

CHAPTER 1 – CORE CONCEPTS AND NAVIGATION

OVERVIEW

Workday Financials was designed and built to meet the specific needs of today's finance organizations. Existing ERP systems have difficulty keeping up with the ever-changing needs of today's businesses. Disjointed, rigid, and hard-to-use, traditional ERP systems can no longer pretend to be the best solution on the market. Workday Financials is the new object-oriented, cloud-computing software solution to handle today's financial needs and business objectives. As part of this course, we will present a comprehensive overview of Workday Financials including: a product overview, functionality, benefits, roles, business processes, setup, and transactions.

In this chapter, we will take a high level look at the core concepts within Workday Financials. This will provide you with an overall view of what is needed to perform transactions in Workday. We will discuss the building blocks for Workday Financial solutions which will help you to understand and progress through your Workday Financials implementation.

Activate Windows
Go to Settings to activate Windows.

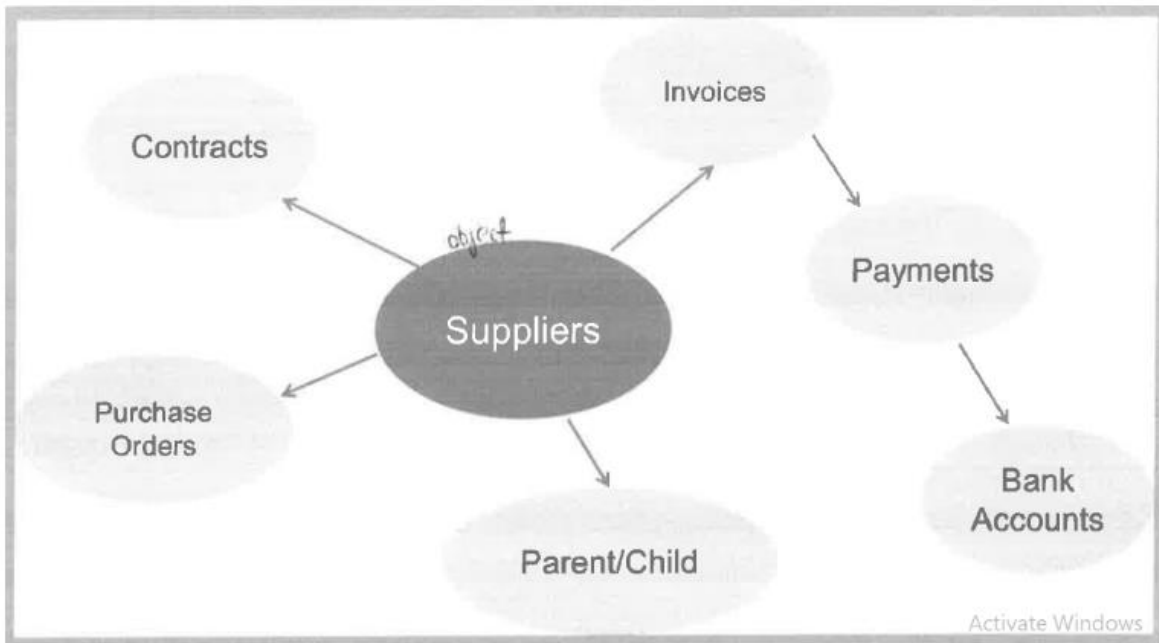
OBJECTIVES

By the end of this chapter, you should be able to:

- Describe Workday core concepts.
- Log in to a Workday tenant.
- Demonstrate navigation techniques, including searching for objects, accessing and removing worklets, and locating and running standard reports.

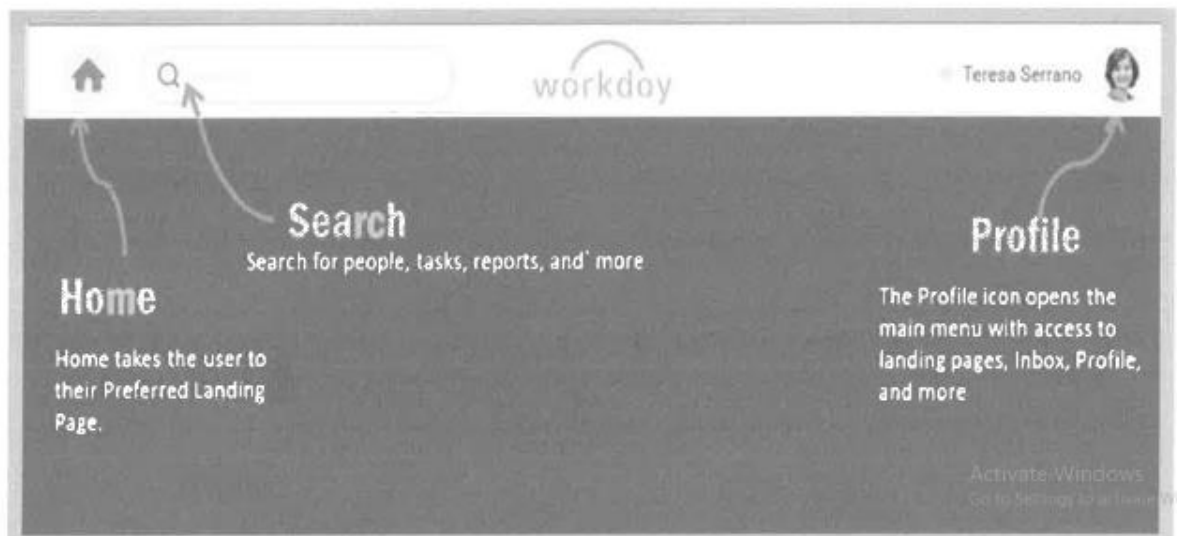
BUSINESS OBJECTS

Workday stores data as business objects (e.g., organizations, suppliers, ledger accounts) which are similar to database tables or worksheets in Excel. Just as a database table or worksheet has columns and rows; a Workday business object has fields and instances. Workday automatically links related business objects together. For example, a supplier is associated with supplier invoices, the invoice is associated with a supplier invoice payment, and the payment is associated with a bank account.



BASIC NAVIGATION – APPLICATION HEADER

The application header always displays while you navigate throughout Workday, and includes: the Home icon, search bar, Workday logo, name, and photo.



HOME

Clicking the Home icon takes the user to their preferred landing page, which can be overridden by the individual user in their Change Preferences task.

SEARCH

The search bar allows you to search for business objects, reports, tasks, workers, and more just by typing in key terms. For example, if you type "customer," you will see reports, tasks, and business objects that contain the word "customer". The search bar also returns type-ahead, predictive results.

