



Hybrid world of HCM Cloud Payroll and On Premise PeopleSoft Financials



COLLABORATE19

TECHNOLOGY AND APPLICATIONS FORUM
FOR THE ORACLE COMMUNITY

Session ID:

Prepared by:

Sayantana Bhattacharyya

Specialist Master

Deloitte Consulting LLP.

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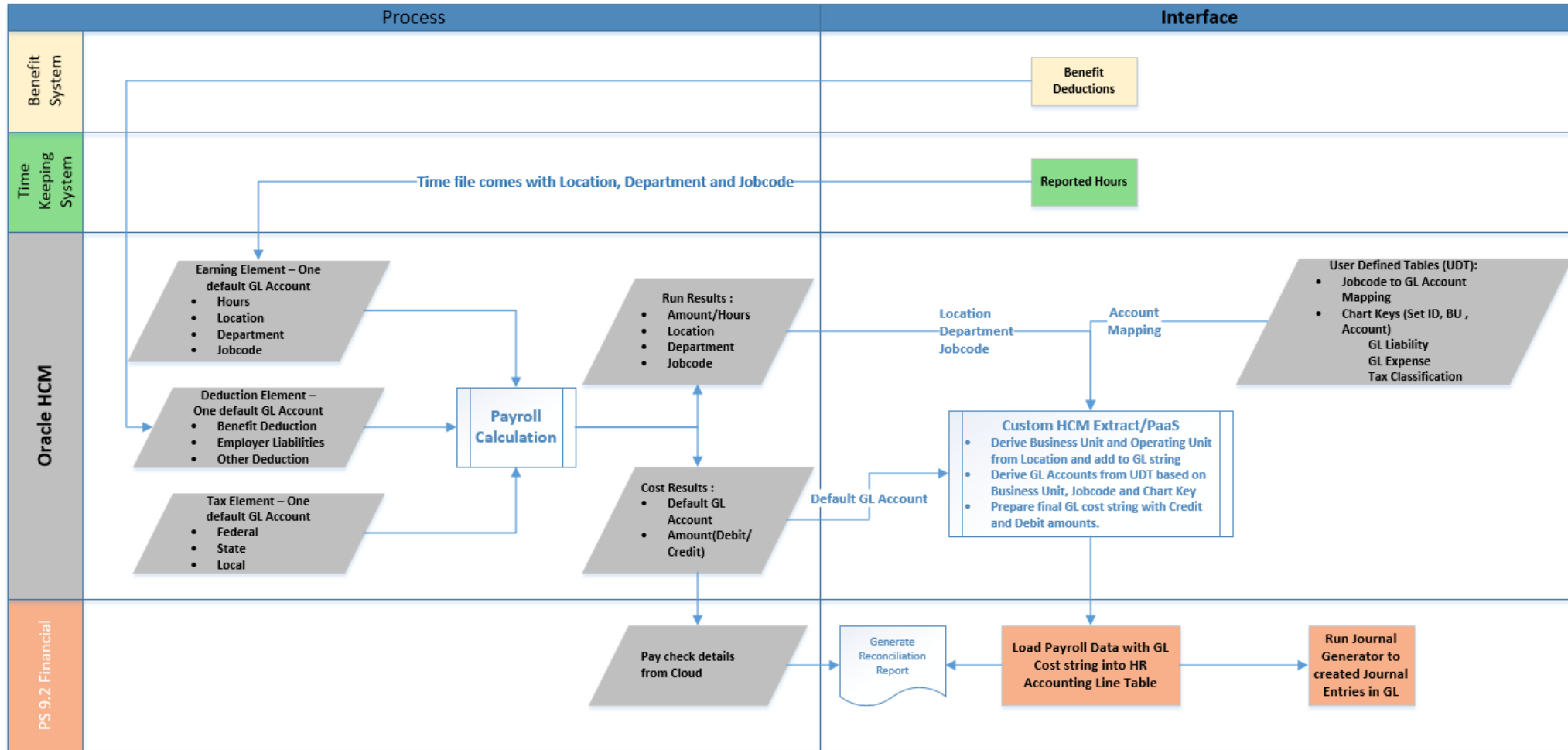
Agenda

- Business Case
- Hybrid Landscape
- HCM Cloud Cost Segment vs Peoplesoft Financial Chart of Account
- Critical Use Case
- Global vs Local Data Model
- Design Consideration
- Implemented Solution
- Current State and Lesson Learning

