



# MEETING MINUTES

## State of Louisiana ERP Project

*Blueprint Workshop / Asset Acquisitions and Value Adjustments  
INFRASTRUCTURE (FI-AA-03)*

10/02/2008 @ 8:30 to 4:30

Location: LaGov DOTD 501

Attendees:

No.	Name	Invited?	Attended?	Comments
1.	Beverly Hodges	Y	N	
2.	Bill Smith	Y	Y	
3.	Boyd Barbier	Y	Y	
4.	Cathy Cutrer	Y	N	
5.	Ryan Sides	Y	N	
6.	Christine Wieczorek	Y	Y	
7.	Dom Cali	Y	Y	
8.	John Oglesby	Y	N	
9.	Keri LaBauve	Y	N	
10.	Mark Suarez	Y	Y	
11.	Peter Tabone	Y	N	
12.	Randall Withers	Y	N	
13.	Rhoama Speights	Y	Y	
14.	Sal Faldetta	Y	Y	
15.	Sterrie Elliott	Y	N	
16.	Sue Wheeler	Y	N	
17.	Richard Lozano	Y	N	
18.	Charles Pilson	Y	Y	
19.	Shanker Shrestha	Y	Y	
20.	Gerry Hanson	N	Y	
21.	Rae Marrerro	N	Y	
22.	Katherine Porche	N	Y	
23.	Linda Kimmel	N	Y	
24.	Lori Humm	N	Y	
25.	Deana Sowards	N	Y	

<i>Agenda Item and Notes</i>	<i>Owner(s)</i>	<i>Action Items &amp; Assignments</i>	<i>Comments / Follow-up</i>
1. <b>Workshop Objectives</b>	Rhoama Speights	<ul style="list-style-type: none"> <li>None</li> </ul>	
2. <b>Business Process Review</b>	As-Is: Rhoama Speights  To-Be: Christine Wieczorek	<ul style="list-style-type: none"> <li>See action items &amp; assignments below.</li> </ul>	Hard copies provided - Selected slides from the presentation.
<ul style="list-style-type: none"> <li>SAP Glossary</li> <li>SAP concepts &amp; functionality</li> <li>Leading practices</li> <li>Enterprise readiness challenges</li> </ul>			

3. **Action Items**

	OSRAP	1. Policies and Procedure definitions for GASB 34	
	Linda	2. Send Rhoama examples of Capital Leases	
	Rhoama	3. Take Keri LaBauve off of the DOTD invitee list.	
	OSRAP / DOTD	4. Repairs and maintenance vs. capital item related to infrastructure. The rules will need to be determined (OSRAP/DOTD) to make these distinctions. Even with the definition, there may be 'grey areas' where OSRAP will need to provide guidance on whether to handle the item for capital asset valuation or account for it as repair and maintenance.	
	Lori & Sal of Dye management and Dom Cali of DOTD	5. Make recommendations to OSRAP and obtain OSRAP approval for 'infrastructure asset definition' (e.g. control section), asset class (e.g. single infrastructure asset class or multiple such as 'roadway, bridges, etc.') – impacts asset accounting design and data conversion.	
	DOTD	6. Determine infrastructure related Asset Classes (1 or more than 1)	
	OSRAP	7. Determine thresholds & level of detail to track for infrastructure assets (e.g. currently yearly capitalization) . Valuation rules may be dependent on definition of a capital asset and number of asset classes required. Definitions will impact the acquisition processes (e.g. settlement rules & processing).	
	OSRAP / DOTD	8. Identify reporting needs(i.e. will need to be handled via BI / SAP AA) and send to Rhoama. Consolidate existing	