Search results can be narrowed down by categories, such as Banking, Reporting and Security, located on the left side of the page. You can also use search prefixes. Search prefixes allow you to narrow down your results to a specific type of search result. When using a search prefix, Workday searches all items of that type and returns all of the results available to you. Examples of common search prefixes include 'org:' for organizations and 'bp:' for business processes. To find all search prefixes you have access to, type a question mark (?) in the search bar.

Activate Windows

The Search feature provides capabilities such as:

- Boolean search - (marketing OR branding) AND manager
- Phrase search - "marketing manager"
- Exact match - specificemail@gmail.com
- Matched fields - Brings up list of matched fields

PROFILE

Your profile displays a picture of the currently logged in user (you). Clicking the Profile icon opens the main menu with access to landing pages, Inbox, Notifications, Favorites, W:Drive, Profile, and more. Depending on your security you may see fewer options on the My Account than another user.

View Profile The profile is a composite view of a worker that puts a collection of information at your fingertips. The profile can include contact information, job information, time off, etc.

The Home link will take you to the Home landing page, if enabled, not your preferred landing page. Through the Home landing page, team members display commonly used worklets to support employees or contingent workers. Managers have access to actions and information about themselves and their team from one main consolidated view. You can configure the new landing page using the [Edit Tenant Setup - Worklets](#) task.

Other pages available from the menu also display data based on your security. They include:

- **Sitemap:** For detailed menu-based navigation.
- **Favorites:** Displays those business objects, reports, custom reports, and shared reports that you have added to Favorites.
- **W:Drive:** A virtual drive where generated reports are stored. When we use the term W: drive, we are referring to this virtual drive, not to a mapped drive letter on your computer.
- **Documentation:** Opens the Workday Administrator Guide where you can search for information on the Workday system.
- **My Account:** Allows the worker to change their password, change their preferences, and sign out of Workday.

BASIC NAVIGATION – LANDING PAGES AND DASHBOARDS

LANDING PAGES

Landing pages display worklet icons for easy access to the data and tasks available in dashboards and worklets. The primary landing page for users that you can configure to display worklets (up to 20) with data about:

- A worker's personal information, such as Time Off.
- A manager's direct reports, such as Team Time Off.













Note: We recommend that you enable the Home landing page for all users.

BASIC NAVIGATION – SCREEN ICONS

PAGE ICONS

This table contains commonly used page icons in Workday:

| Icon | Description |
|---|---|
|  | Home: Takes you to your Home page. |
|  | Workday: Takes you to your Home page. |
|  | Worker Profile: Click the name or picture to view the worker profile, access menu items, manage your user preferences, or sign out of the Workday session. |
|  | Related Actions: Right-clicking on a user's name displays the Related Actions menu for an object (available only if the user has permission to perform additional actions on that object). |
|  | Filter: Narrows down data by creating a row on your report where you filter data to display from one or more columns. |
|  pdf and print | Print: Displays the page as a printable PDF file. This can be restricted using the domain Export to PDF and Excel. |
|  | Excel: Displays the page as an Excel file. This can be restricted using the domain Export to PDF and Excel. |
|  | Export: Exports to a Workbook. within HD system |
|  | Talent Pool Tag: Puts a worker(s) into a selected talent pool. |
|  | Back Arrow: Changes prompt values and reruns either a report or a task with new values. |

DASHBOARDS

Dashboards consolidate key management information and actionable items in one location, and are secured to specific domains. Users access dashboards based on configurable security.

Workday delivers dashboards with worklets that are specific to them. Since these worklets may be built with the report writer and report-specific calculated fields, you can copy and modify them if you have unique requirements. You can add additional custom worklets to these dashboards using the report writer. To optimize performance, most of the delivered worklets for these dashboards are cached.

You can use the [Maintain Dashboards](#) report to view the list of enabled dashboards, configure them, and change their descriptions. You can add menus and announcements to any Workday-delivered or custom dashboard.











BASIC NAVIGATION – FIELD TYPE

Within Workday there are multiple field types. The most common are single and multi-select fields.

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|  pdf and print | Print: Displays the page as a printable PDF file. This can be restricted using the domain Export to PDF and Excel. |
|  | Excel: Displays the page as an Excel file. This can be restricted using the domain Export to PDF and Excel. |
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FUNCTIONAL AREAS

Each of Workday's solutions (like Workday HCM and Workday Financials) are grouped into distinct functional areas. A functional area is a grouping of tasks, reports, and objects. For example, the Workday Core Financials solution includes functional areas like Financial Accounting, Business Assets, and Supplier Accounts.

A functional area is a collection of related securable items, where each functional area is further divided into domains and business processes. The [Functional Areas](#) report will display all functional areas and included domains and business processes. Functional areas can be enabled and disabled for each tenant.

| Functional Area | Description | Enabled | Includes Domains | Includes Business Processes |
|---|---|---------|---|---|
| <input checked="" type="checkbox"/> Suppliers | | | | |
| Suppliers | Set up, approve, change, and report on suppliers. | Yes | Process: Supplier Request Reports: Supplier Self Service: Supplier Request Set Up: Assign Contingent Worker Set Up: Supplier Set Up: Supplier Contacts Set Up: Supplier Maintenance Set Up: Supplier Notes Set Up: Supplier Settlement Bank View: Supplier | Supplier Change Event Supplier Event Supplier Request |

Generally speaking, a domain relates to setup data and is generally completed by power users or administrators. This setup data is completed on an as-needed basis. Domains are secured by high-level security and cannot be configured. Additionally, there is no workflow for an approval process.

DOMAINS

A domain is a ^{SETUP DATA} predefined set of related securable items (reports, tasks, instance sets, report fields, data sources, and so on). Domains are pre-defined by Workday and cannot be modified ^{STATIC DATA} by customers. Each domain contains a predefined set of related securable items that is configured by Workday. For example, the Core Financials solution includes the Customer Accounts functional area. The Customer Accounts functional area includes several domains including the Process: Customer Payment domain. This domain, in turn, contains several related securable items such as, Instance Sets, Report Fields, Reports and Tasks, and Web Services.

Although you cannot change which securable items comprise a domain, Workday provides customers the ability to specify security policies that govern permissions for the content of a domain. A domain security policy grants a group of users access to the securable items contained in the domain.

Power Users

OK

button

BUSINESS PROCESS FRAMEWORK

Functional areas also include business processes. A business process is a set of configurable steps used to complete a larger overall task, like creating a customer invoice. Business Process definitions are used to automate business events in Workday.]

steps are up to customer

A business process is the definition of tasks that need to be done for an event to occur, the order in which they must be completed, and who must do them. The business process definition specifies the security group responsible for each step in the process, notifies the workers in these groups, and gets feedback on when each step is complete so it can move on to the next step. Steps can also be conditional.

