



## AGENDA COVER MEMO Amended 9/26/25

Memorandum Date: September 17, 2025

Order Date: September 30, 2025

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TO: Board of County Commissioners

DEPARTMENT: County Administration Operations

PRESENTED BY: Lorren Blythe, Chief Operations Officer  
Greg Holmes, Financial Services Manager / County Treasurer

AGENDA ITEM TITLE: ORDER/ In the Matter of Approving a Contract Amendment with SpearMC Management Consulting, Inc., to Implement the Grants and Commitment Control modules in the County's PeopleSoft Financial System and Delegating Authority to the County Administrator to Execute the Approved Amendment and All Future Contract Amendments That Do Not Cause the Contract Total Expense to Exceed \$2,667,300.

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### I. MOTION

The contract amendment listed in Exhibit A PeopleSoft Commitment Control and Grants Management Implementation Services Amendment 1 is approved and the County Administrator is delegated authority to sign the amendment and all future amendments that do not cause the contract total to exceed \$2,667,300.

### II. AGENDA ITEM SUMMARY

The Board is being asked to approve a contract amendment which will allow implementation of the Grants Management and Commitment Control modules within the County's PeopleSoft Financials Enterprise Resource Planning software system (ERP). This work is based on the PeopleSoft Commitment Control and Grants Management Assessment performed and presented by SpearMC Consulting in May 2025 and is a continuation of the Grant Management Organizational Assessment performed and presented by Merina + Co. in March 2023.

Benefits of the implementation will be increased transparency, improved approval workflows, and more timely tracking of financial data; resulting in risk reduction related to possible over expending of funds and improved reconciling of grant activities.

### III. BACKGROUND/IMPLICATIONS OF ACTION

#### A. Board Action and Other History

In March 2022, the Board of County Commissioners allocated \$450,000 of one-time American Rescue Plan Act (ARPA) funds to pursue "Grants Administration Software" (Board Order 22-03-29-14). Funds were used to conduct an organizational assessment

of Lane County's grant management business practices. After a formal Request for Proposal process, Merina + Co. was selected and spent many months interviewing staff in all departments and reviewing County workflows, policies, and procedures. Their Grant Management Organizational Assessment continues to serve as a roadmap for significant streamlining of processes and systems. The final assessment included a recommendation to implement a system that addressed the challenges related to tracking all financial information, not just those specific to grants.

Building on the recommendation made by Merina + Co to maintain a single system of truth of financial data, Lane County Central Finance requested a demonstration of the PeopleSoft Grant Management module in March 2023. While the system had the capability to track grant applications, revenue, and expenses, it became apparent that the County's current configuration of PeopleSoft would not support such a module and that a larger, more holistic review of the system would be needed.

During the same timeframe, the closeout of the ARPA funds and other related grants and allocations of funding to the County, both from state and federal sources, it became apparent that additional financial controls were needed in the existing financial system. Outdated financial processes and utilizing spreadsheets (shadow systems) and other data sources to track obligations entered into by the County and payments on those obligations was identified to pose a high risk, especially when mixed with financial staff turnover, which occurred following the COVID-19 pandemic. In a time when decisions need to be made very rapidly, the need for on-demand financial status and reporting on contracts, grants and obligations is imperative. The current configuration of the PeopleSoft Finance system is not meeting the needs of the County.

In May 2024 a multi-department Task Force was created to identify challenges that departments were having and to identify possible solutions to these issues. In August 2024, the Task Force issued a competitive solicitation seeking a consultant to provide such a review. The review was expected to provide best-practice guidance in implementing commitment control and grant management solutions in PeopleSoft Finance 9.2, identify any business processes that would need to be modified, provide change management, training, and documentation. The RFP was issued in August 2024 and resulted in twelve responsive proposals being received. After a robust evaluation process SpearMC Management Consulting was selected as offering the most advantageous proposal for this project.

The project was split into multiple phases. Phase One was completion of an assessment that included evaluation of current County processes/challenges, a prioritized list of recommended improvements, an implementation plan and schedule, and a presentation of the final assessment to the County Directors. The presentation of the final assessment to the Directors occurred on August 20, 2025. Following that presentation the County Administrator approved moving forward with the request to the Board of Commissioners to fund the next phase of the project.

Phase Two is to implement a portion of the recommendations that were identified as critical to improving the County's financial systems and processes. These improvements will include implementation of Grants Management and Commitment Control within the County's PeopleSoft Financial ERP software as well as development and adoption of business processes to support improved financial management.

This Board Order is seeking approval of an amendment to proceed with Phase Two.

**B. Policy Issues**

Standardization will be a common theme throughout the Phase Two work. Policies related to centralized vs. decentralized authority and decision making could become a topic for discussion as the project progresses.

**C. Board Goals**

Successful completion of this project is intended to improve the “Financial Stability and Health” of the County by improving our current financial controls and grant reporting capability, thereby helping the County be more informed when making financial decisions. In addition, the project will identify efficiencies which will support building the “Capacity of Our Internal Services”.

D. Financial and/or Resource Considerations

Implementing these modules will have an impact countywide. Staff from across the County will have substantial involvement in this project. Aligning go-live dates with fiscal year and audit requirements will be paramount to having a successful project, therefore this work will need to be a top priority for all involved. The Task Force is anticipating additional costs beyond this contract amendment 1 that may be needed for funding extra help, and/or overtime, taking advantage of strategic improvements to PeopleSoft as they arise, and other unknowns that may come up during the project.

It should be noted that many of the recommendations for this upgrade are not new to the County and have been identified previously. Financial constraints during those times resulted in the County not moving forward with recommended upgrades to the PeopleSoft system in the past. The Task Force believes that the need to upgrade and modernize the system has reached the point where the risk outweighs the cost of the upgrade.

The costs of the project will be initially paid for with General Fund reserve, which will then be reimbursed by all County departments/funding sources that benefit from the use of the Countywide Peoplesoft system.

E. Health Implications

None.

F. Analysis

As the County has grown in size and complexity, the systems in place to track financial transactions and workflow processes have not grown at the same rate. While there have been problem specific improvements made, those often were focused on only meeting a specific department or division’s needs and did not necessarily address our countywide needs or improve the system as a whole. The assessments and recommendations provided by Merina + Co. and SpearMC were based on a holistic review of the County’s business practices and how they impact the ability for the County to track financial data. Currently, our PeopleSoft Finance system (the single system of truth) does not permit efficient tracking and comparison of remaining available budget, committed funds, expended funds, incoming grant revenue, and other grant activity.

G. Alternatives / Options

- a. Approve the contract amendment listed in Exhibit A and delegate authority to the County Administrator to execute the amendment and future amendments.
- b. Do not approve the contract.

IV. RECOMMENDATION

Lane County Administration Operations Division recommends Option “a” – Approve the contract amendment listed in Exhibit A and delegate authority to the County Administrator to sign the contract and all applicable amendments that do not cause the contract to exceed \$2,667,300.

V. TIMING/IMPLEMENTATION

Phase Two work will begin upon approval of the amendment. To align with fiscal year requirements certain tasks will need to be completed by key dates. Overall implementation of the critical scope items is estimated to go-live on July 1, 2027.

VI. FOLLOW-UP

None anticipated.

VII. ATTACHMENTS

Exhibit A - PeopleSoft Commitment Control and Grants Management Implementation Services Contract Amendment 1.

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO:

In the Matter of Approving a Contract Amendment With Spear MC Management Consulting, Inc., to Implement the Grants and Commitment Control Modules in the County's PeopleSoft Financial System and Delegating Authority to the County Administrator to Execute the Approved Amendment and All Future Contract Amendments That Do Not Cause the Contract Total Expense to Exceed \$2,667,300.

**WHEREAS**, Lane Manual Chapter 20 sets forth the County's policies regarding award, acceptance, and amendment of grants and contracts; and

**WHEREAS**, the contract listed below has been awarded in accordance with the requirements of the Lane Manual, including the requirements for competitive selection; and

**WHEREAS**, this contract amendment exceeds the County Administrator's authority delegated in Lane Manual sections 20.600.220 to 20.600.320,

**NOW, THEREFORE**, the Board of County Commissioners of Lane County **ORDERS** as follows:

1. The contract amendment listed in Exhibit A PeopleSoft Commitment Control and Grants Management Implementation Services Amendment 1 is approved and the County Administrator is delegated authority to sign the amendment and all future amendments that do not cause the contract total to exceed \$2,667,300.

**ADOPTED** this 30th day of September, 2025.

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David Loveall, Chair  
Lane County Board of Commissioners

**LANE COUNTY CONTRACT AMENDMENT** (Contract Form B-1, rev. 05/07/2025)

Contract Title: Peoplesoft Commitment Control and Grants Management Implementation Services #57119

Amendment No.: 1

This Amendment modifies the Contract named above between Lane County ("**County**"), and SpearMC Management Consulting, Inc. ("**Contractor**"). County and Contractor agree as follows:

**1. SCOPE OF AMENDMENT.** The scope of the Contract is amended as follows:

- 1.1** Contractor will implement Grants Management functionality within the County's PeopleSoft Financial Supply Chain Management software platform as detailed on the attached Amendment 1 Exhibit A Phase 2 Scope of Work and of secondary precedence, Amendment 1 Exhibit B Excerpt from SpearMC Proposal, and Amendment 1 Exhibit C PeopleSoft Commitment Control and Grant Management Assessment.

**2. CONSIDERATION**

- 2.1 Consideration.** In consideration of this Amendment, the estimated Contract amount is increased by the following amount: two million four hundred sixty-nine thousand eight hundred dollars.

- 2.2 Summary.** A summary of the original Contract amount and all amendment amounts is:

|                                   |                |
|-----------------------------------|----------------|
| Original Contract amount:         | \$ 197,500.00  |
| Total of all previous Amendments: | 0.00           |
| This Amendment:                   | \$2,469,800.00 |

|                                                   |                 |
|---------------------------------------------------|-----------------|
| Revised Contract amount including all Amendments: | \$ 2,667,300.00 |
|---------------------------------------------------|-----------------|

- 3. DURATION.** In consideration of this Amendment, the Contract term is increased by one year. The revised Contract term, including this amendment, is January 9, 2028, and may be renewed for up to two (2) additional one-year terms by mutual agreement of the parties.

- 4. DATE.** This Amendment is effective as of the date last signed below.

Each party, by signature below, agrees to be bound by the terms and conditions of this Amendment. All other terms and conditions of the original Contract not altered by this Amendment remain in full force and effect.

Pursuant to ORS 305.385(6) and OAR 150-305-0302, I the undersigned Contractor certify that, to best of my knowledge, hereby swear and affirm under penalty of perjury, that Contractor is not in violation of any tax laws described in ORS 305.380 (4).

**CONTRACTOR:**

SPEARMC MANAGMEENT CONSULTING, INC.

Signature: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**COUNTY:**

LANE COUNTY

Signature: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## AMENDMENT 1 EXHIBIT A

### PHASE 2 SCOPE OF WORK

1. Objective of Phase 2 Implementation of Grants Management.

Contractor and County will collaboratively implement the Grants Management functionality in PeopleSoft and will complete all additional tasks that are critical to supporting the Grants Management module. This work will include planning, designing, developing, testing, deploying, and post go-live support.

2. Critical Scope Tasks and Timeline.

The tasks listed below are considered critical to implementation of the Grants Management functionality. The following dates must be met to avoid an impact to County fiscal responsibilities:

- Performance Budgeting changes and redesign of the Chart of Accounts complete by 12/1/2026.
- Creation of Transaction Business Units and activation of Business Unit Security complete by 7/1/2026.
- All tasks considered part of the Critical Scope ready to Go-Live by 7/1/2027.

| Project                                       | Go-Live   |
|-----------------------------------------------|-----------|
| Chart of Account Redesign                     | 12/1/2026 |
| Chart of Account HR Synchronization           | 7/1/2027  |
| Performance Budgeting Changes                 | 12/1/2026 |
| Security and Activation of Business Units     | 7/1/2026  |
| Time Labor/Payroll                            | 7/1/2027  |
| Reporting                                     | 7/1/2027  |
| Project Costing Module                        | 7/1/2027  |
| Commitment Control Module                     | 7/1/2027  |
| Grants Management / Customer Contracts Module | 7/1/2027  |
| Billing/Accounts Receivable                   | 7/1/2027  |

3. Collaboration Between Parties.

Prior to project initiation both parties will collaborate to develop a Phase 2 Work Plan that will include the following:

- Project Organizational Chart. Both parties will detail what individuals will be responsible for project governance, direction and management, delivery, and will be considered functional and technical subject matter experts. Each party will strive to make decisions in a timely manner to keep the project on schedule.
- Define Responsibilities. Both parties will categorize different responsibilities using the Contractor's methodology as stated on Attachment 1 Excerpt from SpearMC Management Consulting Proposal.
- Communication Plan. Both parties will detail the platform and frequency to be used to communicate with the different groups represented on the Organizational Chart. Regular occurring meetings will be held with the Project Management Team and will include an update by the Contractor on project progress and project budget. Attachment 1 Excerpt from SpearMC Management Consulting Proposal lists the tools to be used.

4. Resources and Compensation.

The following resources will be provided by Contractor:

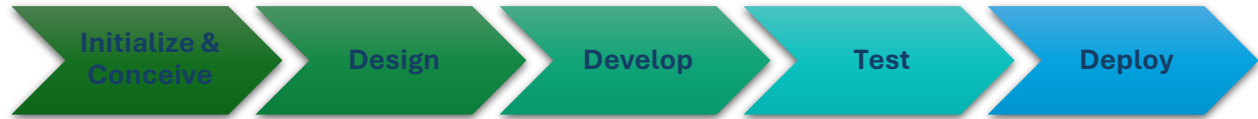
| Resource                                                                            | Estimated Effort/Duration                           |
|-------------------------------------------------------------------------------------|-----------------------------------------------------|
| Project Manager                                                                     | 100% through Go-Live                                |
| Change Management Lead                                                              | 25-50% through Go-Live                              |
| Commitment Control, Project Costing, Grants, and Customer Contracts Functional Lead | 100% through Go-Live                                |
| Reporting Lead                                                                      | 50% starting 6mo into project and through Go-Live   |
| Billing and Accounts Receivable Consultant                                          | 100% starting 14mo into project and through Go-Live |
| Commitment Control and Grants Developer                                             | 100% starting 13mo into project and through Go-Live |

Contractor will submit monthly invoices based on the time/materials expended on the project and will be charged per the following rates:

| Role                                       | Rate  |
|--------------------------------------------|-------|
| Project Manager                            | \$180 |
| Change Management Lead                     | \$180 |
| Functional Lead                            | \$180 |
| Reporting Lead                             | \$170 |
| Billing and Accounts Receivable Consultant | \$170 |
| Commitment Control and Grants Developer    | \$155 |

Travel will be reimbursed using standard GSA per diem rates in effect at the time of travel. Flight/transportation, incidentals and materials will be reimbursed at cost.

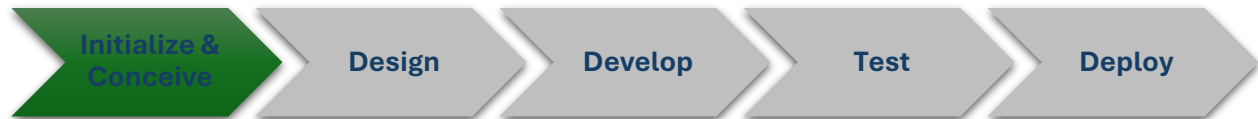
Monthly invoices must be itemized and submitted to the Lane County Project Manager Royce Tokar. Any additional work beyond the critical scope must be approved by the Project Manager and must be noted as additional costs on monthly invoices. Lane County will pay approved invoices within 30 days of receipt via electronic ACH payment.