		reports / reporting needs when possible. Eliminate unused / unnecessary reports.	
	OSRAP	9. Define capital "asset" for infrastructure	
	Christine W / L	10. a) WBS elements coded on percentages? [Christine W to Christine L] Can WBS element get 30 – 70 split for 2 elements with portion 11. going to each? b) Settlement rule changes during project. c) Project include capital asset and expense allocations?	
	Christine W	12. Decide route and control section: newly developed fields or existing SAP fields?	
	DOTD	13. Recommend to and confirm with OSRAP that control section = Asset	
	OSRAP	14. Identify and forward to Rhoama Right-of-Way issues. What do you do with sale proceeds if they sell the property (even if it goes back to the original owner)? Are relocation and/or other expenses part of the cost of the asset or expensed?	
	DOTD / OSRAP	15. Reporting requirements for donations, transfers & retirements of infrastructure.	
	DOTD / OSRAP	16. Identify infrastructure transfer requirements (financial and asset record updates)? e.g. How should the financial transaction, including depreciation, be handled on the old asset record vs. the new asset record?	
	Christine W	17. Christine will build a very high level process for retirements due to sale of infrastructure	
	OSRAP	18. Define restoration / GASB 42 requirements for asset financial and master record updates. Need to investigate further on how to capture and record restoration costs back to the original assets.	
	Christine L	19. Project handling of multiple-year funding for constructed assets.	
	Christine W	20. Write up follow up with OSRAP.	
	Homework – OSRAP / DOTD	21. Who should enter correction and donation transactions? Send response to Rhoama.	

**Discussion:**

**DAY 3 (Infrastructure) Work Session Objective (slide 2)**

- Define what will be the 'start/stop' (i.e. beginning/end) point or object level for SAP-AA asset master records. How will this relate to AGILE asset master records?
- Define what data will be maintained in:
  - SAP-AA: Asset Master Records
  - AGILE: Asset Master Records
  - What are the linkage requirements between AA and AGILE asset master records?
- Define the numbering structure for SAP-AA asset master records.
- Define the process for maintaining Asset status, acquisition, transfer, valuation adjustments and retirements for Assets common to Agile and SAP AA?
- Define recording and reporting requirements:
  - GASB 34/42
  - OSRAP reporting requirements for these Assets?
  - What other state or federal reporting requirements are required of this data?
- Discuss: Existing legacy asset record conversion
- Define the depreciation methods to be used for existing infrastructure assets and post go-live acquisitions?
- Security (Roles & Authorization) Requirements?

Question (DOTD): What is a 'start/stop' point (as referenced in point 1)?

Answer. It represents how we will define the beginning and ending of road segment (for example). For illustrative purposes we are using it to define the discrete asset element.

**AS-IS (slide 5)**

- 2007 CAFR
- Infrastructure Assets
- Donated fixed assets

Comment (OSRAP): CRT does not have any infrastructure above the threshold for FY 2007.

Question asked about yearly accumulation of costs as part of Wooster method (3 million per agency per year).

Comment OSRAP: There is no method now to evaluate amounts for individual infrastructure projects. The amount to capitalize is determined on a "per agency, per year" basis (not Department). Costs are lumped together by agency, so State Parks for example, has generally been reported as a lump sum for infrastructure projects. Infrastructure costs are not available at a Park level.

Solutions to these issues will be discussed in the "TO BE" section of the meeting.

Christine explained the Definition of Capital Asset – Glossary (2<sup>nd</sup> page)

**Control Sections** (slide 6)

DOTD: First and second column is how DOTD currently numbers their projects. The first 3 digits are project numbers. 001-01-xxxx for example is a project number for highway LA1 where xxxx is the project number. This is not a breakdown for "Wooster" reporting which is done on a lump sum.

OSRAP: Project numbers can coincide with the capital outlay bill.

DOTD: Future state (SAP) will have different project numbers.

The control sections slide will be a good jumping off point for defining to-be asset numbering scheme.

**GASB 34** (slide 7)

**AS IS: Wooster Method** (slide 8)

**GASB 42** (slide 9)

**Accounting Requirements for GASB 42** (slide 10)

**TO BE** (Christine)

**Asset Master Record: TO-BE Update** (slide 12 and 13)

**SAP Glossary** (slides 15, 16, 17, 18, and 19)

Christine provided explanations for most of the items on these five slides.

GASB 42 discussion ensued about how to record the impairment and then the subsequent restoration costs, even over several fiscal years.

**Action Item 18:** Need to investigate further on how to capture and record restoration costs back to the original assets.

OSRAP: Insurance recoveries and FEMA payments do not impact the asset valuation. The insurance recovery is used to determine the overall gain/loss for reporting purposes.

A significant manual process had to be used to comply with GASB 42 for Katrina/Rita impairments to roads and bridges.