In its most basic form, a business process is a set of tasks that are initiated, acted upon, and completed by users in Workday. Once a business process is initiated, Workday routes the tasks to the responsible roles (users who can complete the tasks based on their membership in security groups), and ensures that security and business rules are enforced throughout the execution of the business process until it is complete.

Chapter 1 – Core Concepts and Navigation

CONFIGURABLE SECURITY

Workday provides a configurable security framework, enabling customers to control view and modify access to the Workday application via security groups and security policy updates. Workday's security framework supports your organizational structures, roles, global models, and is integrated across the application, from the user interface pages, to reports, integrations, and business processes.

Configurable security helps to answer questions such as:

- Can a given user run a task or get to a given secured item in Workday? (e.g., delivered report or task)
- Once there, what target instances does the user have access to for that item? For whom can they see data? (e.g., Can the user see data for all workers when running a report about workers, or create an expense report for anyone?)
- Can you segment the actual items or values a user sees?

Securable items are grouped into domains and business processes, and each grouping has a corresponding domain or business process security policy. These groupings are predefined and cannot be changed. You can edit which security groups can access the securable items in a domain or business process, but you cannot edit the securable items in a policy or delete a policy.

SECURITY GROUPS

A security group is a collection of system users used to grant access to Workday. Users can either be grouped explicitly (e.g., user-based) or by deriving group membership from other relevant information about the user, such as the user's role assignment, job profile, or organization membership.

When configuring security in Workday, you must identify your users via a security group and then add or remove the security group from the desired domain or business process security policy to grant or deny access to that set of users to that area of Workday.

SECURITY POLICIES

When you link a security group to a domain through the domain's security policy, you also specify whether the security group has View or Modify access to the domain. (For integrations, the access to the domain is governed by Get or Put permissions.) Some secured items might be included in more than one domain security policy. Workers who are granted different levels of access permission in different domains get the most access.

SECURITY GROUP TYPES

Your security group dictates what you can view and tasks you can perform. Security group types are Workday delivered and describe how security is assigned to users. New security groups can be created using the Workday-delivered security group types.

Below is a table that summarizes the security group types, the purpose, and how a user becomes a member:

Security Group Types (continued)

| Type | Purpose | Assigned To | Example |
|-----------------------------|---|-------------------------------|---|
| User-based* | Perform administrative or setup tasks | User directly | Report Writer; Finance Administrator |
| Role-based* | Access is specific to one or more organizations | Position | Controller; Accounting Manager; Receivables Specialist |
| Service Center-based | Allow third-party users limited access | Service Center Representative | Third-Party Help Desk |

| Type | Purpose | Assigned To | Example |
|--------------------------------|---|---|---|
| Job-based | Auto-population security based on user's job criteria | Job related criteria, e.g., Job Profile, Job Family | CFO |
| Integration System | Access to run integration systems | System accounts | Credit Card System |
| Segment-based | Access to selected components (a segment) of the secured item | Securable items for Expense Items, Customers, Business Processes | Users can access only certain customers |
| Location Membership | Auto-populated security based on a user's location | One or more locations | Users in Building X, Users in USA |
| Organization Membership | Auto-populated security based on orgs to which they belong | One or more organizations-of any type such as Company, Supervisory, Hierarchies | Users in Company A, Users in Financial Planning cost center |
| Aggregate | Users must meet specifications of ANY security groups | Multiple security groups | Users in location USA or Company A |
| Intersection | Users must meet specifications of ALL security groups | Multiple security groups | Users in location USA and Company A |

CHAPTER 2 – ORGANIZATIONS AND WORKTAGS

OVERVIEW

Workday supports several organization types, but the primary organizational structure for Workday Financials is the Company organization. In this chapter, we will begin by focusing on the Company organization and then look at other common organization types that can be created and maintained. This includes custom organizations, which are optional and may be required to support your individual business and report requirements.

Financial transactions are grouped and tracked within Company organizations. Other organizational structures can be put into the system to represent multiple organization views.

In addition, the purpose and definition of organization hierarchies will be explored in this chapter. Once your organizations and organization hierarchies are created, these structures may change over time. The reorganization tasks will allow you to restructure as your business changes.

Workday also provides another dimension, called worktags, to use when reporting on financial transactions. There are both delivered worktag types and you can create additional custom worktags if you need additional reporting dimensions.

Activate Windows
Go to Settings to activate Windows.

OBJECTIVES

By the end of this chapter, you will be able to:

- Create a company and attach it to an existing company hierarchy via a reorganization.
- Create new cost centers and include them in a newly created cost center hierarchy.
- Demonstrate and explain how roles are assigned and inherited on companies and company hierarchies, as well as cost center and cost center hierarchies.
- Enable custom worktags and configure a custom worktag picklist.

SECURITY POLICIES

As you implement Workday, there are some security policies that need to be configured to ensure the appropriate security groups have the right permissions.

SECURITY GROUPS

- **Company Administrator:** This user-based security group is used to create company organizations, create and manage reorganization events, and set up reorganization events.
- **Costing Administrator:** This user-based security group is used to create cost center, region, and custom organizations and set up reorganization events.

OKS to user

DOMAINS

A domain is a predefined set of related securable items (reports, tasks, instance sets, report fields, data sources, and so on). Domains are pre-defined by Workday and cannot be modified by customers. The following Domains are covered in this chapter:

| Topic | Functional Area | Domain |
|-----------------------------|-------------------------|-----------------------------|
| Companies | Organizations and Roles | Create: Company |
| Cost Centers | Organizations and Roles | Create: Cost Center |
| Custom Organizations | Organizations and Roles | Create: Custom Organization |

ORGANIZATIONS

An organization is a basic building block to the Workday application. Organizations are defined as a way to group workers and financial transactions. You can use organizations to:

- Aggregate data for reports.
- Assign workers to their management and support teams.
- Run business processes.

Workday defines and delivers the most common types of organizations. Within each type, you can define organizations to reflect your company's requirements. You can also create unlimited numbers of each type of organization and then use them for different types of reporting. Some types of organizations can be combined in a hierarchy to represent a structure.



Note: Every instance of any delivered organization type (i.e., Company, Cost Center) is a worktag. Non-organizational delivered worktags and custom worktags cannot be used as organizations (i.e., customer, revenue category and spend category).

