

Asset: Transfers
FI-AA-04
Oct. 21, 2008



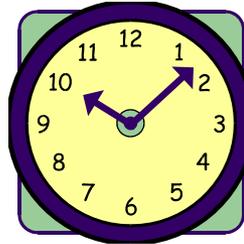
LaGOV

FINAL Version 1.0

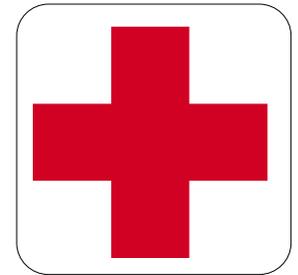
Updated: Oct 20, 2008



Logistics



Before we get started ...





Blueprint Schedule - Tentative

Workshop ID	Process Area	Date
FI-AA-01	Asset Classes	Aug 14 (Thu)
FI-AA-02	Asset Master Records	Aug 19 (Tue) Aug 20 (Wed)
FI-AA-03	Asset Acquisitions and Subsequent Valuations <i>(note: Oct 2 is for Infrastructure assets only ... merged with Agile Assets)</i>	Sept 30 (Tue) Oct 1 (Wed) Oct 2 (Thur)
FI-AA-04	Transfer of Assets	Oct 21 (Tue)
FI-AA-05	Retirement of Assets	Oct 23 (Thu)



Blueprint Schedule - Tentative

Workshop ID	Process Area	Date
FI-AA-06	Physical Inventory / Bar Coding	Oct 28 (Tue)
FI-AA-07	Periodic Processing	Nov 5 (Wed) Nov 6 (Thu)
FI-AA-08	Conversion	Nov 18 (Mon) Nov 19 (Wed) Nov 20 (Thu)
FI-AA- Validation	Validation Session	Dec 10 (Wed) Dec 11 (Thu)



Blueprint Schedule – Integration Points Tentative

Workshop ID	Process Area	Date
LA-MD-004	Linear Assets / AMR for GASB > Merged with 3 rd day of FI-AA-003	Oct 2 (Thur)
FI-AP-002	AP Processing	Sept 17,18,23 (Wed, Thur, Tues)
FI-AP-006	Purchasing Cards – Financial Processing	Oct 30 (Thur)
FI-RE-001	Real Estate Master Data	Sept 23-25 (Tue - Thur)
FI-RE-004	Right of Way Parcels	Oct 30 (Thur)
LOG-MM-009	Purchase Requisitions – Assets	Nov 10 (Mon)
FI-PS-009	Capital Projects – Periodic Processing	Nov 12-13 (Wed -Thur)

Note: Additional working session for Capital Leases to be scheduled



Work Session Objectives

1. Review SAP functionality for 'transfer' handling for Capital Assets and LVA:
 - Financial impact
 - Location/Ownership/Stewardship impact.

2. Review, at high level, process requirements for AMR Transfers:
 - Transfer Transaction
 - AMR field update.

3. Transfer transaction: Discuss fields that should be copied from sending to receiving asset (i.e. new asset master record).

3. Security (Roles & Authorization) Requirements?



AS IS.....



AS-IS

- Transfer Methods:

1. Inter-Departmental Transfer
2. Intra-Departmental Transfer
3. Retire to State Surplus
4. Acquire from State Surplus



AS-IS: Property Transfer – Moveable Property (Protégé)

- Moveable Property – tagged:
 - *Sending agency:*
 - Transfer request submitted to LPAA
 - LPAA decides to accept or reject the request. If accepted and transferred to another department, LPAA assigns Transfer fee
 - When receiving dept accepts receipt, the transfer is complete
 - *Receiving agency:*
 - Receive from another state agency or LPAA Surplus Warehouse
 - Need to acknowledge 'receipt'
 - Need to 'retag' item (reason for retagging?)
 - At receipt – removed from sender and added to receiver inventory..
what is time lag on this?

