reporting, integrations, and conversion requirements	▪ End users become familiar with FDM ▪ Continue mapping legacy COA structure to new FDM	▪ FDM will be refined in each of the subsequent phases ▪ Manage FDM changes after Phase 1A go-live based on governance structure

DESIGN WITH THE END IN MIND

There are three competing goals that factor into designing your Workday FDM.
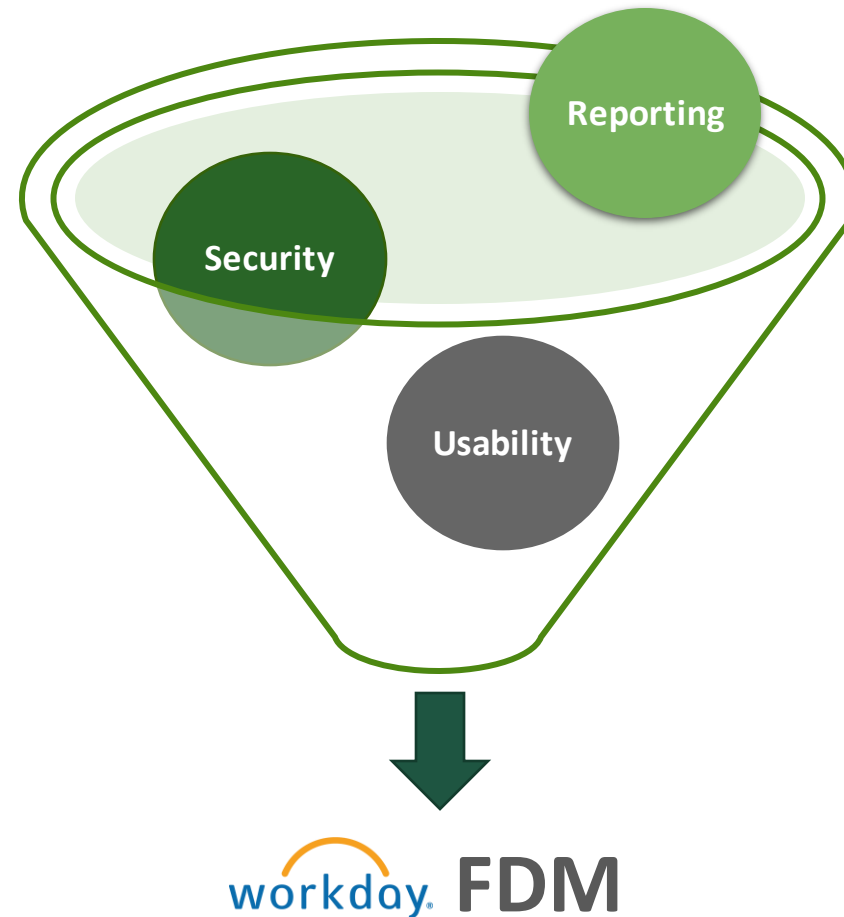
REPORTING CONSIDERATIONS

Financial & Audit Reports

- Comprehensive Annual Financial Report (CAFR)
- Single Audit Report
- Legal entity structure

Management Reporting

- Budget vs. actual with available balance
- Rollup by division, cost center, project, etc.
- Line of business/discipline(s)
- Key performance measures

Regulatory & Statutory Reporting

- GASB reporting
- Tax Reporting (e.g., Sales & Use, 1099)
- Third parties (e.g., grantors)

ERP Security and Partitioning

- Restrict access to specific tasks and/or organizations
- Visibility by assigned organization
- Restrict access by company/company hierarchy for: cost centers, ledger accounts, suppliers, etc.
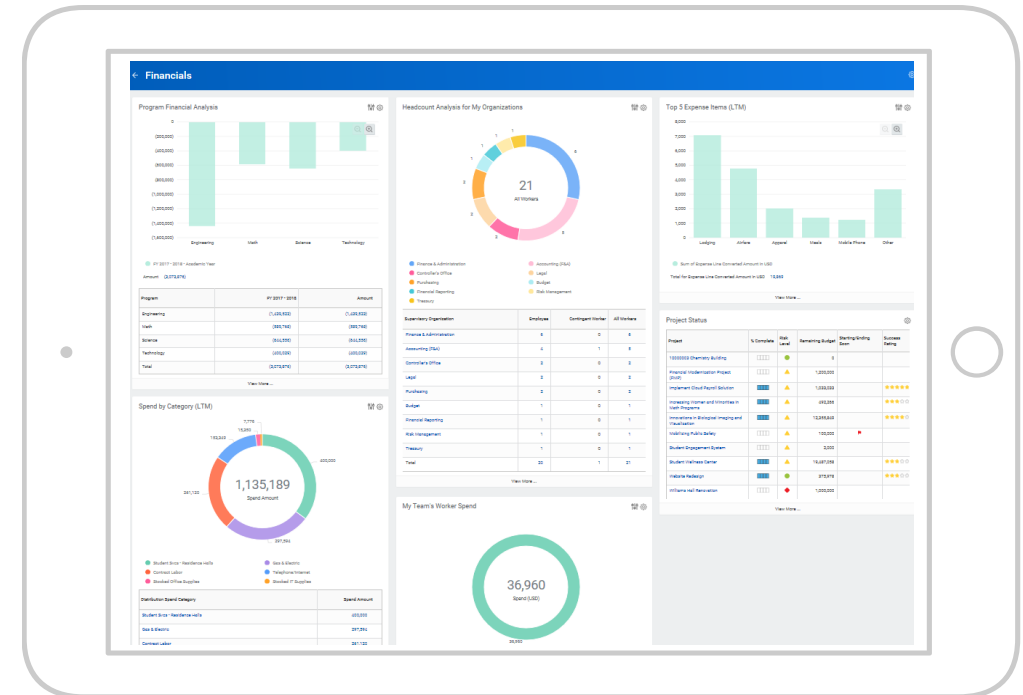
DESIGN CONSIDERATIONS

