



MEETING MINUTES

State of Louisiana ERP Project

Blueprint Workshop / Asset Master Records

08/19/2008 @ 10:00 to 4:30 and 8/20/2008 8:30 to 4:30

Location: DOA/DOTD 501

Attendees:

No.	Name	Invited?	Attended?	Comments
1.	Adomako, Afranie	Y	N N	DOA/OSRAP
2.	Anderson, Shannon	Y	Y Y	DPS&C
3.	Arthur, Amanda	Y	Y Y	DOA/ORM
4.	Barthel, Susie	Y	N N	DOA/LPAA
5.	Dean, Susan	Y	N N	DHH
6.	Edwards, Robin	Y	N N	DHH
7.	Elliott, Sterrie	Y	N N	DOA/ERP
8.	Faldetta, Sal	Y	N N	DOA/ERP
9.	Fong, Yuchie	Y	N N	DOA/OSRAP
10.	Freyou, Bobby	Y	N N	DOA/OSL
11.	Hill, Bobby	Y	Y Y	DOA/ERP
12.	Hodges, Beverly	Y	N Y	DOA/ERP
13.	Kent, Keith	Y	N N	DSS/CDS
14.	Knecht, Gene	Y	N N	DOA/OFSS
15.	Langlois, Sean	Y	N N	DOA/OSRAP
16.	Marrero, Rae	Y	N N	DOA/OSRAP
17.	Mealie, Monica	Y	N N	DOTD
18.	Miller, Belinda	Y	N N	DOA/ERP
19.	Morrison, Bill	Y	Y Y	DOA/FP&C
20.	Nedd, Cherrilyn	Y	N N	DOA/ERP
21.	Oglesby, John	Y	N N	DOA/ERP
22.	Pierce, Karen	Y	N N	DOA/ERP
23.	Porche, Katherine	Y	N N	DOA/OSRAP
24.	Pulliam, Sonya	Y	N N	DHH
25.	Rhodes, Mark	Y	Y Y	DOA/OSRAP
26.	Smith, Bill	Y	Y Y	DOA/ERP
27.	Smith, Kelli	Y	N N	DPS&C
28.	Speights, Rhoama	Y	Y Y	DOA/ERP
29.	Suarez, Mark	Y	Y Y	DOA/ERP
30.	Wheeler, Sue	Y	Y Y	DOA/ERP
31.	Wieczorek, Christine	Y	Y Y	DOA/ERP
32.	Kleinpeter , Rebecca	N	Y Y	DOA/LPAA

33.	Cali, Dom	N	Y Y	DOTD
34.	Hanson, Gerry	N	Y Y	DOA/ERP
35.	LaBauve, Keri	N	Y Y	DOTD
36.	Ramsey, Gary	N	Y N	DCRT/OSP
37.	Altazan, Mary	N	Y Y	DOC
38.	Withers, Randall	N	N Y	DOTD/OPW

	<i>Agenda Item and Notes</i>	<i>Owner(s)</i>	<i>Action Items & Assignments</i>	<i>Comments / Follow-up</i>
1.	Logistics, Ground Rules, & Introduction	Rhoama Speights	<ul style="list-style-type: none"> None 	
2.	Project Timeline	Rhoama Speights	<ul style="list-style-type: none"> None 	
3.	Workshop Objectives	Rhoama Speights	<ul style="list-style-type: none"> None 	
4.	Business Process Review <ul style="list-style-type: none"> SAP Glossary SAP concepts & functionality Leading practices Enterprise readiness challenges 	Christine Wieczorek	<ul style="list-style-type: none"> See action items & assignments below. 	Hard copies provided - SAP Glossary GL proposed TO-BE SAP screen slides SLABS screen slides Protégé screen slides Other comments
5.	Action Items			
	Images of assets need to be imported or attached during data conversion.	Christine	Research document linkage capabilities and limitations.	SAP provides the ability to link documents, URL's and notes to an asset master record. More research required as to imaging source access. Also, 'two vendor hosted systems (which contain document and images) are scheduled for conversion during this project'– this needs to be investigated further. Issue has been logged regarding document linkage.
	Inventory Number	Christine	Research if Inventory Number shows up on MR screen.	Aug 26/08: An Inventory number field is available on the Asset Master Record. The search capabilities for assets (i.e. SAP term is 'matchcode') provide options to search by Inventory Number. Most SAP standard asset reports provide the ability to select data by inventory number. Development can accommodate adding fields, for ALV layout selection on SAP AA standard reports (and thus also providing limited sorting ability).
	CAFR Validation	Christine	Research if a validation	Aug 25/08: It appears that a validation

		check can be added to insure that CAFR items are over \$4,999.99.	<p>may be possible to accommodate this – however, this would need to be tested for every acquisition process (i.e. particularly for integration points such as Goods Receipt, direct invoice payments).</p> <p>Consideration should still be given to having this as a business process / training process item – generally the acquisition \$ value should be known at time of procurement process: Other considerations include:</p> <ul style="list-style-type: none"> > system will do a validation against every asset acquisition (if many validations from many sources, potential to have system response time impact) > validation could, at best, be a warning – it is possible that there may be multiple PO's that add up to the \$5000.00 minimum and you would not want to stop each smaller individual PO <p>An alternate consideration is to monitor via reports., These could be run periodically to identify and investigate assets that fall outside the threshold parameters (e.g. weekly, monthly for exception \$ review and analysis).</p>
LVA Validation or Max	Christine	Research if validation, max, or substitutions can be used to keep CAFR items from being added as LVA.	<p>Aug 26/08: Within SAP, Low Value Assets (LVA) which are tracked in Asset Accounting but are not capitalized can have a Maximum threshold set for each asset class. This means that if an item is over the max. threshold, the system will generate an error warning and disallow transaction completion.)</p>
Asset Numbering	Christine	Research if Asset Number can be alphanumeric and system generated (i.e. L10000000001)	<p>Aug 25/08: System generated asset numbers cannot contain Alpha characters. Alpha character prefaces can be done using 'external' (i.e. user assigned) numbers only.</p> <p>Per FI-AA-002 workshop if the 'L' preface could not be manually assigned, then we will use a number such as '9' to be the first character LVA number range. The second and third characters would mirror the CAFR number range.</p>
Physical Location	Christine	Research if AMR location and PM location can both mean the same physical location.	<p>Aug 27: The 'Plant' and 'Location' fields on the AMR are integrated with the Plant Maintenance module. Discussion with the PM team indicates that the Plant will represent a Department or Agency, while Locations will indicate spaces such as Building or Rooms where maintenance occurs.</p> <p>Assets will be located in rooms that are not defined on SAP – thus this will not allow consistent use of these fields. The propose alternate of new fields provides a more consistent</p>