Each stage along with the proposed key activities are listed below. SpearMC and The County will collaboratively develop the deliverables. Responsibilities for each activity and deliverable are defined in the Responsibilities Table below.

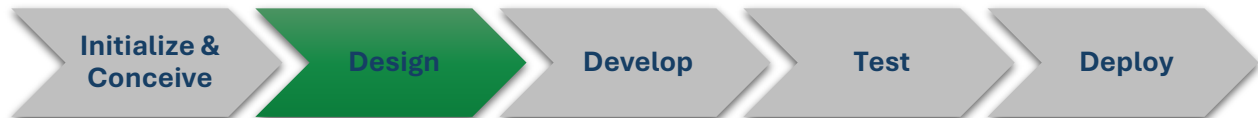
| Category | Responsibility                                                                                                                                                                                                                                                                                 |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lead     | Responsible party will drive the creation of the deliverable / completion of the task. This party has primary task completion responsibility.                                                                                                                                                  |
| Support  | Responsible party will support the completed deliverable / completion of the task. For The County, this means dedicated resources to task analysis, completion, and review. In SpearMC's case, this means contributing content, providing a template, and/or providing guidance and direction. |
| Review   | Responsible party will review the completed deliverable / activity.                                                                                                                                                                                                                            |
| Approve  | Responsible party will approve (sign-off) the completed deliverable / activity.                                                                                                                                                                                                                |

### Phase 1: Initiate



| Key Activities                                        | SpearMC Responsibilities | The County Responsibilities |
|-------------------------------------------------------|--------------------------|-----------------------------|
| Project Charter                                       | Support and Review       | Lead and Approve            |
| Project Work Plan & Project Kick-off Meeting Planning | Support and Review       | Lead and Approve            |

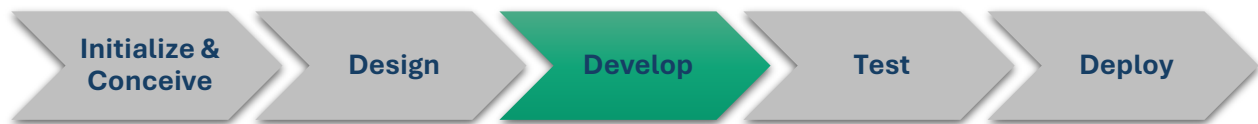
### Phase 2: Design



| Deliverable Name       | SpearMC Responsibilities | The County Responsibilities  |
|------------------------|--------------------------|------------------------------|
| Project Kick Off       | Lead                     | Support, Review, and Approve |
| Change Management Plan | Lead                     | Support, Review, and Approve |

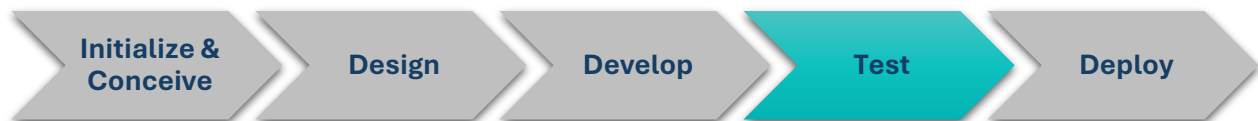
| Deliverable Name                            | SpearMC Responsibilities     | The County Responsibilities  |
|---------------------------------------------|------------------------------|------------------------------|
| Requirements Gathering/Validation Workshops | Lead                         | Support, Review, and Approve |
| Requirements Fit/Gap Document               | Lead                         | Support, Review, and Approve |
| Project Team Training                       | Lead                         | Support, Review, and Approve |
| Design Workshops                            | Lead                         | Support, Review and Approve  |
| Conference Room Pilot (CRP) Prep & Sessions | Lead                         | Support, Review, and Approve |
| Future State Business Processes             | Lead                         | Support, Review, and Approve |
| Reporting Strategy                          | Support, Review, and Approve | Lead                         |
| Interface Strategy                          | Support, Review, and Approve | Lead                         |
| Conversion Strategy                         | Lead                         | Support, Review, and Approve |
| RICE Functional Specifications              | Lead                         | Support, Review and Approve  |

### Phase 3: Develop



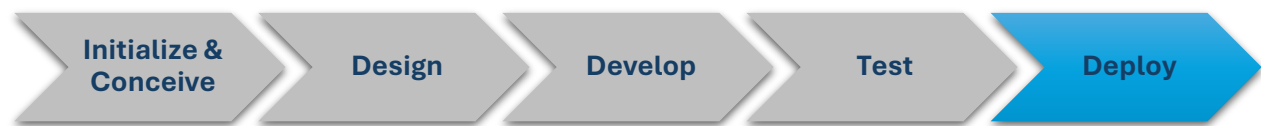
| Deliverable Name          | SpearMC Responsibilities | The County Responsibilities  |
|---------------------------|--------------------------|------------------------------|
| Testing Strategy and Plan | Lead                     | Support, Review, and Approve |
| Security Design Changes   | Support and Review       | Lead and Approve             |
| Training Strategy         | Support and Review       | Lead and Approve             |
| Configuration Workbook    | Lead                     | Support, Review, and Approve |
| RICE Development          | Support and Review       | Lead and Approve             |
| Batch Schedule Updates    | Support and Review       | Lead and Approve             |

### Phase 4: Test



| Deliverable Name                        | SpearMC Responsibilities | The County Responsibilities  |
|-----------------------------------------|--------------------------|------------------------------|
| Unit Testing                            | Support and Review       | Lead and Approve             |
| System and Integration Testing          | Lead                     | Support, Review, and Approve |
| User Acceptance Testing (UAT) & Results | Support and Review       | Lead and Approve             |
| Deployment and Training Plan            | Support and Review       | Lead and Approve             |

## Phase 5: Deploy



| Deliverable Name                        | SpearMC Responsibilities | The County Responsibilities |
|-----------------------------------------|--------------------------|-----------------------------|
| Training Environment Setup              | Support and Review       | Lead and Approve            |
| End User Training Development* and Prep | Support and Review       | Lead and Approve            |
| End User Training Delivery*             | Support and Review       | Lead and Approve            |
| Production Deployment and Cutover       | Support and Review       | Lead and Approve            |
| Go-live Support & Issues Summary        | Support and Review       | Lead and Approve            |
| Project Lessons Learned and Next Steps  | Support and Review       | Lead and Approve            |

\*We recommend utilizing Oracle Guided Learning (OGL) to perform this training

## Project Management and Communication Tools

While SpearMC can adapt to our Client's specific toolset(s), we typically start with the following tools which assist in communications and management:

- Project Plan: We typically utilize SmartSheet or Jira in the absence of a client specific tool.
- Project Org Chart: We establish an org chart in MS PowerPoint
- Issues Log: Jira or Excel
- Communication Platform: MS Teams
- Status Reporting: Outbound communication from the project team follows a methodology and recurring meeting schedule
- Repository: We can store documentation on SpearMC's Box.com or utilize a Client's specific repository (SharePoint, Network File Share, etc.)

# PEOPLESOFT MODERNIZATION

## PeopleSoft Commitment Control and Grants Management Assessment



SpearMC Consulting  
May 2025

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# 1. Executive Summary

Lane County, the fourth most populated County within the State of Oregon, currently utilizes the PeopleSoft FSCM application. PeopleSoft FSCM provides a comprehensive suite of integrated applications to help manage Lane County's financial operations, procurement processes, supply chain activities, and related business functions. It also utilizes the PeopleSoft HCM application to manage its workforce effectively for time tracking and Payroll. The combination of the two PeopleSoft applications provide Lane County a technological backbone to manage its back-office operations.

All organizations that make a financial investment in implementing an ERP application such as PeopleSoft FSCM also make financial commitments to its continual upgrade and enhancement. Lane County has not performed any recent functional upgrades to its PeopleSoft FSCM application, with the exception of an upgrade from version 8.9 to 9.2 as well as the development of a custom Contracts bolt-on.

Due to a growing dependence on Federal and State Grants as a source of its revenues; Lane County decided in September 2024 that the time was appropriate for an upgrade of its PeopleSoft FSCM application through the implementation of the Commitment Control and Grants Management functionality within application. SpearMC Management Consulting was awarded a contract to perform an assessment to document the current state of Lane County's use of its PeopleSoft application as well as provide a roadmap to effectively implement the Commitment Control and Grants Management functionality within PeopleSoft FSCM. The Grants Management functionality within PeopleSoft FSCM is supported through the proper configuration of the following modules; Grants Management, Project Costing, Customer Contracts, Commitment Control, Billing, Accounts Receivable, and Asset Management. SpearMC since its founding in 2004 has specialized in the implementation of Grants Management functionality for US based public sector, healthcare, non-profit, and higher education institutions.

Based on SpearMC's experience, we agreed with Lane County's approach to assessing Lane County's current state in advance of the implementation of the Commitment Control and Grants Management functionality within the PeopleSoft FSCM application. The assessment phase would be conducted in an economical manner allowing SpearMC to determine how Lane County currently performs its Pre and Post Award Grants Management outside of PeopleSoft across its Departments. With that knowledge, SpearMC can better gauge the effort and complexity required to undertake an actual implementation of Grants Management within PeopleSoft FSCM at Lane County.

The Assessment project was kicked off in April 2025 with SpearMC project staff traveling to Eugene, OR in order to conduct onsite meetings with Lane County departmental staff. The meetings were in a conversation style with the objective of allowing SpearMC staff to better understand how the various Lane County departments support their current state business operations either within PeopleSoft FSCM or outside of it. Even though the objective was for SpearMC to review how the departments supported their Grant awards outside of PeopleSoft, it extended past that in trying to determine how they utilized PeopleSoft even for their non-Grants related business processes. The objective of the onsite sessions as well as the follow up remote sessions were to try to determine if there were any efficiencies that could be extracted from their use of PeopleSoft FSCM even outside of their need to support their externally funded Grant Awards.

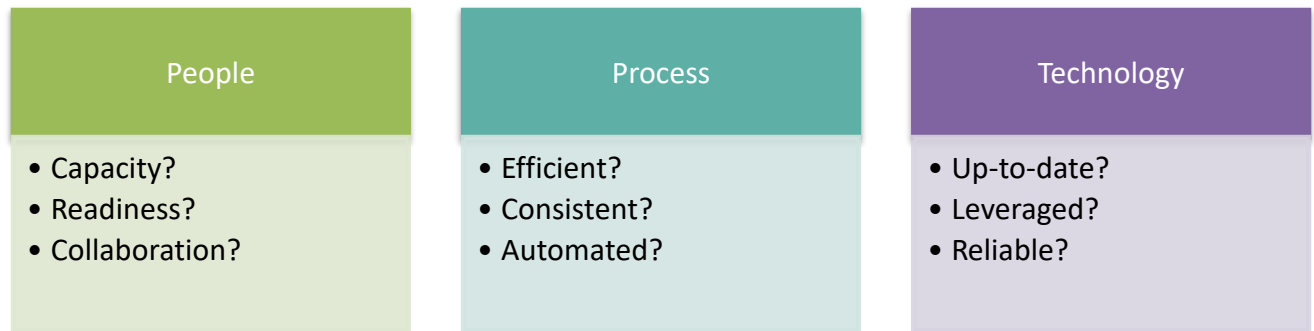
The output of this Assessment phase is to document all that SpearMC has learned throughout the sessions it has conducted with Lane County staff. It will document the current state in how the various Lane County departments conduct their business operations either through PeopleSoft or non-PeopleSoft technologies. A level of effort will also be determined in how SpearMC can activate the Grants

Management functionality within PeopleSoft FSCM. In addition, SpearMC will document non-Grants Management related Departmental level inefficiencies that were discovered during the Assessment phase which could be solutioned by PeopleSoft technologies or improved business processes.

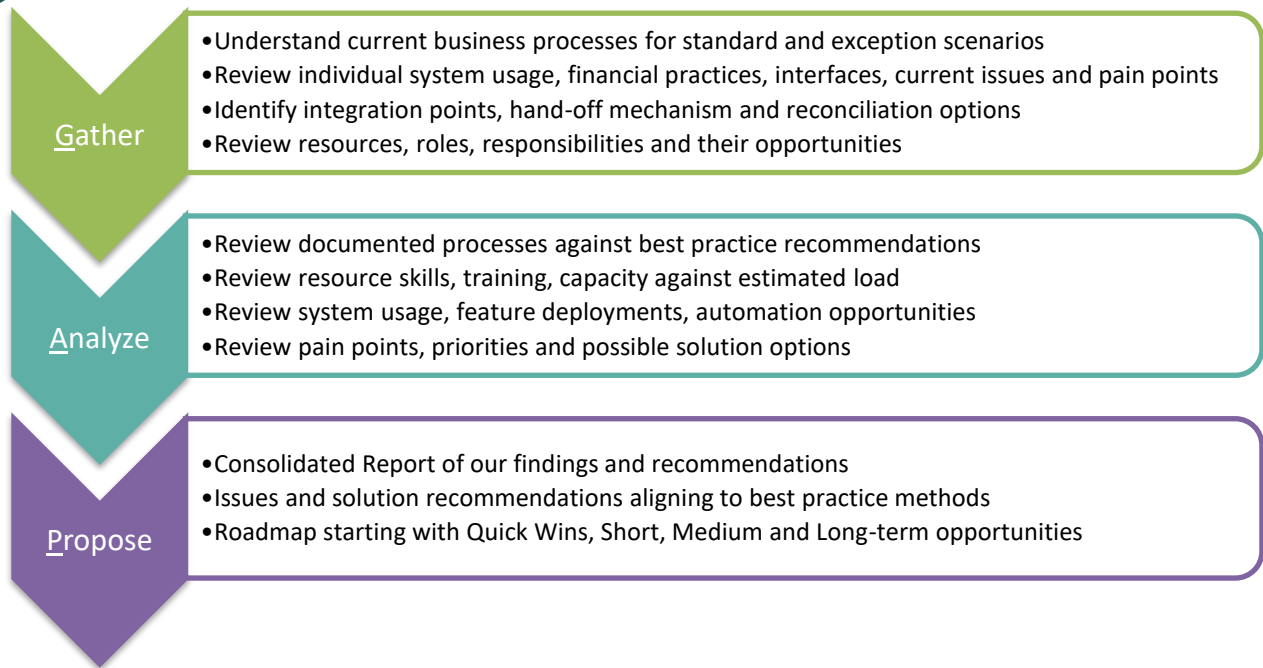
## Assessment Approach

SpearMC conducted an in-depth assessment of current state processes and existing PeopleSoft configuration in cooperation with the Lane County Grants, Finance, Supply Chain, Training & Development, and IT teams in order to provide best-practice recommendations and practical solutions to enhance and improve the PeopleSoft FSCM systems and associated business processes.

This assessment involved reviewing People (teams), Processes and Technology (Systems) aspects encompassing the end-to-end business processes supported by the PeopleSoft FSCM enterprise applications.



Our assessment followed a structured approach for gathering information, analyzing the issues and pain points, and recommending applicable solutions as described below.



