

Richard Murphy

Standardized General Ledger Project

Conducted April to December 2007

For Zions Bancorporation

9 February 2008

Zions Bancorporation Project

Data Standardization - General Ledger and Charts of Accounts

Introduction:

1. The project described in this paper will pertain to the cost and schedule performance perspective of a technology project conducted in behalf of the Enterprise Data Warehouse (EDW) of Zions Bancorporation. The project spanned approximately 8 months during 2007, the purpose of which was to standardize the computerized general ledger systems and charts of accounts of 6 affiliated banks.
2. Included will be a project tracker workbook that will contain a number of embedded files, including:
 - A. Work Breakdown Structure - Scope & Requirements document
 - B. Project Costs
 - C. Project Communication Plan
 - D. Test & Implementation plan
 - E. Change management plan
 - F. Post-project review template

A. Work Breakdown Structure - Scope and Requirements:

1. Executive Summary

One of the primary goals of the Enterprise Data Warehouse (EDW) project is to provide a central depository of financial and accounting information for regulatory, Shareholder Value-Added (SVA), and risk

reporting. As part of the EDW project, several key standardization initiatives were undertaken that affected how the data would be used and loaded into the EDW.

One initiative involved the standardization of the charts of accounts and ledger codes that drive the bank's regulatory, financial, and management reporting. Because there existed several different charts and coding schemes among the 8 affiliated banks and computerized loan systems, there was not an easy or consistent way of reporting on the loan portfolios, and deposit code type were not uniform with respect to their account numbers, from bank to bank.

The purpose of the Standardized General Ledger Project was to develop and implement a common set of account charts and "GL" codes for Zions' major loan & deposit systems (Commercial Loan System - Shaw, ACLS, CLCS, Trisyn) that ties regulatory and portfolio reporting back to the GL. The new/changed GL codes accomplished the following:

- Directly linked the GL numbers to the call report (schedule RCC) line numbers.
- Provided consistency with GAAP reporting requirements
- Implemented a consistent set of codes across computerized loan applications.
- Created the ability to maintain Real Estate Investment Trust (REIT) accounting.

- Provided sufficient detail in the source applications and the GL for SVA reporting at the account and unit (Cost Center) levels
- Met the reporting requirements for credit administration and lending operations.
- Enhanced the ability to manage the loan portfolio.

This project involved a complete reorientation of how GL codes would be used to report the loan portfolio, and involved the re-distribution of \$60+ billion to new general ledger positions.

2. Project Objectives

- Convert existing ledger codes and update chart of accounts in Shaw to reflect new values - all banks
- Update class codes and REIT programming logic for Shaw to perform proper REIT accounting.
- Convert existing GL type codes and update chart of accounts in the Commercial Lending System (CLCS) to reflect new values.
- Convert existing loan category codes and update chart of accounts to reflect new values.
- Consolidate GL deposit types into standardized account numbers and update the Deposit System (Trisyn).
- Update GL interfaces, and ancillary systems to reflect new values.
- Convert all existing loan records and deposit accounts to reflect the new values.

3. Business Units Impacted

- Accounting
 - New GL structure in the loan areas of the Statements of Condition and Operations
 - New call reporting methodology
 - New methodology for SEC and GAAP reporting
 - New REIT accounting procedures
 - New loan securitization account procedures
- Finance
 - Impacts to budget
 - Impacts to line of business reporting
 - Impacts to Asset/Liability Management (ALM) procedures
- Credit Reporting
 - Required conversion of standard loan reports to handle the new GL code values, which affected each affiliate's credit reporting unit.
 - Updated loan policy documentation with codes values and descriptions.
- System Administrators
 - Cross reference files for testing purposes
 - Detailed descriptions of codes, values, GL account numbers
- Loan Operations
 - Required updated procedures and training for the loan boarders and system operators, new balancing and reconciliation procedures

- Required updates to the Credit Presentation Forms and pre-boarding documents
- Business – End-user/Clients
 - Training in the new codes and meanings for various reporting units across the company
 - Updated procedures for regulatory and reporting
 - Assistance with business rules and conversion of reports from the various data marts/departments across the company
- Process – IT and Project Staff
 - Specifications to accommodate the conversions
 - GL conversion routines – system specific
 - New GL tables and account numbers
 - Changes to balancing reports
 - Changes to input screens, online instructions, edit files, validation rules
 - Changes to the Commercial Lending System (Shaw) interface to handle REIT accounting transactions
 - Updated reports on the source systems