			approach.
Validation by Agency	Christine	Can validation for evaluation group be done by agency?	
Workflow	Christine	Research workflow process for request / approval of specific fields (approval process).	
Tracking specific categories of items less than \$1,000 e.g. computers, etc. which are currently tracked in Protege - Insurance - State Law - OIT / IT Profile reporting categories	Rhoama / Christine / Bill	Discuss & Research	Meetings being scheduled
IT Profile reporting categories – Dom Cali wanted to know if either classes or categories could be used to collect counts of specific assets which all departments and agencies are currently required to report to OIT on a regular basis.	Rhoama	Obtain list of reporting categories / groups to determine if any of them can be sent to sub-categories in AA for reporting purposes.	List obtained. Additional review discussion will occur during Asset Sub-category discussions.
Is Asset Shutdown needed?	Rhoama	Ask Prison Enterprises if they would every use “Asset Shutdown” to stop the depreciation of an asset.	Find contact
Leased Vehicles	Bobby Hill	Provide list of Protégé Leased Vehicles	
Reports	Bobby Hill	Provide list of AA related important reports from Protege.	
Reports	Amanda Stein	Provide list of AA (accounting) related important reports from SLABS.	
Acquisition and State Cost	Rhoama	Research the difference between Acquisition Cost and State Cost	Per Rhoama’s conversation with Bobby 8/22/2008. State Cost exists on the SLABS Conveyance screen. It is an obsolete field and will not be needed for conversion.
Original Cost Certification	Christine	Christine will talk to OSRAP for a clear understanding then follow up with Bobby Hill.	OSRAP & Bobby Hill
SLABS fields	Rhoama	Research to determine if SLABS the “Index Cost “ field is still in use and if so, how.	Per Rhoama’s discussion with Bobby Freyou, Index Cost is a redundant field. More reliable information can be obtained elsewhere from the SLABS records.
Component Grouping	Christine / Rhoama	Discuss component grouping via super number or new field or PM equipment master.	AA / PM
Commodity Codes	Christine	Schedule meeting to discuss Protégé commodity code functionality in SAP.	AA / Bobby Hill / MM / AP
Do WBS elements for AuC need to be mapped to WBS element field on AMR – Origins tab?	Christine	Schedule meeting to discuss integration	AA / PM

GL Account Assignments	Rhoama	Schedule meeting to find out OSRAP GL Account Assignment Requirements.	Aug 27/08: Meeting held with OSRAP and general ledger assignment requirements have an initial starting point. These will be documented and returned to OSRAP (i.e. Mark) for acceptance. Based on existing accounts it appears that a new Class will be required for Household Capitalized and one for LVA.
Trade-ins and Buy Backs	Christine / Rhoama	Schedule meeting or session.	AA / DOTD (Bill Schear's representative (935-0241)) / LPAA / OSRAP / Darrell Johnson – DOTD Fleet (935-0124)
Transferred Vehicles	Rhoama	Ask OSRAP how they handle depreciation of transferred vehicles.	AA / OSRAP
Fully Depreciated	Rhoama	Ask OSRAP how / when are assets fully depreciated in Protégé.	AA / OSRAP
Infrastructure	AA / Mark Suarez	Determine Infrastructure classes, depreciation, etc. Determine how ITS Equipment for DOTD is currently being tracked and how equipment attached to towers as payment for fees are treated financially.	AA / PM / MM / DOTD / OSRAP / Agile DHH/DOC (corrections) / State Parks / DNR / WLF
Infrastructure Depreciation Methods	Christine / Rhoama	Schedule meet regarding depreciation methods for infrastructure	FI-AA-003 day 3 has been modified to include an Infrastructure discussion.
Depreciation – Cost Center Use & Allocation	Christine / Rhoama	Confirm Cost Center Use for SAP depreciation and Cost Allocation depreciation.	AA / OSRAP
Depreciation - Items are sometimes purchased and warehoused for a period of time.	Rhoama	Schedule meeting to determine when depreciation of these items should begin.	AA / OSRAP / LPAA (Susie Barthel) / DOTD Public Works (Donna L)
AuC buildings – How should AuC that cross fiscal years but don't make it to the CAFR threshold be handled?	Rhoama	Schedule meeting.	Scheduled to be discussed during FI-AA-007, Periodic Processing.
Capital Leases	Rhoama	Schedule meeting to discuss capital leases – get invitee list from OSRAP.	Email discussion between Rhoama, Mark Rhodes, Sharon Reed, and Angela Everett on September 9, 2008 concluded that there are only about 5 Capital Building leases (all for LSU). Capital vehicle leases (possibly the Governor's Limo) have not yet been confirmed but based on Bill Smith's initial research should be fewer than 5 statewide.
Historical Treasure CAFR or Non-CAFR?	Mark Rhodes Bill Smith	Research CAFR reporting requirements for Historical Treasures and Works of Art	Per GASB Historical Treasures and works of art tracked on CAFR prior to 2002 should remain on CAFR and should not depreciate all others should be non-CAFR. Mark and Bill will research to see what if any pre-2002 items should be included.
Historical Treasures Capital Leases?	Rhoama	Determine if either SOS or CRT have Capital Leases for their Historical Treasures.	SOS & CRT
Insurance	Rhoama / Christine	Schedule meeting to discuss insurance.	AA / RE / MM / ORM (Amanda)