ORGANIZATION TYPES

Workday organizes the organizations into different areas of Costing, Hierarchy, HR, Pay, and Custom. Each of the different types can be placed into a hierarchy of the same type for reporting purposes.

| | Type | Definition |
|------------------------------|---------|---|
| Costing Organizations | Company | Companies are organizations within Workday and represent the internal business entities to which transactions are posted. Payroll and Financials use Company to control accounting and reporting functionality. Company is considered the level at which you hold a balanced set of books. In most cases, Legal Entities should be represented as companies, but companies do not have to be Legal Entities and Company can be defined at a lower level than Legal Entity. This can be utilized when the customer needs to segregate security at a lower level for decentralized processing or other needs. Company is the level at which the financial accounting details are defined. |

| | Type | Definition |
|------------------------------|-------------|--|
| Costing Organizations | Cost Center | <p>Cost Centers are used to hold financial transactions, budgets as well as workers. Often these are departments within a legacy system. As a general guideline to defining cost centers, they should:</p> <ul style="list-style-type: none"> • Have a manager • Have a financial impact • Have a budget / department <p>There may be cost centers that do not meet the criteria above, it is provided as a guideline.</p> <p>It's important to note that more granular definitions of Cost Centers may overlap with other Worktags and require more effort to administer, for example - If you need to report salary expense for one or two employees you can extract reports from payroll accounting and avoid setting up a dedicated Cost Center for this purpose. It is also important to note that this is how you report and manage cost, but NOT how you report and manage your people, Workday has the Supervisory Organization for that purpose.</p> |

| | Type | Definition |
|------------------------------|----------|---|
| Costing Organizations | Location | <p>Location represents the physical location of the worker (or business asset), whereas region represents a geographic area for cost or revenue capture. For example, two sales people might be in the Miami office, but one has responsibility for the US-South region while the other is responsible for the South America region. In Financials, it can be useful to think of the location as the origin of the cost and region as the destination.</p> <p>Defining the level of granularity of locations is important, as location is used by all product lines (HCM, Payroll and Financials). For platform implementations consensus must be reached between all functional areas as to the level of location granularity. It is recommended that location be owned (defined, built and moved) by a single resource obtaining requirements from all product areas.</p> |

| | Type | Definition |
|------------------------------|---------|--|
| Costing Organizations | Region | Regions are an optional organizational structure and can be used to reflect the area of responsibility for a worker instead of the work location – this is different than the location hierarchy. For example, a Salesperson might work from (be located in) a Miami location, but may be responsible for Sales in the Latin American Region. Note that Workday Student is using Region for region of student recruitment. |
| | Program | Programs are primarily used by public sector and higher education organizations. Programs typically have long term if not permanent high-level purposes. Programs are used to manage items that are larger than Projects and do not have defined start and end dates. |
| | Fund | Fund accounting is unique to the public sector – governments, nonprofits, universities, and schools. It requires separate self-balancing journals to track each fund's revenues and expenditures. Funds are separated into fund types and can be characterized by restrictions. You can use funds as a Worktag in financial and payroll transactions. They are often grouped into hierarchies for reporting. |

| | | |
|--|---------------|--|
| | Gift | Gifts are primarily used in higher education and non-profit organizations and typically represent gifts of money as a funding source. A common type of gift is an endowment. |
| | Business Unit | Business Unit is often used to define line of business or operating unit. Although Business Unit can be assigned to workers during Assign Orgs, there are some staffing limitations. |

| | |
|---------------|---|
| Custom | <p>Custom Organizations can be used by all product lines, so you must be judicious when creating Custom Organizations and communicate to all teams when a Custom Organization is being proposed so you don't get into the situation where multiple Custom Organizations are created for the same use. Before using a Custom Organization, ensure you have exhausted the possibility of using any other existing fields and structures in Workday to achieve the same result. Don't create a Custom Organization for an organization type that already exists.</p> <p>There is no limit to the number of Custom Organizations that can be created however, only 10 custom organization types can be specified for use in Financials transactions.", (i.e an organization that can be used as a Worktag or used in Payroll Costing) so it's very important when implementing HCM or Payroll without Financials that consideration be given to this limit.</p> |
|---------------|---|

FUNDAMENTAL CHARACTERISTICS AND STRUCTURAL ASPECTS

The different organizations share some fundamental characteristics and structural aspects.

| Term | Definition |
|---------------------------|--|
| Availability Date* | This date is simply a reflection of when the organization was created. |
| Name* | Name of the organization. Requirements of a name depend on the type of organization. Pay attention to search capabilities when naming organizations. Try to avoid abbreviations (e.g., "Finance/Accounting" is easier to search for than "Fin/Acct.") |
| Code | Optional field that can be used as an additional identification field. Workday recommends the code be a way to identify the organization. The Reference ID used in integrations should match the Organization Code. For example, the cost center organization code might be the cost center number, and the Integration ID > Ref ID should be the same number. |
| Subtype | User-defined field. Can create hierarchies and is reportable. |
| Visibility* | Allows you to determine who can view the organization. |
| External URL | Allows you to identify a URL associated with the organization. |
| Roles | Drives business processes and security. |

*Required fields

ASSIGNABLE ROLES

Assignable roles dictate the security tasks, and involvement in business processes. Assignable roles reside in each type of organization (e.g., Company, Supervisory, Custom). Roles are used in business processes to assign tasks; they can either be inherited from a superior organization, specifically assigned to an organization, or defaulted. These role assignments and the security groups to which they are linked are critical for business process routing and notifications.

Roles are assigned to a position created by Workday HCM. Each organization has an owner by default who is assigned to the position that displays the position of the user that created the organization but other roles can be assigned based on which type of organization you are creating. For example, the role of Accounting Manager might be assigned to the Chief Financial Officer position or the Senior Accountant. If a worker occupies this position, the assignment will also indicate the worker.

MEMBERSHIP

Workers can reside in several organization types. They must be hired into a supervisory organization, but can also be part of a:

- company
- cost center
- region and/or
- custom organization.

Oliver Reynolds is a member of the following organizations:

Member of These Organizations (1/1/10)

| Organization | Organization Type | Organization Subtype |
|------------------------------------|--------------------|----------------------|
| Global Modern Services, Inc. (USA) | Company | Company |
| Unacademy - US | Company Hierarchy | Company |
| A3000 Office of CIO | Cost Center | Cost Center |
| Information Technology | Cost Center | Cost Center |
| USA - Western US | Location Hierarchy | Geographic Division |
| North America | Location Hierarchy | Global Region |
| Region Hierarchy | Regional Hierarchy | Region |
| Headquarters - Corporate | Region | Region |
| Executive Management Group | Supervisory | Group |

The organizations that a worker is a member of default onto transactions that the worker creates for themselves, such as, timesheets, purchase requisitions, and expense reports.

A

LOCATION ORGANIZATIONS

In Workday, you can create locations and location hierarchies. Location hierarchies enable you to define a location with a multilevel structure. The location is intended to be a specific physical location. You can use locations anywhere in Workday, but they are best suited for accurately tracking business asset and work space locations of workers.