- Non-tagged items to Surplus
 - *Sending agency:*
 - Entered into system by Transferring Agency and treated as a tagged item there after



AS-IS: Property Transfer – Fixed Assets (SLABS)

- Real Property (Land, Buildings, Improvements):
 - *Sending agency:*
 - Agency sends notification of transfer to OSRAP
 - OSRAP changes the Department and Agency in the system and on their depreciation worksheet
 - *Receiving agency:*
 - ORM, SLO, OSRAP, and FP&C receive notification
 - ORM impact – need to be notified for risk updates
 - SLO impact – need to be notified for documentation updates



AS-IS: Property Transfer – Fixed Assets (Infrastructure)

- Infrastructure:
 - *Sending agency:*
 - Asset is fully depreciated and retired from books of transferring agency
 - Does this happen?
 - *Receiving agency:*
 - Asset received with net book value of \$0



AS IS: Value & Depreciation Calculation:

1. Asset Transferred Intra-Departmentally

- Moveable Property: Capital Assets
 - *FREQUENCY?*
 - *Sending agency:*
 - *Has an ending capitalization date at the time of transfer*
 - *Current net book value is transferred with the asset*
 - *Receiving agency:*
 - *New asset's current acquisition cost equals the depreciated value of the asset*
 - *Depreciation continues for the remainder of the asset's financial life*

- Moveable Property: LVA - no depreciation
 - *FREQUENCY?*
 - *Sending agency:*
 - *Has an ending capitalization date at the time of transfer*
 - *Current net book value is transferred with the asset*
 - *Receiving agency:*
 - *New asset's current acquisition cost equals the current acquisition cost of the asset*



AS IS: Value & Depreciation Calculation:

1. Asset Transferred Intra-Departmentally

- Real Property (Buildings, Land, Improvements):
 - *FREQUENCY?*
 - *Sending agency:*
 - Has an ending capitalization date at the time of transfer. The current net book value is transferred with the asset
 - *Receiving agency:*
 - Asset is received at its current net book value
 - Depreciation for the full year of transfer occurs on the receiving agency at the end of that Fiscal Year
 - Depreciation continues for the remainder of the 40 years
 - Non depreciable Land, Improvements and Buildings – no depreciation impact

- Infrastructure
 - *FREQUENCY?*
 - *Sending agency:*
 - Takes all remaining depreciation of current year projects on that asset at the time of transfer to make Net Book Value = \$0
 - *Receiving agency:*
 - Asset received with net book value of \$0



AS IS: Value & Depreciation Calculation:

2. Asset Transferred Inter-Departmentally

- Moveable Property: Capital Assets
 - *FREQUENCY?*
 - *Sending agency:*
 - Takes all remaining depreciation at time of transfer to make Net Book Value = \$0
 - *Receiving agency:*
 - New asset gets a current acquisition cost equal to transfer fee assigned by LPAA
 - If fee is greater than or equal to \$5000, then it will be added to the depreciable basis (i.e. current NBV=\$0) and depreciated over 2 years.
 - If fee is less than \$5,000 the cost is expensed and not depreciated.

- Moveable Property: LVA - No depreciation
 - *FREQUENCY?*
 - *Sending agency:*
 - Removes item from inventory with LPAA approval
 - *Receiving agency:*
 - New asset gets a current acquisition cost equal to transfer fee assigned by LPAA.
 - The transfer fee is expensed and not depreciated



AS IS: Value & Depreciation Calculation:

2. Asset Transferred Inter-Departmentally

- Real Property (Buildings, Land, Improvements):
 - *FREQUENCY?*
 - *Sending agency:*
 - Has an ending capitalization date at the time of transfer
 - Current net book value is transferred with the asset
 - *Receiving agency:*
 - Asset is received at its current net book value
 - Depreciation for the full year of transfer occurs on the receiving agency at the end of that Fiscal Year
 - Depreciation continues depreciation for the remainder of the 40 years
 - Non depreciable Improvements and Buildings – no depreciation impact

- Infrastructure
 - *FREQUENCY?*
 - *Sending agency:*
 - Takes all remaining depreciation of current year projects on that asset at the time of transfer to make the Net Book Value = \$0
 - *Receiving agency:*
 - Asset received with net book value of \$0



AS IS: Value & Depreciation Calculation:

3. Asset Transferred To Surplus

- Moveable Property: Capital Assets
 - *FREQUENCY?*
 - *Sending agency:*
 - Takes all remaining depreciation at time of transfer to make Net Book Value = \$0
 - Identifies 'pickup type'
 - *Receiving agency (i.e. LPAA):*
 - Surplus receives asset at Net book value of \$0

