

Chart of Accounts Redesign Project

Presented by

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Statewide Accounting

Introduction

- In preparation for the implementation of its next-generation Enterprise Resource Planning (ERP) system, we have chosen to go beyond the traditional approach to redesigning our Chart of Accounts (COA). We have taken a much more forward-thinking approach to COA design that accomplishes all of the objectives of a “traditional” COA redesign while also addressing important strategic considerations.
- As a first step in redesigning our COA, OFM has developed a draft “Strawman” chart. The Strawman is an interim work product intended for internal and external review and advice on how to 1) correct any important errors or omissions, and 2) improve the COA’s overall design before it is finalized.

Leading Practices Recommended

- Adopt a Single, Global Chart of Accounts
- Maintain a Lean Chart of Accounts
- Eliminate Miscellaneous Coding Elements
- Provide for “Optional” Agency Coding Elements
- Build Flexibility into the COA Coding Scheme
- Centralize Management of the Chart of Accounts

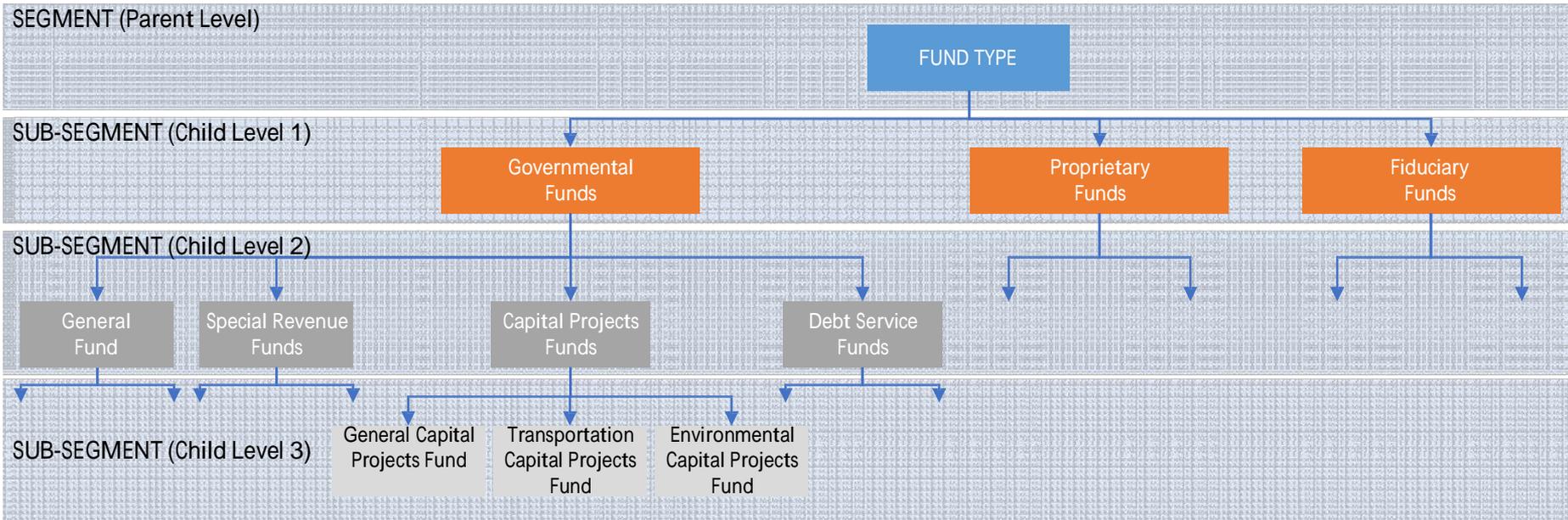
- Institute a Formal Chart of Accounts
Governance Structure
- Use ERP Sub-Systems for Transaction Details

