COVID-19: FUND ACCOUNTING
PREPARING TO MANAGE RELIEF FUNDS WITH WORKDAY

As your organization takes advantage of available federal and state funding to support the impacts from -- and the response to -- COVID-19, learn how **Workday** has features and configurability that can help you proactively strategize the best way to track, manage, and report transactions related to these new resources. Understanding Workday's delivered options and planning ahead can help reduce administrative efforts and support financial reporting and compliance requirements.

The COVID-19 pandemic has created unprecedented disruption and financial uncertainty for organizations across public and private sectors. While the full extent of COVID-19's financial impact will take months to understand, we do know that funding relief to help organizations and individuals is available is through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Funding opportunities will differ in purpose, amount, and reporting and regulatory requirements. Prior experience with relief and recovery stimulus support indicates there will be a need to track, manage, and report back to governmental agencies on how these relief funds are spent.

Some organizations – including colleges, universities and academic health centers – already have Workday designed and configured to support grants and contracts they receive from federal and state agencies. Other organizations may be new to managing the requirements that accompany government funding. In either case, it is important to think through how you can optimize Workday to meet requirements for any funding you receive.

Financial Management and Reporting Considerations

Workday's Foundation Data Model (FDM) provides the flexibility to track, manage, and report transactions related to the CARES Act and other COVID-19 funding. The accounting dimensions already utilized in your FDM may be suitable to meet the setup, transactional and reporting needs. Conversely, taking advantage of Workday's flexible, available FDM dimensions may provide the best course of action to properly account for relief funding your institution receives. Regardless of approach, it is critical to have a structure in place before you begin spending the relief funds.

Commonly Used Dimensions	Available Dimensions* to Support CARES Act Relief Funds
+ Company + Cost Center + Ledger Account + Spend/Revenue Categories	+ Grant + Project + Fund + Program + Custom Worktag/Organization

* Workday-delivered dimensions with core Financials

GAAP requirements for non- and for-profit organizations differ; understanding the GAAP requirements that apply to your organization is critical as you consider the funding agency's reporting and tracking requirements. Government and non-profit organizations typically use Workday's Fund dimension to classify transactions in restricted funds (in conjunction with another worktag such as Grant/Gift). Non-profits may wish to consider whether CARES Act funding can be tracked in an existing restricted fund, or if new fund values and/or hierarchies are needed. For-profit organizations likely do not have this consideration for managing by 'fund'. Regardless of your institution's mission, or for-profit status, it is important to think through applicable accounting standards, audit requirements, and financial statement impact prior to making any configuration adjustments to track COVID-19 stimulus or relief funding.

Determining Your Approach:
Expand the Use of Existing Dimensions or Add New Dimensions

Grant, Project, or Program worktags are logical candidates to consider for tracking COVID-19 relief funds. If you are already using one of these worktags, you may be able to expand its use to support data collection and reporting related to the CARES Act. The primary consideration for expanding a worktag's use is to determine whether the original goal for the dimension is compatible with reporting and tracking requirements for relief funding. For example, a college or university that uses Program to track a finite set of values for internal reporting may wish to choose a different dimension to avoid conflating its Program reporting with new COVID-19 worktag values. Upon determining the reporting requirements for the dimension you want to use are compatible, consider changes needed to business process routing rules and approvals, custom validations, and custom reports. Expanding the use of an existing worktag may minimize changes needed to these adjacent configurations.

If you determine that your currently deployed dimensions are not well-suited to manage COVID-19 relief funding, configuring an unused, delivered dimension or custom organization worktag may be suitable. When weighing a delivered organization, custom organization, or custom worktag, consider security and approval routing requirements. Delivered and custom organization dimensions can have managers to which business processes can be directly routed for approval, while custom worktags do not have managers. Lastly, a limitation of ten custom financial organizations and fifteen custom worktags is applied across your Workday configuration; therefore, careful analysis should be given before activating one of these values.

Whether you expand the use of an existing dimension or configure a new one, preventive controls can help to ensure that users populate the appropriate worktag value(s) in transactions related to CARES Act or other stimulus funding received. Consider **related worktags** to default the appropriate worktags in transactions based on a driver worktag. **Custom validations** can help to ensure that all appropriate worktag values are populated in transactions that involve COVID-19 relief spend.

Preparing to Deploy

Once your approach is confirmed, all required changes to business processes, security, integrations, and reports should be completed and tested. As with any Workday change, activate your communication network and training plan to help the user community understand the approach and what is expected of them as they initiate spend funded by the CARES Act or other COVID-19 relief funding.

Summary

The COVID-19 pandemic poses unprecedented challenges for every industry. Monetary relief is generally welcomed and needed; however, not being prepared to properly manage and satisfy subsequent reporting requirements can lead to increased administrative burden and heightened compliance risk. Your deployed Workday solution offers pathways to help you respond to a rapidly changing landscape as long as you evaluate your options and design that work best for your organization, are mindful of subsequent configuration updates and invoke proper release management.

Related Content

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