Business Case

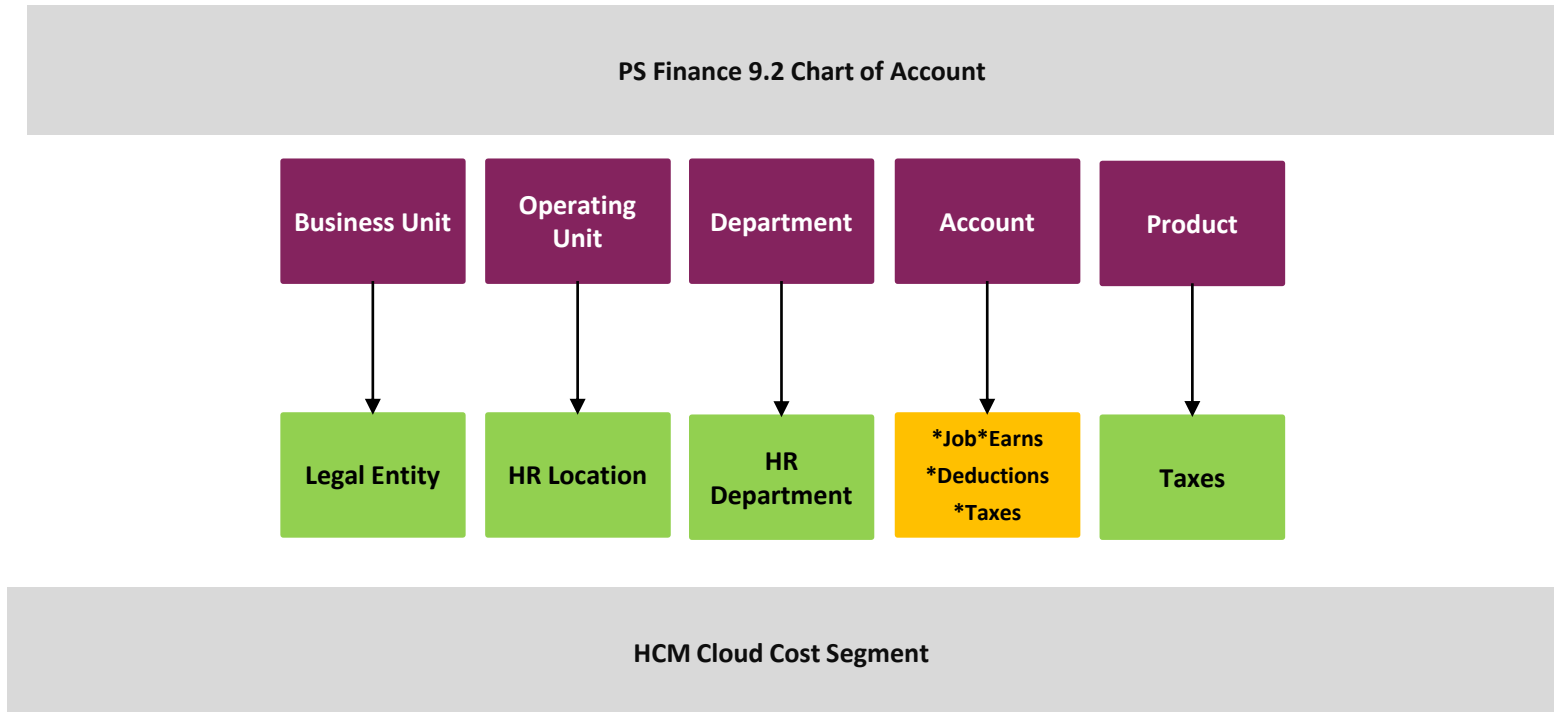
- Need to integrate Oracle HCM Cloud Payroll and PeopleSoft Financial for large consumer service provider
 - Ensure over 60,000 US employees at more than 300 HR locations get costed to the appropriate 280 P&Ls with correct Chart of Account to support labor utilization analysis
 - Tax distribution and payroll funding follows more of a legal entity view than the expense distribution that follows an operational view resulting in the need for inter unit/intercompany entries in GL
 - Integrate HCM Payroll to GL without changing existing external Time Systems
 - Generate accounting entries for monthly unpaid days accrual as well as PTO accrual

Hybrid Landscape



HCM Cloud Cost Segment vs Peoplesoft Financial Chart of Account

- Cost Segment to Chart of Account Mapping



- One Key Flex Field structure across LDG

Critical Use Case

- Industry specific business scenarios:
 - Properties are costed differently vs Corporate employees.
 - Cost segment values vary across properties (Business Unit, Operating Unit).
 - Account override needed based on Job and Business Unit with complex rule
 - Properties change ownership in middle of pay period or retroactively.
 - Frequent accusation or sale out of properties resulting mid-period configuration update.
 - Dependency on external time keeping system to provide cost allocation details.
 - Combination of distributed and fixed cost allocation.
 - Taxes and Net Pay need to be distributed based on earnings.
 - Credit and Debit distribution needed for employer charges.
 - Checks with \$0 Net Pay need to be costed as part of RSU processing.
 - Need to cost payroll result daily to finance to meet treasury deadline.
 - Need to accommodate reversal, off-cycle and balance adjustment in same GL file.
 - Unbalanced GL files cannot be send to Peoplesoft.

Critical Use Case - continued

- Technical Scenarios:
 - Custom interface is needed to send GL file PeopleSoft daily.
 - HCM extract needed instead of BI to manage the large volume of data.
 - Complex account override based on UDT needed in the interface.
 - Costing of Payment process determines the schedule to send GL file to PeopleSoft.
 - Interface has to track payroll changes (reversal, adjustment or rollback)
 - Need to generate Balanced file – re-generate out of balanced/rejected file.
 - Similar interface requirement for monthly accrual and PTO accrual.
 - Ability to run the interface by specific date or date range.
 - Ad hoc interface run needed for specific group of employees.
 - Retro Costing need to be considered in the same interface file.