4. Timeframe

- CLCS
 - Anticipated Q4 2007 for NBA and NSB
 - ZFNB converted to the new codes as part of the TCL to CLCS conversion

- VBC will convert to the new codes as they convert from Shaw to CLCS
- CB&T will convert at the time they convert to the Zions platform
- Shaw
 - Anticipated Q4 2007 for all Zions platform banks
 - CB&T will convert at the time they convert to the Zions platform
- ACLS
 - Completed concurrent or after the install for ACLS 6.5 (Q4 2007)

5. Requirements – by System or Department

- Consumer, Commercial and Construction Loan Systems:

No new fields needed to be created since this was a replacement process where the old ledger code value was replaced with a new value at the loan master and loan participant levels.

The new ledger codes were derived by interrogating the loans' collateral, purpose and old ledger codes, and will include the following tasks:

- Updated the control tables with the new chart of accounts and loan category code values.
- Redefined any outstanding loan transactions.
- Updated loan category code values on the master records.
- Updated loan categories on the participation records and updated loan securitization procedures.

- Updated the GL interface for the new loan category codes and chart of accounts.
- Updated Unitech monthly balancing reports.
- Updated balancing and reconciliation procedures.
- Updated system-generated reports.
- Deposit system
 - Updated the Deposits (DDA/SAV, CreditLine) and Time Line Systems with the new chart of accounts.
- Oracle General Ledger
 - Opened each of the new GL accounts for posting
 - Renamed GL accounts to the corporate standard (CL-Commercial, BL-Construction, IL-Retail, etc.)
 - Verified the GL account hierarchy for each new GL account to make sure that it rolls to the correct parent account.
 - Created applicable parent hierarchies to facilitate GAAP and RAP reporting
- Accounting/Finance (Corporate and Affiliate Levels)
 - Made manual entries to move loan balances in the general ledger
 - Updated call report procedures
 - Updated REIT accounting procedures
 - Updated 10Q/10K reporting procedures
 - Updated other regulatory reporting procedures as required
- Scripted Data Entry

- Updated screens and validation rules for the ledger code values
- Oracle Financial System
 - Modified fields in OFSA will be affected
 - Updated description control tables as necessary
 - Updated any hard-coded GL_ACCOUNT_ID values
 - Updated GL reconciliation procedures
- Credit Information Reporting
 - Updated description tables as necessary
 - Update all reports that use ledger codes
- ReportMart
 - Updated call report scripts to derive call report schedules from the new ledger codes rather than from other loan codes.

B. Project Plan

Embedded below are the project plans in both an Excel and MSProject format. (Many of the team members, particularly those on the steering committee, asked for an Excel format, as they did not have MSProject installed on their workspaces. This student, serving as Project Manager, developed and maintained both versions.)



C. Roles and Responsibilities

The contributions to the project of over 100 persons were captured in a series of matrices. The “core” team were included on the “Resources” tab of

the Project Plan (included in objects embedded in paragraph B, above.) The matrix depicting the duties of the steering committee are shown in the table below.

P = Primary, I = Input, A = Approval, R = Review

Role	Resource Name	Program-level Budget	Program-level Status Reporting	Program-level Risk Assessment	Program-level Interdependency Tracking	EDW Program Scope	EDW Program Requirements Definition	EDW Project Plan	EDW Data Mapping	EDW ETL Development Management	EDW IT Infrastructure Build Management	EDW Test Planning and Execution	Production Change Control
Zions Board of Directors		A											
Executive Sponsor	Doyle Arnold	R											
Executive Steering Comm.	<various >	R	R	R	R	R	R	R					
EDW Working Group	Walter Young	R	R	R	R	A	A	R	R	R	R	R	R
Program Manager	David Lapadat	P	I	I	I	P	P	I, R	R	R	R	P	I
Project Manager	Rich Murphy <various >		P	P	P	I	I	P	R	R	R	R	I
Technical Infrastructure & Development Manager	Ken Wood	I	I	I	I	I	I	I, R	I, R	P	P	I, R	I
Source System SMEs	<various >				I	I			I			I	I
EDW Business Analysts	<various >				I	I			P	R	R	P	I
EDW End Users	<various >				I	I			R			I	I
Change Management	Chris Maxfield												P
Internal Audit	Mel Leibsla		R	A									

D. Project Costs

It was estimated that the project would require a total of 15,000 hours of direct labor, costing \$1,575,000, spanning the period from 5/16/2007 through

12/21/2007. Actual hours were 13323 at a cost of \$1,398,915, with all tasks having been accomplished by the target completion date.