Fleet tracking	Christine	Schedule meeting to discuss Fleet tracking system (active, inactive, pending) person responsible Personal Assignment Home storage	AA / PM
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Discussion:

Day 1:

Agenda/ Schedule/ Blueprint Objectives/ Work-session Objectives: Rhoama
 Asset Financial Life Cycle/ Structure Overview/ Integration Points: Christine

Asset Classes Review – **Decision** Points: Christine

- Automatic financial posting decisions will be made in the Asset Master Record session; not the actual account assignments, but the class to account relationships and the number of GL accounts needed. (a.k.a. Account determination rules). During the session, it was determined that a separate meeting would be held with OSRAP to determine the requirements. Participants agreed that OSRAP guidance on general ledger requirements would be accepted by them.
- Screen layout rules decision will determine what users see on the screen per asset class. The same screen layout can be used for multiple asset classes. Rules are not necessarily for a single field. Many fields are grouped by SAP such that the group cannot be separated.
- Depreciation areas decision (organizational impact on financial personnel for modified and accrual)
- Asset Number ranges decision
- Sub-numbers. Question: when are sub-numbers typically used? Answer: Building annex additions, betterments of existing assets, component parts of an asset. Components are not really used that much. The most frequent use of sub-numbers for public sector is to define funding (for multiple funded assets) of an asset. One treatment of this is to create an asset shell as the main number and then add sub-numbers for different sources of funding. DOTD has a lot of this split funded assets per Dom Cali. Question: Can values attached to assets with sub numbers roll up to the main number? Answer: Yes. Dollar amounts on assets with sub numbers can roll up to the "0000" asset number.

Asset Master Record:

Review of SAP Asset Master Records Screens:

Create Master Record – Initial Screen

Screen Tabs: (field names in *italics*)

Master Data

Company Code – one code will be assigned for State of Louisiana

Reference section - used to reference another asset. Allowing/Encouraging use of an existing or template asset should be carefully considered. Often 'pre-filling' or automatic filling of fields will result in the user not reviewing and editing as carefully as if they had to enter the data themselves.

Post-capitalization checkbox – rarely used. Use to add found items into physical inventory, where the item had been purchased in a fiscal year that is now closed and not entered into the asset database Allows you to put a historical acquisition date and 'catch up' historical depreciation.

Change Asset – Initial Screen

AMR Screen

General

Description - Two fields, 50 characters each. These are free form entry fields. The first field displays on existing SAP reports.

Asset main no. text – description from main asset displays on sub-number records.

Account determination – defaults from asset class GL rules.

Serial number

Inventory Number – can be used to store tag numbers, including site and building codes. Note: there is limited bar-coding functionality within SAP – this needs to be investigated further.

Quantity - If using quantity of 1, recommendation is to not use the quantity and UOM fields. Note that incorrect quantity/UOM usage on partial retirements or transfers could potentially skew the number.

History indicator: This is primarily used for archiving purposes and report of 'asset Ledger' card (i.e. printout of all information about the asset). The SAP delivered report for the 'Ledger Card' is 'clunky'. Experience has shown that this report is very seldom used – users tend to want to display the data.

Posting information: This is very important.

Capitalized on date together with the depreciation rules derives the depreciation start date.

Deactivation on identifies the date the asset was completely retired and no further transactions can be posted against it. Recommend making this display only to disallow manual edits of this date.

Ordered on – date for PO. Manually entered and usually not used.

Time Dependent

Business area, Cost Center, Fund, Fund Center, Grant population will all be determined by other blueprint sessions for enterprise structure.

Cost Center is used to identify the organizational unit to which depreciation expense will be posted. Depreciation is currently broken down from Protégé by Department and Asset Class. **Action Item:** Follow-up with OSRAP on the need for depreciation allocations.

Resp. cost center – can be used to track loan of an asset or responsibility or physical possession – at an organizational unit level.

Action Item added here for an Infrastructure/Depreciation meeting requirement.

We probably won't use *Activity Type* which tied back to cost accounting and plant maintenance.

Internal Order – probably won't use this either.

Plant/Location may not be used since it is tied to PM/MM. After these values are defined by the PM team, we will look to see if we can use the value. If not, we will have to determine how asset locations are tracked. We may need to look at creating a new location-type field for AA uses. Currently users can enter their own location in Protégé, by agency. Each agency sets up its own locations in Protégé and then can select their own agency location from the list. We will probably need to create a new field for location that tracks history. There is no delivered "effective-dated" field for location. Need to look at *Personnel* field options for non-state employees who have possession of a vehicle. Some equipment is assigned to a "position" instead of an individual. We may need to add field for this and add a *Building* field as well.

Question: Will the *personnel* field data come from SAP-HR? Answer: This field is integrated with HR/Payroll or an HR mini-master. Investigation to be done on the interfacing with HR that will be available to determine if this field can be used.

Consideration for configuration: Adjust data on tabs so 'tracking' fields are all together.

Shift factor: not a factor, used for manufacturing environments where the asset would be depreciated based on shifts used.

Fields that won't be used can be suppressed via screen layouts.

Real Estate Key – This is the link to the RE record. Question: Will the RE key specify building ID number from RE module? Will be tied to whatever the RE master record is - this may be a site, building, or piece of land. In SAP, *site* is equivalent to a "campus" representing the whole of the RE pieces. Need to decide and discuss what the integration RE object will be.

Parking Lot: The RE key; need to define the object to be used.

