Finance Professionals Roles Workshop

February 28th ,2023

Facilitator: Sheena Coles, Organizational Change Management Deputy Controller

Expectations

*During the presentation, please take note of the following:*

Mute yourself – Please ensure your microphone is muted and give the presenters your full attention.

Chat Functionality – Please utilize the chat functionality (bottom right) to ask questions or wait until the end of the presentation to come off of mute and ask. We will make every effort to answer as many questions as possible during the session, but some questions may require separate discussions.

Follow up – This meeting is being recorded and will be distributed in the follow-up email. Furthermore, we are documenting queries and will publish an FAQ document on the Luma webpage.
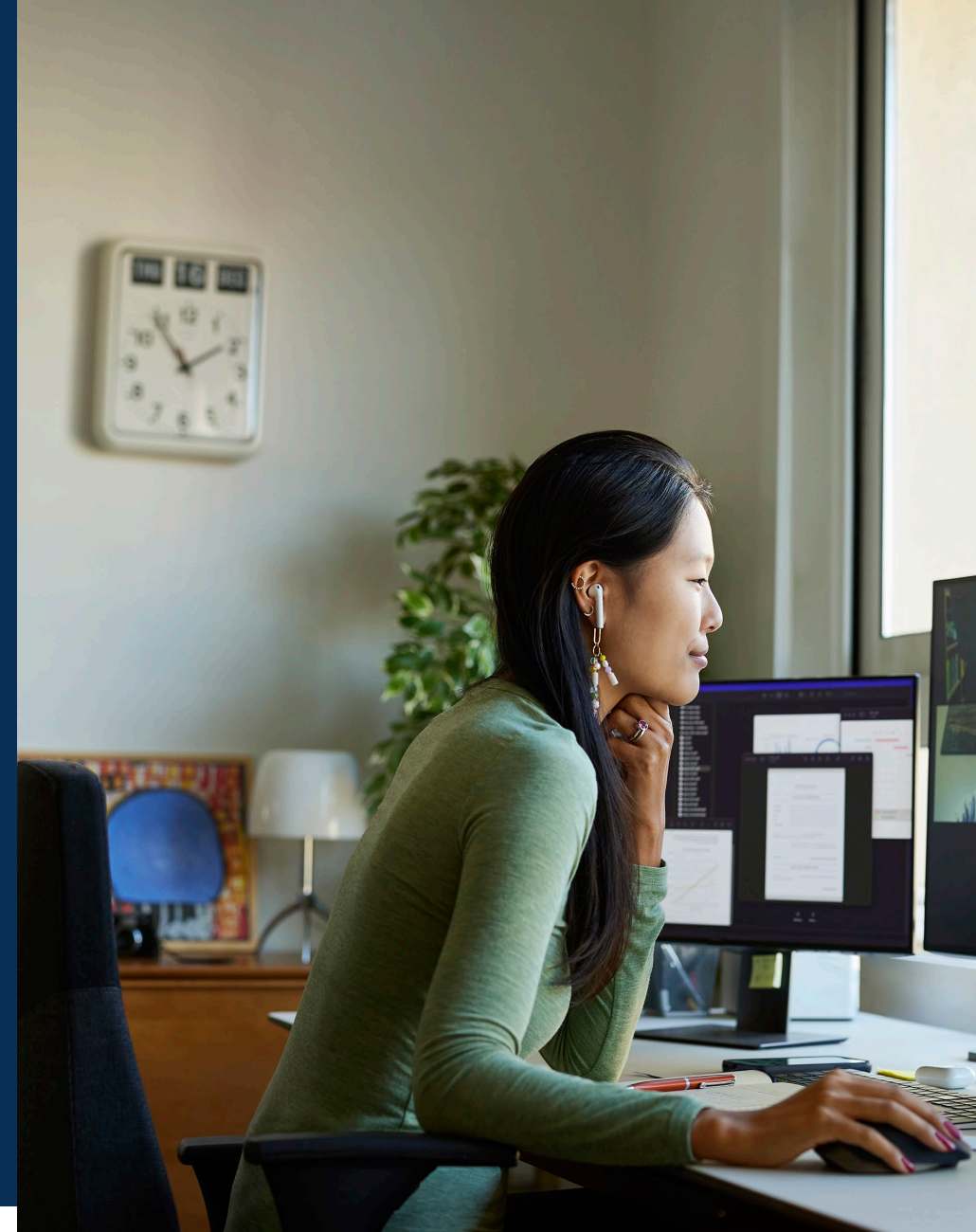
Luma

Statewide Value

Luma will modernize and transform the way the State of Idaho does business, improving transparency, and providing a core foundation for the future.