DOTD: Suggests we use the revaluation of road segments based on indexing back to original in-service date, then depreciating forward for the carrying value. Mike Nielson's suggested approach.

OSRAP: DOTD and OSRAP will need to determine the procedures for getting this done.

DOTD: Individual costs of some bridges have no identifiable costs at present. These should be valued same as roads based on same approach as roads.

**Action Item 1:** For GASB 34, need to finalize the procedure for the revaluation method for road segments and bridges. How we segment is fairly well defined, but the valuation steps need to be worked out. OSRAP and DOTD need to work these policies and procedures definitions for GASB 34.

### **Asset Master Record** (slides 23, 24, 25, 26, 27)

Can use change requests process (after go-live) to add match codes, if existing match codes are not sufficient.

“Capitalized On” field is very important for financial reporting on infrastructure.

“Deactivation On” date field should be made as read only.

Must use sub-numbers for multiple funding sources

WBS Element field (on the AuC record) will populate from PS (99.99% sure)

The fields on the Origin screen beginning with “Original” could be used for conversion purposes to identify legacy data.

“Original Asset” field will automatically populate from transferred assets (but will not overwrite field data already there)..

### **Asset Master Record – Depreciation Rules** (slides 34 and 35)

Depreciation Areas, DKey, UseLife, Ordinary Depr Start Date fields were described.

### **Asset Master Record – Values Tabs** (slides 36, 37, 38)

The values display includes Acq. Value, Acquisition and Production Costs (APC), and other transactions that impact the NBV.

Drill-down capabilities to associated transaction documents were described.

Question (OSRAP) about converted assets, which field would be populated?

Answer: APC Cost and Accumulated Depreciation will be included for Capital Assets, but because it is a special type of transaction for loading of data, there will not be ‘drill down’ ability on this transaction.

DOTD (Linda Kimmel) mentioned that DOTD has capital leases for equipment.

**Action Item 2:** Linda Kimmel will send Rhoama examples of Capital Leases.

**Action Item 3:** Take Keri LaBauve off of the DOTD invitee list [Rhoama].

### **Asset Financial Lifecycle** (slide 40)

Question (DOTD): Many times we’ll take a road from a city for example. These roads can be kept or given back. There is a lot of this back and forth going on.

Answer: Movement between non-state entities will need to be handled as an acquisition (i.e. donation) for receiving or retirement for returning.

### **Acquisition Methods** (slide 41)

Is there a need for more acquisition methods other than those listed? Let us know if any should be added:

Federal Funds

Restoration (i.e. *for new sub-numbers*)

Construction

The “Envir. Investment” field can be used to designate hazardous areas etc... this is user defined.

Same with "Investment Reason" field which is user defined. Although it will likely be a rare requirement, both these fields can have available values list expanded after go-live, however, this will require use of Change Control process as these additions are configuration.

#### **Acquisition Methods: Infrastructure** (slide 42)

Traffic Signals – should we include these as categories?

**Parking Lot:** ROW Discussion – upcoming session Oct 30/08.

**Action Item 4:** Repairs and maintenance vs. capital item related to infrastructure. The rules will need to be determined (OSRAP/DOTD) to make these distinctions. Even with the definition, there may be 'grey areas' where OSRAP will need to provide guidance on whether to handle the item for capital asset valuation or account for it as repair and maintenance.

Charles Pilson (Agile): These policy decisions will be setup outside of SAP. But at the SAP level, can these rules be setup to enforce at the project level? Can project be for non-capitalize items? Yes.

Generally, you can have as many WBS elements as needed, each with their own settlement rules. Discussion on how this project will deal with WBS structure, settlement will be in upcoming PS session (Nov 12-13).

#### **Infrastructure assets unique from real property or equipment type assets** (slide 43)

- Items are not discrete (i.e. roadways continuous), what is start/stop point for the financial asset?
- Construction can be ongoing while part of project is deemed 'complete'
- Can include multiple 'smaller' items (e.g. guardrails, lights, signage, etc.) – are these to be tracked independently?
- For a 'continuous linear section', is there 'linkage' required for multiple assets or different types of linear assets such as roadway, bridge, etc. (i.e. if multiple SAP asset classes)

These are all state decisions.

