Building Dimensions

One Agency’s Journey

As we began our journey to buildout the various dimensions for the State Controller’s Office (SCO), we found two documents that were of great value and that we believe will be important for other agencies as they undertake this process, as well:

1. Deliverable\_020\_Chart of Accounts Design\_Final.pptx
   1. This is the PowerPoint that was used to introduce the Proposed Chart of Accounts and is an excellent resource for understanding the purpose of each dimension and how they are structured.
2. Deliverable\_020\_Chart of Accounts Design\_Final.pdf
   1. This document provides a deeper understanding of the dimensions, including the purpose and rationale, as well as key information about the format (such as keying order, posting level, field length, etc.).

Some additional resources and tips that were helpful are listed below:

1. Statewide Accounting and Reporting System (STARS) Manual and Descriptor Tables
   1. The STARS Manual can be helpful if you need to gain an understanding of what drives your agency. Most agencies are either PCA-driven or Index-driven. SCO is Index-driven. Understanding how indexes work and what components are connected to our indexes was critical to understanding how the information currently flows through STARS and what information is captured and tracked.
   2. Both the STARS Manual and the Descriptor Tables can be found on the State Controller’s Office website at <https://www.sco.idaho.gov/LivePages/STARS-Manual.aspx> and <https://www.sco.idaho.gov/LivePages/STARS-Descriptor-Tables.aspx>
2. State Appropriation Bill
   1. You can download your most recent Appropriation bill from the Idaho Legislature website (<https://legislature.idaho.gov/sessioninfo/2020/legislation/topicind/>). Your Appropriation bill will assist you in identifying how Appropriation(s) flows through your agency. (SCO sample 2019 Appropriation bill is included in Appendix A).
3. (Idaho Business Intelligence Solution (IBIS) – We ran queries in IBIS to help us understand what elements were used within our agency.

**Agency**

Within Luma, all financial activity is accounted for by individual State agency and then aggregated for financial reporting. The SCO is agency 140. Agency numbers are going to crosswalk directly over and we will continue to use 140 to identify our agency.

Agency is a separate dimension, which will allow the State to post and group transactions by state agency. However, agency numbers will also play a role in other dimension’s numbering structure, as well. Using your agency number as the first three numbers in another dimension enables agencies to have more flexibility with personalizing their coding with the dimensions. Currently, the agency number will precede coding in the following dimensions:

* Project
* Additional Reporting
* Program
* Location

**Project**

The Project dimension is a powerful tool that can be used by agencies to meet a variety of business needs. Through various discussions, it was determined that SCO would benefit from utilizing the project dimension to help track costs related to their internal spending plan. Following are the driving factors that helped us to arrive at this decision:

1. We needed to be able to create a spending plan to track budget-to-actual for key areas that our divisions needed to monitor.
2. Some costs flow directly to a cost center, which can be monitored in the Organizational Unit dimension, but others are generated in a separate division and then “billed” to the other divisions within SCO. Utilizing the Project dimension will enable us to capture those costs in both divisions to generate the desired reporting.
3. One of our divisions, the Computer Service Center (CSC), is unique among the division and can benefit from a cost accounting perspective because:
   1. CSC bills other agencies, as well as the other divisions within SCO.
   2. They use a billing rate to determine what will be charged.
   3. They analyze their costs at the end of the year and need to determine if they under/over billed for their services. They use this analysis to determine their rates for the next year.

**Organizational Unit**

The Organizational Unit dimension is used to identify cost center and its place in an agency’s organizational structure. For many agencies, appropriation is tied to organizational structure, and that is the case with SCO. We use Index codes in STARS to track specific groups of costs and funds within each Division. Following is a list of activities that assisted us as we built the Organizational Unit dimension for SCO:

1. Obtain an organizational chart if one is available. If not, draft one.
   1. This will help develop an understanding of how your agency is organized.
2. Meet with key fiscal people
   1. To gain an understanding of your organization
   2. Find out if they have a budget and/or spending plan they can share with you
   3. Discuss their key goals and needs
   4. Identify what limitations STARS has in terms of what they would like to accomplish
      1. What they cannot do but would like to be able to do
      2. What they can do that they want/need to insure they can continue to do
      3. What are they doing now that they really do not need/want to continue to do
3. Once you have a general understanding of your organizational structure, it is helpful to draft a visual of the initial structure you envision for your org unit dimension to present to key individuals in your agency to solicit feedback. (A sample visual is included in Appendix A).
4. Helpful information:
   1. The Organizational Unit dimension is used to identify a cost center and its place in an agency’s organizational structure. Often this means people and/or positions, but it can also be expanded to include logical breakdowns of your structure.
   2. There is a minimum of 4 levels in the hierarchy (Division, Bureau, Section and Cost Center).
      1. Your posting level is your cost center and this is the level that will capture your costs.
      2. If you don’t have one or more of the 1st three levels of the required org structure (Division, Bureau, Section), you will need to create one to serve as a place-holder in your hierarchy, as this is required by Idaho statute. It is helpful to explain that the requirement is driven by existing legislation.
   3. There is an unlimited maximum number of levels, so agencies can go as deep as they need to obtain the level of detail they desire.

**Fund**

The Fund dimension is used to identify the accounting entity against which a transaction is recorded. A fund is an accounting entity with a self-balancing set of accounts. The Idaho Legislature appropriates by fund or subfund to meet certain objectives in accordance with laws, special regulations, restrictions, or limitations.

SCO is Appropriated at the fund level and utilizes the following funds:

* 0001 General Fund
* 0125 SWCAP
* 0126 Business Information Infrastructure
* 0349 Miscellaneous Revenue
* 0480 Data Processing Services

**Program**

The Program dimension is used to identify ongoing agency activities or functions that occur across the organizational structure. It is most useful for agencies that are appropriated by Program rather than organizational structure. Since SCO is organizationally-driven, we determined we would not utilize the Program dimension.

**Account**

The Account dimension is used to capture the category of all transactions that affect the balance sheet, statement revenues, expenditures, and changes in fund balance, and other financial statements. The Account dimension is universal among agencies and the SCO will utilize it as needed for their transactions.

**Location**

The Location dimension is used to capture location information at the transactional level. SCO only has one location, and since the location dimension is optional, we chose not to utilize it. This dimension is agency-specific so agencies can build hierarchies unique to their organization and be as detailed and expansive as they need.

**Additional Reporting**

The Additional Reporting dimension provides an additional option for agencies that would like to code and track items based on agency-specific reporting needs. SCO is not as complex as other agencies and we felt we were able to meet our tracking and reporting needs with other dimensions, so we decided we did not have a need for the Additional Reporting dimension at this time.

**Appropriation**

The Appropriation dimension is used to identify a program or segment of an agency for which the Legislature has set specific spending controls. Agency appropriations align with specific state goals and performance objectives. It serves as a stand-alone dimension that can be paired with the Organizational Unit or Program dimensions to set appropriation or spending controls for agencies based on their annual appropriation bill.

There are 3 levels to this dimension:

1. State Goal
2. State Objective
3. Appropriation

All of SCO’s appropriation budget falls under the State Goal of ‘General Government’ and State Objective of ‘Elected Officials’. They are as follows:

* State Goal: 10 – General Government
  + State Objective: 11 – Elected Officials
    - Appropriation:
      * SCAA – Administration
      * SCBA – Statewide Accounting
      * SCBI – Business Infor Infrastructure (Luma)
      * SCCA – Statewide Payroll
      * SCDA – Computer Center

Budget Units in STARS will crosswalk directly to the Appropriation dimension, with a few exceptions. Although it is beneficial for agencies to understand how they are appropriated, they do not necessarily need to know their State Goals and Objectives for build-out, as this will be done centrally.

**Funding Source**

Funding Source is intended to be used in conjunction with the Project dimension to indicate the source of the money used to fund a project (e.g. federal, state, local grants, outside entities billed for a service or project, private grants, etc.) SCO’s projects are funded through regular appropriation and are intended to track “billings” between agencies. For this reason, SCO does not anticipate a need to use the funding source dimension.

**“Buildout Workshops” – Excel Workbooks**

Once you’ve determined what dimensions your agency is going to use and have drafted your hierarchies, you will need to complete the “Buildout Workshops” Excel workbooks, which are templates that will be used to upload your hierarchy to Luma. An easy way to think about these templates is to view them as a vertical representation of your hierarchy. Sometimes it is easier to work from the bottom up; you would start with your cost centers, which are your posting levels, and then work your way up by identifying the “parents” to your “children” (cost centers). You will build all the way up to the top, ending with the top level of your hierarchy, which in this case, is the Division level. (See Appendix A for a sample buildout workshop to compare to the SCO Org Unit chart)