Design Consideration

- Below are some HCM Cloud seeded functionalities
 - Cost results are generated at the time of Payroll Calculation.
 - Offset Account is required in HCM Cloud but not in PeopleSoft.
 - Net Pay is costed in Prepayment process.
 - Taxes are costed at payroll relationship level.
 - Only one costing structure (Key Flex Field) is allowed per LDG.
 - Multiple levels of costing configuration is available (Payroll, Element Eligibility, Department, Job, Position, Person, Element Entry).
 - Costing hierarchy cannot be applied on offset account.
 - One element can have one type of costing eligibility criteria. (Location, Job etc.)
 - Costing of payment can be rolled back and re-run resulting duplicate costing file.
 - Schedule dependency on Costing of Payment run.
 - HCM Extract can generate file with over million rows daily.
 - Cost allocation details can be loaded in mass with HDL/PBL.

Implemented Solution

- Pre-implementation/Design activities:
 - Existing PeopleSoft program (PAY001) is analyzed to identify complex rules.
 - HCM Cloud seeded business process is explained to the client.
 - Configuration vs customization components are determined.
 - Future state process improvement is discussed and finalized.
 - Consolidation opportunities are identified and corresponding configuration requirements are documented.
 - Proofs of concept are presented to larger Finance and HCM user group.
 - Future state design is documented and implementation is started.

Implemented Solution - Continued

- Recommended Mapping Levels

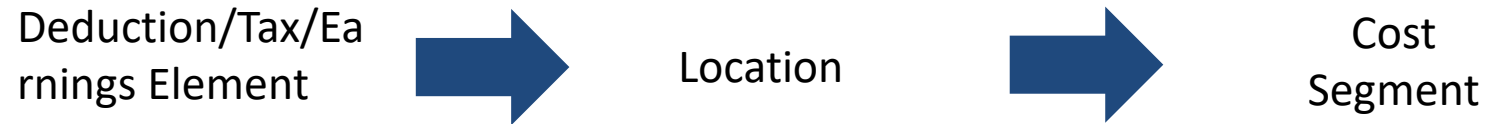
Segment	BU	OU	Account	Department	Product
Payroll					
Element Eligibility	X	X	X (but need UDT to Override)	(in some cases)	X
Department				X	
Job					
Position					
Person					
Element Entry	Override – time system	Override – time system		Override – time system	
UDT			X	TBC	