The following table outlines the sessions that SpearMC and Lane County undertook, some sessions have been grouped together where there were multiple sessions on one topic. Additional sessions were conducted throughout the approximately 8 week process. The following served as the foundation for the assessment:

| Session                                                                | Notes                                |
|------------------------------------------------------------------------|--------------------------------------|
| Financial Structure Overview - BU, Chart Field, and Combination Edits. | Conducted on April 7 <sup>th</sup> . |
| Pre Award and Post Award Grants Managers and Central Finance.          | Conducted on April 7 <sup>th</sup> . |
| Budgeting.                                                             | Conducted on April 7 <sup>th</sup> . |
| Expense Monitoring.                                                    | Conducted on April 7 <sup>th</sup> . |
| Project Capitalizations - Central Finance.                             | Conducted on April 8 <sup>th</sup> . |
| Misc. Billing - Central Finance.                                       | Conducted on April 8 <sup>th</sup> . |
| Cost Accounting.                                                       | Conducted on April 8 <sup>th</sup> . |
| Financial Reporting and Audits.                                        | Conducted on April 9 <sup>th</sup> . |

| Session                 | Notes                                                                     |
|-------------------------|---------------------------------------------------------------------------|
|                         |                                                                           |
| Security and Technical. | Conducted on April 9 <sup>th</sup> .                                      |
| Procure to Pay.         | Conducted on April 9 <sup>th</sup> .                                      |
| Readiness.              | Conducted from week of April 14 <sup>th</sup> to April 25 <sup>th</sup> . |

## 2. Current State Process and System Usage

### People

Lane County provides goods and services to its citizens, grant sponsors, and customers through a decentralized organizational structure comprised of Departments and Divisions. There are currently 11 Departments within Lane County with varying divisions within those Departments based on their size and purpose. The following is a listing of the 11 major departments at Lane County with their relevant divisions.

| Department                                    | Division                            |
|-----------------------------------------------|-------------------------------------|
| Assessor                                      | Administration                      |
|                                               | Appraisal                           |
|                                               | Property & Tax Management           |
| District Attorney                             | Criminal Prosecution                |
|                                               | Family Law                          |
|                                               | Support Services                    |
| Sheriff                                       | Corrections                         |
|                                               | Office of the Sheriff               |
|                                               | Operations Support                  |
|                                               | Police Services                     |
| Community Justice and Rehabilitation Services | Administration                      |
|                                               | Fiscal                              |
|                                               | Parole & Probation                  |
|                                               | Youth Services                      |
| County Administration                         | County Management                   |
|                                               | Operations                          |
|                                               | Policy Team                         |
| Health & Human Services                       | Administration & Specialty Programs |
|                                               | Behavioral Health Services          |
|                                               | Clinical Financial Services         |
|                                               | Community Health Centers            |
|                                               | Developmental Disabilities Services |
|                                               | Human Services                      |
|                                               | Public Health                       |
|                                               | Quality & Compliance                |
| Human Resources                               | Administration                      |
|                                               | Labor Relations                     |
|                                               | Talent Management                   |
|                                               | Workforce Wellness Solutions        |
| Office of Emergency Management                |                                     |
| Public Works                                  | Administration                      |

| Department          | Division                            |
|---------------------|-------------------------------------|
|                     | Engineering & Construction Services |
|                     | General Services                    |
|                     | Land Management                     |
|                     | Lane Events Center                  |
|                     | Parks                               |
|                     | Roads & Bridges                     |
|                     | Waste Management                    |
| Technology Services | Administration                      |
|                     | Business Services                   |
|                     | Customer Service & Support          |
|                     | Cyber Security & Compliance         |
|                     | Lane Radio Interoperability         |
|                     | Office of Data & Analytics          |
|                     | Technology Infrastructure           |

A current state assessment for readiness/gauge for potential change is discussed in section 5.

## Process

All work conducted by agents of Lane County (Employees, Contractors, and Vendors) across its varying Department/Divisions is typically funded through Lane County general Gov't revenue funds or external revenue funds (Sponsored Grant Awards and Enterprise Funds). Recent trends are shifting higher the percentage of Grant Award revenue to total Lane County revenue.

The Lane County departments that win awards from external sponsors mainly operate in a decentralized manner with autonomy in how they manage their business operations while operating within Lane County financial and operational policies. The ties that bind them all together are a common technology infrastructural stack (PeopleSoft HCM/FSCM, Performance Budgeting, SAGE, ...) and an internal shared services model provided to them by Lane County internal service departments.

The following will describe in greater detail specific business processes and how they are currently performed within Lane County.

## General Ledger Financial Structure

The PeopleSoft General Ledger module provides the structure to which all financial transactions conducted at Lane County by its varying Departments will be accounted. The following sections provide a current state breakdown of Lane County setup within the General Ledger module.

## Chartfields

Fund Code

The Fund Code Chartfield is the only PeopleSoft FSCM balancing Chartfield that forms the basis of Governmental Fund accounting at Lane County. A balancing Chartfield implies that all debits must equal credits by unique Fund Code value for all accounting entries posted within PeopleSoft FSCM. It is currently represented by a 3 digit code with the following intelligence.

- 1XX – Government Funds
- 2XX – Special Revenue Funds
- 3XX – Debt Service Funds
- 4XX – Capital Funds
- 5XX – Enterprise Funds
- 6XX – Internal Service Funds
- 7XX – Expendable Trust Funds
- 8XX – Agency Funds
- 9XX – Accounting Funds

Department Id

The Department Chartfield values normally represents an organization unit (Department/Division) that is responsible for the financial activity represented by the accounting entry to which it is associated. Normally Department Id Chartfield values are only associated with either revenue or expense accounting entries, however at Lane County they are also associated with Balance Sheet accounting entries.

Lane County currently has two PeopleSoft applications (HCM and FSCM) that utilize an integrated Chart of Accounts. The paychecks that are produced within HCM create accounting entries using Chartfield values created and managed within FSCM. At Lane County, that is the case with all Chartfields with the exception of the Department Id Chartfield. At Lane County, the PeopleSoft HCM and FSCM applications manage their own independent listing of values that support the Department Id Chartfield within their respective applications. A cross walk facilitates the translation of the HCM Department Id to the FSCM Department Id.

While HCM has kept the vision of having a single Department Id Chartfield value to represent an organization unit, FSCM has allowed the various Departments which operate within FSCM to utilize Department Id values as cost centers in whatever manner that they choose. Due to Lane County Departments being provided a block of Department Id Chartfield values at their disposal, each have chosen to associate Department Ids within their assigned block to represent whatever they individually want, including some utilizing Department Id values to represent Grant Awards.

The following 7 digit intelligence is currently utilized to represent the blocks of Department Ids in PeopleSoft FSCM for each of the major Lane County Departments.

- 10XXXXXX - Community Justice and Rehabilitation Services
- 11XXXXXX – District Attorney
- 15XXXXXX – Sheriff's Office
- 31XXXXXX – Assessor
- 34XXXXXX – Health & Human Services

36XXXXX – Public Works  
51XXXXX – County Administration  
52XXXXX – Office of Emergency Management  
54XXXXX – Office of Data & Analytics  
56XXXXX – Human Resources  
58XXXXX – Technology Services

### Account

Account is the Chartfield that represents the nature of the financial transaction related to each accounting entry. Accounts are grouped into 5 separate categories; Assets, Liabilities, Equity / Fund Reserve, Revenue, and Expense. Accounts with account types of Assets, Liabilities, and Fund Reserve are utilized to produce a traditional Balance Sheet financial statement. Accounts with types of Revenue and Expenses are utilized to produce a traditional Income Statement. All accounts are utilized for a traditional Trial Balance financial statement.

The following 6 digit intelligence is utilized to represent the blocks of Accounts in PeopleSoft FSCM with their respective Account Types.

1XXXXX – Assets  
2XXXXX – Liabilities  
3XXXXX – Equity  
4XXXXX – Revenues  
5XXXXX – Expenses

### Program

Program is a Chartfield utilized by Lane County Department to track expenditures and revenues uniquely to a cost objective. The use of the Chartfield is optional from an entry perspective with each Department utilizing it for their needs uniquely. Some utilize it to record expenditures and revenues for Project related initiatives which are either internally funded by Lane County or externally funded by Grant Awards while others utilize it in combination with the Project Id Chartfield value. Departments that utilize the Program Chartfield in combination with the Project Chartfield do so to provide either a work breakdown or funding breakdown structure for their Projects. There is intelligent numbering for the Program Id Chartfield values with the first character of the identifier signifying the Lane County Department to which it is associated. A PeopleSoft Tree is utilized to facilitate a rollup of Program Code values that belong to each Department.

### Project Id

Project Id is a Chartfield utilized primarily to track expenditures and revenues uniquely to a cost objective for each Lane County Department. The use of the Chartfield is optional from an entry perspective with each Department utilizing it for their needs uniquely. Some utilize it to record expenditures and revenues for Project related initiatives that are either internally funded by Lane County or externally funded Grant Awards. Some Departments utilize it independently or in combination with the Program Chartfield. While some Lane County Departments have applied intelligence with the identification of their Project Ids (first two characters), this practice is not

consistent across the Departments. A PeopleSoft Tree is utilized to facilitate a rollup of Project Id values that belong to each Department.

## GL Business Unit

### LANEC

LANEC is the only Business Unit created within the General Ledger to represent the Lane County Legal Entity for all posted financial activity. A Ledger Group is a collection of one or more ledgers that share the same Chart of accounts and Calendar. All four Ledger Groups (ACTUALS, BUDGETS, GAAP, and ENTITY) that allow the posting of financial accounting entries by the LANE GL Business Unit have been designated as balancing. That implies that all LANE designated Journals must have all its debits equal all its credits.

## Ledgers

Ledgers are logical books of record to which accounting entries are posted within the General Ledger module. They record accounting entries posted for GL business units across fiscal years and fiscal periods. Posted Ledger activity is then available for the creation of financial reports.

### ACTUALS

The primary Ledger utilized in the General Ledger to record posted journal activity either generated from PeopleSoft subledgers, manually entered, or spreadsheet imported directly within the General Ledger module. The accounting basis for all financial activity posted to the ACTUALS Ledger is modified accrual.

### GAAP

Financial activity posted into the ACTUALS Ledger is cloned/copied into the GAAP Ledger manually at the end of the fiscal year. Subsequent accounting entries are posted to the GAAP Ledger in order to record GAAP adjusting accounting entries for the non-governmental Fund Codes. This allows for the conversion of the basis of accounting for those Fund Codes from modified accrual to full accrual. As the basis of accounting for the Governmental Fund Codes is still modified accrual, the GAAP Ledger is utilized as the basis for the generation of the Government Fund Financial Statements.

### ENTITY

Financial activity posted into the GAAP Ledger is cloned/copied into the ENTITY Ledger manually at the end of the fiscal year. Subsequent accounting entries are posted to the ENTITY Ledger in order to record GASB adjusting accounting entries for the Governmental Fund Codes. This allows for the conversion of the basis of accounting for those Fund Codes from modified accrual to full accrual. As the basis of accounting for both the Governmental and non-Governmental Fund Codes is full accrual, the ENTITY Ledger is utilized as the basis for the generation of the Government Wide and Proprietary Fund Financial Statements.

### BUDGETS

The BUDGETS Ledger is utilized to store posted Budgetary financial activity which has been approved and transferred from the Performance Budgeting planning and preparation application.

The transfer from Performance Budgeting to the PeopleSoft FSCM General module occurs on a monthly basis. The posted budget activity within the BUDGET Ledger available for comparison against the ACTUALS Ledger for comparative budgets vs actuals financial reporting.

## Intra Fund Accounting

The Fund Code Chartfield has been designated as a balancing Chartfield within the Lane County General Ledger module across all of the four Ledgers configured within the GL; ACTUALS, BUDGETS, GAAP, and ENTITY. Circumstances will arise when accounting entries related to a financial transaction will have the Fund Code value related to the debit side of the entry to not match the Fund Code value related to the credit side of the entry of what should be a balanced set of accounting entries by Fund Code. Best practice within the General Ledger module is to automate within PeopleSoft FSCM the due to/from accounting entries required to balance the unbalanced accounting entries by Fund Code value. In addition, an Affiliate GL Chartfield is activated to inherit the counterparty Fund Code value within each of the automated due to/from accounting entries generated within PeopleSoft. This has not been properly configured for Lane County within the General Ledger resulting in the manual insertion of the balancing entries at Lane County for Journals which do not balance by Fund Code.

## Journal Workflow Approval

Lane County has activated Journal Workflow approval for GL Journals entered through the GL module. The approval workflow ensures that there is accountability and traceability in the approval of Journals attempting to be posted across all of the four Ledgers within the General Ledger module.

## Chartfield Value Requests

New Chartfield (Fund Code, Account, Deptid, Program, Project Id) values needed by each Lane County Department have to be requested via a paper based form. Once approved by the Central Budget Office, the Central Finance Office - which manages master data elements within the PeopleSoft General Ledger module - will create the new Chartfield value and update the appropriate Trees to include the new value.

## Procure to Pay Structure

Procure to Pay is the set of business processes that complete the full lifecycle of procuring goods and services from external suppliers and paying for them. The following sections provide a current state breakdown of Lane County setup within the modules that support the procure to pay lifecycle in the following Lane County FSCM modules; Purchasing and Accounts Payable.

### 1) Purchasing and Accounts Payable Business Unit

There is a single LANE County Purchasing and AP Business Unit to track procurement by the Lane County Departments across the Purchasing and AP modules within PeopleSoft. It makes it challenging to perform spend analysis or be able to generate procurement related reports by

Lane County Department. The only current way to determine which Department is responsible for a financial transaction is either to determine the relationship of the employee that entered the transaction to the Lane County Department to which they are related or to utilize the Department Id Chartfield value on the Chartfield distribution associated with the transaction.

## 2) Supplier Contracts

Prior to the commencement of commerce between two business partners, a legal contract is normally drawn up that specifies the products or services that are part of the contract agreement, its period of performance, as well as the terms and conditions that govern the agreement. This legal contract is either signed via a wet signature or electronically by authorized representatives of both organizations. Lane County has created a custom bolt on module within PeopleSoft FSCM that assists in the authoring of legal procurement contracts between Lane County and its Suppliers. The custom bolt on module is available to Lane County Departments to support operational policies that require the creation of contracts with Suppliers. The customization does not have the capability to support electronic signatures and has not been developed to integrate with the remainder of the PeopleSoft FSCM modules including Purchasing or Accounts Payable.

## 3) Procurement Contracts

Lane County does not utilize the tracking of Procurement Contracts within the PeopleSoft Purchasing module based on the Supplier Contracts signed by and between Lane County and its Suppliers. Procurement Contracts functionality within the PeopleSoft Purchasing module allows for the tracking of Contracts signed by Lane County with its Supplier for association with Requisition and Purchase Orders. This would allow Lane County to determine what is being purchased from its Suppliers in association its Contracts over their period of performance. The analysis of Contract based spend data is critical to determining the effectiveness of each Supplier based Contract.

## 4) Requisitions

Lane County does not utilize Requisitions to track decentralized demand for goods and services across its various Departments. Requisitions entered within either the eProcurement or Purchasing modules allow for a self-service mechanism to be used by Departmental level employees to originate demand for goods and services required by them to perform their job duties. That source of demand normally goes through an approval prior to being allowed to source to a Purchase Order or RFP request within the PeopleSoft Purchasing module.