One system

Real-time

Dynamic

Luma

Statewide Functional Areas and Roles

We will be covering the Finance functional area.

Finance

There are five additional roles / functional areas that will be introduced in separate Role Workshops:

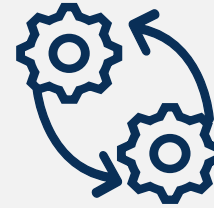| **Manager** | **Employee** | **Procurement** | **HR Generalist** | **Recruiter** |

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Objectives

What are you going to do in Luma?

What changes can you expect?

When is this happening?

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Finance Tasks

Accounts Payable

- Request new vendors and vendor locations (suffixes in STARS), as well as requesting updates
- Automatically match invoices to purchase orders and receipts
- Review, approve and reject invoices
- Agency specific monthly close processes

Accounts Receivable

- Maintain invoices for Accounts Receivable
- Reconcile accounts receivables, collections and assess late fees
- Setup and maintenance of process levels and receivable codes
- Create or apply process payments and credits

Asset Management

- Manage the process to track fixed asset activity
- Create, add, transfer, adjust, retire, or dispose of assets

Finance Tasks (cont.)

Billing

- Setup process levels and fund accounting rules
- Add comments on invoices
- Create and print billing invoices

Cash Management

- Process Cash Deposits and Sweep Entries
- Process Cash Payments for Refunds and other Non-Vendor Payments
- Process Void Payment requests for AP and Cash Payments
- Process Operating and Statutory Cash Transfers
- Process Interfaces for Cash related transactions

Custodial Account Management

- Create and modify custodial account management attributes
- Create or modify a custodial account records and transfer funds within a custodial account record

Finance Tasks (cont.)

Expense Management

- Configured to one standard based on State of Idaho Board of Examiners Travel Policy
- Will be centrally maintained, but agencies can maintain their own users, approvers and document management (for Org Cost Center updates, position changes, or returning documents to owners)
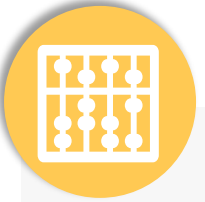
Global Ledger

- Monitor allocations & interfacing GL transactions and general ledger processing
- Create, maintain, and release manual and interfaced journal entries
- Post journal entries
- Define, calculate and update allocations
- Perform central tasks for period close
- Validate GL data

Projects & Grants

- Project and funding source creation and management
- Automated front-end fund split
- Issue billing invoices to grantors and customers; indirect rate applied as needed
- Reporting for FFRs, SEFA, Project reports and analysis

Culture and Innovation Changes

Changes by Process

The next few slides detail what is changing and the impact of those changes for the below processes.

Accounts Payable

Accounts Receivable

Asset Management

Custodial Account Management

Interagency Billing

Expense Management and Purchasing Cards

Cash Management

Luma

ACCOUNTS PAYABLE

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What is changing

Impact of that change

Discontinued PCA and Index	**01**	Transaction codes and PCAs will be retired. In Luma, there will be a distribution string of codes.
1099 reporting no longer driven by the sub-object	**02**	Vendors will be set up with an income code that determines 1099 reportability.
Payment processing will not be fully automated	**03**	Agencies will run their own payment cycles at the end of every business day, or on an ad-hoc basis as needed.
Entering invoices with purchase orders	**04**	Agencies will need to know if an invoice has a purchase order to determine the invoice type needed for entry.

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What is changing

Impact of that change

|		
Automated Invoice matching to Purchase Orders and Receipts	05	Conducting a 'three-way match' between the invoice, PO and receipt will release an invoice, closing the PO and making the invoice available for payment.
Monthly close	06	Agency specific monthly close processes.

Value for Accounts Payable

Personal Dashboards

An array of personal dashboards for employees to view preferred statistics or tasks, including vendor information, and payment status. Furthermore, there will be enhanced invoice searching abilities, such as: date, amount, vendor, and status.