	TOTALS:	15000	13323	\$1,575,000	\$1,398,915	\$ 176,085
Resource Name	Role	Planned Hours	Actual Hours	PV	AC	CV
	PMO					
Murphy, Rich	Project Manager	1904	1691	\$ 199,904	\$ 177,555	\$ 22,349
Dane Falkner	Asst PM	338	300	\$ 35,465	\$ 31,500	\$ 3,965
Anya Lewis	PMO Director	56	50	\$ 5,911	\$ 5,250	\$ 661
Kelly Carter	Program Manager	281	250	\$ 29,554	\$ 26,250	\$ 3,304
	EDW					
David Lapadat	EDW Manager	844	750	\$ 88,662	\$ 78,750	\$ 9,912
Bev Harber	Business Analyst	281	250	\$ 29,554	\$ 26,250	\$ 3,304
Clint Johnson	Business Analyst	1351	1200	\$ 141,860	\$ 126,000	\$ 15,860
Davis, Tory	Business Analyst	79	71	\$ 8,334	\$ 7,403	\$ 932
Despain, Matt	Business Analyst	171	152	\$ 17,969	\$ 15,960	\$ 2,009
Orton, Don	Business Analyst	5	4	\$ 473	\$ 420	\$ 53
Steve Johnson	Business Analyst	563	500	\$ 59,108	\$ 52,500	\$ 6,608
	BUSINESS					
David Fuhrman	Business Unit Mgr	28	25	\$ 2,955	\$ 2,625	\$ 330
Don Walk	Business Unit Mgr	394	350	\$ 41,376	\$ 36,750	\$ 4,626
Jeff Pound	Business Unit Mgr	11	10	\$ 1,182	\$ 1,050	\$ 132
Jesse Draper	Business Unit Mgr	28	25	\$ 2,955	\$ 2,625	\$ 330
John Payne	Business Unit Mgr	11	10	\$ 1,182	\$ 1,050	\$ 132
	IT					
Brent Briggs	IT Manager	281	250	\$ 29,554	\$ 26,250	\$ 3,304
Ken Wood	IT Manager	338	300	\$ 35,465	\$ 31,500	\$ 3,965
Don Brown	DBA	84	75	\$ 8,866	\$ 7,875	\$ 991
Brown, Don	Developer - Database	215	191	\$ 22,579	\$ 20,055	\$ 2,524
Pound, Rod	Developer - Database	1	1	\$ 118	\$ 105	\$ 13
Pester, Ryan, R.	Developer - Distributed	12	11	\$ 1,241	\$ 1,103	\$ 139
Alexander, Sue, A.	Developer - Mainframe	178	159	\$ 18,737	\$ 16,643	\$ 2,095
Huntsman, Bart, J.	Developer - Mainframe	8	8	\$ 887	\$ 788	\$ 99
Jensen, Ted, L.	Developer - Mainframe	82	73	\$ 8,630	\$ 7,665	\$ 965