- Moveable Property: LVA - no depreciation
 - *FREQUENCY?*
 - *Sending agency:*
 - LVA items do not depreciate in Protégé and therefore have a Net Book Value = \$0
 - Identifies 'pickup type'
 - *Receiving agency (i.e. LPAA):*
 - Surplus receives asset at Net book value of \$0



AS IS: Value & Depreciation Calculation:

3. Asset Transferred To Surplus

- Real Property (Buildings, Land, Improvements):
 - *Judicial, Legislative and Higher Education branches can ‘dispose (i.e. sell)’ assets on their own.*
 - *FREQUENCY? – Does this happen?*
 - *Sending agency:*
 - Has an ending capitalization date at the time of transfer
 - Current net book value is transferred with the asset
 - *Receiving asset (DOA?):*
 - Capitalization date and net book value transferred, depreciation continues
 - Non depreciable Improvements & Buildings – no depreciation impact

- Infrastructure
 - *FREQUENCY? – Does this happen?*
 - *Sending agency:*
 - Takes all remaining depreciation of current year projects on that asset at the time of transfer to make Net Book Value = \$0
 - *Receiving asset (????):*
 - *Wooster method currently fully depreciates projects at end of FY and brings net book value = \$0*



AS IS: Value & Depreciation Calculation:

4. Asset Transferred From Surplus (to Agency)

Receiving agency:

- *'Buys' item from surplus stock in LPAA warehouse or Web auction*
- *Agencies do not 'buy' at periodic (i.e. monthly) auction*
- *Only certain individuals are allowed to buy 'surplus'?*

■ **Moveable Property: Capital Assets**

- *FREQUENCY?*
- *LPAA agency:*
 - *Takes all remaining depreciation at the time of transfer to make the Net Book Value = \$0*
- *Receiving agency:*
 - *Transfer fee < \$5000 - Receives asset at Net Book Value = \$0, no depreciation*
 - *Transfer fee >= \$5000 – Receives asset at Net Book Value = Transfer Fee, depreciates 2 years*

■ **Moveable Property: LVA - no depreciation**

- *FREQUENCY?*
- *LPAA agency:*
 - *Net Book Value = \$0, No depreciation*
- *Receiving agency:*
 - *Net Book Value = \$0, No depreciation*



AS IS: Value & Depreciation Calculation: 4. Asset Transferred From Surplus (to Agency)

Receiving agency:

- ‘Buys’ item from surplus??*
- Only certain individuals are allowed to buy ‘surplus’?*

- Real Property (Buildings, Land, Improvements):
 - *FREQUENCY?*
 - *NOT APPLICABLE??*

- Infrastructure
 - *FREQUENCY?*
 - *NOT APPLICABLE??*



AS IS: Value & Depreciation Calculation:

5. Asset Transferred to Non-State

NON-STATE: This is a RETIREMENT: with revenue (i.e. sale) or without revenue (i.e. donation)...not a TRANSFER. Will be discussed during session on Oct 23.

- Moveable Property: Capital Assets & LVA - no depreciation
 - *FREQUENCY?*
 - *Sending agency (i.e. LPAA):*
 - Done only from surplus
 - LPAA can do 'sale'

- Real Property (Buildings, Land, Improvements):
 - *FREQUENCY?*
 - *Sending agency:*
 - Has an ending capitalization date at the time of transfer
 - Fully depreciated prior to transfer.

- Infrastructure
 - *FREQUENCY?*
 - *Sending agency:*
 - The transferring agency takes all remaining depreciation of current year projects on that asset at the time of transfer to make the Net Book Value = 0\$



Protégé: additional considerations

- Protégé agencies are not equivalent to State agencies structure
 - But there is a walk over
 - What is reason/need for this difference?
 - Conversion implications?