Requisitions are business documents that represent internal demand for goods/services. PeopleSoft allows for the satisfaction of that internal demand through either internal Inventory stock or the raising of Purchase Orders to external suppliers. Requisitions do not create legal obligations with external suppliers with no legal ramifications in their cancellations. As Requisitions are not legal obligations, the Commitment Control module tracks their locking of available budget differently than Purchase Orders. In addition, public sector organizations cancel their open requisitions while rolling their purchase orders across fiscal year boundaries.

## 5) Purchase Orders

Purchase Orders are used as needed and not utilized consistently across all Lane County Departments that procure goods and services from Suppliers. Due to the lack of utilizing Purchase Orders, it is challenging for Lane County to determine the category of goods and

services it procures from Suppliers on an annual basis. In addition, due to the lack of creating Purchase Orders, Lane County Departments are not recording obligations against their available allotted budgets. This is of a major concern for Lane County potentially resulting in cost overruns of Project budgets due to a lack of tracking obligations against those Project budgets.

## 6) Supplier Invoices

Supplier invoices are corresponded directly to the Departments from where the demand for the goods or services originated. There is no central AP Department responsible for the manual entry of Supplier invoices into the Peoplesoft Accounts Payable module. That function is entirely decentralized to each Lane County Department. The Supplier invoice is not entered into the PeopleSoft module by a Department AP administrator until they have determined the following either via email or phone call from whom it was that originated the demand within their department; obtaining the GL coding to associate with the purchase for entry of the Voucher into the PeopleSoft AP module, and whether it is ok to pay the Supplier for the goods received or services rendered.

It takes Department administrators a significant amount of time to perform these out-of-system functions increasing the time it takes between receipt of the Supplier invoice and entry of that invoice into PeopleSoft. While the Supplier invoice is delayed in its entry into PeopleSoft in a decentralized manner by the Lane County departments, the Lane County Central Finance Office AP Department which is responsible for remitting payments to Suppliers based on the Vouchers entered into the PeopleSoft AP module by each Department has no systematic visibility to those Invoices. They are therefore not able to take advantage of any early payment discounts offered by Suppliers to Lane County or worst case make payments related to the Supplier invoices late relative to their scheduled pay date.

## 7) Workflow

Lane County has PeopleSoft workflow activated for all Purchase Orders and AP Vouchers entered into the Purchasing and Accounts Payable modules respectively. The workflow is reliant on the Department Id to which expenditures are associated on the Purchase Order and Voucher distribution lines.

## 8) Document Imaging

Lane County utilizes the Kofax application to facilitate the scanning of all Supplier Invoices corresponded to Lane County. The scanning function is done independently by each Lane County Department after they enter the supplier invoice into the PeopleSoft Accounts Payable module via a scanner or uploading of an emailed image of the Supplier invoice into the Kofax application. Upon the uploading of the scanned image into Kofax, a reference to the PeopleSoft Voucher is made by the individual for each scanned image that they upload into Kofax. Kofax transfers the scanned image for storage to Sharepoint and facilitates based on its association to an AP Voucher the direct ability to access that scanned image from the Voucher within the PeopleSoft AP module. The link that facilitates the opening of the scanned invoice residing within Sharepoint from the AP Voucher is a customization created within the PeopleSoft AP module.

## 9) Procurement Card

Lane County allows authorized employees to utilize Procurement Cards to procure goods and services from Vendors. The Bank that Lane County has chosen for its Procurement Card services is Bank of America. The PCard billing period runs from the 16<sup>th</sup> of a month to the 15<sup>th</sup> of

the following month. During the course of the billing period, individuals or their proxies are notified by Bank of America that they have PCard transactions that require their review. The Purchaser or their Proxy will sign onto the Bank of America portal for Lane County and encounter their authorized financial transactions. The GL account string to which the expenditure is related is manually entered into the BoA portal by the Lane County representative. They will also ensure that a copy of the receipt is uploaded. From there, the PCard transactions are routed to authorized Lane County approvers.

All approved PCard transactions are uploaded via EDI into the PeopleSoft AP module on a monthly basis for the recording of Supplier invoices. The distributions within the AP Vouchers uploaded are subsequently posted to the AP Subledger as well as transferred to the General Ledger module for posting.

PCard Vouchers are processed through an AP Pay Cycle for payment, but no monies are remitted to the Suppliers as they have already received electronic payment from Bank of America as the Lane County employees submitted their PCard number to them at the time of purchase. Bank of America drafts payment directly from Lane County's operating bank account thirty days after the close of the prior month's billing period for all monies owed to them from the prior month's PCard transactions. The accounting entries related to the drafting of the monthly amount drafted by Bank of America is manually entered as a Journal Entry into the General Ledger module by a member of the Central Finance Office team.

## 10) Pay Cycle Processing

Even though AP Voucher entry is decentralized by the various Lane County Departments, the payment of those Vouchers through AP Pay Cycle processing is a centralized function residing within the Central Finance Office. Paycycles are run on a weekly or ad hoc basis to select approved Supplier Invoices entered into the PeopleSoft AP module in a decentralized manner by the Lane County Department administrators. Remittance are made by Lane County to their Supplier as a result of running the AP Cycle either as Checks or ACH. PCard Vouchers from Bank of America are processed by a unique Paycycle on a monthly basis. All Paycycles will require a single level of approval prior to the system allowing for the creation of a Payment file within the PayCycle.

## Time Entry

Lane County chose to develop a custom time entry bolt-on module within the PeopleSoft HCM application for Departmental employees to enter hours for their authorized Programs and Projects on a bi-weekly basis. Employee time flows through the PeopleSoft Payroll module within PeopleSoft HCM where they are paid for their time worked. The labor distribution capability within the Payroll module is able to create accounting entries for employee efforts inclusive of their benefits and taxes (employee and employer) relating their total payroll costs including earnings, taxes, and deductions to the following GL Chartfields; Fund Code, Department Id, Program, and Project Id. All the balanced accounting entries representing the various aspects of employee pay created within the PeopleSoft Payroll are then transferred and subsequently posted within the PeopleSoft General Ledger module.

## Grants and non-Grants based Invoicing

Lane County Departments provide services to external organizations which require invoicing on a periodic basis. Invoices are created on a monthly basis by Lane County Departments related both for Grant Contract or non-Grant Contract related services. Grants invoicing is currently being performed by the majority of Lane County Departments outside of the PeopleSoft system. Tracking of invoices and subsequent management of outstanding invoice balances with sponsors is also being performed outside of PeopleSoft. All accounting entries related to Grants invoicing, revenue recognition, and cash receipt are manual entered within the General Ledger module. Awareness of outstanding balance owed by Sponsors to Lane County Departments is not possible due to the tracking of sponsor invoices outside of PeopleSoft leading to potential cash collection issues.

## Budgeting

Annual Budgets and subsequent adjustments are made by Department staff as managed by the central budget office within an application called Performance Budgeting. Chartfield values are manually synchronized between PeopleSoft FSCM and Performance Budgeting as well as being used to track both Actuals and Budgets. The original annually adopted Budget and subsequent additions/transfers/adjustments to that Budget are imported monthly into the PeopleSoft General Ledger module's BUDGETS Ledger while activity within the General Ledger ACTUALS Ledger is sent back to Performance Budgeting. Budgets vs Actuals reporting can be conducted from either the General Ledger module or Performance Budgeting. There is no active control of the Budget loaded into the General Ledger but rather a report based tracking which could allow for potential cost overruns for Project or Departmental level budgets if not proactively managed.

## Asset Management

All Fixed Assets (PPE, Real Property, Intangibles, Leased Assets, ...) are all tracked within the SAGE application. There is no integration between SAGE and PeopleSoft Financials. All Fixed Assets are manually entered into SAGE upon them being put into service and all GAAP and GASB34 accounting entries related to Fixed Asset Accounting (Additions, Retirements, Depreciation, Adjustments) are manually uploaded to the General Ledger from SAGE by the Central Finance Office on an annual basis into the GAAP and ENTITY Ledgers.

## Inventory

All stock Inventory for Departments is tracked individually by each Department on Excel Spreadsheets. Replenishment performed based on minimum reorder points are all also managed through those Excel spreadsheets. Replenishment orders are raised Suppliers either through a Procurement Card purchase, phone call, or purchase order (PeopleSoft or Excel based). Restocking of replenishment stock is performed at each Departmental storage facility requiring the restock. Stock quantity on hand for each SKU for each facility updated manually for each facility's spreadsheet. Each storage facility across the HHS (Clinics), PW (Warehouse, Fleet Maintenance facility), and SO (Detention facility, Precinct) Departments manage their stock via their own spreadsheet. All accounting entries related to costing stock Inventory to a Department, Program, and Project are either recorded on the Accounts Payable Voucher or entered on a monthly basis within the General Ledger module.

## Internal Services

Back-office Departments (Technology Services, Central Finance, ...) charge front office Departments (PW, SO, HHS, ...) to which they provide their services throughout the fiscal year. The charge backs are performed on a monthly basis by the servicing departments to the front office departments through the uploading of Journals into the General Ledger module. The Finance Department enters the Journals into the General Ledger module for all central service chargebacks. The chargebacks are based either on 2-year look back rates (Central Finance) or provisional rates (Technology Services) based on annual budgetary estimates.

Technology Services has a true up on an annual basis due to its use of provisional chargeback rates. The true up reconciles actual costs at year end to the straight-line monthly chargebacks assessed to each front office department that they serviced throughout that year. TS has expressed that the true up is cumbersome and desires a more efficient method of reconciling their Actuals departmental expenses to the provisionally charged monthly assessments to the front office Departments.

## Reporting

Financial reports are generated at Lane County through a combination of nVision, BI Publisher, Tableau, and PS Queries utilizing one of the following data sources; PeopleSoft FSCM database, Reporting Database, Finance Cube, Public Works Cost Accounting Cube, and Data Analytics Server. They are also generated out of the Performance Budgeting application. The PeopleSoft FSCM Database is refreshed to the Reporting Database on a nightly basis with the other data sources refreshed from the Reporting Database. Only reports that are extracted from the Production database utilize current data while reports that utilize data from the other data sources utilize data that is one day outdated. As Financial data is primarily reported by fiscal period especially for periods that have closed, the staleness of the data from the Reporting Database as well as other data sources fed by it is not an issue. However, management reports which require up to date transactional data to make decisions must utilize current data from the PeopleSoft Production FSCM database.

## Security

All data stored within PeopleSoft FSCM is accessible to all Departments within Lane County. There is no siloing within PeopleSoft of either data entered or requiring access by the Lane County Departments. This allows each Department to charge other Departments while challenging the ability to extract data relevant for their own Departments. Currently the only way to differentiate an organization's transaction within a PeopleSoft module is to infer the Department of the individual that entered a financial transaction within PeopleSoft or through the Department Id Chartfield value designated on the distribution budget code associated with the financial transaction.

## Technology

The following back-office applications are utilized by the various Lane County Departments to manage their business operations.

### PeopleSoft HCM

Primary application for the management of Lane County employees, their time entry, and their payroll.

### PeopleSoft FSCM

Primary application to manage the following finance functions: General Ledger, Accounts Payable, Supplier Contracts (Custom), Purchasing, Billing, and Accounts Receivable.

### Performance Budgeting

Primary application related to Budget planning and preparation. Finalized and approved Budgets are transferred to the PeopleSoft FSCM General Ledger module. Posted activity on the General Ledger ACTUALS Ledger are transferred from PeopleSoft FSCM back to Performance Budgeting.

### Sage

Primary application for the management of Lane County Fixed Assets.

### Kofax

Kofax application utilized for the scanning of business documents such as supplier invoices for storage within the Sharepoint application.

### Sharepoint

Utilized for the storage of scanned supplier invoices for quick access directly from Voucher directly entered into the PeopleSoft Accounts Payable module.

### Asset Works

Application utilized by the Lane County Fleet division within their Public Works Department to manage their Fleet stock inventory as well as the management of maintenance schedules and work performed against the entire fleet of vehicles owned by Lane County.

### Reporting Technologies

Reporting Cubes (Excel front end), Tableau, and Power BI are utilized to access and present prior day data extract from the PeopleSoft FSCM production database. Performance Budgeting is used for publishing of legal budgets which include prior year actuals, current budget, proposed/adopted budgets.

### Excel

For the tracking of data not properly stored within any other system within the Lane County application stack.

## Current State Strengths Summary

During our assessment we found many areas of the County that have been beneficial to the support and development of PeopleSoft and Financial processes. The first area is the ongoing PeopleSoft upgrades to applications and architecture. This has ensured that the underlying architecture (Tools Releases) has been kept up to date, ensuring the application's reliability. Lane County has its own trained PeopleSoft support team which have been able to support and develop new solutions to support Lane County needs. This has helped keep expertise in house and avoid dependency on external support.

Investments in Billing, AR and nVision reporting have supported reporting needs, and while these are in scope for improvement, these processes have worked for the County over a long period of time.

The Departments are all aligned on the need for improvements in the management of Grants and spending, including standardization of processes, data and the ability for Departments to support each other. In fact, the openness to implementing change, making the best use of the PeopleSoft investments through improvements is noted as a key strength in the ability to implement any changes recommended to the County.

### 3. Challenges and Opportunities

Turning on the use of PeopleSoft Grants Management and Commitment Control has numerous benefits as listed in section 4. However, the activation and implementation of the Grants Management functionality will present many challenges to how Lane County Departments utilize the PeopleSoft FSCM application. The following section will attempt to highlight those challenges from a People, Process, and Technology point of view.

#### People

All Lane County Departments currently support their day-to-day operations using a myriad of technologies. Those technologies include modules within the PeopleSoft FSCM application and those outside of it. Due to the extending of PeopleSoft FSCM to include modules that support functionality to manage externally funded Grants Awards and internally funded Projects, how each Lane County Department currently budgets for and tracks expenditures for their Projects will be affected. Each Department will have to be trained in how to utilize the new capabilities being implemented within PeopleSoft FSCM through the activation of the following modules within PeopleSoft FSCM; Grants Management, Project Costing, Commitment Control, Billing, and Accounts Receivable.

The training and testing of the new PeopleSoft modules and business processes need to be afforded appropriate time within the overall Project plan due to the major changes being made to how each Lane County Department will utilize PeopleSoft FSCM to manage their externally and internally funding Project initiatives.

#### Process

The following business processes will be impacted by the new modules being implemented within PeopleSoft FSCM.

#### Chartfields

Lane County Departments currently utilize a combination of Department ID and (for some Departments) GL Program and Project Chartfields to manage their external and internally funded services. Though the activation of the Project Costing module, the Program/Project combination of GL Chartfields will transition to the Project Costing Project/Activity Id Chartfields. The creation of new Program/Project Chartfields currently is a manual form-based process. This will be replaced by a PeopleSoft request form with proper approval for the creation of the new Project Costing Project and Activity Id Chartfields. Grants related Project / Activity Ids are typically created in an automated manner by the Grants Award Generation process. A PeopleSoft form based request will also be configured within the General Ledger module for the requesting of new GL Chartfield (Fund Code and Department Id) values. Lane County Departmental personnel who are impacted by this change will have to be retrained to utilize the new technologies and business processes. The Central Budget Office will be impacted by the new Chartfield creation business process as they are responsible for the creation of the new year's fiscal budget 6 months in advance of the new fiscal year with the use of the new Chartfield values.

