

6.5 New Business Area

New Business Area

The purpose of this document is to

- create a checklist for the Corporate Information System Division to ensure that all configuration and authorization requirements are performed
- outline the processes in each module, that have to be completed before the old business area is revoked
- to assign responsibility to ensure that all accounting process (Financial Accounting and Procurement) are completed before old cost centres are blocked.

Authorizations

Changing authorizations within CFMS/SAP is a very tedious and time-consuming process. Individual user profiles have to be updated to accommodate each new business area. The old business area, cost centres, order types, etc., have to be deleted from the user profile. Then, new security objects and profiles have to be created and added to each user. This process must be completed for every job profile that exists for the user. For example, currently on the system there are 25 users in Department A and 53 users in Department B. If a new business area is created, 78 profiles would have to be changed; whereas, if an existing business area like Department B is used, only 25 profiles would have to be changed.

Financial Accounting Module

GENERAL LEDGER/ACCOUNTS PAYABLE

In the event that a new business area is created, the following accounts, which are set up under the vendor account and are assigned to a specific business area, have to be balanced and cleared before the authorization for a business area is revoked. After the business area authorization is revoked, the user will no longer be able to access the information for inquiry and reconciliation purposes.

The accounts that have to be reconciled are

- advances to vendors (down payments)
- vendor hold backs
- GR/IR (goods receipt/invoice receipt) account 149103
- discount lost (131104) account reconciliation

- cash in transit
- suspense accounts (used for acquisitions/gas credit cards)

Recurring Documents

Recurring documents must be created in the new business area, and the existing documents in the old business area must be marked for deletion.

ACCOUNTS RECEIVABLE

With regards to accounts receivable, two components may be affected. First, as a result of multiple customer masters, new customers may be required for the new business area. Secondly, as a result of revenue accounts being assigned to a specific business area, new accounts have to be created under the new business area. Reports have to be processed to document these revenue account transfers.

ASSET MANAGEMENT

- A new asset master record has to be created using the new business area.
- Each asset has to be transferred to the new asset master record.

Controlling Module

STANDARD HIERARCHY/COST CENTRES

New cost centre groups and cost centres must be created. Cost centres must be assigned to the appropriate fund centre in Funds Management.

Alternative hierarchies also have to be changed.

New Cost Centres

New cost centres have to be created no later than January of the current fiscal year, so that new purchases for the next fiscal year will commit in the correct cost centre. If these cost centres are not available, then the purchase orders/requisitions will not post.

Existing Cost Centres

Existing cost centres cannot be moved to a new business area. The business area field within the cost centre cannot be changed once a transaction has been posted to it.

ORDERS

There are two options for orders:

- Create new order types.
- Move old order types to the new business area and make modifications to the number range to accommodate the new business area.

The old orders have to be closed so that no transactions can be posted to them.

New orders have to be recreated using the new business area and cost centre.

ACTIVITY TYPES

The department has to create new activity allocation plans in the new cost centre.

Treasury Module

FUNDS MANAGEMENT

Fund Centres

New fund centres are required.

Fund

A new fund must be created for the new business area.

Cash Management

There is currently no effect. A suggestion has been made to add the business area to the bank cash-in transit download. If this takes place, the functional specialist will have to change the business area through configuration.

Logistics Module

PROCUREMENT

Currently on the system there are in excess of 50,000 vendors and 40,000 materials, which have to be assigned to the new purchasing organization and plants. This will take up a considerable amount of space on the system.

CREATING NEW PURCHASE ORDERS/REQUISITIONS

In March when creating purchase orders/requisitions you must ensure that the item(s) will be received by March 31. If you cannot guarantee that the item(s) will be received by March 31, then create purchase orders/requisitions for the new year using the new business area and cost centre. If the item(s) are not received by March 31 the purchase order has to be cancelled and recreated in the new fiscal year, as purchasing organizations and plants are hard-coded in the document.

CIS Division

- A new purchasing organization and a new plant have to be created for each new business area.
- All of the existing vendors have to be recreated for each new organization.
- The material master has to be recreated for each new plant.

Procurement Division

- Contracts, or standing offers, for government-wide-use have to have the new purchasing organizations added to them.
- Existing standing offers that are department specific have to be recreated if the department is assigned a new business area.

Departments

- Requisitions and/or purchase orders that are outstanding at year-end have to be recreated in the new business area. The account assignment cannot be changed in the outstanding purchase order/requisitions as the purchasing organization and plant are hard-coded to a purchase order/requisition and cannot be changed. This is a manual process and is extremely time consuming.

INVENTORY

There is currently no effect as Transportation and Infrastructure Renewal is the only department using this functionality.

If any inventory exists in an affected business area, the following have to be completed:

- Create new plants and stock locations.
- Extend materials to new plants.
- Transfer actual inventory to new plants and stock locations.

PLANT MAINTENANCE

There is currently no effect as Transportation and Infrastructure Renewal is the only department using this functionality.

If any plant maintenance exists in an affected business area, the following have to be completed:

- There are two options for orders:
 - Create new order types.
 - Move old order types to the new business area and make modifications to the number range to accommodate the new business area.
- The old orders have to be closed so that no transactions are posted to them.
- New orders have to be recreated using the new business area and cost centre.

CFMS/SAP Interfaces

Any change in business area requires the departments who are transmitting the files to CFMS/SAP to correct the established file details. Originating departments are responsible to ensure usage of the proper business areas and cost centres, etc. Our interfaces will simply edit the data for integrity and post it if it meets all of the system-defined criteria.

Current interfaces:

- Communications Nova Scotia
- Housing
- Registry of Motor Vehicles
- Business Registry
- Telecommunications
- Command Billing TSS
- payroll interfaces
- plant maintenance
- Community Services
- contract interfaces for Procurement Division

Note: Originating systems such as HRMS, etc., also have to be updated with the new business area changes.

Enquiries

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