Workday is designed to remove the accounting knowledge from the end user and manage it all by the flexibility of the FDM design and configuration performed during the implementation.
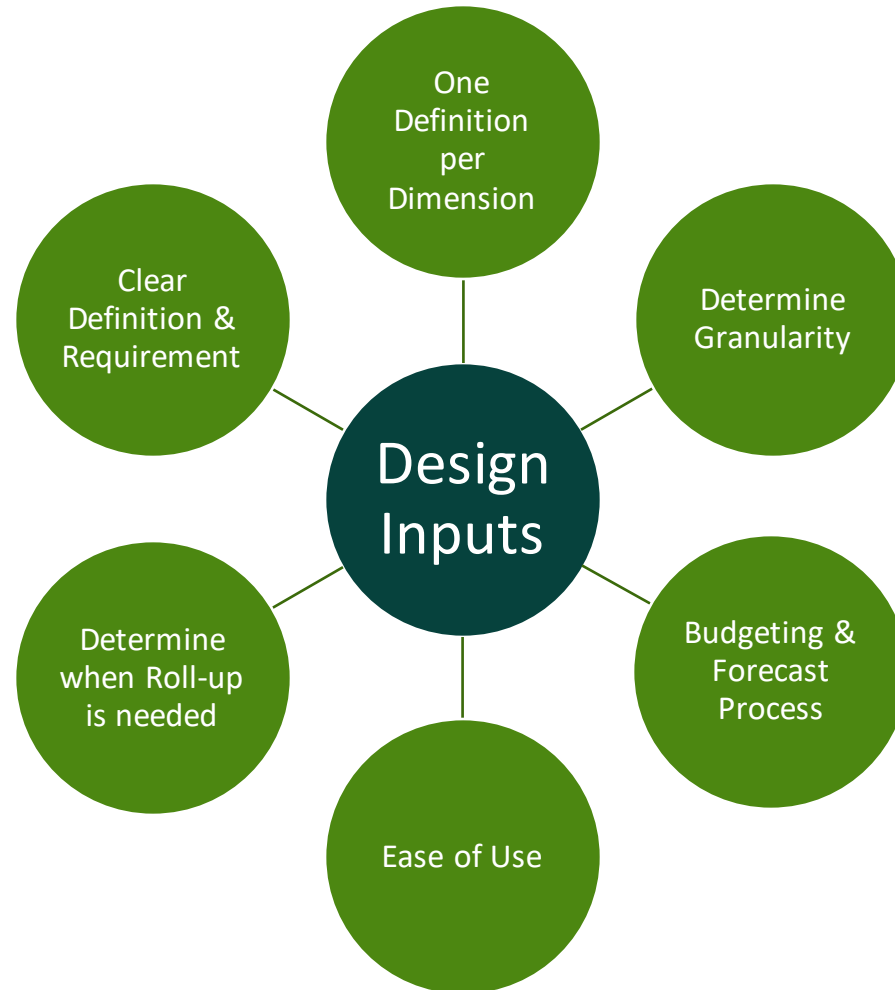
USABILITY CONSIDERATIONS

- The **quality** of the data depends on the data entered into the system

- Leverage **related worktags** to minimize data entry

- Use a consistent ID and description **naming convention**

- Optimize **search** functionality

- Configure **validation logic** to enforce existence and Worktag combinations

- Define lowest level of granularity required and **create hierarchies** to group the values

- **Default organizations** from employee definitions (i.e., position)