Proposed Chart of Accounts Structure

State Government Model COA Taxonomies

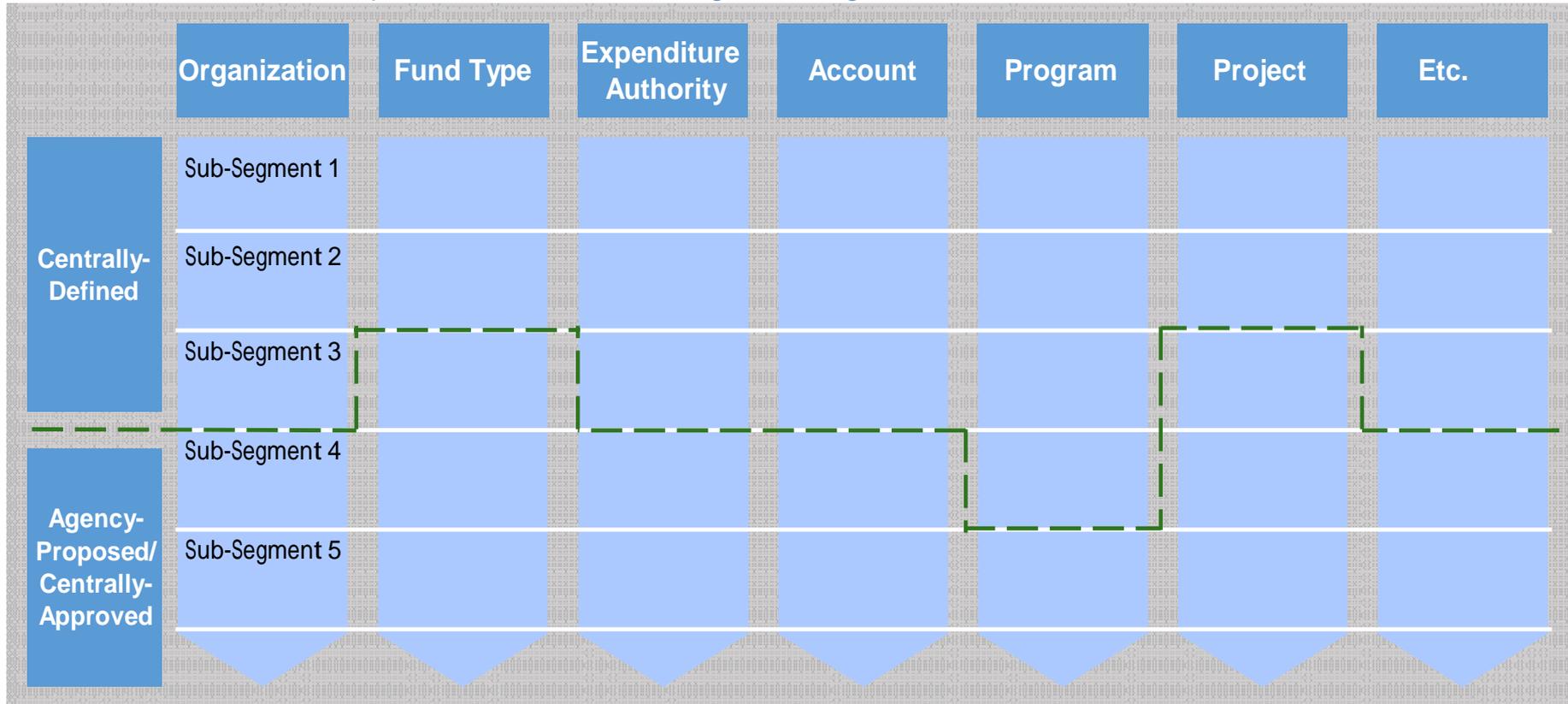
Organization	Fund Type	Expenditure Authority	Balance Sheet	Account	Program	Project	Location	Outcome
Defines organizational entities	Defines governmental, proprietary, and fiduciary funds	Defines legal levels of appropriation	Defines assets, liabilities, and net position	Defines sources and uses of funds	Defines services and populations served	Defines projects, phases, tasks, and activities	Defines physical locations	Defines non-financial statistical information
Traditional COA Taxonomies							Leading Practice Taxonomies	

Example of a COA Taxonomy Hierarchical Data Structure “Roll-Up”



As shown, each sub-segment of the hierarchy is a decomposition of the segment or sub-segment immediately above it.

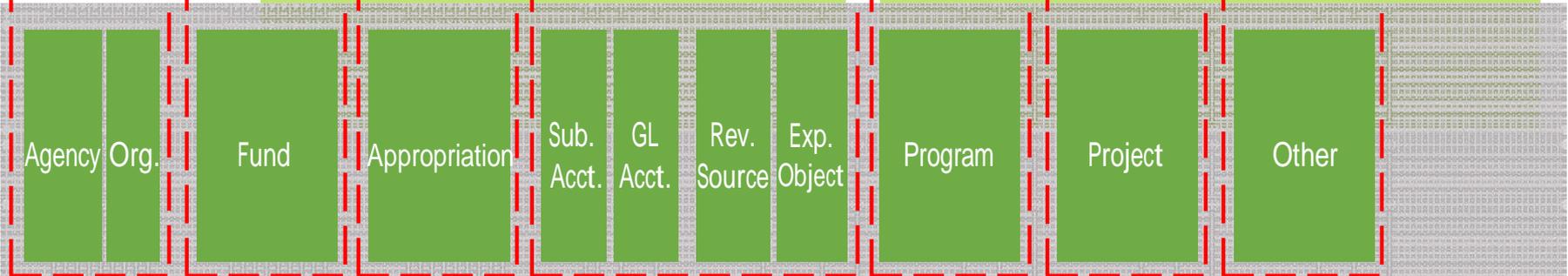
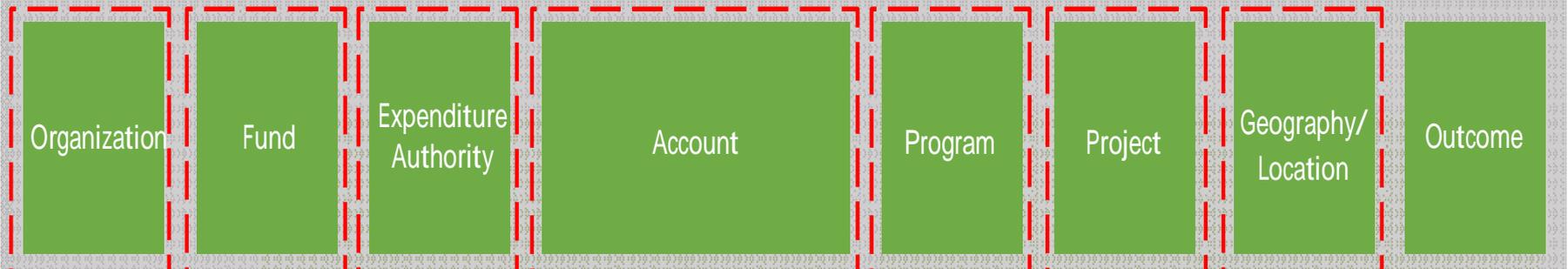
Example of Variation of Sub-Segment Origination for COA Taxonomies



Within each COA taxonomy, all agencies will be required to use centrally-defined coding elements corresponding to the taxonomy's segments and sub-segments down to a specified level of the data hierarchy.

Cross-Walk Between Proposed and Legacy Structural Elements

PROPOSED COA STRUCTURAL ELEMENTS



SUBSUMED LEGACY COA STRUCTURAL ELEMENTS

What is next?

- This summer we will begin the work of moving from the high level statewide design we have now to a more granular detail necessary for agencies to conduct their business.

- Questions??