- For example, to track business assets, you could create a location hierarchy like this:
Country > State or Region > City > Site > Building > Storage Room > Storage Bin
- For work spaces, the location hierarchy could be:
Business Site > Building > Floor > Department > Cubicle > Workstation



Tip: Consideration must be given to the granularity of locations for both workers and assets. In addition, the naming of locations should be carefully considered. The name will be used for external communication.

SUPERVISORY ORGANIZATIONS

Supervisory organizations group workers into a management hierarchy to show a reporting structure of who reports to whom. A supervisory organization can be a business unit, department, group, or project. Jobs, positions, and compensation structures are associated with supervisory organizations, and every worker is hired into jobs or positions associated with a supervisory organization. Supervisory organizations can be created and inserted into a hierarchy as a single action. There is no separate action to create a supervisory hierarchy.



Tip: In a "financials first" implementation, you will need to configure minimal Workday HCM tasks with a mock supervisory organization. You will load a subset of workers that will complete data entry, approval, or data analysis of financial data. The "financials first" approach is not feasible for self-service features like expense reports, requisitions, or timesheets, which require every worker to be setup in Workday.

WORKTAGS

Workday provides an innovative way to capture and report financial information called worktags. Traditional accounting systems are limited to capturing expenses, revenue, and more using code block elements. Worktags provide the ability to capture information that is not contained within the traditional code block such as customer and product.

A worktag is a keyword or label representing a business dimension of an enterprise. It is used to associate Workday business events and objects with enterprise business dimensions to organize, search, aggregate, and report on system data by business dimension. Worktags enable you to mark events (transactions) and business objects to make their business purposes clear and establish their common relationships through classification. This gives you a multidimensional view of your business that you can act upon. You can find information easier, filter searches to focused results, and analyze information in aggregated and summarized reporting by business dimension. Worktags can be assigned to any line item that generates a financial update (e.g., journal entry lines, supplier invoice lines).

For example, many photo tagging systems use something similar. If I take a picture of a golf course in Montana, I can tag the photo with those keywords to find the picture later. Worktags work similarly to the photo below.

WORKTAG TYPES

Most worktags are created automatically. That is, when you create the corresponding Workday object, Workday automatically creates a worktag for it. For example, when you create a supplier, the supplier name becomes a worktag for use in transactions. Workday delivers the following worktag types that you can use to tag your business transactions and supporting data:

- **Delivered Organizations:** Delivered by Workday to track financial transactions and group people.
- **Delivered Worktags:** Numerous predefined types and values with preset transaction availability.
- **Custom Worktags:** 15 delivered worktags with configurable names and values. Each custom worktag associates the worktag usage with Financial, HR, Payroll, or Time Tracking transactions or data.
- **Custom Organization Worktags:** Custom organizations are user-defined labels for specific areas of your business that you would like to group and create reporting for. A custom organization is a worktag by definition, and can be used on financial transactions. You can associate workers with customer organizations, default them into transactions based on membership, and use them to route transactions to specific people based on role. You can create an unlimited number of custom organizations, but only 10 can be identified as Use as Financial Worktag (i.e., made available for use in financial transactions).
- **Basic Worktags:** Define basic worktags if the Workday full feature is out of scope. For example, define the basic worktag Supplier for tracking contingent workers if supplier accounts will not be deployed. Currently the only basic worktags that are available are: Customers, Grants, Gifts, Projects, Supplier, and Sales Item.

CUSTOM ORGANIZATIONS

You can use custom organizations to group workers or financial transactions into logical constructs that are not defined by Workday-provided organization types.

Use custom organizations as Worktags if you have the following requirements:

1. Assign Worktags to workers so that they default onto financial transactions like expense reports and project timesheets.
2. Assign roles to Worktags for business process approval and reporting.
3. Create Worktag hierarchies for navigation as well as validation logic and condition rules.



Important: Do not use custom organizations as worktags if 1-3 from above is not a requirement. Instead use custom worktags.

Use the Maintain Organization Types task to define custom organization types. You can configure a custom organization to be a Worktag in financial transactions, and assign a worker to the custom organization in organization assignment so that the custom organization defaults as a Worktag into transactions that involve the worker. Custom organizations cannot roll up Workday-provided organization types.

CUSTOM ORGANIZATION SETUP STEPS

1. Maintain Organization Subtypes
2. Maintain Organization Types (Organization)
3. *Maintain Organization Types (Organization Hierarchy)
4. Maintain Assignable Roles (~~Owner and *Hierarchy Owner~~) *Organisation Partner*
5. Create Custom Organizations
6. *Create Custom Organization Hierarchy
7. *Assign Included Organizations to Hierarchy

CUSTOM WORKTAG VS CUSTOM ORGANIZATION

| Custom Worktags | Custom Organization |
|--|--|
| Limit of 15 (shared) | Unlimited (10 mapped to financial dimensions) |
| Description only | Assign default value to worker <i>can have workers</i> |
| No role assignment <i>= no security</i> | Assign roles |
| No hierarchies | Hierarchies allowed |

CHAPTER 3 - FINANCIAL ACCOUNTING SETUP

OVERVIEW

Workday Financial Accounting provides the capabilities necessary to satisfy the information requirements of investors, creditors, and regulatory authorities in the post-Sarbanes-Oxley business environment. By combining a unique, event-driven accounting approach with a built-in, internal control framework and a robust multi-company, multi-currency model, Workday delivers financial records and reports with speed, accuracy, and a complete audit trail. The architecture also allows you to adapt to changes in your business, as well as new rules and regulations. With Workday Financial Accounting, which is the foundation for all Workday Financial solutions, you can manage all your accounting activity and report on that activity at any time.

OBJECTIVES

By the end of this chapter, you will be able to:

- Identify the required security groups for financial accounting setup.
- Configure the mandatory company accounting details.
- Apply the concept of the recommended approach to account set setup.
- Create an Actuals ledger for your new company.
- Create the Ledger and Fiscal year and period.
- Maintain ledger period status.

FINANCIAL ACCOUNTING SETUP

Before you can begin creating and posting financial transactions, you need to set up financial accounting details for each company. Financial accounting requires you to:

1. Edit Company Accounting Details

2. Create a Ledger

3. Create Ledger Year and Ledger Periods

4. Maintain Ledger Periods

SECURITY POLICIES

As you implement Workday, there are some security policies that need to be configured to ensure the appropriate security groups have the right permissions. The following security groups, domains and business processes are covered in this chapter.

SECURITY GROUPS

- **Finance Administrator:** This user-based security group can create and maintain all financial setup data, regardless of organization. Examples include financial institutions, financial accounting data, ledgers, journal sources, account control rules, and fiscal schedules.
- **Accounting Manager:** This role-based security group can view reports and create transactions related to accounting journals for analysis and reporting, and open and close ledger periods and years for assigned organizations.