#### Grant Proposals

Externally funded Grant Proposals currently being tracked on Excel spreadsheets will require entry within the PeopleSoft FSCM Grants Management application. Through the tracking of Proposals within PeopleSoft, Lane County as an entity can determine how effective each Department is in

appropriating funding external to Lane County including its dollar value. PeopleSoft internal business processes will allow each of the Lane County Departments to better manage their Proposals as they transition an Award for post-Award processing including the ability to track both expenditures and revenues from a systematic point of view. Delivered PeopleSoft reporting will allow for the proper financial management of the Grant Awards from a systematic point of view.

## Project Management

The management of both internally and externally funded Projects will be impacted through the activation of the Project Costing module within PeopleSoft FSCM. This will impact the entire lifecycle of a Project for each Lane County department including Project Id initiation, Project budgeting, Project Cost collection, Project Billing, Project Capitalization, Project closeout, and Project reporting. As all aspects of a Project's lifecycle are impacted, the effort to re-train the Lane County Departments in how they will utilize PeopleSoft FSCM to support their internally and externally funded Project will be significant and must be properly managed within the overall Project to manage the Lane County modernization of its PeopleSoft FSCM application.

## Budgeting

The budgeting of both Project and non-Project related expenditures and revenues will continue to be performed within the Lane County Performance Budgeting application. The changes in how Project expenditures and revenues will be tracked via the Project Costing module's Project Id and Activity Chartfields as opposed to the current state General Ledger Department, Project Id and Program Chartfields will require changes within the Performance Budget application. Other than the Chartfields to which Project expenditures are being tracked, internal business processes within Performance budgeting are not expected to be impacted. An analysis will be required during the implementation to fully determine the impact of the activation of the Project/Activity Chartfields within Performance Budgeting.

The major change to the Lane County Project budget lifecycle will not be Budget Planning and Preparation which will stay static within the Performance Budgeting application, but rather the budget execution side of things. Due to the activation of the Commitment Control module, budgets will be actively managed versus passively as in the current state by the loading of budgets from Performance Budgets into the PeopleSoft General Ledger module. All budgets now loaded into the Commitment Control module from the Performance Budgeting application will directly impact the user experience of cost entry within PeopleSoft FSCM based on how Commitment Control will be configured.

If Commitment Control is configured with a Control setting, then Project expenditures that exceed a Project's remaining budget will be rejected within the PeopleSoft module where the costing transaction is entered. If it is configured in a Track setting, Project expenditures that exceed remaining budget will simply elicit a warning message, but the cost transaction will be allowed to process. Best practice utilized through the implementation of Commitment Control is to activate the Control setting to ensure a proper enforcement of the Budget planned for within Performance Budgeting.

Project Budgets can either be configured within Commitment Control to be multi-year or single year. Multi-year Project budgets allow for Budgets to be loaded in the fiscal year for which Grants are

Awarded with expenditures allowed against the Project budget in subsequent years over the multi-year Grant Award's period of performance. Single year budgets require budgets and expenditures to align within a single fiscal year for the expenditure to pass funds check within the Commitment Control module. A determination will have to be made as part of the modernization initiative and activation of the Commitment Control module in how Lane County Project expenditures will be set to either Track or Control as well as how multi-year Project initiatives will be managed. A review of how multi-year Grant Award Budgets will impact how Performance Budgeting currently manages multi-year budgets will also be required.

The settings do not have to be an all or none, Grants Projects can be set to Control and multi-year while internal non-Grants Projects can be set to Track and single year. Both of these decisions that will be required to be made may impact in how Performance budgets are planned for and the training required by the Lane County staff (Central and Departmental level) in how Project Budgets will be managed and executed.

## Time Entry/Payroll

Lane County currently utilizes a custom Time Entry bolt on within the PeopleSoft HCM application to manage Program/Project based time entry. Due to the transition of the Project Chartfields from Program/Project to Project/Activity, the custom Time Entry bolt on application will be impacted. A technical effort will be required to determine the impact and timeline to have the module transition the tracking of time from Program/Project to Project/Activity.

The custom Lane County Time bolt on application integrates with the PeopleSoft Payroll module to cost expenditures related to project time efforts. Currently the Program/Project GL Chartfields are utilized to track both internally and externally funded project expenditures. The Payroll module utilizes HCM Account Codes to facilitate the association of time effort to GL Chartfield combinations. Due to Accounts Code now requiring the Project Costing Chartfields (Project / Activity), the way Account Codes are created and loaded within the Peoplesoft HCM application will be impacted. The effort to change this business process and the retraining of the Lane County staff which is impacted by this change needs to be allowed for within the timeline of the Lane County modernization project plan.

## Procurement of external Goods/Services

Even though Lane County has a documented procurement policy, there is a lack of consistent adoption and enforcement by and within the Lane County Departments in how it is used within the PeopleSoft Purchasing module. Some Lane County Departments create Purchase Orders within the PeopleSoft Purchasing module to initiate external spend while others initiate it through direct communications with the external supplier. SpearMC has indicated within the assessment phase of this project that it is best practice to utilize a consistent Procurement policy across all Lane County Departments that makes use of the PeopleSoft Purchasing and eProcurement modules.

The eProcurement module is the module within PeopleSoft FSCM that allows the initiation of demand for external goods/services in a decentralized manner across the various Lane County Departments. The activation of the PeopleSoft Commitment Control module will allow for the pre-encumbering of Project budgets after the approval of eProcurement Requisitions. This will ensure that remaining budget is impacted by Requisitions raised within PeopleSoft eliminating overspending of Project

budgets assuming that Commitment Control is configured to Control spend and not Track. Workflow approvals configured within the eProcurement module will ensure that proper multi-level approvals are configured within the application to ensure proper accountability of authorized spend against available Budget.

The Purchasing module within PeopleSoft FSCM will create Purchase Orders for all Requisition approved within the PeopleSoft eProcurement module. Purchase Orders allow for a proper obligation of Project funds within the PeopleSoft FSCM application. As a Purchase Order is a legal and binding Contract by and between Lane County and an external Supplier, PeopleSoft is able to create a document with all of the legal terms and conditions related to the financial transaction. The Purchase Order document can either be corresponded to the Supplier via postal services or emailed to the Supplier manually.

The ability for the Commitment Control module within PeopleSoft to encumber funds through the entry of Requisitions within the eProcurement module and Purchase Orders within the Purchasing module behooves Lane County Departments to utilize both PeopleSoft financial transactions to better track its incurred spend (Requisitions and Purchase Orders) as much as its actual spend (Supplier invoices and Employee Payroll costs). Tracking both incurred and actual Project expenditures within the PeopleSoft Commitment Control module will allow Departments to allow for a real time tracking of remaining Project budget across all financial transactions. That cannot be done by Lane County by activating the Commitment Control module without enforcing Lane County Departmental staff to enter Requisitions and Purchase Orders within PeopleSoft.

An externality of Requisition and Purchase Order entry within PeopleSoft will be the ability of Lane County to track all of its third party spend by its various Departments across its various Suppliers. That data will arm the Central Finance Office with knowledge of what and how much is being purchased across the various Lane County Departments. That knowledge is invaluable in allowing it to perform spend analysis and potentially negotiate better Procurement Contracts with Supplier being armed with actual Lane County spend analytics.

## Procurement Cards

Lane County's Procurement Card vendor is Bank of America with a portal being provided to enter GL Chartfields by each card holder for their transactions on a monthly basis. An analysis will have to be performed to ensure that the changes being made to the GL Chartfields to transition from Program/Project to Project/Activity are accommodated for within the Bank of America portal. In addition, the EDI integration that automates the loading of the approved and properly coded Procurement Card transactions needs to be investigated to accommodate the transition from Program/Project to Project/Activity.

## Accounts Payable

The major weakness in Lane County's current state business process to pay Suppliers for the goods and services ordered by the various Lane County Departments is the decentralized way it has been put together. Suppliers correspond invoices directly to each Department that initiated the order. Each Department has an administrative group responsible for receiving the invoice, manually tracking down the requester within their Department that requested the good/service, obtaining an authorization

from them that the good/services have been received/rendered, and then finally entering the Supplier invoices as an AP Voucher within the PeopleSoft AP module.

The amount of manual effort involved external to the PeopleSoft system creates a latency between the time that the invoices are received by the Department administrator to when it is entered into the PeopleSoft AP module. That latency keeps Lane County's AP central finance team from having visibility to the invoices received by the Departments limiting their ability to; take advantage of any early payment discounts established with Suppliers, perform any cash forecasting necessary to ensure proper liquidity of the operating disbursement bank account while still being able to keep cash outlays needs in higher interest bearing accounts as long as possible. Ensuring that invoices are entered as early as possible will also ensure that the Department administrator and Central AP is able to manage their Supplier Aging to ensure that their Supplier liabilities are being paid for on a timely basis. The lack of entering Supplier invoices into the PeopleSoft AP module until after all of the authorizations have been obtained hampers the PeopleSoft AP module to ensure proper financial management of Lane County's Supplier liabilities.

## Reporting

The transition in tracking of Departmental expenditures and revenues from Program/Project to Project/Activity will impact all internal FSCM reports and downstream reporting applications/technologies including Performance Budgeting. The downstream reporting technologies include the Financial Reporting Database as well as the various reports/technologies which it supports; Reporting Cubes, Power BI, Tableau, and Data Analytics server. All of these reports and technologies will require changes to support the change from Program/Project to Project/Activity. In addition, any reports that currently utilize the General Ledger to determine Project Budgets will have to transition to utilizing the Commitment Control module for Project Budgeting.

## Technology

There are multiple applications that are both upstream and downstream to PeopleSoft FSCM that will be impacted through the transitioning of Project Chartfields from Program/Project to Project/Activity as well as the activation of the Commitment Control module to execute Project Budgets planned for within the Performance Budgeting application. The following technologies will be impacted and require modification to support the changes being made within PeopleSoft FSCM.

- Performance Budgeting – Changes required due to the transitions of performing Project budget planning utilizing the Project and Activity Chartfield values. In addition, the transfer of Project Budgets will require loading them into the PeopleSoft FSCM Commitment Control module as opposed to the General Ledger module. Actuals posted to within the PeopleSoft General Ledger will continue to be required for transfer to the Performance Budgeting application.
- Bank of America Procurement Card Portal – Changes will be required to track Procurement Card transactions to Project/Activity vs Program/Project. In addition, the EDI integration that creates Vouchers within the PeopleSoft AP module will require modification to account for PCard transaction to Project/Activity
- PeopleSoft Payroll – Changes will be required to have Account Codes recorded against Project/Activity vs Program/Project.

- PeopleSoft Custom Time Entry application within PeopleSoft HCM – Changes will be required to have Departmental time entries recorded against Project/Activity vs Program/Project. The Account Code modifications within PeopleSoft HCM will play a part in the transition.
- SAGE – All Fixed Asset accounting entries responsible for within SAGE to Program/Project will require transition to Project/Activity prior to loading into the PeopleSoft General Ledger.
- Reporting Database – The synchronization of the Financial Reporting Database from the Production FSCM Financial Database that support a myriad of financial reports needs to account for project financial transactions to the Project and Activity Id Chartfields.
- Public Works Cost Accounting Cube – Cube fed from Financial Reporting Database support financial reports for the Public Works Department.
- PeopleSoft Grants Management module – Requires activation and configuration to support the externally funded Lane County Project initiatives.
- PeopleSoft Project Costing module – Requires activation and configuration to support tracking expenditures and revenues for externally funded initiatives as well as internally funded initiatives for Lane County.
- PeopleSoft Customer Contracts module – Requires activation and configuration to support the invoicing and revenue recognition of externally funded Lane County Project initiatives.
- PeopleSoft Billing module – Requires configuration to support the invoicing of externally funded Lane County Grant Awards.
- PeopleSoft Accounts Receivable module – Requires configuration to support the cash collection of externally funded Grant Award invoices created within the PeopleSoft Billing module.

## 4. Future State Process and Recommendations

One of the check boxes for the undertaking by Lane County of its modernization of their PeopleSoft FSCM is to activate the delivered Grants Management functionality within the application. Lane County percentage of externally funded Grants revenue to total revenue has steadily increased in recent years and managing those Grants without a modern automation tool such as an ERP application will result in compliancy and reporting issues for Lane County with its sponsors.

PeopleSoft FSCM is a modular based application that supports Grants Management through business processes that are spread across varying modules within PeopleSoft HCM and FSCM. The following write up documents the SpearMC vision for activating that functionality by PeopleSoft module.

### General Ledger

The General Ledger module is the heart of the PeopleSoft suite of applications in that financial transactions conducted either within any PeopleSoft FSCM or HCM module must be able to associate that transaction to a set of GL Chartfield values. Each module is then responsible for the creation of a balanced set of accounting entries that utilize the Chartfields associated with the financial transaction for transference to the PeopleSoft General Ledger module within PeopleSoft FSCM by the end of the fiscal period.

The Grant Management functionality requires the association of financial transactions to a GL Chartfield to represent the expenditures incurred by Lane County and revenues recognized to a specific Grant Award. By default, activation of the Grants Management functionality requires the activation of the following Chartfields within the General Ledger; Business Unit PC, Project Id, and Activity Id. Three additional GL Chartfields are optional for use by Grants Management and can be activated based on need: Resource Type, Resource Category, and Resource SubCategory. (Note: The fields Resource Type, Resource Category and Resource SubCategory have been relabeled in recent years to Source Type, Category, and Subcategory. We will refer to them as their field names in this document – Resource Type, Resource Category, and Resource SubCategory.)

The Grants Award within PeopleSoft associate expenditures incurred on its behalf to a combination of the Project Id and Activity Id Chartfields. Project Id is the parent Chartfield and Activity Id the child. Even though these Chartfields are GL Chartfields, they like the other Chartfields mentioned previously (Business Unit PC, Resource Type, Resource Category, and Resource Subcategory) must be created and managed through the Project Costing module within PeopleSoft FSCM. All other GL Chartfields utilized by Lane County (Fund Code, Deptid, and Program Code) will continue to be created and managed within the General Ledger module.

The Project Id Chartfield is a unique Chartfield within the General Ledger module in that it can have two identities. The first is that of a simple GL Chartfield that is no different from any other Chartfield that can be used to track expenditures to a unique cost objective for financial and management reporting. Its second identity is as a Chartfield that is managed by the Project Costing module empowering it with all of the capabilities provided by the Project Costing module within PeopleSoft FSCM. The benefits that the Project Costing module convey to the Project Id Chartfield if it is designated as a Project Costing Chartfield will be discussed below in the Project Costing module's section of this document.

Each Chartfield designed within the General Ledger module by the PeopleSoft corporation that designed the FSCM application had a purpose and reason for existence. Lane County when implementing PeopleSoft HCM and FSCM deviated from PeopleSoft's vision for use of the GL Chartfields and best

practices utilized by other organizations that have implemented PeopleSoft FSCM. The following writeup will try to explain those best practices within the boundaries of the Chartfields that are currently being utilized by Lane County.

### 1) Business Unit GL

Business Units defined for the General Ledger differ from the Business Units that are defined for each module activated within PeopleSoft. The GL Business Unit is the business unit to which all financial transactions relate their accounting entries to. It is configured as a best practice to be a balancing Chartfield for the Ledger designated as the ACTUALS Ledger within the General Ledger module. The GL Business Unit being balancing indicates that all debits and credits posted either with the General Ledger or SubModule (Accounts Payable, Billing, ...) must balance by its GL Business Unit value. Best practice dictates that a unique GL Business Unit value must be associated with each Legal Entity that Lane County is managing a balanced set of books within their General Ledger module. Lane County has followed best practice in creating a single GL Business Unit with an identifier of LANE to represent the Lane County legal entity requiring a balanced set of books within the PeopleSoft General Ledger module.