Reverse Distribution

Luma will include "reverse distribution" feature to allow for quick coding corrections.
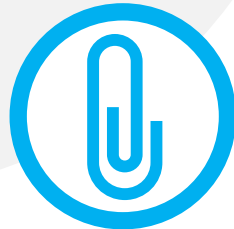
Comments and Attachments

Luma will offer the ability to easily attach comments or file attachments to invoices.

ACCOUNTS RECEIVABLE

Luma

What is changing

Impact of that change

Statewide customer list

01 Customer requests will be vetted, approved and set up by the Luma Sustainment team, which results in eliminating duplicate customers across state agencies.

Invoice appearance

02 Invoice appearance will be standardized across the state.

Creating payment batches

03 The AR payment application function in Luma provides a listing of open accounts receivable invoices that can be selected for payment application.

Value for Accounts Receivable

Year-end ACFR
May eliminate the need for the Accounts Receivable ACFR closing package.

Eliminates Duplicative Customers
Luma will reduce duplicate customers statewide while centralizing and maintaining up-to-date customer information details.

Agency Customization
Luma allows for agency specific configuration on customer payment terms, billing, dunning, contacts, etc.

Powerful Query Capabilities
Enhances agency's visibility into reports and data, including search and filtering, resulting in better management of accounts receivable.

ASSET MANAGEMENT

HOW WILL THE TRANSITION TO LUMA AFFECT ASSET MANAGEMENT?

What is changing

Impact of that change

Fixed Asset System (FAS) as well as other fixed asset systems maintained by agencies will be retired	**01**	Asset management in Luma will be used by almost all agencies and coding will be tied back to the purchase order.
Use of purchase orders	**02**	All agencies will use purchase orders, making the asset management process simplified and uniformed across agencies.

Value for Asset Management

Better Spend Monitoring
Luma provides a platform for your agency to track their spending in a more accurate way.

Lifecyle Tracking
Luma tracks asset details further upstream in the business process, beginning as early as the requisition, streamlining reconciliation and auditing of asset records.

Flexible Dollar Thresholds
Luma will have the flexibility to track asset types at varying dollar thresholds, including those that do not meet the capitalization threshold.

CUSTODIAL ACCOUNT MANAGEMENT (CAM)

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What is changing → Impact of that change

01 All Custodial Account Management activities will occur in one system: Luma

Increased efficiency and integration with other modules, such as Accounts Payable, Accounts Receivable, and Cash.

02 Improvements in access to transaction detail

With Luma, agencies can see transaction detail with the custodial accounts in one system and leverage Luma's reporting functionality.

03 Elimination of manual interest allocation process

Custodial interest allocation will be automated in Luma, thus eliminating a manual process for a number of agencies.

INTERAGENCY BILLING

Luma

What is changing

Impact of that change

Interagency billing invoice

01 The interagency bill will be digitally created and transmitted within Luma.

Interagency billing invoice default AP accrual code

02 Employees will need to manually change the accrual by reversing the distribution and entering the appropriate expense coding.

Intra-agency billing invoice

03 Intra-agency billing will be conducted through a general journal entry.

Idaho Public University billing

04 Idaho Public Universities will be set up as non-state customers in Luma and agencies will bill them via the Billing module.

EXPENSE MANAGEMENT AND PURCHASING CARDS

Luma

HOW WILL THE TRANSITION TO LUMA AFFECT EXPENSES AND P CARDS?

What is changing

Impact of that change

Travel Express will be retired	**01**	Agencies will use Luma Expense Management (XM) to enter expenses for employee reimbursement.
Built-in compliance	**02**	Luma XM will have built in logic, including warnings and policy checks, to support all users in remaining compliant with statewide policies.
Purchasing Card invoices	**03**	Invoices to US Bank will be automatically created daily, based on the day's statement transactions.
Purchasing Card and Purchase Orders	**04**	When a Purchase Order is linked to the Pcard charge, a "match" invoice is automatically created and will close out the PO when invoice is paid.

Value for XM and Purchasing Cards

Purchase Order Matching
Match invoices and purchasing card charges to purchase orders.

Visibility on Approval Status
Luma XM will offer visibility into the process by displaying the status and level of current approval.

