



Issue Summary	Should USG change its ledger structure to allow more flexibility in the setup of projects / grants?
Background	<p>Release 8.9 offers new chartfields and functionality. These include:</p> <ul style="list-style-type: none"> • Parent / Child Budget Relationships – 2 ledger definitions are linked. At a minimum, the child ledger group must have the same structure as the parent. This configuration option automates budget entry because the child budget can automatically populate the parent ledger. Additionally, it ensures integrity between the two ledgers because they are populated at the same time with the same values. • Cumulative Budget Period - A ledger can be configured to validate spending authority cumulatively across all budget periods instead of individually. This option is used primarily in managing Grants with multi-year budgets. It also minimizes the amount of effort to roll grant balances at year end. <p>The typical configuration for project/grants is to setup a parent child relationship. The parent ledger group is usually a cumulative ledger group keyed by project. In most instances, the parent ledger group controls the spending and the child ledger group is used for reporting purposes. The child ledger group is broken out in more detail by including more chartfields and a budget period. USG's PRJ_GRT ledger group should come forward as the child projects ledger group.</p> <p>Note: The upgrade budget processor will automatically create this ledger group during the upgrade process.</p> <p>Note: The parent/child project ledger group configuration would support the PeopleSoft Grants module should USG move forward with its implementation.</p>



Risks	<ol style="list-style-type: none"> 1. Complex ledger structures are hard for end-users to understand and report on. 2. If a project parent ledger group is defined, the upgrade budget processor will have to populate it. The additional ledger group creates another reconciliation point for the general ledger and budgets functional teams to tie out.
Possible Solution(s)	<ol style="list-style-type: none"> 1. Create a project level cumulative budget for grant funds 2. Have the upgrade budget processor populate a parent ledger group for projects. 3. Set the child ledger group for projects to track and the parent ledger group to control (minimizes the roll forward activities at year end)
Escalating Sub-team and Lead	Functional – Deidre Crawford
Recommended Action	USG should implement all 3 solutions.
Accounting Issues Committee Comments	<p>A project level ledger group will be created and populated during the upgrade. The ledger will store the cumulative balances for the project as a whole. Institutions will have the ability to control projects at the cumulative level, the budget year level or both. The existing PROJ_GRT ledger group will become a child to the cumulative project ledger group.</p> <p>Note: This decision applies to GA/First projects in addition to sponsored grants.</p>