Asset Shutdown checkbox is used to stop depreciation. Is it used in Louisiana? Need to determine this. Parking Lot? There may be a need to close a road for a couple of years to re-build it (Mark Suarez). OSRAP's call on this. There may be a rare opportunity to use this checkbox. Suggest that we keep an eye on the checkbox. Recommend we do not turn this on for go-live, but keep in mind that it can be turned on in the future. This business process may be just a retirement, then replacement scenario, instead of an asset shutdown .

Allocations

Evaluation Groups – These are user defined fields (UDF). The fields are 4 characters for first 4 groups. The last group is 8 characters. The existing labels can be configured to have a user friendly field name. These can be used for sub-category classification, asset status, etc. Requirements for non-standard data elements beyond these 5 fields will require custom field development.

Investment Reason - Coded field, user defined. May want to use for assigning the “how” or “why” the asset was acquired.

Environmental Investment – Coded field, user defined. Often used to identify hazardous or environmental impacts.

Asset Super Number – Used to link together 2 or more assets which can be in different classes. Downside: You have to create the super number as a configuration/development step which will need to go through the standard development cycle. We will look more closely at this during realization. Action item added to look at this when discussing parent/child relationships.

Question: Scenario with heavy truck with equipment mounted to it. At the end of life of truck, the crane is still good and needs to be kept. The units can stay together for life of truck. How can this be handled in SAP?

Answer: This can be a use of the super number. We will also investigate if the PM module can be used to track component detail..

Question: If we are used to looking at Protégé for information about the asset, will we use SAP – AA to find the same information? Answer: For asset related data the answer is yes, but further discussion to ensue which data elements go where. Data that is currently stored in Protégé will also reside in PM and SLABS data will be in RE. Custom reports or BI reporting may be needed to access cross module data – reporting requirements need to be defined. Data that needs to reside in multiple modules (e.g. AA, PM and RE) needs to be defined and processing of this further investigated.

Create / Change equip. from asset master record – you can open equipment records assigned to an asset from the AMR. You can assign multiple equipment records to a single AMR, but only one AMR can be assigned to each equipment record. *Sync* – synchronizes certain fields between the asset and equipment records automatically.

Definition of Equipment: something that needs to be tracked for reasons other than the general ledger (generally for maintenance purposes).

Question: Would you ever not want synchronization on? Answer: Probably always want it on unless your data elements are very dissimilar between the modules. Be careful with how you manage the synchronization.

Origin:

Vendor: Can come from the Purchase Order. The system will populate only first vendor associated with asset. The value can be changed manually.

Manufacturer: Free form entry

Asset Purch. New: N/A in USA (appears to be more relevant in some European countries)

Trading Partner: Not relevant here.

Country of Origin: May be used, but not likely.

Type Name: Can be used for Model name

Original Asset: Asset ID from legacy system at initial data conversion. Subsequently, this field will automatically populate on the receiving asset record when you transfer an asset. May be a limitation in that the initial field population will not update in multiple transfer scenario, however, there are other ways to audit the transfer.

Original Value: Manually entered, can use for special valuation needs.

Account assignment for investment: Not used

Investment Order: Not applicable

WBS element: May be linked to Assets under Construction (AuC). Christine will look into this functionality.

Net Worth Tax:

This screen does not sync with the RE module. It is used for limited amount of information on Real Estate when RE module is not being used.

Net worth Valuations: It is used more in Europe. This is very light RE functionality on the Asset Master Record.

Property Indicator: Owned or Leased
Manual Valuation Reason: Not applicable
Man. Net W. Val.: user entry / user defined purpose field.
Real Estate and Similar Rights
Limited usage as it is not ideally setup for North American market.

Insurance:

The insurance tab only allows one type of insurance for a given asset.
Action Item: Need further discussions on real estate data needs.
Decision: These fields will not be used for ORM insurance purposes.

Leasing:

The leasing screen is mostly used for Capital Leases. It can be used for operating leases, but recommend against using Asset Accounting to track all operating leases.

The leasing screen includes many data elements to track leases.

A question was raised about the situation where LPAA is the lessor (interagency vehicle leasing arrangements). This functionality will probably stay in whatever legacy system is used now. Are there any AR implications here?

SAP provides the ability to attach documents to the master record. Are they linked or embedded in the database? Christine to research. **Action Item**

Action Items: Is FileNet going to be used to store documents? What is the LaRecovery impact for assets?
Action Item

Asset Master Record (AMR) - Asset Depreciation Rules

AMR – Depreciation Area Detail

Depreciation Key is a primary component in Depreciation calculation. This element defines the depreciation calculation attributes.

Int. Calc. – may be applicable to capital leases (requirements need to be further investigated).

Operating Readiness – can be used to track date put into service.

Decision: Straight line depreciation method is the only method used in La.

Useful Life: Yr/Pd: Periods identify a partial year (e.g. if Depn useful life is 4 and a half years then Yr=4 and Pd = 6)

Financial vs. Physical useful life discussion ensued.

Weapons need to be tracked forever.

Index and variable fields not used.

Low Value Assets (LVA) (\$1,000 – \$5,000). Need to track the cost of these assets. Is there a need to track depreciation on LVA? Example was presented whereby Agencies are forced to reimburse original cost for lost items (instead of current market value of like item). Want a value that more closely matches the actual value. The use of the word depreciation in this example is not a true financial depreciation for legal and operating financial reporting. Consensus was reached and decision made that this is a procedural/rule issue that should not be addressed in SAP.

Decision: Financial salvage value should be \$0 by OSRAP rule. What about infrastructure? We are in the process of determining the depreciation rules for infrastructure. We will have some further breakout sessions on this. Possibly use for “reserve price”? Scrap value can be setup to use as memo only, not in calculating depreciation.

Negative Values Allowed : If negative value assets exist in legacy systems, these need to be cleaned up before conversion.