Larsen,Bruce,W.	Developer - Mainframe	493	438	\$ 51,779	\$ 45,990	\$ 5,789
Lechtenberg,Larry,C.	Developer - Mainframe	16	14	\$ 1,655	\$ 1,470	\$ 185
Neil,Drew,J.	Developer - Mainframe	12	11	\$ 1,241	\$ 1,103	\$ 139
Pettit, Robert	Developer - Mainframe	321	285	\$ 33,692	\$ 29,925	\$ 3,767
Segni,Wes,A.	Developer - Mainframe	43	38	\$ 4,492	\$ 3,990	\$ 502
Smith,Teresa	Developer - Mainframe	296	263	\$ 31,091	\$ 27,615	\$ 3,476
	FINANCE					
Mendonza,Chris,D.	Engineer - MOS	44	39	\$ 4,610	\$ 4,095	\$ 515
Candy Hutton	Financial Analyst	169	150	\$ 17,732	\$ 15,750	\$ 1,982
Kim Hilton	Financial Analyst	113	100	\$ 11,822	\$ 10,500	\$ 1,322
Susan Hansen	Financial Analyst	676	600	\$ 70,930	\$ 63,000	\$ 7,930
	QA/CHANGE MGT					
Trent Pettry	QA Manager	1970	1750	\$ 206,879	\$ 183,750	\$ 23,129
Craig Brown	Change Mgt	197	175	\$ 20,688	\$ 18,375	\$ 2,313
	SYSTEMS ADMINISTRATION					
Blair,Gerri	System Manager	106	94	\$ 11,112	\$ 9,870	\$ 1,242
Brad Toone	System Manager	169	150	\$ 17,732	\$ 15,750	\$ 1,982
Dave Ratliff	System Manager	28	25	\$ 2,955	\$ 2,625	\$ 330
Doug McLaine	System Manager	281	250	\$ 29,554	\$ 26,250	\$ 3,304
Gayle Schwab	System Manager	56	50	\$ 5,911	\$ 5,250	\$ 661
Sandra Nunley	System Manager	28	25	\$ 2,955	\$ 2,625	\$ 330
Tracy Pitkin	System Manager	56	50	\$ 5,911	\$ 5,250	\$ 661
Wardle,Troy	System Manager	31	28	\$ 3,251	\$ 2,888	\$ 363
Barbara Hill	System Administrator	394	350	\$ 41,376	\$ 36,750	\$ 4,626
Cordon Hunt	System Administrator	338	300	\$ 35,465	\$ 31,500	\$ 3,965
Don Orton	System Administrator	394	350	\$ 41,376	\$ 36,750	\$ 4,626
Kerry Allen	System Administrator	56	50	\$ 5,911	\$ 5,250	\$ 661
Lance Fullmer	System Administrator	11	10	\$ 1,182	\$ 1,050	\$ 132
Lee Fry	System Administrator	394	350	\$ 41,376	\$ 36,750	\$ 4,626
Linda Rohmer	System Administrator	56	50	\$ 5,911	\$ 5,250	\$ 661
Lorilee Stoddard	System Administrator	84	75	\$ 8,866	\$ 7,875	\$ 991
Roger Bussy	System Administrator	56	50	\$ 5,911	\$ 5,250	\$ 661
Tom Weir	System	281	250	\$ 29,554	\$	\$

	Administrator				26,250	3,304
Valery Meyer	System Administrator	281	250	\$ 29,554	\$ 26,250	\$ 3,304

E. Project Communications

The Communications Plan was designed to ensure coordination and collaboration amongst all project stakeholders and other interested parties was conducted in accordance with appropriate communication standards, as follow:

1. Responsibilities:

- a. Project Manager – Created and maintained the communications plan; ensuring that all appropriate individuals were included on correspondence, in meetings and phone conferences; maintained the Project Plan file, including the Issue Log.
- b. Project Participants – Adhered to communications plan; submitted correspondence to the Project file; resolved assigned action items and documented resolution in the Issues Log; generated and assigned pertinent action items in the Issues Log.

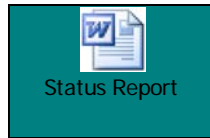
2. Components:

- a. Document Repository – All project documents will be reposed electronically at the following address on the Bankcorp servers:
\\UTCL04_VS01\DATA01\GROUP\EDW\GL Code Conversion Project.
- b. Kickoff Meeting - The project
- c. Status Meetings and Progress Reports – Daily meetings were held with a “core” team, responsible for accomplishing most of the project

tasks, identifying risks, and addressing problems/issues. Embedded below is a sample core team meeting report.



- d. Frequent (usually weekly) and daily informal meetings and conference calls were held to review progress with key representatives from each affiliated bank. An agenda was delivered at least one day in advance and a recap of the meeting and/or voice recording of conference calls was embedded in the project file. Embedded below is a sample project status meeting agenda/minutes.

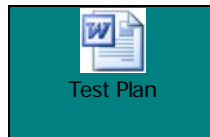


- e. Steering Committee Meetings – The steering committee met monthly to review project progress. Meeting objectives were to provide updates on the status of the project, review guidance on high level business strategies which may have impacted the project, and to resolve issues that were beyond the project team's authority.
- 3. Issues – Problems that were so critical in nature that they could fundamentally affect the success of the project and which required immediate action on the part of anyone involved in the project were recorded in an issue log. Items for the log were generated by any of the project participants and persons assigned actions documented the resolution in the Issues Log. A sample issues log is embedded below.



F. Test and Implementation Plans

1. The purpose of the Test Plan was to outline the scope, approach, resources, and schedule of intended testing activities for the GL Standardization project. Included in the plan were milestones for accomplishing regression, integration, user-acceptance and cycle testing for each of the legacy computer systems involved in the project. Embedded below is a draft sample of the test plan.



