ASCEND 2021

PRODUCED BY OATUG ORACLE APPLICATIONS & TECHNOLOGY USERS GROUP OHUG ORACLE HCM USERS GROUP

Using Oracle Cloud Payroll as a Strategic Tool

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Experienced Manager

Grant Thornton

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August 18, 2021

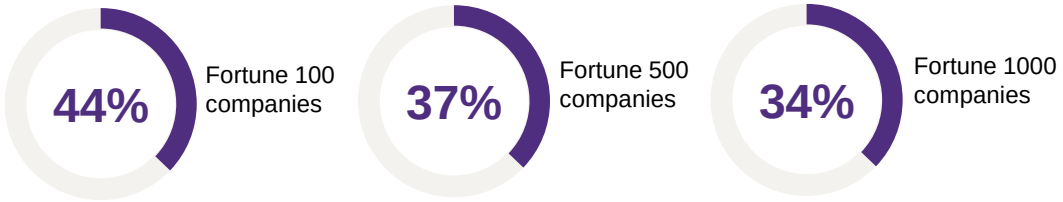
Agenda

- About Grant Thornton
- About Me
- Planning the interface from Payroll to Finance
- Understanding the Chart of Accounts
- Identify Key Performance Indicators of Labor Reporting
- Mapping the Chart of Accounts to the attributes of Oracle HCM/Payroll
- Segmenting the Workforce
- Best Practices when Costing Oracle Cloud Payroll
- Q&A

About Grant Thornton

Thriving since 1924, our U.S. firm is people-focused and purpose-driven. We believe business should be more personal and that the strongest results start with trust.

Who we serve:



$1.92bn
in revenue

8,459
people, including 595 partners

53
offices

* Statistics as of July 31, 2020

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Grant Thornton solutions

Audit

Financial statement audits
- SEC registrants (public companies)
- Private companies
- Employee benefit plans
- Not-for-profit organizations
- Government

Accounting advisory services
- Accounting change
- Transaction support
- On-call technical advice

Public finance services
- Cash flow and yield verification
- Arbitrage rebate compliance

Tax

Regulatory & reporting compliance
- U.S. federal, state & local and international tax compliance
  - Co-sourcing / outsourcing (rightsized to your unique needs)
  - Loan staffing
- Tax provision preparation or review
- Income tax outsourcing / RAR
- Indirect tax compliance (leased property, compliance, business licenses, property tax outsourcing, sales tax outsourcing, payment processing, VAT, premium tax)
- Global compliance & reporting services
- Expatriate compliance services

Strategic consulting & risk management
- Compensation & benefits (including executive compensation)
- Federal Tax
  - Accounting & tax methods
  - R&D credit services
  - Fixed asset services
  - Employment tax
- State and local tax
  - Credits & incentives analysis
  - Income & franchise tax services
  - Indirect tax
- International Tax
  - Cross-border planning
  - Transfer pricing consulting and documentation services
  - Advanced pricing agreements and tax controversy
  - Withholding and reporting
- M&A / divestiture planning
- Bankruptcy / restructuring
- Post merger integration and value creation
- Tax function optimization and automation, including analytics , visualization, blockchain and OCR solutions

Advisory

Strategy
- Customer & Brand Strategy
- Corporate & Growth Strategy

Mergers & Acquisitions
- Acquisitions
- Divestitures

Corporate Finance
- Restructuring & Turnaround
- Forensics
- Valuation & Modeling

Finance Transformation
- Cost & Performance Management
- Financial Modernization
- Shared Services

Operational & Organizational Transformation
- Agile & Program Management
- Business Change Enablement
- HR Transformation
- Operations Transformation
- Sourcing & Supply Chain Management

Technology Transformation
- Digital Services & Innovation
- Technology Strategy
- Enterprise Information Management
- Infor
- Oracle
- Workday
- Enrich

Cybersecurity & Privacy
- Strategy & Management
- Cyber Defense
- Identify & Access Management
- Privacy & Data Protection
- Third Party Risk