Some classes of assets are “warehoused” until put in service, such as groups of vehicles that are delivered to a lot and then take 6 months before they are picked up by an agency and put in service. When does depreciation begin on these? Currently, depreciation begins when the receiving agency enters the item into Protégé. We may

need further discussions with OSRAP on how to handle these situations. Depreciation averaging conventions are setup with the depreciation key. A full-year convention is proscribed by OSRAP which means that a full year of depreciation is taken for the year the asset is placed in service. It was suggested that Susie Barthel should also be involved in these discussions. Donna Levigne (DOTD) also needs to be involved. If items are purchased but not put into service until the following year –how does depreciation need to be handled? **(Action Item?)**

Asset Master Record – Asset Values

Asset Explorer Screen:

Depreciation Areas Level enables the user to select the asset valuation details by depreciation area.

The Planned Values Book Depreciation tab was explained and each of the fields was described. You can use the planned values tab to see future planned depreciation and net book values.

APC transactions (acquisition and production costs) reflect the total acquisition cost of the asset. The next three fields: *Investment Support*, *Revaluation*, and *Transfer Reserve* fields will not be used by the State.

Ordinary Depreciation: Normal, schedule depreciation amounts based on depreciation attributes.

Special Depreciation, Unplanned Depreciation: These were discussed as having potential, but limited use to correct errors, or other special circumstances.

Net Book Value: This is a calculated field that takes the Acquisition Value and subtracts all the depreciation values. Under normal circumstances this will be the Acquisition Value – Ordinary Depreciation.

It was noted that depreciation transaction details are tracked throughout the life of the asset.

The Posted Values (tab) provides functionality to identify the planned and actual posted depreciation amounts per period. The posted values also defines what was actually posted.

A sample of a detailed depreciation entry was displayed.

Asset Acquisition Transactions

Asset Purchase:

Three SAP procurement documents will force assignment of an AMR shell (where the account assignment on these documents is 'A' for assets):

- Purchase Requisition
- Purchase Order
- Direct Purchase Invoice (no associated PO)

Important!! Requisitions and Purchase Orders need to have an account assignment of "A" to let the system know that an asset is being acquired and to utilize the integrated functionality for automatic capitalization date and valuation update of the asset at the time of Goods Receipt. This "A" assignment defines screen input fields on the requisition and purchase order and enables the Asset Master Record (AMR) update with capitalization date/values. You must attach an AMR to a procurement document when the account assignment is "A".

(whether creating a new AMR shell or using existing AMR shell). Commodity codes are currently used in Protégé to identify the asset classification. Need discussions with MM team on the use of commodity codes and how they relate (or not) to asset acquisitions. The procurement acquisition process integrates with MM – additional workshops are scheduled to discuss the procurement process for assets, including the creation and maintenance of the asset master record during the procurement process.

The asset procurement process is a major training issue. **(Organizational Impact?)**

Asset procurement can happen through the MM module or directly through AP without a purchasing document. The GL Account assignment/posting for the asset is derived from the asset class of the Asset Master Record.

Project Systems: Another source for creating an AMR is the Work Breakdown Structure (WBS) from Project Systems to Asset Under Construction (AuC)

Question: What about the scenario where the AuC accumulated costs never exceed the threshold amount and potential crosses years, and was included on CAFR as AuC. Need to determine how to handle the accounting for this. **Action Item?**

The following transactions are done within the AA moduled:

Donation (i.e. non cash acquisition) or Correction or a posting error/found asset not already on asset database.

Asset Transfer: A new asset master record will need to be created when there is a partial or complete transfer of an asset to a new asset master record (e.g. correction due to wrong class initially chosen, funding changes, some custodial changes where financial fields on the AMR are impacted, etc.).

Trade-In:

Need sessions to clarify DOTD buy-back arrangement for heavy equipment (Daryl Johnson, Bill Schear) and trade-ins. LPAA currently handles trade-ins for equipment.

Asset transfers:

Interagency transfers would change the Business Area, which would generate a new Asset Master record with a new Asset Number. This may have an **Organizational Impact** based on current business processes.

End of Day 1

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Day 2

Wednesday, August 20th Session:
8:30 – 4:30
DOTD/ERP 501

AS-IS – Rhoama

Protégé: Review of screens to identify fields needed.

General discussion ensued of Protégé fields and those that would likely move into AA and those that would be in Fleet/PM.

Question: How will SAP handle vehicle assignments for home storage? Current state law states that approval needed for home storage assignment. Assignment tab in Protégé shows whether a person has been approved for “home storage” of a vehicle. Must report First Name, Last Name, Position in State Government must be reported to the legislature every fiscal year. Approval needs to be reviewed/assigned every year. Further discussion needed about where to house this information in SAP. **ACTION ITEM.**

Question: Is history tracking availability for changes to fields? Christine talked about the financial changes tracking as well as the audit records related to other field changes.

Active vs. Inactive Status: Home storage approvals will go inactive in Protege at the end of the fiscal year automatically in Protégé if approvals are not renewed. Home storage requirements were discussed. The various statuses were mentioned: Active (approved for home storage), Inactive (no longer approved), Rejected, Pending. Bobby stated that there is a large volume of transactions here related to home storage requests. There are also “personal assignment” rules that are related to this (can use the equipment/vehicle during work but can't take home). The person responsible field was also mentioned here.

Based on the previous discussion, the State has three time dependent field requirements:
Home storage, Personal Assignment, Person Responsible (**Action Item?**)

A question was asked about current required approvals to make changes in Protégé which is built-in workflow. Security would be the way to determine who has the ability to make the change. Workflow in SAP could possibly address this? Further discussion required. Example was given that approval is required for change of serial number.

Christine described the security views in SAP to allow changes to only certain fields. The goal is to keep current functionality where possible, but may look or work differently in SAP.

SLABS Overview (Rhoama):

Screen Shots from SLABS were reviewed. Most of the SLABS data will reside in the RE module. Still need to make decisions about where to put the data.