Implemented Solution - Continued

- Current State : PeopleSoft

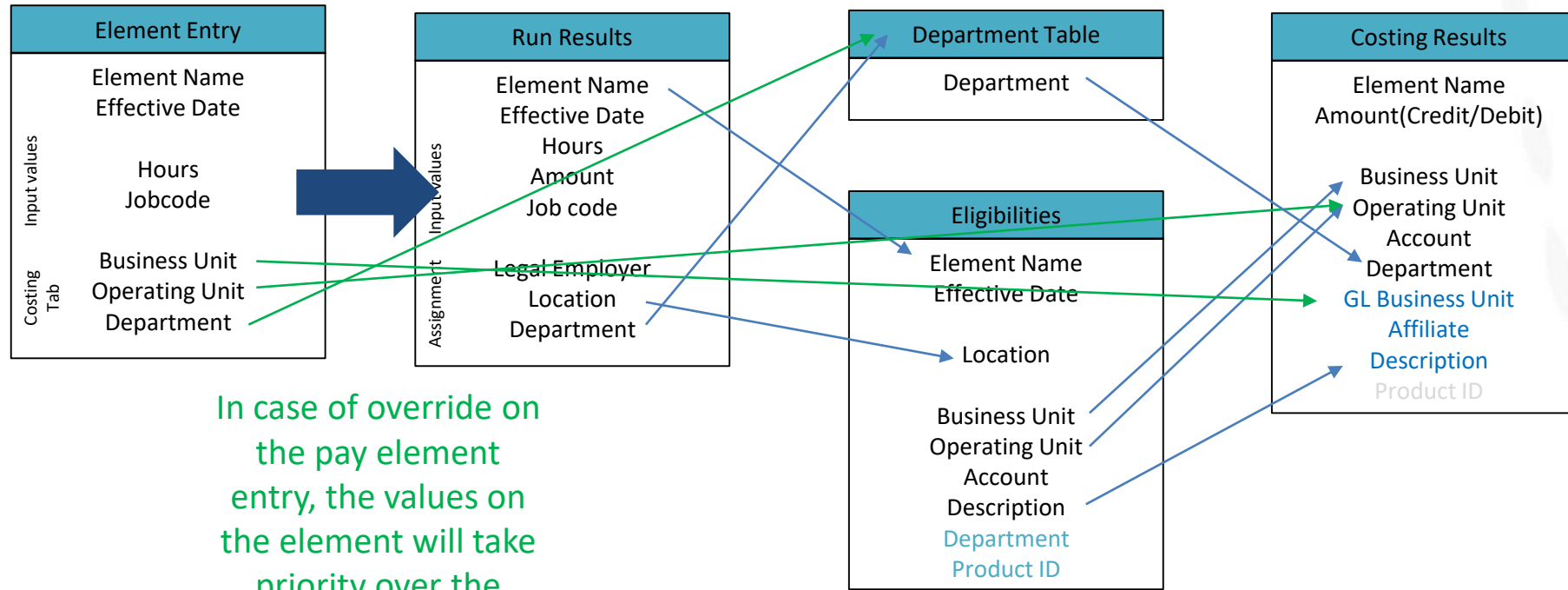


- Future State : HCM Cloud



Implemented Solution - Continued

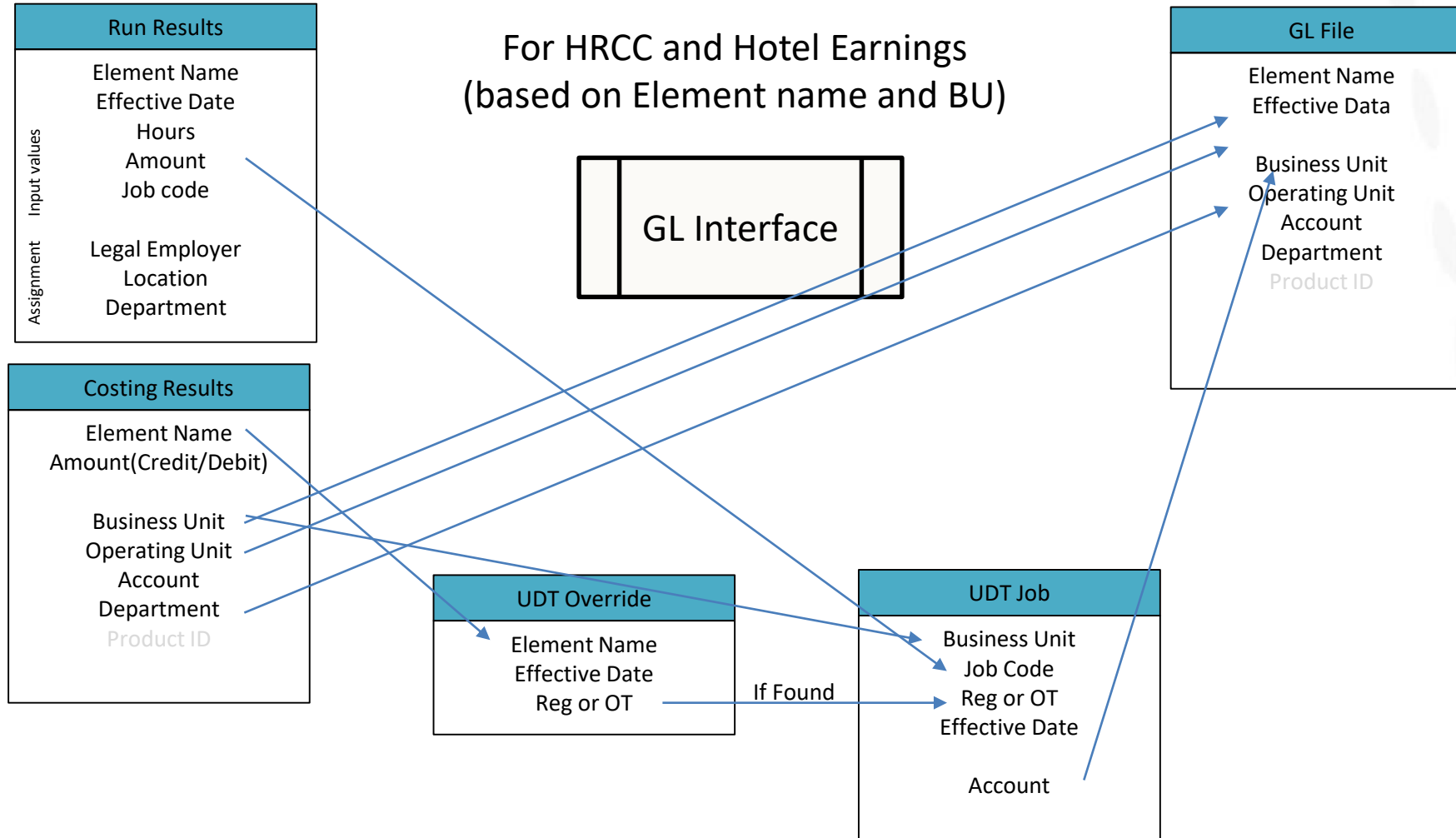
- Data Model – Earnings 1/3



In case of override on the pay element entry, the values on the element will take priority over the configuration