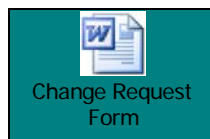
2. The implementation plan consisted of approximately 188 chronologically-listed actions that were to be accomplished during a 24-hour period by members of the project team (primarily by the computer system administrators) in order to successfully convert the general ledger codes, reconfigure the charts of accounts, and transfer dollars into their respective ledger categories. It was crucial that every step in the process be performed flawlessly and at the prescribed time. Embedded below is a draft copy of the implementation plan.



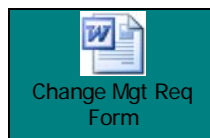
G. Change Management

A formal policy was implemented for suggesting, approving and tracking the project's scope, requirements and technical specifications.

1. For changes to scope or requirements, a request form was submitted for approval to the Project/Program Manager, the Enterprise Data Warehouse Manager, and the project's Sponsor, as well as to the manager of the business or technical unit most impacted by the change. Embedded below is a template used for requesting/approving changes.



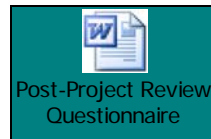
2. A Change Management Request Form (sample embedded below) was used when requesting approval to make changes to any components or configuration of the production environment, such as computer hardware, data files, network components, and test environment infrastructures. Every change underwent an approval process involving the appropriate Department Managers, business unit representatives, processing partners, and affiliates.



3. Post-project review

Shortly after the project's requirements were completed, a questionnaire was distributed to everyone involved, asking for his/her evaluation. The main objective for the review was to glean information

that will help improve project processes in the future. Embedded below is a sample of the questionnaire distributed to each member of the project team, including the Executive Sponsor and Steering Committee participants.



H. Conclusion

This project was completed on-time and several thousand dollars below budget. As well, all of the requirements were completed, in full. Best of all, each of the various loan and deposit systems balanced with the general ledger. However, there were a number of risks and issues encountered during the course of the project that had the potential to negatively impact one or more of the deliverables. While the risks were adequately mitigated and each of the issues was successfully addressed, the post-project review highlighted a number of items that should be taken into account in order to reduce the risks to future projects undertaken by Zions Bancorp, including:

- Project Selection and Approval: While several senior executives were involved in various aspects of the project, there was no single sponsor driving the project requirements. Strategic decisions were derived from consensus among the stakeholders. Perhaps the single biggest risk to the project came from the multiple “number one” priorities that several key people had to juggle. Most significantly, resources were constantly being re-directed to other projects.

- Initiation and Monitoring: The scope and deliverables were well defined with respect to the lending systems; however, the scope of the deposit changes was never clearly defined by executive management. For the deposit system, the scope was originally set by two uncoordinated groups that had very different objectives and neither side took the initiative to make the final strategic decisions. Ultimately, it came down to the amount of change the organization could swallow by the arbitrary conversion date. Approval by committee with no strategic view is not effective.
- Requirements Analysis: There were no issues with the requirements for the lending systems; the deposit requirements were vague to begin with and even less clear, initially, to the deposit/operations teams.
- Design: Code reviews for all systems were virtually non-existent. Errors and conversion problems were usually identified during the unit/cycle testing. There was no technical analysis by IT prior to the project. The specifications were developed almost entirely with the business teams with very little input from the technical side of the organization
- Testing: Testing for the lending systems was adequate. Test plans were followed. The only aspect of testing that caused problems was the limited number of transaction sets that were posted to GL. This made it difficult to reconcile back to production activity. Testing for deposits was wholly inadequate. Test cycles were not properly coordinated which resulted in lost testing time. Because of the intricate nature of the deposit system,

cycle testing should have continued for several days rather than for a single day.

- Implementation: This project required a lot of coordination and communication among/between multiple stakeholders, across 10 states throughout the Western US. There were many things that could have been done differently which would have removed some of the risk of the project, such as requiring better engagement on the part of members of the Steering Committee, and prioritizing their strategic projects in order to eliminate so much multi-tasking. Nevertheless, virtually all the resources worked together and were able to focus on their respective assignments.
- Closure: The project required the skills and expertise of dozens of people across the company. Nothing was done by senior management to thank them or to recognize them for their efforts. The EDW team will likely be working with a lot of these people/departments in the future – it would be in its best interest to recognize some of the key IT/Operations people for their skills and expertise.

General Observations:

- This was a very complex, highly technical project that involved re-classifying \$60+ billion in loans and deposits on the financial systems, during a short time frame. Despite the hazards, the project accomplished all of its objectives and was considered a major success by the corporation.