Record Type field will need to be discussed further. There is currently no connection between SLABS and Protégé. SLABS contains reported data for content insurance coverage categories (fine arts, livestock, computer equipment, boats, mobile structures), but the state would prefer actual data from To-Be system since most of these items are currently tracked individually in Protégé. Requirement expressed to track certain types of items that are less than \$1,000 for ORM insurance requirements. Need to determine these categories for these other LVAs. Need to know which items are on the ground floor of buildings for flood insurance purposes.

General Contents – Flood (calculated fields)

General Content – Property (calculated fields)

Since these fields use square footage and other Real Estate information to derive their values, further examination of how to handle this is required (e.g. in the RE module, via a report, etc.)

TO-BE (Christine)

We need to make design decisions now. Some can be refined during realization, but we want a good design base now.

Side discussion: (A question was asked about how to assign "A" when buying in bulk. Who will be making this assignment? Discussions still to be held regarding this important aspect of asset acquisitions.) This also needs to be addressed with the MM team.

SAP Asset Classes (proposed per existing) – See slide #110.

Mobile structures are being reported under Protégé now. This is a category that was suggested as needed to separate and should be in the Equipment area.

Historical Treasures and Works of Art (owned, loaned, leased, donated) – Moved to LVA. Bill work with Mark to determine if any of this is currently reported on CAFR.

Question about whether Ferries need their own class or use evaluation groups for these. What is the reporting requirement? Ferry components were discussed as part of the PM functionality, not as part of AA. Also mentioned barges that exist as a separate class in Protégé. These will be in the Marine/Watercraft asset class. Further classification can be done via the Evaluation Group to be used for sub-category.

Question: Is part of the process to re-visit the threshold? No, this is more of a financial decision and is not part of the Blueprint requirements.

Animal discussion. Added "Animals, Other" to the class list.
Machinery and Equipment: "Voting Machines" added to list.

Decision is still pending on "OTM routers and switches".

ITS (intelligent transportation systems) assets may be included in part of the cost of the roads.

Action Item: Where is this information currently stored? Mark Suarez will research this.

"Exchange for fee" items that are put on towers need further research. We need more information on how these types of assets are recorded and reported. Mark Suarez will find this information.

Dom: All state agencies must report annually, as part of the budget process, to OIT totals for information technology related items (hardware, software, personnel, budget, services, etc). Need more information on how this works and how we can use SAP to provide this information automatically. There is also a requirement for agencies to maintain their IT related information in the OIT "IT Profile". The IT Profile is an on-line application maintained by the DOA. Also, still need to meet with OTM about how they classify their items. [I suggest that you meet with OIT (Barbara Oliver).]

Infrastructure: meeting still needed on this. **Action Item**

Other agencies that may need to be a part of the infrastructure discussion:

DHH (Department of Health and Hospitals)
DOTD (Department of Transportation and Development)
DNR (Department of Natural Resources)
DOC (Department of Corrections)
CRT (Department of Culture Recreation and Tourism)
DWF (Department of Wildlife and Fisheries)

Historical Treasure and Works of Art. Is this a category for Capital Leases? Need to speak with Secretary of State and the Museum folks (Culture Recreation and Tourism).

Decision: Mimic the CAFR classes for low value assets (LVA).

Need discussion with PM folks about how to sub-classify the different vehicle types. Question: Where will the decision be made about the "sub-categories" and where will they be initially added. Discussion still needs to be made about the synchronization with PM on these elements.

Screen Layouts (slide 125)

Depreciation Area Screen Layout :

Decision was made to take the recommended approach on this slide (3).

Master Data Screen Layout:

Three approaches total. Two recommended approaches. Need a decision on which approach to take. Pros and cons of each approach were discussed.

Decision was made to go with one screen layout per class. Will use umbrella approach to create initial layouts for multiple asset classes, and then copy for each class. Identification of the number of 'templates' and to which asset class these were applicable was determined.

GL Account Assignments – OSRAP will provide feedback on this. Will setup meeting with OSRAP to finalize this Mark Rhodes will setup meeting early next week. **Action Item**

Asset Numbering:

Two options:

Auto-Assign (Internally System Assigned Sequentially) – **Decision** to use internal main and sub numbering **and** also to assign number ranges based on high level asset categorizations

e.g. main number: NM000000000 where:

> N represents a high level grouping of classes such as Land, Equipment, AUC, Capital Lease, etc.)

> M represents a specific asset class within the high level grouping (post meeting comment: this may need to be a two digit value as there may be more than 9 asset classes within a grouping)

Asset tag number will/may be different than the Asset Number. The asset number will be assigned during the purchasing cycle as part of the shell creation. The tag number will be assigned after receipt.

Question: Can we make the Inventory Number a required field. Yes, but if so it was recommended that the field be filled with ZZZZ or 9999 during the shell creation to be able to go back and locate and update after receipt.

This will also provide an audit trail of when the tag number was updated on the Asset Master Record and the ability to run reports to identify assets that have not had tag numbers updated. Suggestion was made to make the SAP Inventory Number a required field, then to automatically populate the ZZZZ or 99999.

Action item: Potential report to identify time of Inventory Number change (there is a requirement to tag an asset within a certain time after asset receipt).

Organizational impact – Process change regarding timing of AMR creation and time of tagging update on AMR. And also the difference in the numbering of the system record (i.e. AMR) and tag number (currently, in Protégé the record and tag number are the same number and are manually assigned with numbering logic to identify the organization. Go forward the system number (e.g. Asset number will be a system assigned sequential number).

Discussion about the numbering change resulted in raising an option to consider having post go-live Inventory/Tag Numbers be the same as the Asset Number. Consider generating the tags based on the outstanding shells and make the tags available to the delivery location. (This is how the larger State of Texas agencies do it). This was left as an option to be considered in the future.