#### **Infrastructure Asset Considerations** (slide 44, 45)

- How will infrastructure assets be used in SAP-AA:
  - Reporting and analysis requirements
- New SAP assets - how will number of assets required / values be identified at time of:
  - Construction
  - Donation
  - Other?
- Legacy data – how will it be defined/converted?
  - If change from Wooster Method – timing and availability of realigned data for data conversion?
- Asset master record numbering structure for infrastructure needs to be defined
  - Sub numbers will be required where there are multiple funding sources
- Who will maintain SAP data:
  - AuC master record (review system created data, update additional data, review)
  - Define when AuC values should be moved to 'final' AMR

- Project completed
- Project partially completed (e.g. 2 lanes car-ready, 2 lanes still under construction?)
- AMR (create, update additional data, deactivate, review)
- 'Linkages' for AuC/AMR, AGILE asset, RE Object, PM EMR?
- LVA requirements?

**IMPORTANT:** All these decisions will need to be happening sooner rather than later.

Question: How to keep legacy system data going forward in preparation for the conversion?

Answer: This will be a challenge, will need to ensure the data is captured in the proper format for final conversion.

OSRAP has indicated that June 30, 2009 was given as a deadline to have the DOTD data ready for conversion.

Mark: We can't do data conversion until OSRAP decides which method is acceptable for valuing the infrastructure elements. Need a decision from OSRAP before data conversion approach is finalized.

**Action Item 5:** Get a final approval from OSRAP on how to value the infrastructure segments. Lori Humm, Dye Management, is working on this policy for OSRAP review. Until these decisions are made, this issue is at a standstill.

- Numbering structure
- Who will maintain SAP data?

#### **How Many Asset Classes** (slide 46, 47)

Does the State want to break down the main Infrastructure asset class to separate classes such as Roadways, Bridges, Other Structures, and Infrastructure Hardware etc...?

**Action Item 6:** Determine the proper breakdown for Infrastructure classes. Need these decisions within the next few weeks, at least as a starting point to move forward. (Dye Management, OSRAP, DOTD)

Charles, this will also impact how you determine the WBS settlement rules for infrastructure projects.

Mark: Many decisions still need to be made on how these WBS rules and asset classes are determined.

OSRAP: We only really need the total for one line item for the CAFR although bridges vs. roads were used for impairment costs.

#### **AMR – Linkages to be Considered** (slide 48)

#### **AMR – Data to be Maintained** (slide 49)

Charles: Integration linkage between Agile and AA will probably be flexible. (can this be expanded on....my recollection is that we were looking at maintaining minimal data (sufficient for capital asset identification and valuation) in SAP and AGILE would have more detailed information, Also, we would have a field – which would be manually maintained on the AMR to cross reference to the main AGILE record (e.g. Control Section). Detailed integrated reporting between AGILE and AA, such as capital value associated with a certain type of road – interstate,

rural, etc. would require reporting via BI as the data would be resident in two areas (i.e. Road type field resides on the AGILE record, Costs on the AA record). An electronic interface between AGILE and AA is not required.

We are looking at maintaining minimal data (sufficient for capital asset identification and valuation) in SAP, and AGILE would have more detailed information. Also, AA would have a field (super-number) – which would be manually maintained on the AMR to cross reference to the main AGILE record (e.g. Control Section). Detailed integrated reporting between AGILE and AA, such as capital value associated with a certain type of road – interstate, rural, etc. would require reporting via BI as the data would be resident in two areas (i.e. Road type field resides on the AGILE record, Costs on the AA record). An electronic interface between AGILE and AA is not required.

**Comment [CP1]:** Yup. I think you have it right here.

I am a little worried that people might want to report cost data out of SAP by Road System (interstate vs primary vs secondary etc.)

If this is the case then this might need to be by WBS (this is how NCDOT does it)? This decision is on Lori Humms

## Valuation Parameters? (slide 50)

Option offered to make the valuation decision at the end of the year only for settlement of projects to capital assets (once the projects are complete), at an agency level. This needs to be discussed further in the PS session – how to handle, what about \$/AuC handling where would not become a capital asset.