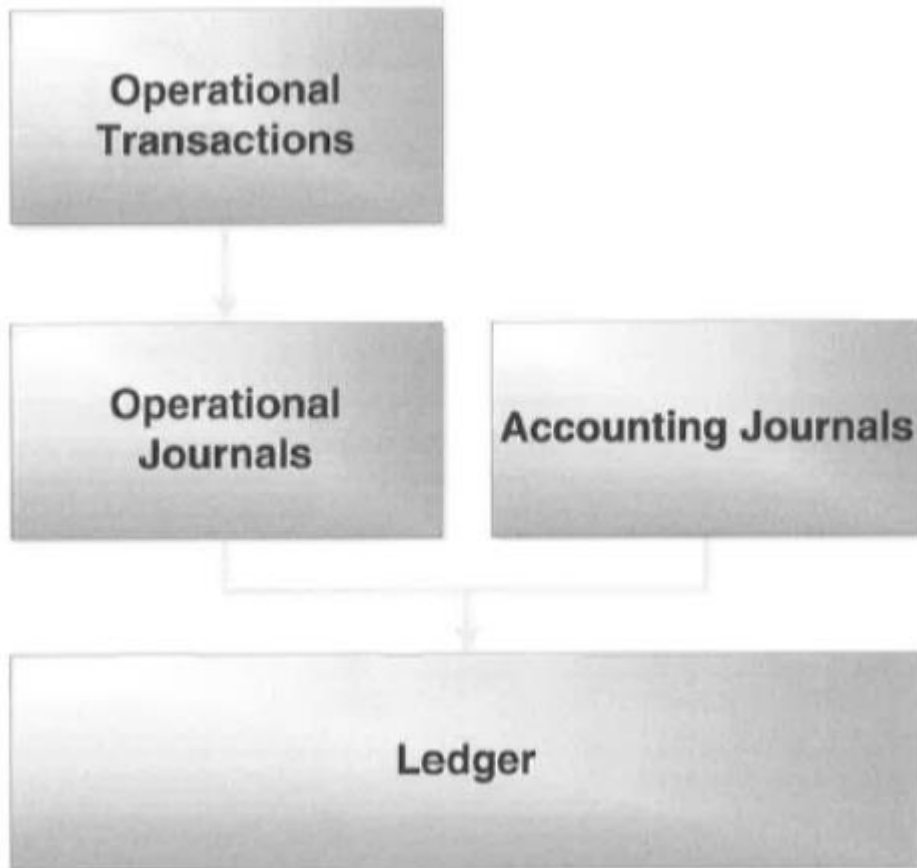
DOMAINS

| Topic | Functional Area | Domain | |
|-------------------------|-----------------------------|------------------------------|--------------------------------|
| Accounting Setup | Common Financial Management | Set Up: Accounting Rules | BUSINESS PROCESSES None |
| | | Set Up: Accounts | |
| | | Set Up: Company Accounting | |
| | | Set Up: Financial Accounting | |
| | | Set Up: Fiscal Schedule | |
| Ledger Setup | Common Financial Management | Set Up: Ledger and Book | |

FINANCIAL TRANSACTION FLOW

There are two types of journals in Workday:

- **Accounting Journals:** The journals that accountants create manually for accounting purposes (using the Create Journal task). They are not tied to transactions.
- **Operational Journals:** The journals that Workday creates automatically for operational transactions that you enter through the various Workday transaction tasks.



COMPANY ACCOUNTING DETAILS

The first step is setting up the company accounting details. Company accounting details include:

- Currency*
- Fiscal Schedule*
- Account Set*
- Account Control Rule Set**
- Account Posting Rule Set**
- Account Translation Rule Set
- Default Reporting Book
- Procurement Tax Option
- Journal Reversal Option*



Note: *Accounting details requiring configuration. **Accounting details with recommended configuration as part of Workday's recommended approach methodology.

These accounting details are setup individually and then associated with the company through the [Edit Company Accounting Details](#) task.

Once you have created a financial transaction, you cannot change the currency, fiscal schedule or account set for a company.

Before you can associate each accounting detail with a company, you must first define the available values for each one. Once you have set up your company accounting details, you will be able to:

- Create a ledger year and ledger periods.
- Route journals that exceed account thresholds to approvers.
- Post journal entries to specific accounts according to posting rules.
- Use translation to translate financial reports from a base currency to a reporting currency.



Tip: If Workday Expenses, Payroll, or Procurement have been implemented prior to, then company accounting details will have been completed.

CURRENCY

Select the base currency in which to perform accounting for the company. Having a base company currency enables you to use multiple currencies across your Workday deployment.

Workday uses the base currency for all financial transactions within that company by default, such as with supplier invoices, customer invoices, or expense reports. In most cases, you cannot change this currency in the transactions.

Workday converts any foreign currency to a company's base currency for accounting purposes if you establish conversion rates from those other currencies to the company's base currency.

You cannot change this base currency if you have:

- Created a journal for the company (and therefore have accounting activity).
- Associated an account control rule set to the company (as the set includes a currency as part of its definition and must match the company currency).

FISCAL SCHEDULE

Fiscal schedules are the calendars that businesses use and can share for financial accounting and reporting purposes. They are distinct from calendar years; though you can choose to have the two coincide. In Workday, you use fiscal schedules as the building blocks to create fiscal years and their periods. Fiscal schedules themselves do not contain specific years.

A fiscal schedule is made up of posting intervals, the chronological periods into which you divide the calendar. Each interval represents a period within a fiscal year. Two common fiscal schedules are a standard schedule that uses one interval for each month of the year or a 4-4-5 schedule which divides a year into four quarters. Each quarter has 13 weeks, which are grouped into two four-week periods and one five-week period.

Because financial transactions and events have an associated date, you can use your fiscal schedule and fiscal years to control accounting and reporting.

1. Use the [Create/Edit Fiscal Schedule](#) task to create a new fiscal schedule. Typically, you only need one fiscal schedule to share across all your businesses. If you need more than one, include a distinguishing characteristic in each name for easy identification.
2. Complete the [Maintain Fiscal Schedule Posting Intervals](#) task to define the posting intervals to apply to any fiscal year that you create for the fiscal schedule.

Fiscal Year

Fiscal years are created only within fiscal schedules and each year within that schedule must share the same posting intervals – what differs is the end date from one year to the next. For example, in a 4-4-5 fiscal schedule, the end date of period 1 might be January 23 for fiscal year 2010 and January 25 for fiscal year 2011, but both years share January as period 1.