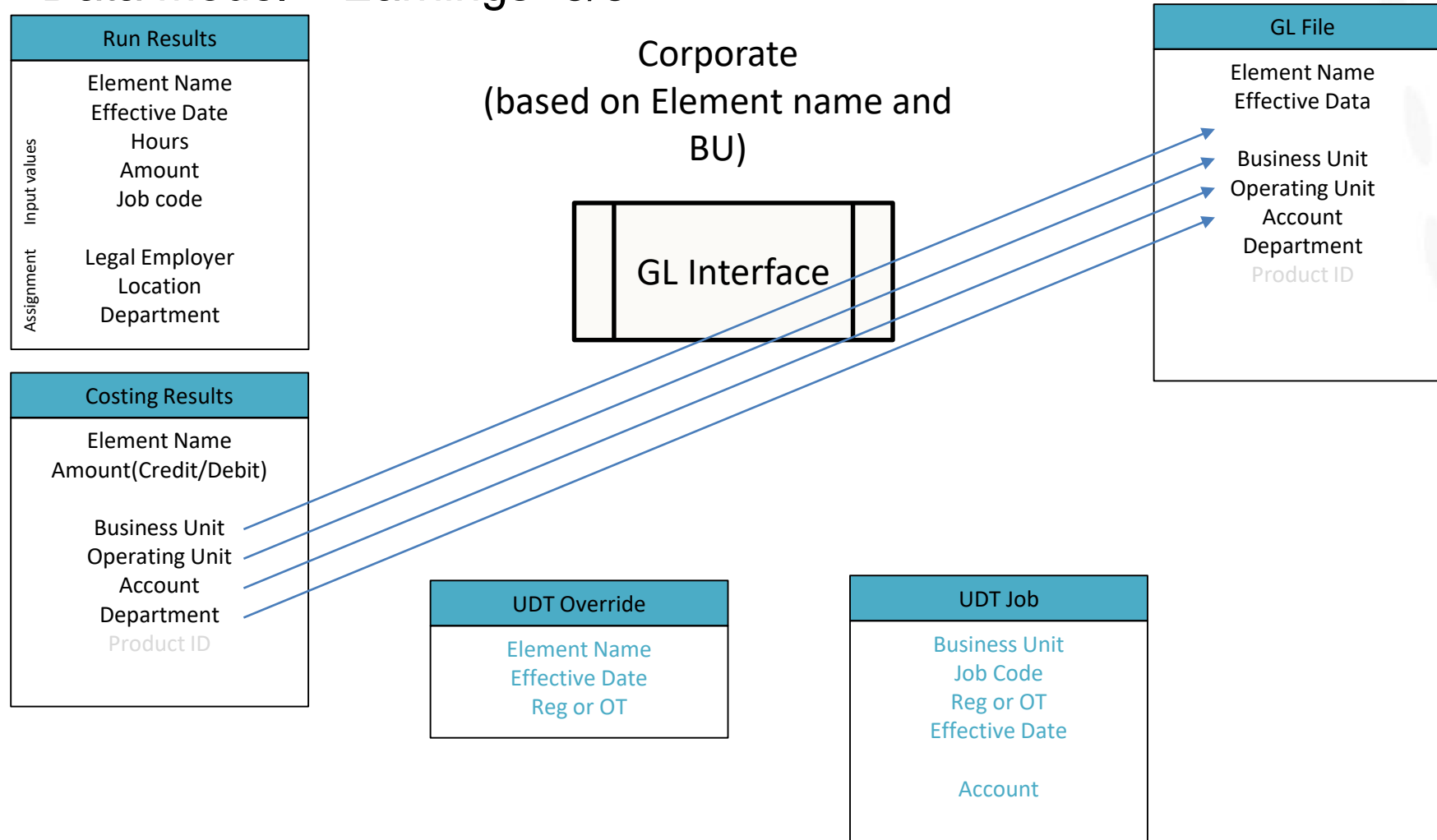
Implemented Solution - Continued

- Data Model – Earnings -2/3



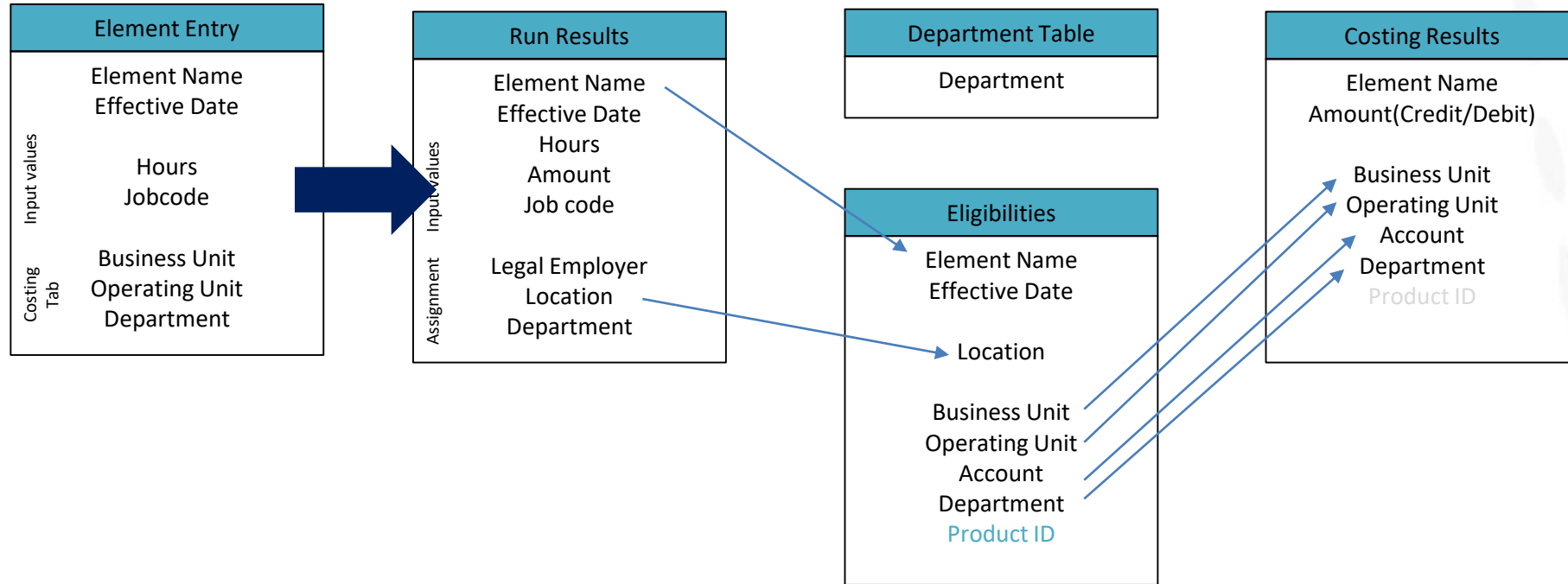
Implemented Solution - Continued

- Data Model – Earnings -3/3



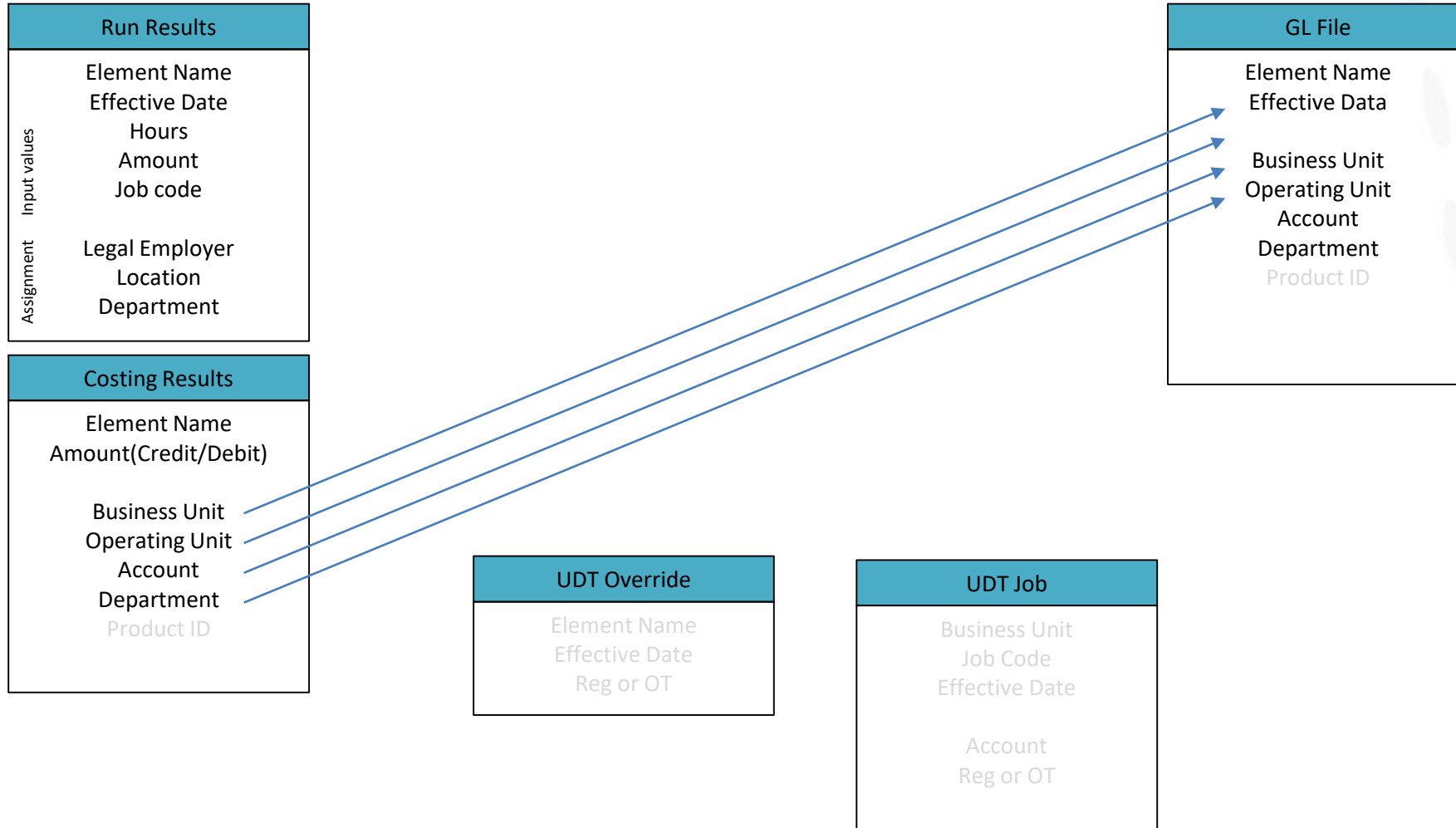
Implemented Solution - Continued

- Data Model – Deductions - 1/2



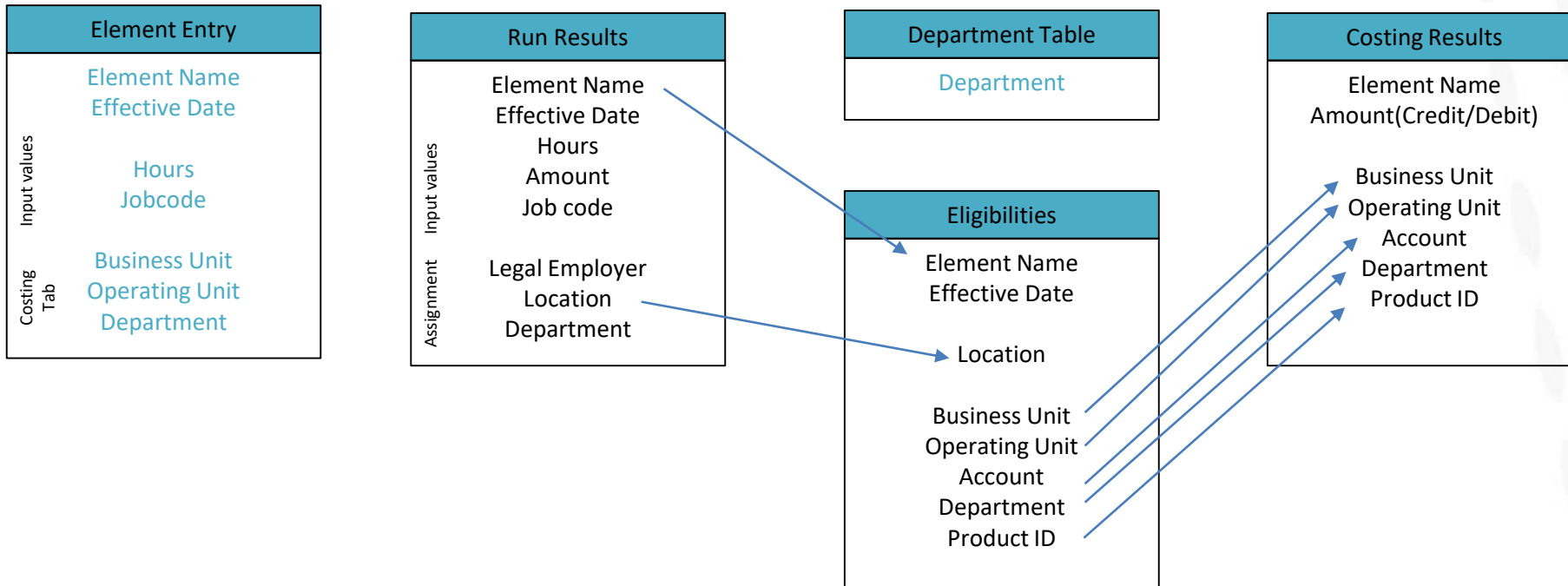
Implemented Solution - Continued

- Data Model – Deductions - 2/2



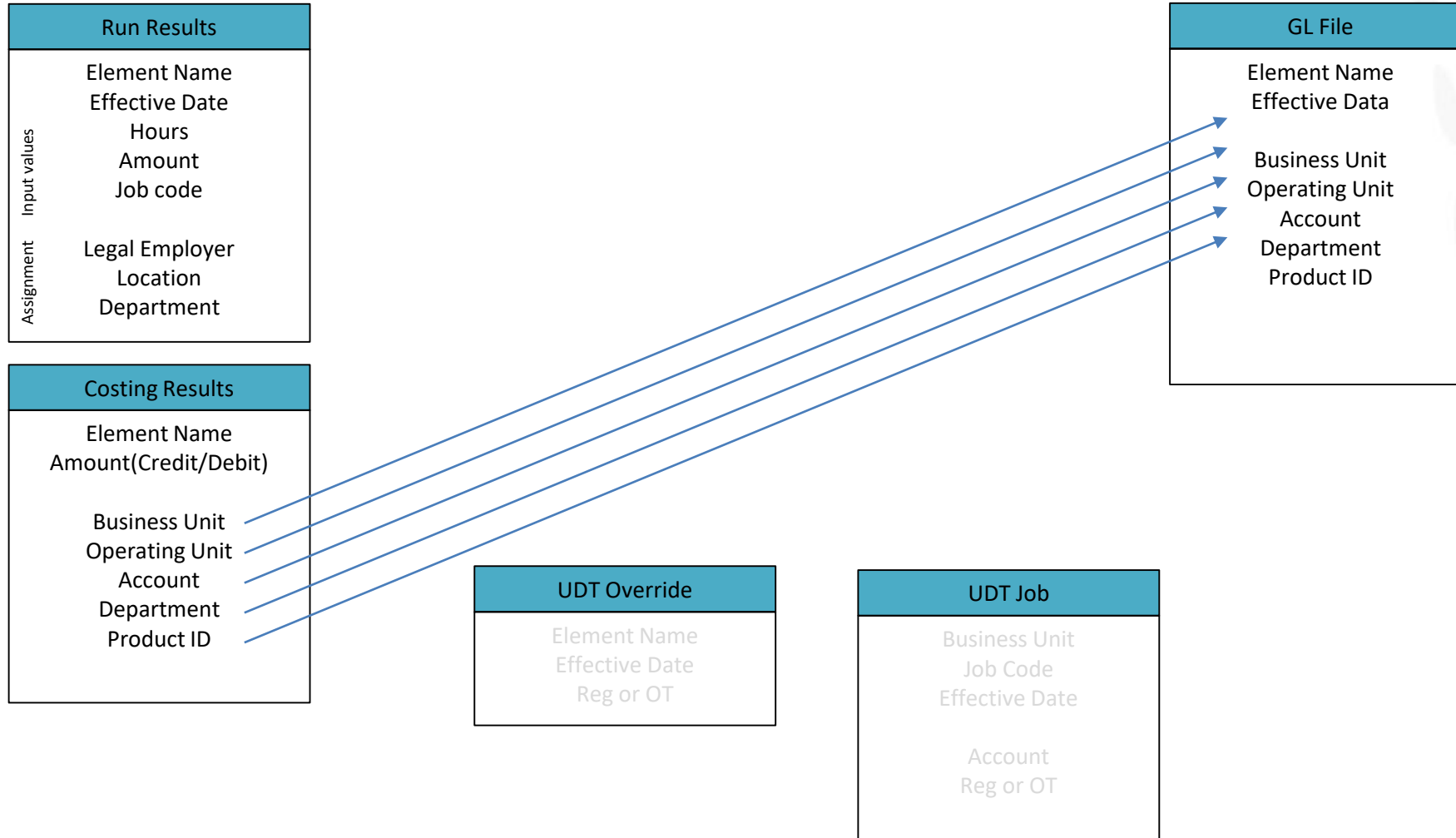
Implemented Solution - Continued

- Data Model – Taxes - 1/2



Implemented Solution - Continued

- Data Model – Taxes - 2/2



Implemented Solution - Continued

- Key configuration:
 - Element eligibilities created by location with cost allocation details – 1.6 million eligibilities created.
 - Distributed costing configured for Deduction and Taxes.