Numbering Scheme Groupings:

- **Asset Class change recommended:** Split Land and Non-Depreciable land improvements into two asset classes each with a different second number.
- Buildings and Improvements vs. Leasehold Improvements - Both should have the same start number, but different second number.
- Transportation

- Vehicles on ground
- Vehicles in air
- Vehicles on water
- Equipment & Machinery
 - Livestock/Animals
 - Machinery and Equipment
 - Voting Equipment
 - Medical Equipment
 - Law Enforcement Equipment
- Communications
- IT Software / Hardware (Note: potentially may move internally developed or highly modified software to intangible grouping dependent on GASB 51 decisions)
- Infrastructure (further characterization to be determined in separate infrastructure meeting)
- AuC
 - AuC – Building
 - AuC – Capitalized Building
 - AuC – Infrastructure
 - AuC – Equipment
 - AuC – Software
- Capital Leases
- Low value asset : The possible use of Letter prefix for “L” for LVA asset numbers was discussed. (Christine will check on this, **Action Item**) Or possible use a “9” as the first digit for low-value assets. with the next two digits mirroring those in the CAFR asset class groupings.
- Intangible Assets

Two more decisions:

Decision: Fill the entire field with 12 digit numbering.

Decision: Asset Sub numbers: 4 digit number/ system generated.

Protégé – there is a table to define CAFR vs. Non-CAFR items. These are set by OSRAP rules.

Asset classes can be established in SAP whereby it may be possible to create a validation that will prevent entry of asset with value greater than \$5,000. However, an asset may have more than one invoice where the combination exceeds \$5,000. In this case we may need to allow entry, but just have a warning message about the amount. It was suggested to run reports to determine if assets were misclassified and then re-class if necessary.

Action Item Christine will check the LVA max amount and validation options.

SLABS is updated by OSRAP for the CAFR / NON-CAFR indicator. There will be a different process in SAP as to who will make the call for the class.

Break:

Protégé Review of Screens/Fields

Slide 89:

All fields move to SAP.

Fields which have a corresponding location in AA (however, the ‘look’ of these fields may differ from that in the source system):

- Asset Number – AMR Inventory Number.

Organizational Impact: Agency numbers will be changing for the new system. This will impact the existing moveable property tag numbering system since the department and agency numbers make up the first 5 characters of tag numbers.

- Agency
- Vehicle Class
- Vehicle Type
- Description
- Make
- Model
- Model Year
- VIN
- Cost Center
- License Plate
- Net book value
- Original Acq cost
- Current Acq cost
- Current Acq Date
- PO Number - PO drill down automatically populated via MM procurement integration.
- Disposition Date and Amount
- Notes 2 – AMR Description line 2. Possibly can be used for parent / child information.
- Accounting tab – Historical financial transactions
- Transaction method – AA subsequent acquisition
- Transaction Description
- Person Responsible
- ORM Building, Floor, Room: may need to add fields
- Location - Agency-defined. Organizational units, building, parish (all over the board). Possibly use evaluation groups for location or plant / location information from PM or may need to add fields
- Parent Asset Number is equivalent to SAP AMR number
- Attachments – more information needed.
- Status
- Validation tab – SAP bar coding / inventory
- Disposition Date – Transaction details will be stored in AA as part of SAP retirements.
- Disposition Amount – Transaction details will be stored in AA as part of SAP retirements.
- Disposition Remarks – possibly use AMR Description Line 2; used to store the transfer # in Protégé. Refers to a document number. Will examine more closely when we have transfer document workshop.
- History Tab and Accounting tab – Transactional data and changes to asset master record data, after go live, will be available in SAP.
- Acquisition Method: Investment Reason in SAP can be used for this.

Generally, the transactional data for an SAP asset master record will provide the following detail:

- Accounting tab – Historical financial transactions
- Transaction Date
- Transaction Type
- Transaction Amount
- Transaction Pay District (to be investigated further)
- Transaction Project Number (to be investigated further)
- Transaction PO Number
- Transaction PO Date
- Transaction Voucher
- Transaction Vendor
-

Fields which are not Asset Accounting fields and will need to be examined for tracking in other areas such as PM/Fleet Mgmt:

- Series
- Key Code
- Usage Code
- Spec Number
- Transmission Make

- Transmission Model
- Engine Make
- Engine Model
- Gross Vehicle Weight
- Engine Size
- Additional Measurements
- Unit Capacity
- Unit of Measure
- Lease Begin Date - Bobby to provide list of Operating Lease vehicles. This is likely not relevant in SAP as leased vehicles are not typically capitalized. This may be needed for PM/Fleet Management.
- Lease End Date
- Warranty Expiration Date – provide to PM for follow up
- Vehicle Assignment ? – possibly AA
- Fuel Log screen fields - provide to PM for follow up
- Vehicle Maintenance screen fields
- Vehicle Repair screen fields
- Vehicle Use: Used for reporting to the legislature about the usage for vehicles. Pool, statewide travel, law enforcement, etc.... This is likely in PM/Fleet Mgmt. May need to be a required field in PM. Procurement process will need to change to determine the procedures for vehicles and documenting the Vehicle Usage (Org Impact). May need to look at "Motor Pool" for the Protégé Assignment tab fields.
- Type of attachment (permanent or temporary) and equivalent of Protégé ' Child Assets' – likely a PM issue.