Risk, Compliance & Controls
- Risk Management
- Regulatory Compliance Consulting
- Financial Crimes & Fraud Analytics
- Internal Audit
- Sarbanes Oxley
- Controls Consulting
- Controls Loan Staff
- Controls Test Automation

Strategic Assurance & SOC Services
- SA&S Readiness Consulting Services
- SOC 1
- SOC 2, 3
- Other SSAE 18 Attest Services
- IT Certifications

Our Oracle Practice

ERP and SCM

Financials | Revenue management | Accounting hub | Project accounting | Risk management | Project execution
Procurement | Inventory management | Cost management | Maintenance | Manufacturing | Order management | Product lifecycle and data management | Supply chain collaboration and planning

EPM Analytics

Planning and budgeting | Profitability and cost management | Financial close and consolidation | Tax reporting and provisioning
Management and operational analytics | Narrative reporting | Account reconciliation | Enterprise data management

HCM

Culture journey | Talent acquisition | Workforce administration | Talent management | Workforce development
Alumni network

Data governance & cloud integration

PaaS

Solution delivery center (off-shore and on-shore)

Industries

Construction, Real Estate & Hospitality	Consumer And Industrial Products	Energy	Financial Services	Healthcare And Life Sciences	Not-For-Profit Organizations	Private Equity	Public Sector	Technology

About Me

- Implementing Oracle Payroll for over 24 years
- Implemented the third US Payroll site to go live in 1997
- Implementing Oracle Cloud Payroll since 2015
- Frequent OHUG, OAUG and OpenWorld presenter, mostly on fast formula solutions

Planning the interface from Payroll to Finance

Planning the interface from Payroll to Finance

- Too often these two modules are implemented separately
  - Modules are implemented in silos
  - Need representatives from both teams for each implementation

- Cloud HCM available before Cloud Finance
  - Missing HR objects needed for Finance reporting

- Many shared attributes between the modules
  - Locations
  - Legal Entities
  - Organizations/Departments

Understanding the Chart of Accounts

Understanding the Chart of Accounts

- Breakdown of Segments of Accounting Key Flexfield
  - Legal Entity/Division
    - Used to report performance
  - Department/Cost Center
    - Main area of financial responsibility
    - Describes where an employee resides
    - One-to-one relationship to HR department
  - Accounts/Subaccounts
    - Generally describes what an employee is doing
    - Most of strategic planning is done here

Identify Key Performance Indicators of Labor Reporting

Identify Key Performance Indicators of Labor Reporting

- Common KPIs in Labor Reporting
  - Overtime – Work that is in addition to regular schedule plan
  - Absences – Unproductive time paid
  - Production – Line up labor reporting structure to production data
  - Idle Time – Available to work, but no work available
  - Bonuses – Reward desired behavior