 - Distribution Group based on Legal Employer
 - User Defined Table configured to store Business Unit, Jobcode and Account mapping.
 - Value Set configured to specify list of element classification for special processing.
 - Information element with Fast Formula used to cost Net Pay at the time of payroll calculation.
 - Extensive use of HDL/PBL to create/edit millions of element eligibilities.

Implemented Solution - Continued

- Key Customization:
 - Custom Fast Formula is built to distribute costing of Net Pay and Taxes.
 - HCM Extract is built to generate GL file after Costing of Payment process.
 - Fast Formula is used in HCM Extract to do complex overrides based on rules in UDT.
 - Custom HCM extract is built to send paycheck details to PeopleSoft Finance after Payroll Calculation.
 - BI report is built to extract costing configuration in the HDL/PBM format.
 - Custom reconciliation report is built in PeopleSoft to compare paycheck to GL file and generate missing check report.

Current State and Lesson Learned

- Current State:
 - HCM Extract is schedule to generate GL file every day for any paycheck with costing of payment.
 - Off cycles are run with specific process date and sent to GL weekly as separate file.
 - No rollback allowed if costing of payment is run. Only reversal can be done.
 - Missing checks are identified by reconciliation report and sent to GL as separate file by check number.
 - Monthly Accrual and PTO Accrual files are generated in same format as GL file with monthly scheduled run.
 - BI reports generates new costing configuration for change in properties.
 - Once reviewed by business, new configuration (Eligibilities, UDT etc.) are uploaded using HDL/PBL with quick turn around.

Current State and Lesson Learned

- Lesson Learned:
 - Since changing configuration or HCM extract post Go Live is challenging in HCM Cloud, it is recommended to involve all stake holders (HR, Payroll, Finance and Operation team) at the early stage of design can help to reduce the risk and complexity.
 - With the opportunity to implement HCM Cloud, it is recommend to think of process improvement and new design consideration instead of doing lift and shift of old legacy Payroll to GL design.
 - Taking the opportunity to do consolidation of Cost center, Account and other GL segments/ChartFields with the implementation is highly recommended



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sbhattacharyya@deloitte.com

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