**Action Item 7:** Decision needed on the valuation parameters for infrastructure projects. Determine thresholds & level of detail to track for infrastructure assets (e.g. currently yearly capitalization) . Valuation rules may be dependent on definition of a capital asset and number of asset classes required. Definitions will impact the acquisition processes (e.g. settlement rules & processing). [OSRAP].

Valuation definition is critical ...as the risk is that projects are setup as small project, each individually would not get capitalized, but collectively they should be capitalized.

OSRAP: Would every agency which could have infrastructure be able to settle projects to capital assets? This should be known ahead of time based on funding pattern.

Charles: There should be rules at the project level as to whether the project has the potential to be infrastructure capital assets.

Sal: Multiple-year funding issues need to be addressed.

**Action Item 19:** PS handling of multiple year funding for constructed assets.

**Action Item 7:** Decision needed on the valuation parameters for infrastructure projects. Determine thresholds & level of detail to track yearly capitalization & settlement rules [OSRAP].

**Organizational Impact:** How the asset is defined as part of infrastructure. Many projects or individual projects may define the asset

**Action Item 8:** Identify current / future reporting needs (i.e. will need to be handled via BI / SAP AA) and send to Rhoama. Consolidate existing reports / reporting needs when possible. Eliminate unused / unnecessary reports. [OSRAP / DOTD].

**Action Item 9:** OSRAP to define capital "asset" for infrastructure.

## Asset Master Record Structure Options (slide 52)

Scenario assumptions...

## Identifying Capital Assets \$ for a Control Section (slide 53)

Considerations for valuation, sub-numbers, reporting...

## Initial Build – Asset Numbering (slide 54, 55)

Roadway vs Bridge. One main shell with 3 numbers for each.

## Addition go Capital Asset – Options (slide 55)

Add turning lane scenario. Two options.

DOTD: Need to keep it as simple as possible, while still meeting financial reporting requirements. Creating the sub-numbers by fund adds a layer of complexity that we don't have now. We weren't thinking about splitting this out as part of conversion. Concerned about complexity of the process. Will this split be required on the bidding side.

Charles: ~~You won't have to do this for the conversion. Just as a going forward business process.~~ Projects are currently being setup by funding source. This complexity does not come down to the Agile Assets side. Can the funding splits be setup as percentages as part of the WBS elements in the project? If so, these could be setup as part of the project.

Christine: Believes this funding split can be as part of the settlement rules – need to discuss this with PS. (e.g.. Settlement options – can rules be based on % (e.g. costs to be allocated to 3 funds which get a split based on 10%, 30%, 60%?)

OSRAP: CAFR reporting does not require splits by funding source.

DOTD: What if adjustments are required to the funding splits during the project?

Christine: Need to speak with Christine Lee about this, but believes adjustments can be made to WBS elements. (e.g. Settlement options – can rules be changed – for example another funding source is included and the funding split should now be 10%, 30%, 20%, 40%?)

**Action Item 10:** Can we do funding splits to WBS elements (i.e. 70/30 split to each of the bridge and roadway)? And how can we make funding adjustments during the project (settlement rule changes)? [Christine W to Christine L]

Christine: Explained ways to make adjustments to the project/assets in terms of capitalization date, depreciation date etc...

OSRAP: Does the fund split tie to the capital outlay build, or is there some other funding split? There is a generic Federal funding, but many federal funding categories. Now we need to split (i.e. since Katrina, by the different FEMA funds).

Christine: You will need the sub-numbers if you want to identify the project expenditures by fund.

Sal: What if the funding percentages are changed in the middle of the project?

Christine: You can do transfers of asset costs to new funding sources, as a new sub-number. Gets more complex if the transaction effects prior accounting periods, but is doable (may require additional transactions for AA side and journal entries for non-AA items). As long as the fund data is captured through projects into the asset, reports can be generated to identify these expenditures. The key is to make sure they are allocated correctly up-front.

Charles: with all the Sub-numbers, when you go to GASB 42, if an entire control section is impaired, how will you identify the total impairments?