.... ***TO BE***



Asset Master Record: TO-BE Update

- Change in AMR approach for record maintenance:
 - Capital Assets will be treated as fully valued asset master records:
 - Valuation will be only via transactional update (e.g. acquisition, transfer, retirement, depreciation, etc. transactions). Asset Value Tab (i.e. Asset Explorer) will contain the transactional detail and various value fields.
 - Capitalization Date will be updated via the initial asset acquisition transaction.
 - Assets will be depreciated (with a few exceptions such as land)
 - Reported on the Balance Sheet / CAFR
 - Low Value Assets will be treated as 'shells':
 - AMR's **will not** be attached to acquisition transactions
 - AMR's will be created after goods are received:
 - Acquisition date(s) will be manually entered
 - Acquisition value(s) will be manually maintained on valuation field(s) (i.e. detail will not be available on the 'Asset Value' tab)





Asset Master Record: TO-BE Update

- Reason for decision change:
 - Maintain assets for financial and tracking of assets in one database (i.e. similar to Protégé), while using relevant applicable SAP functionality for items such as real estate, maintenance, etc.
 - Reduce procurement processing issues:
 - Identifying asset class
 - Creating and attaching AMR for low value assets at PReq stage (or having approval process responsible for this at PO stage)
 - reducing number of shells that are not approved for PO
 - Reduce transaction processing to 'transfer' or 'retire' assets
 - Reduce financial postings that will not be used for financial reporting (i.e. 'depreciation')
 - AMR for LVA created after Goods Receipt (will not require multiple create/update steps)





SAP Glossary

- **Asset Class** - Main criterion for classifying fixed assets according to legal and management requirements.
- **Asset Master Record (AMR)** – Contains general information and valuation/depreciation rules for a specific item in the Asset Accounting (AA) module. In SAP, it also stores all the values and transaction data for the item.
- **Main Asset Number** - Unique number, in combination with company code and asset sub number, that identifies a fixed asset.
- **Sub Asset Number** – Asset record for an individual part of an asset, or subsequent acquisitions, can be represented by a subnumber to a main asset number.

- **Asset under Construction (AuC)** - An asset that you produce yourself which must be managed as a separate asset master record, generally without depreciation, during the construction phase.



SAP Glossary

- **Asset 'Shell'** – an AMR which does not have the values in the Asset Value Tab (i.e. asset values are not managed via transaction updates). *Note: a Capital Asset record will be a 'shell' until time of acquisition value update.*
- **Incomplete Asset** – an AMR which does not have fields, which have been defined as 'mandatory or required' completed.
- **Capital Asset** - Tangible property which cannot easily be converted into cash and which is usually held for a long period, including real estate, equipment, etc. With a few exceptions (e.g. land), this type of asset will be depreciated or amortized. These types of assets are reported in the Asset section of Balance Sheets.

- **Low Value Asset (LVA)** – Items that do not meet the capital asset criteria and are recorded for tracking purposes only. LVA's can be handled as:
 - valued AMR (i.e. cap date and values are integrated via acquisition paths in PS, MM, AA, etc. and transaction updates). Generally, the LVA is fully depreciated in the year of purchase or in the period of acquisition.
 - 'shell': the cap date is manually entered. The AMR is not integrated with acquisition paths and asset values are not managed via transaction updates (i.e. no values on Asset Value Tab). Value can be manually maintained in another field



SAP Glossary

- **Capital Lease** - A lease that meets one or more financial criteria as defined by FASB. This type of lease is considered to have the economic characteristic of asset ownership, thus it is recognized both as an asset and as a liability (for the lease payments) on the balance sheet.
- **Operating Lease** - In an operating lease, the lessor (or owner) transfers only the right to use the property to the lessee with the property being returned to the lessor at the end of the lease. This type of lease is treated as an operating expense in the income statement and the lease does not affect the balance sheet.

- **Depreciation** - Allocation of original cost of a tangible asset computed over its anticipated useful life, based on its physical wear & tear, and passage of time.
- **Amortization** - Writing off of loans or intangible assets in equated annual/monthly installments over a scheduled period.
- **Depreciation Area** - An area showing the valuation of a fixed asset for a particular purpose (for example, for individual financial statements, balance sheets for tax purposes, or management accounting values).
- **Equipment Master Record (EMR)** – Details recorded for an individual, physical object that is maintained as an autonomous unit in the Plant Maintenance (PM) module.



SAP Glossary

- **Screen Layout** – Settings that specifies the fields that are displayed during master data maintenance and the field entry characteristics (e.g. required, optional, display only). Field entry characteristics are also referred to as 'Field Status'.
- **Account Assignment** – Settings which determines which general ledger accounts to post to from a business transaction. Sometimes referred to as 'Account Determination'.
- **Account Determination** – see 'Account Assignment'
- **Post Capitalization** – Correction of asset value, which was either set too low because capitalization was not performed in the past, or which was treated entirely as expense.