### 2) Fund Code

The Fund Code Chartfield is by best practice utilized by public sector organizations that purchase and implement PeopleSoft FSCM. It is the critical PeopleSoft Chartfield that supports Governmental Fund Accounting ensuring accountability of public resources through the proper tracking and reporting of financial resources and expenditures. As well as the GL Business Unit, the Fund Code is designated as a balancing Chartfield within the General Ledger.

The list of Fund Code values used within the Lane County PeopleSoft FSCM application also has a best practice intelligence that conforms to how Public Sector entities identify their Fund Codes (1XX – General Funds, 2XX – Special Revenue Funds, ...). The full intelligence of the current state Fund Code list of values has been presented within the Current State section of this document. The Fund Code additionally has a length of 3 characters which is of sufficient length to support the future state growth of Funds and SubFunds at Lane County.

### 3) DeptId

The Department Id Chartfield is by best practice designated to uniquely identify the Lane County organization by which an expenditure was incurred or revenue recognized for goods/services sold either to internal Lane County organizations or external Customers. With that in mind, Departments representing Organizations with employees badged to them within the PeopleSoft HCM application normally would be designed to have the same identifier as the GL Department Id Chartfield to which expenditures and revenues would be associated within the FSCM application.

Lane County has deviated from this best practice two-fold. The first is that the HR Department Identifier is not in sync with the GL Department Id Chartfield value. Due to this bifurcation, a cross walk is required to translate the HR Department to the GL Department Id Chartfield value complicating the creation of accounting entries and financial reporting relative to the HR Department. The second is that the values within the GL Department Id Chartfield list of values are full of identifiers that have nothing to do with an organization, but rather a cost objective requiring tracking by a Lane County Organization (ex. Some Lane County organizations utilize the GL Department Id to represent Grant Awards).

The undertaking for the synchronization of the HR Department to the GL Department will be considerable but worthwhile to eliminate the need to track Departments using two differing identifiers across the Lane County FSCM and HCM applications. To minimize disruptions within the PeopleSoft HCM application, it should be the system of record for the future state listing of Department Id values.

#### 4) Program Code

The Program Code Chartfield is utilized as a best practice to be a budgetary mechanism for the tracking of expenditures other than Projects that are typically internally funded. In a public sector organization, tracking expenditures to a program is essential for transparency, accountability, budget control, and performance reporting. This is especially critical in environments where funds are earmarked for specific initiatives, such as public health, education, infrastructure, or safety programs.

An analysis of Lane County Program codes must be undertaken as part of the Grants Management initiative to determine whether the Program Code GL Chartfield utilized by Lane County Departments are really Projects or Activity Id (Work breakdown structure element of a Project Id). If they are determined to be a Project or an Activity Id within a Project Id, then that Program must be removed and converted to either a Project Id or Activity Id. The only Programs left should be real Programs which may or may not be tied to Project Ids.

#### 5) Project Id

The Project Id Chartfield as discussed above can be identified within PeopleSoft FSCM as a GL Chartfield or a Project Costing Chartfield. Activating the Project Id as a Project Costing Chartfield requires the purchase of the license to utilize the Project Costing module. Many organizations not wanting to incur the licensing costs of the Project Costing module utilize the Project Chartfield as a GL Chartfield. All of the automation that is delivered within the Project Costing module to support a Project is instead performed manually by Organizations not wishing to license the PeopleSoft Project Costing module. The recommendation of SpearMC is to utilize the Project Id Chartfield as a Project Costing Chartfield.

A Project Id created within the Project Costing modules has delivered attributes that track a project representing a defined and budgeted scope of work above and beyond how GL tracks it. Project Ids created within the Project Costing module are grouped within a PC Business Unit and can be associated with Lane County Departments from a responsibility perspective. They have a defined period of performance (start date and end date) and can either be internally funded or externally funded. Internally funded Projects have no Grant Awards associated with them while externally funded Projects do. The exception to that are Projects which are associated with a Grant Award but have a cost share requirement which requires a percentage of internal funding as a matching contribution to a sponsor's external funding.

This initiative will require real Projects with real period of performances be identified within the Lane County General Ledger. It could either be a Department Id, Program Code, or GL Project Id. This transition will be a significant conversion undertaking that will require the creation of Project Costing Project Ids from one of those three source identifiers.

#### 6) Business Unit PC

All Project Ids created and defined within the Project Costing module require it be associated to a Project Costing Business Unit. A Project Costing Business Unit is not the same as the GL Business Unit which we discussed was a single value representing the Lane County legal entity. A PC Business Unit is utilized as a logical grouping of Projects Ids for whatever purpose can be derived from it. A little further in the future state section of this Assessment, a recommendation will be made to create separate Business Units within the Billing, AR, Purchasing, and AP modules to create a segregation in the transactions being conducted by the various Lane County Departments. As each Lane County operates in a decentralized manner and creates their own transactions within each SubLedger module, it is best practice to create separate Business Units for each Department within those modules. Project Costing like the other SubLedger modules should be segregated by Department into their own PC Business Units establishing a one-to-one relationship between the PC Business Unit to each of the SubModule Business Units. GL Business Unit will continue to be a single Business Unit.

## 7) Activity Id

All Project Ids created and defined within the Project Costing module require Activity Id(s) to be associated with them. The Activity Id is a child of a Project Id and acts either as a work breakdown structure or funding breakdown structure element of a Project Id. Some of the Lane County Departments utilize the Program GL Chartfield as a work breakdown structure element of the GL Project Chartfield. The conversion that will transition the GL Project Id Chartfield to a Project Costing Chartfield will require the transition of the Program Chartfield value into an Activity Id Chartfield value. Even though Activity Ids are recorded on financial transactions (Requisition, Purchase Order, Supplier Invoice, ...) for cost collection into the Project Costing module, it is not posted to the Ledger table within the General Ledger (however, Activity ID can be saved on the Journal Line table).

## 8) Resource Type / Resource Category / Resource SubCategory

While the natural Account GL Chartfield is utilized by the General Ledger module to denote the nature of each expenditure for the purposes of financial reporting, the Project Costing module provides 3 separate Chartfields that will allow for the tracking of Project related expenditures at a different level than in the General Ledger. As an example, if the General Ledger has numerous natural Account Ids to represent various type of Supplies expenses, the Project Costing module can be configured with potentially a single value (SUPPL) to denote Supplies expense if that level of granularity is not required for management reporting within the Project Costing module. Conversely if there is only one Supplies Expense natural Account Id in the General Ledger, but a lower level is tracking is required in the Project Costing module, then multiple Resource Types can be utilized to track the various types of Supplies Expenses within Project Costing.

The three Project Costing Expenditure Chartfields can be dimensions of an expenditure independent of each other or work in combination to provide a hierarchical structure related to the expenditure. As an example, a Resource type of LABOR will identify that the expenditure is Labor, Resource Category values of EMPL or SUB will differentiate whether the Labor expenditure is an internal employee or external subcontractor, and Resource Sub Category values of REG or OVER can denote whether the labor charge was either standard time or overtime.

These values can drive inclusion/exclusion of that expenditure for various processes within the Project Costing module including Billing, Pricing, and Accounting. Finally, like the Activity Id

Chartfield, these three Project Costing Expenditure Chartfields are not posted to within the Ledger so all manage reporting requiring them will require utilizing the Project Costing module as the source for the report.

These three Chartfields are optional and a determination will need to be made if any of the Lane County Department would like to track Project expenditures within their Departments in a manner or fashion that cannot be provided by the GL Account segment. As the setting for making them optional / required is at the Business Unit level, the requiring of these Chartfields can be fine-tuned by Lane County Department as the intention is to create separate Business Unit PC values for each Department.

Due to the requirement of both upstream (Kofax, Performance Budgeting, SAGE, ...) and downstream applications (PeopleSoft HCM, Reporting Database, Reporting Cubes, ...) developed to utilize the current state GL Chartfields, any changes to the GL Chartfields to incorporate Project Costing Chartfields will impact these systems. A part of this Project will be to understand all of the impacted systems with potential development required to the impacted system to account for the Chartfield changes which will be facilitated within the PeopleSoft FSCM application.

## Project Costing

The transition of the Project Chartfield from a GL Chartfield to a Project Costing Chartfield will require the activation of the Project Costing module. The Project Costing module supports the tracking of Project expenditures utilizing the following 6 Chartfields discussed above; Business Unit PC, Project Id, Activity Id, Resource Type, Resource Category, and Resource SubCategory. The primary benefit of the Project Costing module is to be able to track Project Id expenditures utilizing Chartfield dimensions separate from the General Ledger and to be able to track source transactions attributes (Voucher, Purchase Order, Vendor, ...) directly on the transaction with the Project Costing module. The module is delivered with processes that allow for the application of burdens to facilitate cost recoveries of Lane County indirect cost pools. Lane County currently does that manually within the General Ledger. It is an onerous process each month end. It is the hope of SpearMC to transaction the cost recoveries to automated burdens within Project Costing for indirect cost recoveries for Lane County Department such as Technology Services and Central Finance.

The Project Costing module also facilitates the invoicing of expenditures incurred by cost reimbursable Grant Award Contracts. The Lane County Departments do not consistently utilize the PeopleSoft Billing module to track the invoicing of Sponsors based on the terms of the Grant Award Contract. The automated integration between the Project Costing module and the PeopleSoft Billing module allows the transition of the Lane County Departments to track their outstanding Grants receivables directly within PeopleSoft.

The Project Costing module also has the ability to differentiate Capital vs Operating Project expenditures. Project expenditures which are deemed capital are allowed for automated integration with the PeopleSoft Asset Management module for the creation of a capital Fixed Asset. The Fixed Asset module would take over the active management and subsequent depreciation of the Project related Fixed Asset. Even though Lane County utilizes the SAGE application for the tracking of Project related Fixed Assets, it is the vision of SpearMC to utilize the PeopleSoft Asset Management module as the bridge to creating Fixed Assets within SAGE and serve as an audit trail for any new Project related Fixed Assets within SAGE.

The biggest challenge in the transition to the Project Costing module for the tracking of Lane County Projects will be the data conversion involved in creating converted Project Ids and Activity Ids from the multitude of ways that they are tracked by the varying Departments currently within the General Ledger. In addition, the inception to date costs up to the point of go-live will have to be converted into the Project Costing module to facilitate proper representation of inception to date cost incurred against the original Project budget.

Project Ids will be created within the Project Costing module for Projects that are entirely funded by Lane County Funds (not linked to Grant Awards), by externally sponsored Grant Awards, and potential ones that are funded by a mixture of external funds and cost shared Lane County funds. The objective of the activation of Project Costing module for Lane County will be the tracking of any cost objectives related to either capital/operating scopes of funds with are funded entirely through internal and/or external funding sources that require tracking for either management and financial reporting purposes beyond the use of the current state GL Business Unit, Fund Code, Account, and Department Chartfields.

## Budgeting / Commitment Control

While the tracking of Project related expenditures within the Project Costing module will be a huge step forward in how Lane County tracks and manages it Projects, the activation of the Commitment Control module in tandem with the Project Costing module will enhance the execution of those Projects. One of the primary objectives of Project execution involves the proper financial management of each Project over its period of performance. Proper financial management of Projects entails the proper loading of actual or estimated budgets at Project inception for active tracking against future commitments, obligations, and expenditures. The Commitment Control module within Project Costing facilitates all of this within PeopleSoft in a real time manner.

While Commitment Control is an effective module to support Project execution, it is not a budget planning and preparation tool. There are other tools that PeopleSoft recommends for Project budgeting which can integrate with Commitment Control to facilitate the transition from budget planning to execution. However, Lane County already has an operation application for Project Budget planning and preparation. It also has an established integration to the PeopleSoft General Ledger module for loading of Project Budgets into the General Ledger module. This Project will require the transition of having the Performance Budgeting facilitate the planning of Budgets utilizing the new Project Costing Chartfields (PC Business Unit, Project Id, Activity Id, Resource Type, Resource Category, and Resource Sub Category) as well as re-orient the loading of that budget into the Commitment Control module instead of the General Ledger module.

Even though Lane County currently utilizes the General Ledger module to track the financial execution of Project budgets, then transition by Lane County for the financial execution of Project Budgets to the Commitment Control module will reap incremental benefits. The first benefit is that Commitment Control allows for the tracking of Project Budget to the additional 6 Project Costing Chartfields. The GL Budget does not. The second benefit is that Commitment Control has a real time integration with the Purchasing module allowing for the tracking of Project Requisition as pre-encumbrances and Purchase Orders as encumbrances against Project Budget. The GL Budget does not. The third is that the integration between the Purchasing, Accounts Payable, Payroll, and General Ledger to the Commitment Control module are integrated in a real time manner through a delivered funds reservation process against expenditure budgets and between the Billing and AR modules to the Commitment Control module for

revenue budgets. The lack of integration commitments / obligation as well as the lack of real time integration into the PeopleSoft GL module does not allow the provisioning of real time budgets vs actual Project reporting for Project Managers.

Lastly the final capability that makes Project budget execution truly different between the General Ledger and Commitment Control modules is one that is the most controversial. That is the capability within Commitment Control to actively control spend vs simply tracking it in a passive manner. Commitment Control can be configured to stop transactions within cost origination modules such as Purchasing and Accounts Payable rejecting Project related transactions if the transaction amount exceeds the remaining available Project budget. The setting for Control vs Track does not have to be an either or but can be configured by grouping of Projects. For example, all the Grant related Projects can be set to Control but the internally funded Projects can be set to Track with a warning. SpearMC will work with Lane County to determine the optimal setting for the various types of Projects where Commitment Control will provide active Project execution against budgets imported from the Performance Budgeting application.

## Grants Management

The activation of the Grants Management module will allow the various Grants origination Departments within Lane County the ability to track their Grant Proposals (Pre-Award processing) as well as track / manage their Awarded Grant Contracts (Post-Award processing) within the PeopleSoft application. Currently this work is being managed by the Lane County Departments entirely on Excel Spreadsheets leading to a lack of central oversight and accountability.

The activation of the Grants Management module will allow Lane County departments to determine all of the Proposals being submitted to win externally funded Grant Awards. It will allow them to determine how effective they are in appropriating funding for their services by external entities. The Grant Management module will allow Lane County a systematic way of tracking their efforts and facilitate the reporting necessary from both a pre-Award and post-Award processing point of view.

All Proposals (pre-Award) being submitted by Lane County Departments will be tracked entirely within the Grants Management module. Once a Lane County Department wins an Award based on its Proposal, the following will occur within PeopleSoft FSCM to handle post-Award processing; an Award Profile will be created within the Grants Management module, a Contract will be created within the Customer Contracts module, and a Project Id will be created within the Project Costing module. A Contract within the Customer Contracts module will manage the invoicing of Grant Awards within the PeopleSoft Billing module as well as their revenue recognition. A Project Id within the Project Costing module will act as the costing vehicle to track all expenditures for the Grant Award. Project Ids will be created for externally funded Grant Award during Award Generation processing within the Grants Management module.

