

# Hierarchy Redesign Guidelines

Goal	Guidelines	Desired Outcome	Facilitation
Align L4s as Departments	<ul style="list-style-type: none"> <li>Strong L4 structures facilitate financial reporting</li> <li>Department represents an entity with a defined business purpose, represents an organized group of employees, has budget manager, includes multiple projects or programs and is assigned a space.</li> <li>Examples of Departments include Fields of Study, Immediate Office for a Dean/VC/Chair, Center or Lab (Self-Supporting), Business Line, Administrative Services Group</li> </ul>	<ul style="list-style-type: none"> <li>Validate/modify L4 structure</li> <li>Identify Budget Owner/Super User for each Department</li> <li>Define finance staff/reporting lines</li> <li>L4s should align across the Division</li> </ul>	<p><u>Questions to ask</u></p> <ol style="list-style-type: none"> <li>Do L4s meet the definition of a Department?</li> <li>Do existing L4s support high-level financial reporting?</li> <li>Who's the budget owner for each L4?</li> <li>Does the division have unmet financial reporting needs?</li> <li>Will new HR Home Departments need to be created or existing HR records need to be modified?</li> </ol>
Create meaningful L5s and L6s if needed, or use "dummy" values	<ul style="list-style-type: none"> <li>Reflect Organizational Financial Management and Reporting Structures at L5 Discipline and L6 Unit, as needed               <ul style="list-style-type: none"> <li>Divisions may/may not have L5/L6 levels, depending on size/structure of organization</li> <li>L5/L6 levels must be meaningful for financial reporting; if no meaningful L5s/L6s are needed "dummy" values should be used to smooth hierarchy</li> <li>Cannot duplicate other COA segments</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>L5s and L6s should be used to create a smooth and meaningful hierarchy across the Division</li> <li>Establish/validate L5 and L6 levels as needed</li> <li>Plug unneeded levels with "dummy" values</li> </ul>	<p><u>Questions to ask</u></p> <ol style="list-style-type: none"> <li>Do existing L5s/L6s represent clear financial reporting lines?</li> <li>Do existing "dummy" L5s/L6s need to be modified to reflect existing financial reporting lines? Are "dummies" no longer needed?</li> <li>Identify appropriate "dummy" values if no clear financial reporting lines exist</li> <li>Does the division have unmet financial reporting needs?</li> </ol>
Analyze usage of DeptID	<ul style="list-style-type: none"> <li>Fewer DeptIDs facilitate financial reporting and budgeting; cleanup unneeded values; when DeptIDs are inactive they should be inactivated or marked for inactivation (Note: Inactivations are currently on hold, but DeptIDs slated for inactivation should still be identified and can be turned off for budgeting purposes in CalPlanning)</li> <li>DeptIDs should not duplicate other COA segments</li> <li><b>Cannot reactivate or repurpose previously used DeptIDs</b></li> </ul>	<ul style="list-style-type: none"> <li>Any new DeptIDs should meet the definition of a DeptID as outlined in the Chart of Account Guidelines (see Question #1 under facilitation)</li> <li>Identify inconsistent DeptIDs and financial reporting needs for further review</li> <li>Identify unwanted/unneeded DeptIDs that may need to be inactivated</li> <li>Understand historical data related to inactive DeptIDs when moving them between Org Nodes; move them along with related active DeptIDs</li> </ul>	<p><u>Questions to ask</u></p> <ol style="list-style-type: none"> <li>Does the DeptID have a defined business purpose, include an organized group of employees with a leader (director, chair, manager) who is accountable for the use of an established budget, include multiple programs/projects in and/or have an assigned space?</li> <li>Are DeptIDs duplicating other COA segments? If so, ID and document DeptIDs for future changes.</li> <li>Are there any unneeded DeptIDs? If so, ID and add them to the inactivations list.</li> <li>Any opportunities to use Account, Fund, CF1, CF2 or combination thereof?</li> <li>Who is local finance staff for DeptID?</li> <li>Does the division have unmet financial reporting needs?</li> <li>Who is proposing to inactivate DeptIDs, make sure to maintain Allocation DeptIDs (for use as a central allocation or control org for the Division) or identify a new one.</li> </ol>

**Clean-up Considerations:** level of activity (relative materiality), on-going use/need, duplication of other segments, onus of budgeting and managing existing number of L7 DeptIDs and impact on financial reporting capabilities, downstream impacts to other systems (like HCM, Payroll etc.)

## Hierarchy Levels/Definitions

Org Node	Definition	Examples
<b>University</b>	Represents the University in a consolidated view	<ul style="list-style-type: none"> <li>• UCB</li> </ul>
<b>Group</b>	Provides aggregations of similar activities across Organizations to facilitate university-wide financial analysis and reporting.	<ul style="list-style-type: none"> <li>• Academic</li> <li>• Campus</li> <li>• Institution</li> </ul>
<b>Organization</b>	Identifies Organizations that exist above the Division level. There can be multiple Organizations within a Group. Multiple Divisions should roll-up to each Organization.	<ul style="list-style-type: none"> <li>• Letters and Science</li> <li>• Colleges</li> <li>• Schools</li> <li>• Research</li> <li>• Campus Support</li> </ul>
<b>Division</b>	A Division can include one or more Departments and typically has a Dean or Vice Chancellor	<ul style="list-style-type: none"> <li>• Biological Sciences</li> <li>• Administration &amp; Finance</li> <li>• Student Affairs</li> <li>• Cal Performances</li> </ul>
<b>Department</b>	Department represents an entity with a defined business purpose, represents an organized group of employees, has budget manager, includes multiple projects or programs and is assigned a space. Academic Departments typically have an assigned Chair.	<ul style="list-style-type: none"> <li>• Chemistry Dept</li> <li>• Art History Dept</li> </ul>
<b>Discipline</b>	As defined by Divisions for financial reporting purposes	
<b>Section</b>	As defined by Divisions for financial reporting purposes	
<b>DeptID</b>	A Department Identification (DeptID) value identifies the lowest budgetary unit to which financial transactions are recorded. It represents an entity or activity with a defined business objective. Typically, DeptID functions as an organized group of employees with a leader (director, chair, manager) who is accountable for the use of an established budget. A DeptID can encompass multiple programs/projects and, in most cases, is assigned space. This definition holds with the exception that each Division may define an Allocation DeptID for use as a central allocation or control org for the Division.	<ul style="list-style-type: none"> <li>• Controller's Office</li> <li>• RS Criminal Justice Ctr</li> <li>• French Gen Ops</li> </ul>