**Action Item 12:** Decide route and control section: newly developed fields or existing SAP fields?

#### **Asset Super-number** (slide 59)

Super-numbers can be used to tie together all the AMRs related to a control section to determine current valuations. Evaluation groups can also be used to tie assets together (i.e. by Highway number). The supernumbers and evaluation groups are table driven to keep control and consistency to valid values. You can also use the inventory number and serial number. However, these are free-form text fields and therefore no control to limit to valid values (slide 60)

DOTD: Has the AMR been defined for Infrastructure? No

**Action Item 13:** What is the definition of an Infrastructure asset? Is it the project, control section, pieces of the control section etc....? Business decision needed regarding the detailed rules for capitalization of roads and bridges. (i.e. by agency by year). OSRAP: CRT may fall under these requirements, need to consider them.

Control sections can be 1 mile or 50 miles. However, they can't cross Parish lines, they have defined rules. They discretely define the road segment or bridge.

DOTD: Recommends that all new roads should be capitalized since they become part of the statewide infrastructure. (This requires OSRAP guidance on what an infrastructure asset is and values.)

**Organization Impact:** Projects that have multiple settlement rules, some to capital, some to low value or expensed items. The decisions on how this recorded will need to be determined up front, and not on the back end, as happens now.

Charles Pilson: New turn asset, new AMR. Is there a way to adjust the depreciation schedule?

Christine: capital asset definition and applicable depreciation rules for the additional valuation will determine how to handle depreciation (e.g. add value and extend depreciation life for new value, add value but retain original depreciation life, add value as new sub number(s) with individual depreciation rules, etc.). Testing needed to ensure which options are applicable for the state – and there may be multiple valid options that are used dependent on the financial requirements. What cannot be done is add value to an AMR and have original value and new value (on the same AMR number) treated independently for depreciation – need to use sub-numbers in this scenario.

Charles Pilson: If you have asset impairments, you would need to adjust each one of the AMRs associated with the segment (including all sub-numbers).

#### **Linkage to AGILE** (slide 62)

What is the 'beginning/end' point for an infrastructure asset in SAP-AA?  
Control Section is preferred by DOTD. Very strong case for control section as the main asset.

**Action Item 13:** Get confirmation from OSRAP that the control section is the asset. Recommendation from the group is to make the control section the asset.

Do we need an interface from Agile to SAP? Probably not.  
Recommended to rely on BI to generate reports that tie SAP to Agile. Final decision is pending.

#### **Linkage to RE (slide 63)**

How do infrastructure assets need to be linked to SAP-RE?

Peter: Do you want to capture depreciation by building as well as by cost center? Or just one or the other. Is there a benefit for reporting at the building level?

For those who have building and land interests, and want to link to RE, you need to be involved in the RE sessions.

Questions about the need to store ROW in control segments. If so, we will need ROW by the same division.

ROW meeting will be scheduled in the Oct-Nov timeframe.

**Action Item 14:** Think of Right-of-Way issues. What do you do with sale proceeds if they sell the property (even if it goes back to the original owner)? Are relocation expenses par of the cost of the asset or expensed? [OSRAP – part of ROW session]

#### **Linkage to PM (slide 64):**

How will Equipment Master Records be relevant to AA Infrastructure asset? Appears to be a very low priority need for this.

#### **Financial Lifecycle Processing (slide 66)**

Acquisition via PS Projects:

**Key Decision:** LVA will not be tracked for non-DOTD infrastructure assets.

#### **Asset Acquisition: Build (slide 71)**

PS Settlement: WBS to AuC process flow explained.

Settlements can be scheduled at the end of the month (or 'ad-hoc' if there is such a need, however, generally this is a scheduled month end process).

More detail to come in future Project Systems sessions on settlements. (Nov 12-13)

#### **AA: Asset Financial Life Cycle (slide 75)**

#### **Asset Acquisition: Donation or Correction (slides 84 - 90)**

- External acquisition with offsetting entry
- Post capitalization

DOTD indicated that donations are not a very frequent occurrence, but they do happen. Walmart example given where they pay for the road improvements then turn over to the state.

**Action Item 21:** Homework: Who should be making these donation transactions? Take this back and let us know.

Key Decision: These types of transactions will be restricted to the agency level financial departments.

**Asset Acquisition:** Transfer (slide 107)

Key Decision: Process for transfers of infrastructure to another agency within a department will be built at a high level. Does not appear to be applicable.

Key Decision: Transfers between agencies is n/a?