## Third Party Procurement

All external procurement of goods and services from Suppliers are currently being managed in an inconsistent manner by the various Lane County Departments. The future state of Lane County can either be to continue with the current state or standardize the creation of external demand across all Lane County Departments within the PeopleSoft eProcurement module. All Requisitions will be sourced to PeopleSoft Purchase Orders within the PeopleSoft Purchasing modules. The benefits of transition to the utilization of the eProcurement module and Purchase module to track externally sourced demand is two-fold. The first is that spend analysis can be performed on a period basis within PeopleSoft that can

attempt to determine what the various Lane County Departments are buying and what quantity and dollar amount. The second is that the eProcurement and Purchasing modules are integrated with the PeopleSoft Commitment Control module to encumber Project Budgets for Project spend originating out of the two Procurement modules within PeopleSoft FSCM application. The tracking of Project encumbrances provides Project Managers a real time and more accurate remaining Project budget that takes into account obligations that Lane County Departments have made to their Suppliers.

All Procurement utilizing Procurement Cards will continue to be processed by Bank of America. However, the BoA portal where Requesters or their proxies associate GL Chartfields to Procurement Card transactions will have to utilize the Project and Activity Id Chartfields. Any changes to the web portal to facilitate this change will have to be investigated. Other than the modification to the BoA portal or the integration technology to facilitate the creation of Supplier invoices within the PeopleSoft AP module related to the Procurement Card transactions, the BoA Procurement Card business processes will stay relatively intact.

## Kofax image scanning

Lane County Departments currently utilizes the Kofax image scanning software for the scanning of Supplier Invoices for storage and access of the image both within Sharepoint and within the PeopleSoft Account Payable module. A transition is currently underway related to the storage of images from SharePoint to be entirely within PeopleSoft. Kofax has additional functionality other than simply facilitating the scanning and document storage of Supplier invoice images. That additional functionality will perform OCR (Optical Character Recognition) scanning of the Supplier invoices to eliminate the manual data entry of Supplier invoices by the various department providing two immediate benefits, the immediate loading of Supplier Invoices into the PeopleSoft Accounts Payable module and the elimination of the manual entry of Supplier invoices by Departmental administration staff.

## Grants Billing / Revenue Recognition / Cash Receipting

Invoicing for the work performed by the various Lane County Departments for externally funded Grant Awards is entirely decentralized with each Department responsible for the invoices of its Grants. A majority of the Departments do not have a consistent systematic approach in tracking what amount to Invoice Sponsors, when they need to be Invoices, whether they have been invoices, and how much of what has been invoices has been received. That is due to the management of Sponsor invoicing entirely outside of the PeopleSoft FSCM application.

Through the implementation of the Grants Management module and the creation of Grant Award as Contracts within the Customer Contracts module, Lane County will be able to track all of its Grants Awards for post Award administration including cost collection within the Project Costing module as well as invoicing of Grant Awards from within the PeopleSoft Billing module. The Customer Contracts module will act as the brains for each Grant Award to determine when/how much to invoice each Sponsor and when/how much revenue to recognize revenue for each Grant Award.

The Account Receivable module within PeopleSoft will track open invoice amounts for each Sponsor invoice raised within the PeopleSoft Billing module. It also supports the creation of proper Customer Aging reports for user by each Department and auditable by Financial Planning Office on what is owed to each Department by the various Sponsors with which Lane County has signed Grant Awards with.

Tracking all of the post Award processing including cost collection, invoicing, cash receipting, and revenue recognition entirely within the PeopleSoft application across its various modules allows for full transparency, auditability, and proper reporting of the millions of dollars' worth of externally funded work engaged by the various Lane County Departments with external Sponsors.

## Security

While Lane County currently configures its PeopleSoft Security to restrict PeopleSoft access only to authorized users, it is not able to restrict the ability of authorized PeopleSoft users belonging to specific Departments to enter transactions only impacting their own Department. That is due to the Departments sharing the same Business Unit. Each module within PeopleSoft FSCM creates financial transactions through an association with a Business Unit. As there is currently only a single Business Unit across all of the PeopleSoft modules, it is not possible to either securitize or report on transactions entered within single Business Units by Lane County Departments.

As discussed earlier in the document, the best practice for the General Ledger module is the creation of a single business for each Legal Entity whose financial books of record are being managed within the PeopleSoft General Ledger module. As Lane County has a single legal entity whose financials requiring tracking within the PeopleSoft General Ledger, the use of a single GL Business Unit (LANEC) is warranted and follows what is considered best practice.

The Business Units for each module that is not the General Ledger module allows for the logical separation of that module's transactions for a benefit other than the fact that is being conducted for the benefit of the legal entity being represented by the GL Business Unit. Most public sector entities create Business Units within each Submodules (Accounts Payable, Purchase, Billing, Accounts Receivable, ...) based on the Departments that are conducting transactions within the PeopleSoft FSCM application.

SpearMC is recommending that Lane County create new Business Units within the Submodule to represent each of the major departments within Lane County. The benefits that will be reaped by the various Departments within PeopleSoft will be the physical siloing of the transactions within that business from both a security perspective and reporting perspective. Only authorized representatives who have been provisioned access to the Departmental Business Units will be able to conduct or report on financial transactions conducted by that Business Unit. In addition, all of the delivered PeopleSoft reports provided by each module are typically run by Business Unit. Whereas in the past, the reports run within each Submodule by the single LANEK Business Unit would comingle data across the various Departments, reporting by Department will now be achievable by both PeopleSoft delivered reports as well as custom reports developed to display by Business Unit.

## Inventory

All of the Lane County Departments currently track their stock inventory on Excel spreadsheets with the exception of the Fleet Division within the Public Works Department which manages its inventory within the Asset Works application. The Inventory module within PeopleSoft FSCM can replace utilizing Excel spreadsheets by the various Departments to manage their stock Inventory as well as its replenishment when minimum reorder point thresholds have been reached. Proper accounting, management, and reporting of the physical inventory can also be performed within the Inventory Management module. This module is not part of the critical path in the implementation of the Grants Management functionality within

PeopleSoft, and it is entirely up to Lane County as to whether to transaction the management of its stock Inventory from Excel spreadsheets to within the PeopleSoft FSCM Inventory Management module.

## Internal Services

PeopleSoft's Project Costing modules has capabilities that can automate the manual allocation of internal service fund chargebacks to the various Lane County Departments. The automated chargebacks will provide for an auditable and reportable pool and basis for the monthly allocations created to represent the internal service chargebacks. Rates for the allocations can be determined at the beginning of each fiscal year to be either a provisional or actual rate. Projects and Activities for each internal service fund can be designated as being part of the eligible base requiring charging on a monthly basis. Due to the automation of the monthly charging, any over or under allocation of the provisionally assessed charges related to actual costs at the end of the year can either be assessed on a pro-rata basis to the Projects which are part of the basis or simply reported upon for involvement in the calculation of next year's provision rate.

## 5. Readiness/Gauge for Potential Change

### Introduction

As part of the assessment, SpearMC interviewed many stakeholders from the Departments to gauge how 'ready' Lane County is for change and modernization.

These interviews consisted of several questions, particularly:

- What are the Organization's Goals?
- What are the Benefits?
- Impact on Stakeholders?
- Risks/Negative Consequences?
- Any Personal Goals?

Through these questions we were able to understand the key issues that will impact these Departments in embarking on changes to these key financial processes.

Of particular interest was the area of risk, we asked the audience to think about risk in several stages:

- The risk of not doing anything/staying the same.
- Risks during a project.
- Risks post 'go-live'.

The purpose of asking about risk this way is to understand how important it is to change and what may hold the organization back from change. Many people desire change, but the process of going through change can be difficult and frustrating. For others change may not be desired at all, and the 'way things operate' is satisfactory to these individuals. For others, change may come that impacts their job/responsibilities and fear may set in that their position may become redundant.

It is important to understand these factors and ensure that any significant impacts are managed prior, during and after go-live.

The interview documents are provided in the Readiness Appendix A.

### Findings

Across the Departments we found that there is a desire for change and modernization, centered on standardization of the process that Lane County undertakes in Financial Management.

Each department communicated goals and desires during the interviews, including:

#### Standardized management of financial processes.

Standardizing allows Lane County to better manage key financial information in a consistent and compliant manner. Departments would be able to collaborate and share information knowing that everyone is working the same way. Many of the other findings in this document are linked to standardization as a key driver for this project (and those that may come).

#### Associated Risks:

Staying the same means that Departments cannot work together or support each other as they do not have standard procedures. The implications of this are that Departments remain siloed and processes such as onboarding, position changes remain particular to each department.

Departments want to be involved in the project process and decision making; they do not want to miss out but at the same time committing resources may be limited.

## Reduce the reliance on Spreadsheets and manual data management

With every Department having at least some dependance through to significant dependance on Spreadsheets there is a desire to have the application that supports the County be used more effectively to move away from these sheets. By using the Peoplesoft functionality to replace the use of spreadsheets for all but reporting and any data imports to PeopleSoft from other systems will:

- Reduce manual data reconciliation and management.
- Decrease errors and inconsistencies.
- Allow for forecasting, budgeting, spend management, invoicing and more that Spreadsheets cannot provide.

The process of moving from reliance on Spreadsheets to the use of PeopleSoft for all financial management may 'pay for itself' based on the risks noted below.

### Associated Risks:

Tens of millions of dollars are being managed in Spreadsheets across the County, this is causing issues with errors and the inability to effectively manage budgets against spending. Controlling spending, forecasting, and effective accounting with other Departments and suppliers has created trust and morale issues. These morale issues stem from working with financial data that is incorrect and dealing with any negative consequences with external relationships. Examples include:

- Auditors.
- Grantees (Federal, State, etc.).
- Suppliers.

Research has found for all organizations that over 90% of spreadsheets contain errors and consistently contribute to inaccurate financial reporting and financial management.

Source: Spreadsheet quality assurance: a literature review.

<https://link.springer.com/article/10.1007/s11704-023-2384-6>

It was also noted that the process of managing Spreadsheets is a tedious, time-consuming effort. Those interviewed expressed a desire to move away from Spreadsheet/Manual Data Management and refocus on more value-added tasks such as mentoring, staff development, and analysis of data for better planning, budgeting and financial management.

## Greater reporting/analysis and lower audit/compliance time

Effective reporting and lower compliance/audit burdens go hand in hand. The ability to implement, report on and analyze Financial Data effectively will lower audit time and increase compliance. Increased compliance comes with greater visibility and accuracy of data when it comes from one 'source of truth'. Effective reporting and analysis improve forecasting, budgeting, and decision-making, enabling the County to manage spending and plan efficiently.

With greater compliance and financial monitoring, Lane County can utilize this to provide trust for those providing grants and funding to the county. This trust is not only gained from effective reporting, but stemming from having effective controls and procedures in place that help maximize use of funds for the best possible outcome.

### Associated Risks:

In the current state, audits are taking too long (the SEFA - Schedule of Expenditures of Federal Awards report - took 9 months with corrections, where it was targeted for 3 months), and weaknesses have been established in audits. With the reliance on spreadsheets that are not from one source, use of the current reporting methods will continue to cost time and effort 'firefighting' issues in these files.

For some Departments the reliance on spreadsheets is such that the time spent reconciling data from spreadsheets with the existing PeopleSoft implementation.

## Effective documentation and training resources.

Most of those interviewed stated that there is a desire to have effective documentation of processes and procedures, in addition to a training structure that would allow for effective onboarding and position changes. As the future state will involve standardized business processes, the process of managing documentation and training will likely be more manageable than trying to document the current state.

### Associated Risks:

Without better documentation of procedures (alongside use of PeopleSoft) there is concern that the current state is not sustainable with individuals who may leave the organization taking their knowledge with them. This process has made filling in knowledge gaps difficult, and over time this has contributed to the lack of standardization.

Another risk was associated with creating training and documentation as part of the project, but these assets are not being kept up to date after go-live as in the current state.

## Resources

In any implementation of software, resources are always a risk factor. Projects have to account for changes in personnel, unforeseen circumstances, and even disasters influencing project outcomes. Teams that can backfill positions while the subject matter experts take part in the project are the ideal solution to have going into an implementation.

At Lane County, resourcing is an acute issue, many Departments are limited to a small number of individuals who are responsible for processes related to Grants and Commitment Control.

For the PeopleSoft Benefits implementation, phase one was completed in 2015, phase two (Life Events) was completed in 2024, when it should have happened shortly after 2015. This highlights how resourcing limitations have had a real impact on Lane County's ability to complete projects on time.

## Associated Risks

Public Works highlighted a particular risk related to a 2-year process for getting American Public Works Accreditation (APWA). This process requires over 500 procedures to be met, including implementation, documentation and compliance with these procedures. It was noted that the resources working on APWA were likely those who would need to be involved in any financials project.

Many Departments noted how (this is typical) certain periods of the year would be a challenge for resources, including: Budgeting and Period close events.

## Recommendations

The following recommendations are based on the assessment of readiness at Lane County and include the steps that would assist with the successful implementation of Grants, Commitment Control and any other future implementations that would improve Financial Management.

## Leadership

With many Departments using Peoplesoft in multiple ways, the need to standardize may create friction and resistance when trying to find a path that supports Central Finance then 'out' to Departments. It is recommended that a "Change Network" of stakeholders (often referred to as Change Champions) is formed to provide stewardship and to be advocates for the project, helping to disseminate information coming from the project team, and in return providing feedback to the project team. Driven by one or more executive sponsors, the Change Network has been proven to be very effective in helping keep projects on track and assisting with the management of individual's concerns and resistance.

This network should also be responsible for ensuring that resources in their Departments, and their reports are equipped with the knowledge and tools to participate in the project.

At the early stages of the project, the Network is identified and educated on the project and the process of the people side of change – managing communication, feedback and handling barriers or blockers. As the project progresses, the Network will facilitate representation of the Departments and processes helping to determine the change impacts (see below) and the roadmap for managing these changes to completion.

## Resource Allocation

To avoid repeats of past project delays and push backs, strong emphasis needs to come from leadership on the desire to have Grants and Commitment Control in place by the allotted deadline. In order to achieve this, combinations of communication related to timelines, milestones and timing for Department involvement will help set the standards for what is to be achieved by when and when departments should plan for their involvement.

Departments will need to dedicate resources to the project realizing the time spent will save time on manual processing post go-live, and realize the benefits laid out in this assessment.

## Communication

Communication will be key to uniting the Departments behind a vision that looks to standardize processes across the County. While the decision to standardize may be present, stakeholders will need to have constant communication on what standardization means for their department, and for themselves. Just as importantly, the need to communicate what is needed

A Communications plan that provides for a clearly defined path for sharing information about the project will be critical. Just as importantly, communication methods that help stakeholders and staff understand how their Departments and their own roles will change are key components.

The communication plan should detail the key milestones and commitments required that are linked to the project plan. This will help define the timeline, and the required resources from the Departments where needed.

## Change Impact Management

Change Impact assessments focus on the key processes that will change with the implementation. This process goes deeper than the interviews conducted so far; getting into the processes and procedures that staff at Lane County will be impacted by.

Each process will have its current state and future documented, who will be impacted by the change, and how. The communication methods for working with these stakeholders and finally the training needs. This process helps to build a roadmap for taking stakeholders through the process of change, clearly defining goals and their input to make these goals achievable.

This process will help build communication, training and overall change management by itemizing the tasks that stakeholders will undercut through the transformation.

Examples of Change Impact tracking processes can be provided for review and would be used in any implementation project.