Integration with Google Maps
Luma's XM will integrate Google Maps to assist with vehicle mileage calculations.

Compliance Alerts
Luma XM will increase compliance with policies built-in, including notifications and help messages on specific documentation required for specific expenses.

CASH MANAGEMENT

Luma

What is changing

Impact of that change

Discontinued TranCodes

01 Users will have visibility to all of the lines of each balanced transaction – All the debits, all the credits.

Discontinued PCA and Index

02 Instead of Indexes or PCAs driving the GL String for transactions, there will be Cash Allocation Codes.

Payment Processing on Refunds and Non-Vendor payments will not be fully automated

03 During the Cash Requirements process in AP, agencies will include Cash Payments to be paid that day.

Non-Vendor Payments require a Vendor

04 Cash Payments use Payee information but a system required vendor for each agency will be used for processing.

Luma

What is changing

Impact of that change

Monthly close	05	Agencies will be directly involved in the Cash Reconciliation and Cash Close process each period.
Approval visibility	06	Users will be able to see the approval history on each transaction.
Borrowing Limits	07	Instead of Borrowing Limits, approved agencies will use a Line of Credit, readily visible in the Cash Fund Balance Report.

Value for Cash Management

Cash Allocation Codes

Luma simplifies data entry as Cash Allocation codes will complete coding in the finance structure and distributions.

Cash Fund Balances

Balances will update in real time, allowing Cash Management professionals to see the exact cash balance in their fund.

Road to Go-Live

Role Workshops

You're here!

Agency Participation in Luma Labs

Provide Idaho agency employees an opportunity to experience their COA data, organizational structure, and a sample of basic processes and configurations.

**Luma Labs
February - March**

**Early May:
Supplier Portal Go-Live**

Vendors across the State can begin registering in the Supplier Portal.

Training for FSM and HCM

Training for human capital management: human resources, time, and pay and finance and supply chain management in preparation for Go-Live.

**FSM and HCM Training
May - June**

**June 11th:
HR, Time, and Pay Go-Live**

Agencies across the State begin using Luma to conduct human capital management tasks.

**July 1st:
Finance and Procurement Go-Live**

Agencies across the State begin using Luma to conduct budget, finance, and procurement related tasks.

Luma

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Post Go-Live: Sustainment

Get Luma Support

If experiencing errors, employees will be able to submit a service ticket for assistance

Reference Materials

User guides and training materials will be available to support self-support efforts.

Sustainment Team

An entire team will be hosted by the State Controller's Office to support the transition to Luma

* Dates subject to change

Luma

Luma Training:

- Training will be available as stand-alone/self-paced and instructor-led (virtual) courses

- An individual's role will determine the type/amount of training needed

- Generally, core users (frequent Luma users) will need more instruction

- The Training Showcase Kickoff in early March will provide additional details

2023*

March	April	May	June
Training Showcase Kickoff	Training Registration	Employee Luma Training	

*Specific dates to be communicated separately.

Preparing for Luma

In addition to formal training, you will be provided with the following resources to make sure you are confident, knowledgeable and comfortable to complete your work in Luma.

USER EXPERIENCE SIMULATIONS, LUMA LABS, AND MONTHLY COMMUNICATION TOOLKITS

User Experience Simulations, Luma Labs, and the monthly Change Liaison Communication Toolkits are activities and resources designed to inform agency employees of changes associated with Luma and demystify the system.

READINESS CHECKLIST

As a component of the Readiness Program, the Readiness Checklist will outline actions to complete to ensure your agency is prepared prior to system go-live. The checklist will be proactively updated and available on the Luma website in late March.

REVISIT EXISTING COMMUNICATION CHANNELS

Familiarize yourself with information already available about the Luma Project by visiting the Luma Website and the Luma YouTube Page.

Resources

Have questions? Please contact or access the following:

Agency leadership and supervisor – You direct supervisor and agency leadership should be your first stop with question and concerns. They are ready to coach, guide, and support you.

Change Liaison – each agency has an assigned Change Liaison who supports the project's implementation. Each month they receive a communications toolkit to distribute to peers and staff.

Agency Advocate – our Agency Advocates sit within the State Controller's Office and are dedicated to a subset of agencies. They're here to support you and your staff as we cross the finish line to Go-Live.

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