FDM Governance

Why is FDM governance needed during the implementation and post go-live operations?
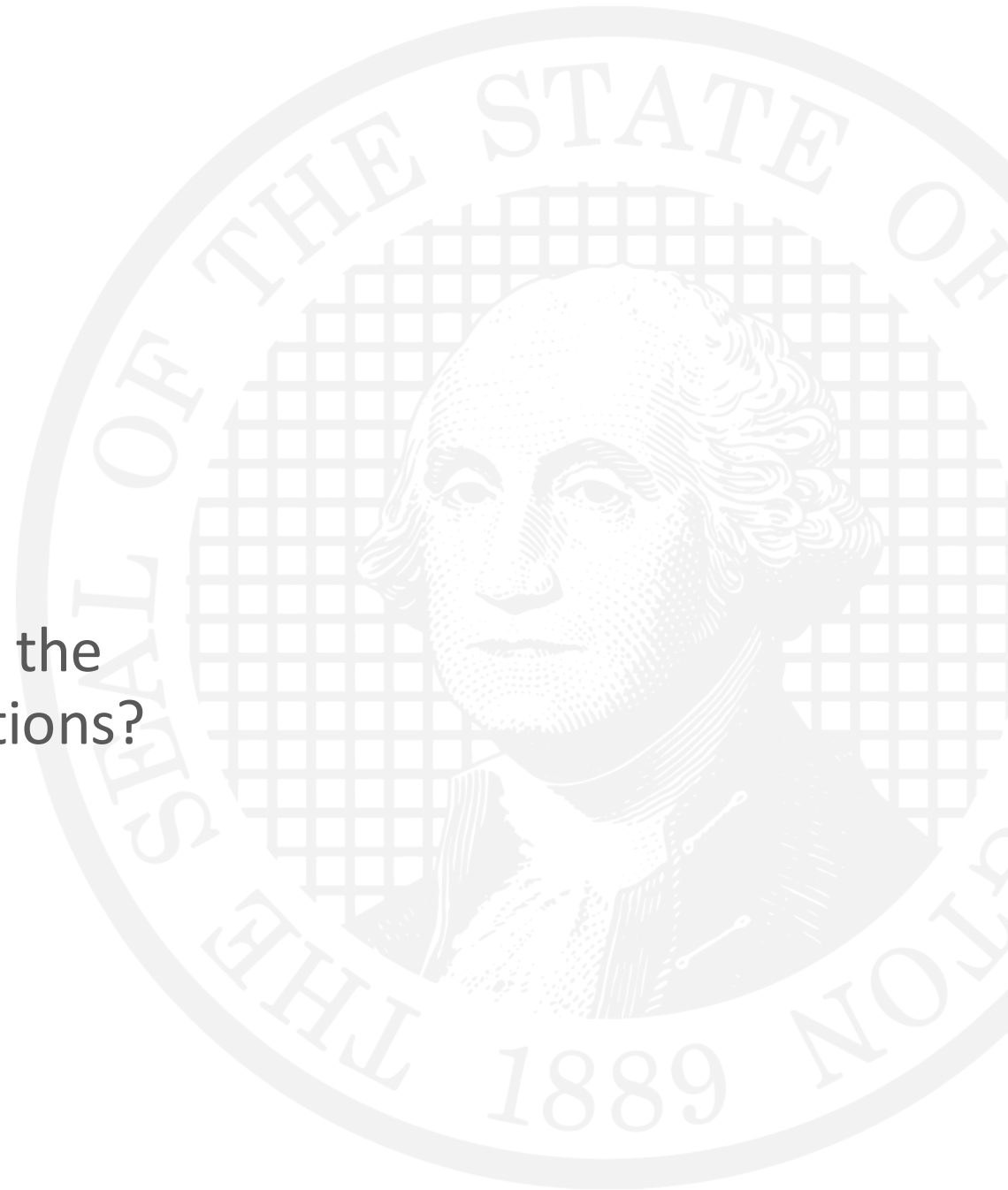
FDM GOVERNANCE CONSIDERATIONS

FDM governance is needed for alignment with configuration, data conversion, 3rd party integrations, cut over activities, end user training, and communications activities.

- The Workday FDM will live and change with your business.

- Need to define criteria and a process to manage this going forward
  - Expanding your Workday footprint
  - Acquisitions/Divestitures
  - Business Growth/Change
  - Economic Growth/Change
  - Legal/Statutory/Regulatory Requirements
  - How will requests be created?
  - How will requests be processed?
  - What are the criteria to get a new value?

- This process can be put into place in advance of Go-Live to manage/limit changes to existing structures that affect the FDM going forward.

CONSISTENCY

CONTROL

INTEGRITY

Wrap Up

Q&A and review key items collected during today's call

Q & A

WRAP UP

Review

- Risks
- Action Items
- Issues
- Decisions
- Parking Lot

FOR MORE INFORMATION:

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