- **Goods Receipt (GR)** - A term from inventory management denoting a physical inward movement of goods or materials. It is usually triggered by a document that denotes the delivery of goods from a vendor to a company. For assets, the AMR valuation occurs at either time of GR or IR.
- **Invoice Receipt (IR)** - A term from Invoice Verification describing the receipt of an invoice issued by a vendor (creditor). For assets, the AMR valuation occurs at either time of GR or IR.



SAP Glossary

- **Project System** – Module that allows the user to plan, execute and account for a project.
- **WBS Element** - Work Breakdown Structure – Forms the basis for the coordination and organization of a project. It is the Hierarchical outline of a task, item or process, described in the project definition.
- **Settlement** - Full or partial allocation of costs from one object to another (e.g. from WBS to AuC, from AuC to final AMR)
- **Write-up** – Financial valuation adjustment which increases the asset net book value via adjustment to depreciation posted. Reasons for adjustment include excessive past depreciation or reversal of unplanned depreciation.

- **Unplanned depreciation** – Financial valuation adjustment which decreases the asset net book value via adjustment to depreciation posted. Reasons for adjustment include unexpected permanent reduction in the worth of the asset due to damage, technical obsolescent, etc.
- **Transaction Type (TType)** - An object that classifies the business transaction (e.g. acquisition, retirement, or transfer), determines how the transaction is processed in the SAP system and defines how the posting is reported in the asset history sheet (i.e. which column). All capital asset financial postings require a transaction type.



SAP Glossary

- Transaction Variant: A transfer variant is used in transfer transactions to identify the:
 - combination of retiring and acquiring transaction types
 - method of valuation for the receiving asset
 - data fields to be copied from the sending to the receiving asset (if a new AMR).
- Transfer: A transfer is a of partial or complete movement of an asset from a physical, financial or responsibility / ownership perspective. This can include a change in tracking location, responsibility/ownership, splitting of an asset/moving part of an asset to another asset.

- Transfer Transaction: In SAP, this is used to record asset movements that have a financial impact. This can be due to account coding/funding, splitting up or moving part of an asset to another asset, or correction of a posting (e.g. to wrong asset class, financial recording).
 - *Transfers without a financial/funding impact can often be recorded by a change to AMR field (e.g. room, proposed new fields for location, position/non-state person. unit, etc.)*
 - *There are special types of 'transfers' called 'settlements' which are used to move values (e.g. from WBS to AuC, AuC to final asset) – these use different business processes/SAP transactions.*