Fields which needs evaluation group, custom field, or more discussion:

- Parish (Add as a new field): Needs to exist, doesn't matter where. This would include the 64 Louisiana parishes plus one for Out-of-State. Many agencies break the parishes out into districts which usually contain entire parishes but the distribution varies. These agencies will be able to use a report variant in SAP to, for example, report for all parishes in a particular district. Can be suppresses or activated on screen by classes. Parish: EPA defines 14 Parishes that are "non-attainment". Need to generate report about the vehicles that exist in these non-attainment zones. This will likely reside in PM.
- Location: Possibly use evaluation groups for location or plant / location information from PM. PM may be taking location down to the granular level which can be used in AA for the Plant/Location Field.
- DPS has it assigned by troop and person responsible, then by organizational unit. We may need to look at using another evaluation group.
- Insurance locations need to be discussed in the upcoming offline insurance meeting. We may have a need for a new field for ORM location code for insurance.
- Unit Number – Used for state police, car number.
Decision: Create a new field called Unit Number
- Status: Evaluation Group
 - Disposition Method / Unlocated Year – can be defined using an evaluation group for asset status. (Unlocated2008, Unlocated2009, etc.)
 - Inactive status would translate to a retirement.
- Pay District: **Decision:** Added for DOTD but don't need for SAP
- Project Number: **Decision:** Added for DOTD but don't need for SAP
- ISIS – This is the agency number from legacy. **Decision:** We won't need to convert this data.

Check with OSRAP on process whereby an asset is sold by one agency to another and why to track the initial value. This is a Parking Lot issue.

Please provide copies of Protégé and SLABS reports that are important to you. This will help assess data element and reporting requirements. **Action Item**

SLABS

The majority of the detailed SLABS data will likely reside in SAP. In Asset Accounting detail should be limited to financial and limited location data.

AMR

- Site Code – AMR Inventory Number (examine integration with RE?)

- Department / Agency / Group Name (office or section) – AMR Business Area / Cost Center? (examine integration with RE?)
- Facility Name (examine integration with RE?)
- Total Site Improvement costs (ever with YTD role up available)
- Building ID – AMR Inventory Number (examine integration with RE?)
- Site Code reference on Building AMR
- Building ORM Location Code (see Protégé discussion)
- Building Name (examine integration with with RE?)
- Building Department / Agency
- Building Original Cost
- Building Index Cost – Ask Mark Rhodes to define
- Building Actual Cost (total including prior year improvement and Major Renovation Values)
- Building Improvement Values YTD
- Building Major Renovation Values YTD
- Building Funding Amounts (need further investigation on how these are used to determine method of handling within SAP):
 - General
 - Federal
 - Capital Outlay
 - Proprietary
 - Special Revenue
 - Donation
- Building Amounts by Funding Source
 - Sources 1 through 4 (Ask Mark if specifically defined)

Instrument Date/Record Date/Acquisition Costs – Capitalization Date and Acquisition value on AMR (Record date may be the posting or document date on the document)

Valuation fields need to be examined more closely.

Index cost, Mark Question:

Conveyance, REELS, the outstanding Site and Building fields are all relevant to the Real Estate module. STAMPS data is relevant to Insurance and a separate meeting will be held for this.

SAP Security Considerations:

Assets related to law enforcement and 'under-cover' operations

Requirements:

Objects – Sub-objects: Infrastructure at DOTD (Agile)

Mark Rhodes had question about flagging an asset that is fully depreciated. Answer: Assets that have a Net Book Value = 0 will be fully depreciated.

Appropriation Identification: specifically identified appropriations to purchase real estate.

Wall Charts

Integration Points

- RE
- AGILE
- PM
- FI/CO
- FM/GM
- MM – procurement
- AP – procurement
- AR?
- PS

FRICE-W

- Location with time dependency
- Personnel Number options for non-state employees and state employees not on system (possibly have 2 option fields). Possible "Building Field".
- Define object to be used as Real Estate Key (state ID, site code, etc)
- Vehicle Leases – PM?
- FileNet document image linking
- LARecovery Impact – Hurricane recovery projects, contracts, and FEMA reimbursement
- Report – BI or other report needed to identify Inventory Number changes and time of goods received.

Key Decisions

- Straight-line Depreciation
- State Law: Track Weapons forever – even if they have been retired from legacy system.
- History of vehicle assignment is required.
- Screen Layouts – initially 3 screen layouts
 - Capital Assets & AuC
 - Low Value Assets
 - Capital Leases
- SAP Fields
 - Salvage value is not currently required / used so likely will not be used in future (for depreciation)
 - Scrap Value field will be used as a memo-only field
 - AA Insurance screen is irrelevant for ORM / state group insurance coverage.
 - Asset Shutdown
 - May be used for Infrastructure in the future. Turn this feature off. It may be activated in the future.
- Asset Numbering (Main)
 - Internally Assigned
 - Fill Blanks with zeros
 - Built-in intelligence by group of Asset Classes (see tentative list)
 - Mobile Structures should be under the Equipment numbering sequence rather than Building.
- Asset Numbering (Sub-Numbers)
 - Internally Assigned
 - Sequential
 - No built-in intelligence
- Fleet Assignment Fields – PM or AA?
 - first name
 - last name
 - position in state government
- AMR new fields
 - ORM Location
 - Unit Number (vehicle classes)
 - Parcel Number (for Land classes) – RE?
 - Parish (use reporting variance to report by districts)
 - Personnel # for non-system employees (and/or contractors)

- possible Building and floor fields for physical location of property

Organizational Impacts

- 2 depreciation areas
 - modified accrual
 - full accrual
- Training for correct entry
 - MM or AP account assignment of "A" – AMR creation
 - Change Inventory Number at time of tagging AMR
- Business Rules
 - CAFR or non-CAFR assets defined by business rules rather than Protégé table
 - CAFR or non-CAFR buildings defined by business process rather than SLABS manual process. – Definitions and determinations to be defined by OSRAP.
- Agency Number changes in the new system will impact property tags.
- Procurement Process changes – review / change re: vehicle usage field – PM / MM

Parking Lot

- Leases from one agency to another (building - whole or part & vehicles)
 - Where will / can this be tracked? (RE? / AR?)
- Actual cash value of LVA items (for reimbursement of lost or stolen items assigned to a specific person)
 - LPAA process / rule issue
- Original Cost certification (see Action Item)