Transfer to non LAGOV project department. Need more information (i.e. management decision on asset handling for these entities), but will likely be a retirement. (slide 118)

Transfer to non-State entity. This will be a retirement. (slide 118)

**Action Item 15:** Homework: what are the reporting requirements surrounding these transfer transactions.

**Action Item 16:** Determine for infrastructure transfers how the transaction should work from an accounting perspective from both the transferring and receiving entity [DOTD / OSRAP]

**Retirements (slide 123?):**

Does DOTD ever sell roads or bridges?  
Very infrequent. May in the future with toll roads.

**Action Item 17:** Christine will build a very high level process for retirements due to sale of infrastructure.

**Value Decrease (slide 130)**

Unplanned depreciation should be used for impairments.  
Who should be entering these types of transactions? DOTD or OSRAP?  
DOTD currently provides a worksheet to OSRAP with the impairment data.  
Based on existing processes, Christine recommends that agency finance should continue to do this.

**Key Decision:** DOTD will create this transaction for DOTD related transactions. Agency finance should be responsible for posting of transaction. Generally, this type of financial adjustment requires co-ordination with OSRAP and/or ORM.

**Action Item 18:** Discuss restoration / GASB 42 impact [OSRAP]

**Value Increase (slide 140)**

Writeups would be the posting option if values increases were being made, without an acquisition value adjustment. Based on discussion, the asset value increase is based on restoration amount which increases the acquisition value of the item (and may impact the depreciation handling. Writeups for other reasons will be very rare.

**Action Item 20:** Christine will follow up requirements/posting impacts with OSRAP.

## **November 18-20 data conversion session.**

### **Next Steps** (slide 158)

## Wall Charts

### **FRICE – W**

- Data conversions a) fiscal year b) mid year
- Decide route and control section: newly developed fields or existing SAP fields
- BI reporting between SAP & Agile (PS, AA, etc).

### **Key Decisions**

- Additional acquisitions methods for infrastructure : Federal funds, restoration, construction
- Asset classes for infrastructure: AuC (split infrastructure out if more dependent on asset classes for infrastructure); ROW?; Roadway?; Bridge?
- Reporting rather than interface as linkage between AA and Agile.
- Low Value Assets will not be tracked for infrastructure asset classes.
- Financial section of agency should enter donation and correction transactions current / prior FY (acq with offsetting entry/post-cap) .
- Agency within department transfer – build process at high level based on non-infrastruture process, however, not currently applicable.
- Transfer from one LAGov Agency to another – build process at high level (based on retirement without revenue)
- Transfers to non-state entities – generally, will be handled as retirement with no revenue.
- No conversion requirements for retirements and transfers (NOTE: post meeting – this may need to be re-addressed for mid year conversions)..
- Build high level process for infrastructure sale which can be used as a starting point should this be needed in the future – based on non-infrastructure sale. [Christine]
- Impairments (i.e. unplanned depreciation transaction) by DOTD financial section – reviewed by OSRAP. Other agency data is entered by OSRAP.

### **Integration Points**

- RE key, EMR, Agile Asset (manual only), WBS

### **Organizational Impact**

- Determine valuations to load historical data – Infrastructure (OSRAP / DOTD)
- Generally, many financial processes / decisions that used to be done at the back end of processing will need to occur at the front end.
- Training Issue – Definition / Creation of an asset
- Training Issue – Organizational and Financial Impacts of transfers or funding changes over the course of a Project.
- Projects with multiple costing 'homes' (asset class vs. expenditure) - decisions made about costing will need to be decided up front rather than after the fact.
- No more journal entries for Capital Assets!! Need to do asset based transactions to ensure that general ledger and asset sub-ledger are balanced.
- Training Issue – Select correct AMR / Asset Class and understand financial impact of that decision.
- Understanding of AMR and financial impacts for special transactions such as acquisition with offsetting entry, post-capitalization, unplanned depreciation and write ups.

### **Parking Lot**

1. Capital Lease Discussion including donations
2. ROW / Land buy / sell [ROW session relocation assistance]
3. Settlement / Cost accumulation [PS]
4. Data conversion a) initial e.g. by June 2009. b) mid year conversion impacts c) data capture after initial conversion split until actual SAP data loads.