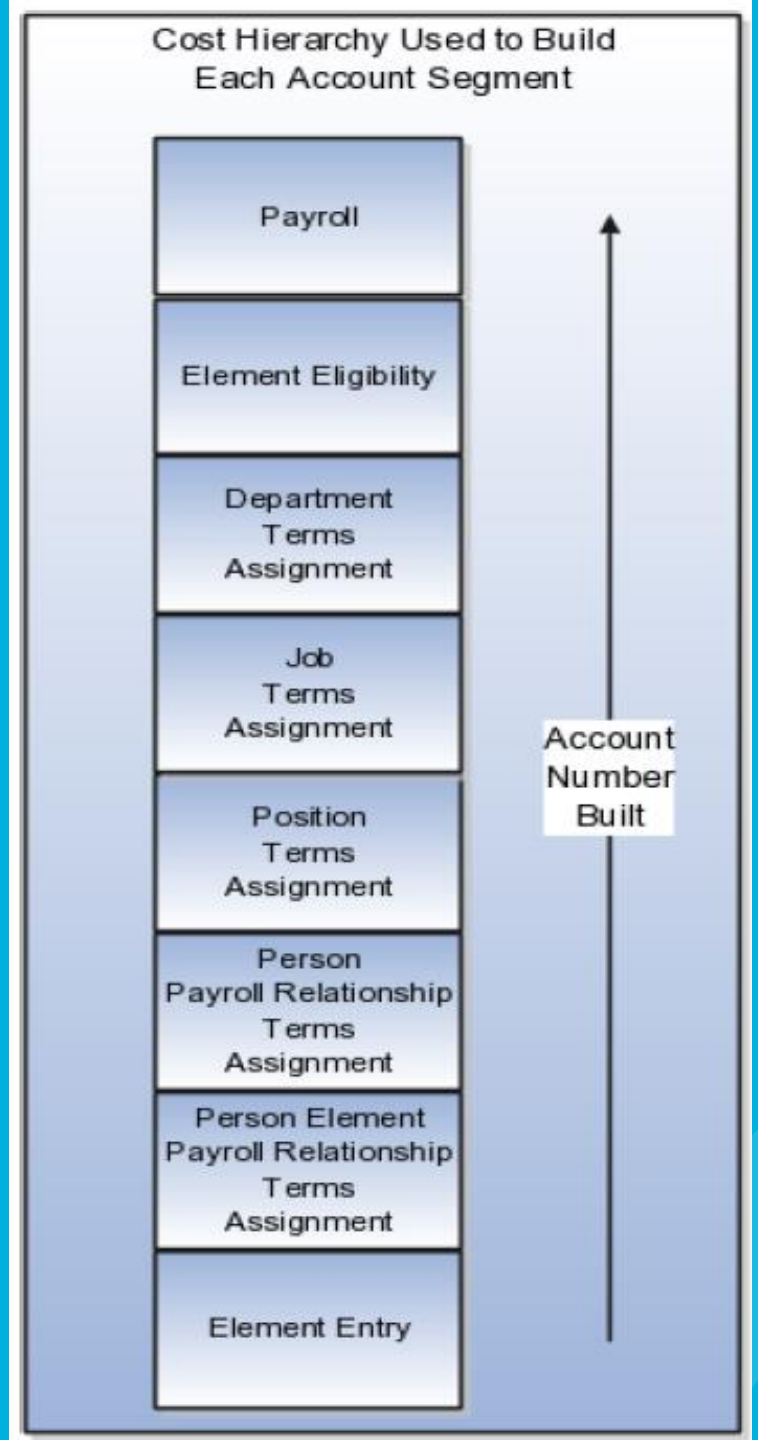
Mapping the Chart of Accounts to the attributes of Oracle HCM/Payroll

Mapping the Chart of Accounts to the attributes of Oracle HCM/Payroll

- Other legacy systems map attributes at the employee level
  - Accurate reporting rely on the payroll clerk selecting the right codes
  - Employee transfers and promotions require updates to employee costing

- Oracle takes a different approach
  - GL segments are assigned to HR attributes and pay elements
  - Employees inherit the GL codes based on their attributes
  - Updates to an employee's HR record automatically updates the GL codes

- Journal entry is built using a costing Hierarchy



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Segmenting the Workforce

Segmenting the Workforce

- If multiple accounts are needed for a single pay element, consider using the People Group
  - Professional vs. Clerical
  - Maintenance vs. Production
  - Executive
  - Consider using audit reports to insure everyone has a People Group

Best Practices when costing Oracle Cloud Payroll

Best Practices when costing Oracle Cloud Payroll

- Utilize the costing hierarchy as much as possible
  - GL Cost Centers assigned at the Department level
  - Use a backstop or suspense account at the payroll level
  - Only cost at a person or assignment level for exceptions

- Finance accounting rules are not enforced until journal is imported
  - Costing is generated during payroll calculation
  - Retro costing and its drawbacks
  - Hard errors vs. warning and suspense

- Costing payroll level elements by assignment attributes
  - Employer level taxes and benefits down to the cost center
  - Oracle configuration options vs. using information elements

Summary

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Q&A

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