Organization Change Process

Phase One: Unit Pre-Planning General Information

1. Identifying the Problem
2. Education
3. Approvals
4. Schedule a Planning Meeting

1. Identifying the Problem:

Before you start, ask what problems are you trying to solve? Use the Unit Pre-Planning Worksheet on the Organization Change website to help identify what problem you are trying to solve by creating new organizations, accounts, etc.

2. Education:

After identifying the problem and completing the worksheet, it is recommended that a unit review the Unit Pre-Planning Checklist on the Organization Change website to get an overall view of the Organizational Change Process and the tasks that will be required prior to receiving approval or scheduling an Organization Planning Meeting.

Below are some additional guides that may help in understanding when it is appropriate to create new Organizations vs. creating new Accounts or Accounting Line Elements. For additional questions in determining which path may be right for your unit please contact the Organization Planning Group at EBSP ООI.Workgroup.

When to Create New Organizations

Organizations (orgs) are used for budgeting, financial reporting, personnel assignments, and course or major assignments, to name a few of their primary purposes. Some activities, such as workflow, are driven by the organization code (org code). Some EBS enterprise roles are assigned by org as well.

If a new org has sufficient importance to raise it to the level of an official unit, such requests will need Presidential, Executive Vice President for Administrative Services, Provost, Board of Trustees, or other executive management level approval. Units may choose to create unit-defined orgs to further define themselves at levels below departments to meet their reporting and tracking needs. Unit-defined orgs will report to established orgs and should have the same general function as the established org. Interdepartmental coordination will be necessary if consistent reporting across units is needed.
Consideration of the guidelines below should help a unit determine if unit-defined orgs will be helpful. A new org:

- Should have sufficient activity or purpose to justify a separate budget and/or account(s).
- Spends money for salaries or other operating expenses.
- Should have the need for reporting as a separate, specific entity; for example, specific research or teaching activity.
- Will typically have a lifespan of more than 2 or 3 years, or activity sufficient to offset shorter duration.
- May have activity that spans several departments, such as clinical operations.
- Should assist unit administrators in tracking and reporting financial, personnel, and courses/majors information to external agencies, central administration, and others.
- Should have several funding sources that need to be segmented, which can include outside income (gifts, sales, etc.).
- Will facilitate the allocation of indirect costs across multiple administrative units or projects, e.g., large interdisciplinary research activities.
- Should be created if an org already exists in a departmental shadow system. For example, if identified in a functional budget, a new org should most likely be created.
- May have positions assigned to it.
- Will allow for more granular workflow and/or role assignments.
- Is recommended for operations that cross hierarchical boundaries.
- May be needed if you are sub-accounting sub-accounts in your shadow system (sub-sub-accounting).
- When a new sub org (U2) is created, parent orgs must be vacated (all positions, people and accounts must be removed from parent org and placed in unit defined orgs). This concept does add a level of complexity that the unit should consider when choosing to create unit defined orgs.

**When to Create New Accounts**

If utilizing the optional accounting line fields, such as subaccount, project code, etc. does not meet your needs, your next option is to create new accounts. Additional accounts will enable you to segment activities for a specific purpose, rather than combining multiple activities within one account. Effective 7/1/11, an organization can have multiple general fund operating accounts, which may allow you to use accounts, rather than organizations, to meet your needs.

An account may be a viable option if:

- Funding is specific to one source (ex. general funds, gift, contracts)
- The duration is a minimum of one year.
- Expected revenue is $5,000 or more.
- A specific purpose or activity exists.
- There will be monthly transactions.
- There can be only one Fiscal Officer.
- To group accounts together that support an activity, you can use the Program/Initiative Code (mentioned in the section above).

A unit can find more information related to creating accounts at the following link:
[http://ebs.msu.edu/Finance/Accounts/index.htm](http://ebs.msu.edu/Finance/Accounts/index.htm)
When to Use Optional Accounting Line Data
The simplest way to meet your reporting needs may be to utilize the optional fields in the accounting line (sub-account, sub-object code and project code) OR attributes assigned to key data elements (program/initiative code, use of funds and financial reporting code). This is your best option if:

- Your existing accounts and organizational structure sufficiently meet your needs
- Completing the optional fields when submitting or approving transactions is acceptable
- You don’t need more granular workflow or org-based roles (roles assigned at the organization level).

A unit can find more information related to using Accounting Line Elements at the following link:
http://ebs.msu.edu/Finance/Accounts/index.htm

3. Approvals:
Prior to seeking approval for an Organizational Change it is recommended that a unit first complete the Unit Pre-Planning Worksheet and Unit Pre-Planning Checklist on the Organization Change website. This will help to streamline the process for questions that may be asked during the approval process and will be needed for the Organization Planning Meeting if the request is approved.

As mentioned previously, any changes to University level units will require approval from potentially the President, Executive Vice President for Administrative Services, Provost, Board of Trustees, or other executive management level. Please refer to the Organization Change Policy document which can be found on the Organization Change website for more detailed information on the approvals that may be required for a request or for a quick snapshot a unit may also reference the Timeline and Approvals document also located on the Organization Change website in the Phase One: Unit Pre-Planning section.

To confirm which type of approval may be required for your type of change it is recommended that you first contact the Organization Planning Group at EBSP.OOI.Workgroup.

4. Schedule an Organization Planning Meeting:
Once a units Organization Change request has been approved, the next step is to schedule an Organization Planning Meeting. Organization changes are handled on a first come first serve basis with the exception that priority is given to any University defined level changes. The official timeframe and tasks required will be determined during the organization planning meetings. Note that as some changes take a significant amount of time to complete and require multiple system involvement, University resources are limited in how many changes are processed per year. If you are considering any type of organization change it is recommended that you contact the Organization Planning Group as much in advance as possible to ensure that your request can be reviewed and prioritized within the current fiscal year.