After you create the initial fiscal year, the posting intervals are in use and you cannot add, delete, or change the order of them. You can only rename.

You can create the initial fiscal year through iLoad or using the [Create Initial Fiscal Year](#) task.

Fiscal Schedule Summary Intervals

You can also combine several posting intervals of a fiscal schedule into consolidated reporting units, such as quarters or half years.

You can add, change, or delete summary intervals anytime.

ACCOUNT SETS

Ledger Accounts

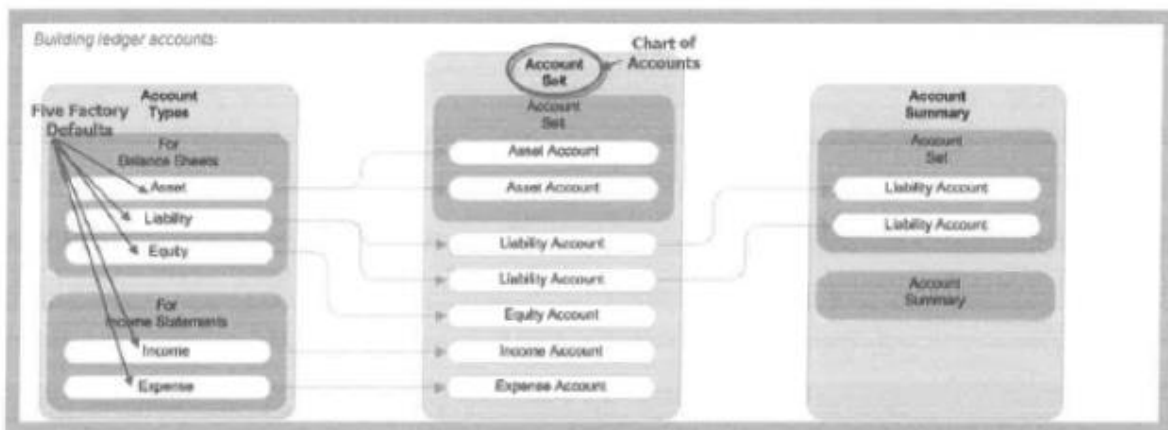
A ledger account is an account or record used to sort and store balance sheet and income statement transactions. Ledger accounts include a ledger account identifier, usually a number, account name, and ledger account type.

| Identifier | Account Name | Ledger Account Type |
|------------|--------------|---------------------|
| 1000 | Cash | Asset |

In Workday, you build your ledger accounts and their hierarchical relationship to each other. This establishes your chart of accounts (COA), as well as a collection of accounts that you can use for financial reporting purposes.

There are four main components to building ledger accounts: account types, account sets, ledger accounts, and account summaries.

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Account Types

Account types define the types of accounts that are available for financial statements. You can define unique types for balance sheets and for income statements. When you build account sets, you associate an account type with every account. You can also use account types to build financial statement conditional rules for use in financial statement composite reports.

Account Sets

Account sets define a group of ledger accounts for a company. An account set can be setup as a COA or not. Within an account set, you can include accounts directly or by linking the account set to another set.



Important: Once an account set has been tied to a company and transactions have been posted, it cannot be removed.

Account Set – Recommended Setup

The recommended setup approach is to create parent account set that is used as a shell Chart of Accounts (COA). The parent would contain no account values; however, it would include a child account set containing all of the detail values. This would allow you to switch out an entire set of accounts if necessary, such as an acquisition. The Standard/Workday parent child account sets are detailed below. New accounts are added to the Workday account set.

← Edit Account Set

Account Set:

Account Set Name: Standard

Chart of Accounts: Yes ← Parent with COA selected

Include Account Set: Workday

Edit

0 items

| Ledger Account | Identifier | Account Name | Ledger Account Type | Enclosed to Companies |
|----------------|------------|--------------|---------------------|-----------------------|
|----------------|------------|--------------|---------------------|-----------------------|

Retiring Ledger Accounts

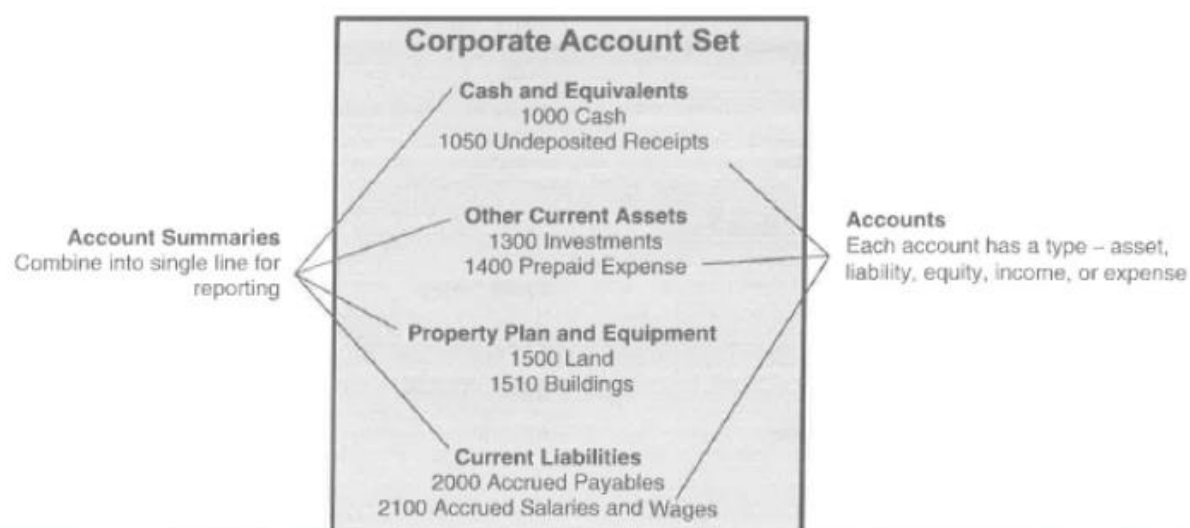
You can retire ledger accounts when you no longer want the account to be available for use for any future transactions, but have used the account with transactions in the past. The account still appears in reports where you have used it. For historical purposes, you cannot delete accounts that you have used.

A ledger account cannot be retired while it is in use in an account posting rule.

If you have used the account where you can accumulate or report on it (e.g., financial statement reports, definition of an allocation source, elimination rules for "used by" accounts), then you can retire the account but cannot delete it.

Account Summaries

Account summaries roll up select accounts from a given account set into a group for financial statement reporting. You can also embed account summaries within other account summaries, creating more levels of hierarchy. Create any number of account summaries with accounts being grouped differently for different reasons. You can use account summaries to aggregate accounts into a single line on a balance sheet or income statement when you define them. You can also use account summaries in allocations to group accounts when defining a source or basis.