## Training

Training will be a key component of not only developing skills in new modules or technology but a chance to develop a program that supports Lane County from go-live and beyond. Key risks at Lane County have included key personnel leaving and taking valuable insights into knowledge and understanding with them. At the same time many Departments have not been able to keep operating procedures effectively documented and up to date.

A robust training program should provide all Departments with access to up-to-date processes and procedures that are consistent across the Departments. This will enable new hires to onboard, make position changes effectively, and ensure consistent processes across the County.

Modern LMS/Digital Training solutions provide media delivery methods, including videos, web guides and more to provide training and content to users. For Oracle products though, there is one stand out solution that will particularly assist Lane County: Oracle Guided Learning (OGL).

This solution provides training as the user works through a transaction, guiding the user through transactions. With the County aiming to standardize processes, this approach ensures that everyone follows the transactions as intended. If the transaction needs to change, OGL can be updated to accommodate the change and continue to guide users through transactions.

This form of just-in-time training and guidance reduces the need for support, reducing the burden on PeopleSoft specialists (including Lane County Technical Services), and ensuring all the Departments are provided with support in a standardized way.

## Culture

Lane County should adopt a more strategic mindset to use technology to serve the County's needs. While this project focuses on Grants and Commitment Control, culture should dictate that the County adopts features that are applicable to stay current. With many features of software modules that are paid and licensed for, the County is missing out on functionality that will reduce costs, increase efficiency and accuracy in financial management. This reduces the process of change to incremental, staying current and ensuring that maximum value is derived from the licensed software. This mindset should follow modern practices that a 'go-live' merely means software was switched on, and that rather than it being the end of a transformation, it is the beginning.

It is recommended that regular reviews take place of PeopleSoft Update Manager (PUMs) in addition to the current reviews and implementations of Tools Releases. For many PeopleSoft customers this requires subject matter expert review of the release documentation, presenting their recommendations and a plan for adopting them.

Lane County should ensure that all software that impacts Financial Management and Reporting go through a central team for review, and where possible use what is delivered with the existing Peoplesoft functionality. This will prevent Departments from purchasing software that is already licensed for or requires (at best) automated integrations with Peoplesoft, but at worst, it continues to require manual data exchange. This process will also ensure there is clear visibility over software license usage and identifying any needs from PeopleSoft that could be met by using new functionality, as opposed to buying more/different software.

In the same way, any department that requires modification to standard procedure should go through a steering committee where standards should be maintained and avoidance of customizations is undertaken to solve problems. If departments are standardized with most of the back office Financial transactions and processing there should be little need for 'creep' away from these standards.

## 6. Proposed Projects, Dependencies, Timelines

### Proposed Projects

The project being proposed by SpearMC will entail going live at the beginning of fiscal year 2027 with the following;

- Transition of Program/Project GL Chartfields to **Project/Activity Project Costing Chartfields**.
- Working with Lane County in the transition of upstream and downstream applications and reports impacted by transition from Project/Program to Project/Activity including but not limited to PeopleSoft HCM, Performance Budgeting, Kofax, Bank of America Procurement Card portal, Asset Works, SAGE, and Reporting Database.
- Conversion of open transactions from Program/Project to Project/Activity.
- Activation of PeopleSoft FSCM **Grants Management module** to track Lane County Proposals (pre-Award) and Award Profiles (post-Award).
- Activation of PeopleSoft FSCM **Project Costing module** to track Lane County Projects and Activities related to both Grants related and non-Grants related Projects.
- Activation of PeopleSoft FSCM **Customer Contracts module** to track Lane County Grant Award Contracts that require invoicing and revenue recognition over the Contract's period of performance.
- Activation of PeopleSoft FSCM **Commitment Control module** to either actively Control and/or Track both Grant and non-Grant related Project expenditures and revenues.
- Configuration of PeopleSoft FSCM **Billing module** to invoice Sponsors for services rendered on Grant Award Contracts based on the terms of the Contract.
- Configuration of PeopleSoft FSCM **Accounts Receivable module** to allow for cash receipting against Grants related invoices raised within the PeopleSoft Billing module.
- Activation of PeopleSoft FSCM **eProcurement module** to allow for entry of Requisition for Lane County Departments that will be set to pre-encumber Project Budgets loaded within the PeopleSoft Commitment Control module.
- Configuration of approval **workflow for Requisitions** raised within the PeopleSoft eProcurement module.
- Configuration of PeopleSoft FSCM **Purchasing module** to allow for entry of **Purchase Orders** for Lane County Departments that will be set to pre-encumber Project Budgets loaded within the PeopleSoft Commitment Control module as well as allow for the entry of **Procurement Contracts** which can be associated with Requisitions and Purchase Orders.
- Creation of **transactional Business Units** corresponding to each Lane County Department within the following PeopleSoft FSCM modules; eProcurement, Purchasing, Accounts Payable, Grants Management, Project Costing, Customer Contracts, Billing, and Accounts Receivable.
- Activation of **Business Unit Security** to restrict transactional sub-module Business Unit access only to authorized Lane County Departmental personnel.
- Rolling out **Oracle Guided Learning** to support the training and ongoing production support of both new and existing PeopleSoft functionality.

The project being proposed by SpearMC will not entail the following being mindful of the urgency to go live at the beginning of fiscal year 2027. These activities can be performed in a subsequent phase or negotiated to go-live with the first phase.

- Activating **additional modules within Kofax** application to perform OCR scanning of Lane County supplier invoices for automated loading into the PeopleSoft AP module.
- Activation of PeopleSoft FSCM **Inventory module** to allow for the tracking of Lane County Department stock inventory as well as its accounting.
- Activation of PeopleSoft **Asset Management module** to track both Project related and non-Project related Fixed Assets within the PeopleSoft FSCM application.

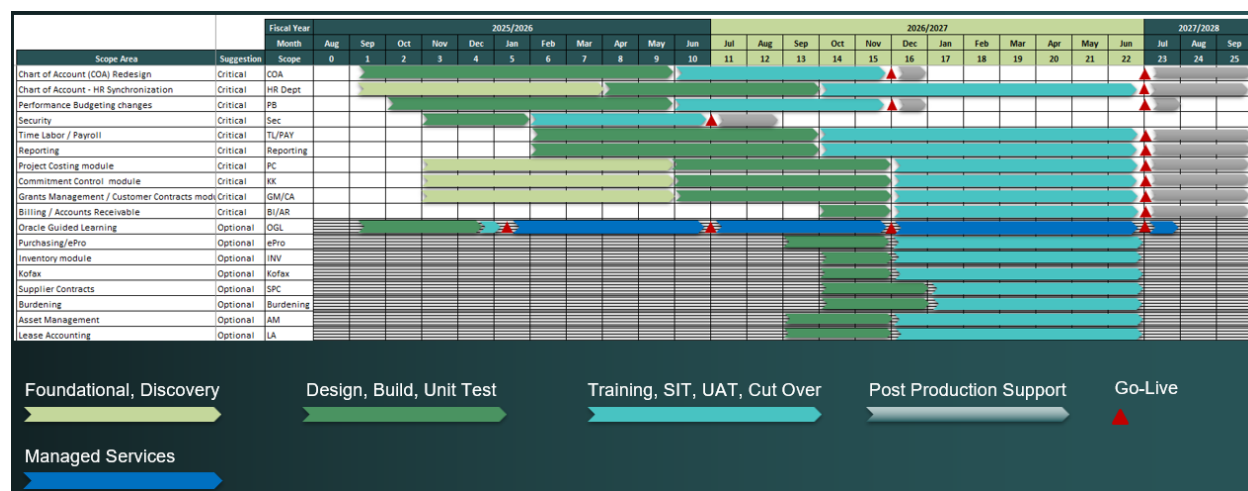
- Automating the **burdening / cost recovery** of indirect cost pools related to indirect service departments within the Project Costing module.
- Activation and configuration of **the Supplier Contracts module** to sunset the custom bolt on developed by Lane County to perform document authoring of their Contracts.
- Activation and configuration of the **Lease Administration module and SpearMC revenue leases bolt on** to support Lease Assets within PeopleSoft FSCM and the support of GASB87 accounting entries within the General Ledger module.
- Activation and configuration of the **Strategic Sourcing module** to streamline collaboration between Lane County and its Supplier community through introducing RFP/Rfq management, Bid management, and workflow automation.
- Activation and configuration of the **Cash Management module** to automate and improve Bank reconciliation along with Bank cash forecasting.
- Activation and configuration of the **eSettlement module** allowing enhanced electronic invoice presentation and payments between Lane County and its Supplier community.
- Procuring **SpearMC's All Access Learning Pass** for PeopleSoft support team members to be able to access both functional and technical training 24/7 to help keep current as well as expand PeopleSoft skills.

## Dependencies

Lane County performs its budgeting on an annual basis by fiscal year. The currency by which these budgets are built upon are GL Chartfields. Due to the major changes being made to the GL Chartfields to transition from Department, Program/Project to Project/Activity, SpearMC deems it prudent to go-live at the beginning of a new fiscal's year budget. Starting a fiscal year with one budgeting model only to transition to another mid fiscal year would be a recipe for disaster. As the implementation of Project Costing and Commitment Control are of utmost import in what is attempting to be upgraded as part of the Lane County modernization of its PeopleSoft FSCM application, it would be proper to defer activating non-essential functionality and enhancements to subsequent phases in order to not jeopardize the go-live of the Project Costing and Commitment Control modules as of the beginning of fiscal year 2027.

## Timelines

The high-level proposed timeline for both the critical and optional scope items are listed below. This assumes the majority of the scope going live 7/1/2027 but with Security/Submodule Business Units going live before in 7/1/2026 as well as Performance Budgeting changes being available starting 12/1/2026.



## Cost and Resource Estimates

For the proposed timeline and Critical Scope above, the estimated cost for SpearMC Resources is listed below.

| SpearMC Role                                                                                       | Effort/Duration                        |
|----------------------------------------------------------------------------------------------------|----------------------------------------|
| Project Manager                                                                                    | 100% through go-live                   |
| Change Management Lead                                                                             | 25-50% through go-live                 |
| FSCM Lead - KK, PC, GM, CA<br>(Commitment Control, Project Costing,<br>Grants, Customer Contracts) | 100% through go-live                   |
| Reporting Lead (nVision and Query)                                                                 | 50% starting month 6 through go-live   |
| Billing and AR Functional Consultant                                                               | 100% starting month 14 through go-live |
| Developer (Commitment Control/Grants)                                                              | 100% starting month 13 through go-live |
| Estimated total for SpearMC                                                                        | \$2,469,800                            |

One time and ongoing licensing for the Optional Scope of Oracle Guided Learning and Supplier Contracts is provided below.

| Costs for Optional Components  | Initial Cost | On-going    |
|--------------------------------|--------------|-------------|
| Supplier Contract Module       | \$72,500     | \$13,000/yr |
| On-Line Guided Learning Module |              | \$74,500/yr |

For the proposed timeline and Critical Scope above, the estimated Lane County Resource requirement is listed below.

| Lane County Role                                 | Effort/Duration Year 1 | Effort/Duration Year 2 |
|--------------------------------------------------|------------------------|------------------------|
| CA-Budget                                        | 520 hrs                | 520 hrs                |
| CA-Payroll                                       | 520 hrs                | 520 hrs                |
| CA-Finance                                       | 2080 hrs               | 3120 hrs               |
| TS- Developer                                    | 1560 hrs               | 1560 hrs               |
| TS- Finance                                      | 1040 hrs               | 1040 hrs               |
| HHS- Finance                                     | 1560 hrs               | 2600 hrs               |
| PW- Finance                                      | 1040 hrs               | 2080 hrs               |
| CJRS- Finance                                    | 1040 hrs               | 2080 hrs               |
| SO- Finance                                      | 1040 hrs               | 2080 hrs               |
| HR- Subject Matter Experts                       | 520 hrs                | 520 hrs                |
| DA- Subject Matter Experts                       | 260 hrs                | 260 hrs                |
| AT- Subject Matter Experts                       | 260 hrs                | 260 hrs                |
| CC- Subject Matter Experts                       | 260 hrs                | 260 hrs                |
| Estimated totals for implementing critical scope | 11,700 hrs             | 16,900 hrs             |

## 7. Conclusion

Lane County - after three decades of minimal enhancements to its PeopleSoft FSCM back-office application - has decided to initiate a huge modernization initiative for the application. The modernization is to enhance the budgeting and tracking of services that are both internally funded by Lane County as well as externally funded by its Award sponsors. A majority of the work performed by Lane County Departments to support its external Grant Awards is extremely manual and primarily performed outside of the PeopleSoft FSCM application. With the book of business expanding for its externally funded Grants Awards, Lane County has decided that enhancing its PeopleSoft FSCM application to automate what the majority of its Departments currently do manually would provide for a significant return on investment.

SpearMC was awarded the Contract to become the agent of change and assist Lane County in modernizing its PeopleSoft FSCM application to better support budgeted initiatives undertaken by the various Lane County Departments which are either internally or externally funded. The primary module to support tracking expenditures for project related initiatives with defined periods of performance and budgets is the PeopleSoft Project Costing module. The Commitment Control module integrates with the Project Costing module to either track or control Project budgets for Project Costing related Project Ids. The Grants Management and Customer Contract module will allow for the management, reporting, invoicing, and revenue recognition of externally funded Project Ids. PeopleSoft's Billing and Accounts Receivable modules allow for the invoicing of Award to Sponsors as well as receipting of cash against the invoices created. SpearMC since its inception in 2004 has specialized and assisted public sector entities in implementing the Grants Management, Project Costing, Customer Contracts, and Commitment Control modules within their PeopleSoft FSCM application.

Section 6 laid out exactly what SpearMC is suggesting that Lane County enhance within its PeopleSoft FSCM application to ensure a go-live by the beginning of fiscal year 2027. The implementation of the Project Costing module assumes a huge change in how Lane County Departments budget for and track project initiatives. As Project related initiatives have budgets and expenditures tracked by fiscal year boundaries, SpearMC deems it prudent that Lane County go live within the initiative at the beginning of fiscal year 2027. Only scope that is deemed necessary and part of the critical path of implementing Project Costing/Grants Management as well as that which would provide a significant return on investments will be included as part of the 7/1/2026 go-live. Any ancillary updates to the PeopleSoft FSCM application that would provide incremental benefits will be relegated to subsequent phases of go-live after 7/1/2026.

## Appendix A - Readiness

The following documents provide answers to the interviews taken during the readiness assessment.

|                                                                                                                                                       |                                                                                                                                                         |                                                                                                                                                   |                                                                                                                                                              |                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Central Finance</b><br><br>Peoplesoft%20Financials%20Assessment%  | <b>CJRS</b><br><br>Peoplesoft%20Financials%20Assessment%               | <b>County Admin</b><br><br>Peoplesoft%20Financials%20Assessment% | <b>District Attorney</b><br><br>Peoplesoft%20Financials%20Assessment%      | <b>Health and Human Services</b><br><br>Peoplesoft%20Financials%20Assessment% |
| <b>Sheriff's Office</b><br><br>Peoplesoft%20Financials%20Assessment% | <b>Technical Services</b><br><br>Peoplesoft%20Financials%20Assessment% | <b>Public Works</b><br><br>Peoplesoft%20Financials%20Assessment% | <b>Lane County Leadership</b><br><br>Peoplesoft%20Financials%20Assessment% |                                                                                                                                                                  |