ACCOUNT CONTROL RULE SET

Account control rules enable you to manage basic approval thresholds at the account level for your companies. Whenever there is a ledger account number on an accounting journal that exceeds the account control rule set threshold (either on one line, or combined and net total from multiple lines if the ledger account is used multiple times on the same journal), you can route the journal for approval according to the rules defined in the business process. As you add additional accounts, you can easily add thresholds for them in an account control rule set without having to modify your business process definitions with each new account.

In this example, a new control rule set is created called Standard Account Control Rule Set and applies to the Standard account set. In this case, a rule specifies that if the 1000: Cash ledger account is used on a journal line within an accounting journal and the amount of the line is above \$500.00 an approval is required. This will then run the Accounting Journal Event business process and route for the appropriate approval.

| | | |
|---------------------------------|-----------------------------------|--|
| Account Control Rule Set Name * | Standard Account Control Rule Set | |
| Account Set * | X Standard | |
| Currency * | X USD | |
| General Threshold | 20,000.00 | |

| Ledger Account Approval Thresholds <small>5 items</small> | | |
|---|-------------------|---------------------|
| | *Ledger Account | *Approval Threshold |
| | X 1000.Cash | 500.00 |
| | 1600.Fixed Assets | 1,000.00 |

This is an optional step that is only available for chart of account (COA) types of account sets. Note that if you want to define account approval thresholds to be more granular (per person), you must build that into the business process framework.

ACCOUNT POSTING RULE SET

Workday automates the accounting resulting from business operations. Workday creates journals behind the scenes for operational transactions, and uses posting rules to interpret the business events into debits, credits, and accounts. Operational journals use account posting rules to determine which ledger account is used for a specific operational journal. Each posting rule is for a specific operational transaction. You must edit these rules to specify the conditions and edit the ledger accounts to instruct Workday where to post debits and credits.

ACCOUNT TRANSLATION RULE SET

Assign a value to default the translation rule set when you run translated financial reporting for the company. Select from the account translation rule sets that share the same account set as the company. You can assign the same rule set to more than one company. Use the [Create Account Translation Rule Set](#) task to define values.

DEFAULT REPORTING BOOK

Select a default reporting book for your tenant. Workday displays this default in the Book field for reports where book is a selection parameter. You can also control this default book from the Tenant Default checkbox in the [Maintain Books](#) task.

You can also define a default book for a company hierarchy (using the [Edit Consolidation Details](#) task) or company (using the [Edit Company Accounting Details](#) task). Each supersedes the tenant-level default.



Note: If you have more than one book defined and you do not set a default book, you will need to select a book when you run a financial report. Otherwise, the report returns results for all books and you risk double counting. Workday strongly recommends that you define a tenant default reporting book to prevent this.

PROCUREMENT TAX OPTION

Select how you want to record tax for the transaction. This defaults from the company accounting details to the transaction.

JOURNAL REVERSAL OPTION

Choose how you want to record reversals. Select whether to reverse the debit and credit or to keep the debit and credit and reverse switch their plus (+) and minus (–) signs. You can change your selection at any time. Your changes take effect going forward; with no history changes.

LEDGER SETUP

CREATE LEDGER

A ledger is where you will store accounting results from your original journal entries. Your company must set up an actuals ledger and, optionally, a commitment ledger and obligation ledger. For both the commitment and obligation ledger types, you can select whether to enable the creation of commitments and obligations for procurement transactions and payroll transactions (payroll and fringe benefits).



Note: Before you can create ledgers, ledger years, and ledger periods you must:

- Define the company for which you want to create the ledger.
- Establish the fiscal schedule and its fiscal years.

CREATE LEDGER YEAR AND LEDGER PERIODS

When you set up your fiscal schedule, you set up posting intervals, which are the chronological periods into which you divide the calendar. Financial transactions and events have an associated date that controls which period the transaction is posted to. Before you begin posting, you must create the year and periods based on the fiscal schedule that you defined earlier.

For each fiscal year, the ledger year and ledger period will be created but not available to post because they are created in a "created" status. Workday does not create an additional period for adjustments.



Tip: If Workday Expenses, Payroll, or Procurement have been implemented prior to a full financials implementation, then an actuals ledger will have been associated with the company

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JOURNAL SEQUENCING

You can enable journal sequencing for a company and define the rules that Workday uses to create sequence ID generators for unique, sequential, and gapless journal sequence numbers. Workday derives the sequence ID generators based on the journal's source and accounting period.

To enable journal sequencing, the journal sequence Start Period and all subsequent periods:

- Must be in Created, Closed, or Not Available ledger period status.
- Have no posted journals from the specified Start Period.

You can only disable journal sequencing for a company if:

- You have not used sequence ID generators to assign a sequence number to any journals.
- You have deleted all sequence ID generators.



Additional Training: Journal sequencing is covered in more detail in the Financial Accounting – Learn Independent class.

LEDGER PERIOD STATUS

Period statuses control what can be posted in your accounting period and by which source. This is especially useful since it can prevent any incremental posting coming from the operation while still leaving the ledger open for the accountants to perform their period-end adjustment journals.

You can set up different statuses for ledger periods that will affect the activities that can be performed during that period.

| Period Status | Accept Operational Journal | Accept External Feeds | Permit Payroll Activity | Permit Accounting Journals, Depreciation, and Receipt Accruals | Permit Journal Adjustment Activity |
|--|----------------------------|-----------------------|-------------------------|--|------------------------------------|
| Not Available <small>when we fill 31st by ourselves</small> | No | No | No | No | No |
| Created | No | No | No | No | No |
| Open | Yes | Yes | Yes | Yes | Yes |
| Close in Progress | Yes* | No | Yes* | Yes | Yes |
| Adjustments Only | No | No | No | No | Yes |
| Closed | No | No | No | No | No |

* Depends on the activity group chosen.

CLOSE IN PROGRESS

Workday provides configurable period close activity groups that categorize operational transactions and accounting activity. Configurable period close activity groups provide greater control over the close process by allowing you to close these groups independently when updating ledger period status.

By classifying operational and accounting transactions in period close activity groups, you have the flexibility to select which groups to close while leaving others open for activity. You can then select the period close activity group from the Closed Activity field.

REVIEW: FINANCIAL ACCOUNTING SETUP

Company Accounting Details

- Currency
- Fiscal Schedule
- Account Set
- Account Control Rule set
- Account Posting Rule set
- Reverse Debit/Credit

Ledger

- Actuals
- Commitment
- Obligation

Ledger Year and Periods

- Company
- Fiscal Year

Maintain Ledger Periods

- Created
- Open
- Close in Progress
- Adjustment Only
- Closed