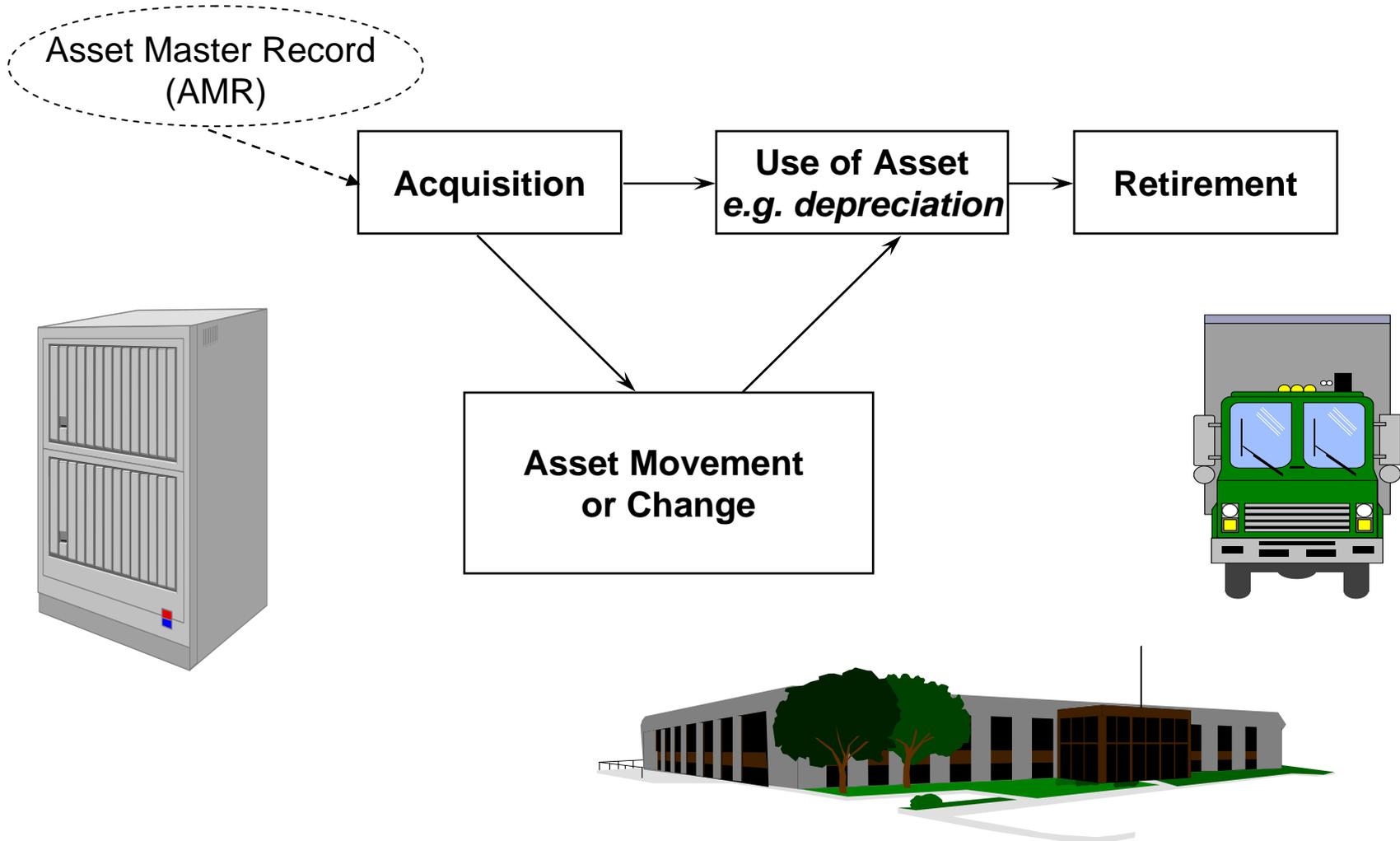


SAP Glossary

➤ Retirement: Asset retirement is the removal of an asset or part of an asset from the asset portfolio. In SAP, when a transaction results in an asset being 100% retired, the 'deactivation on' date for the asset is automatically updated.



Asset Financial Life Cycle





Asset Master Record

- What is it?
- What type of information is stored?

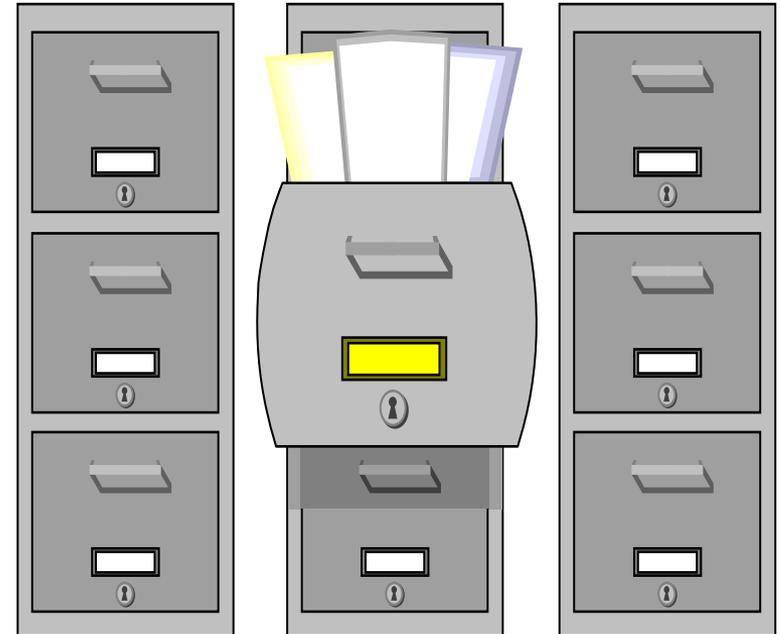




Asset Master Record

What is it?

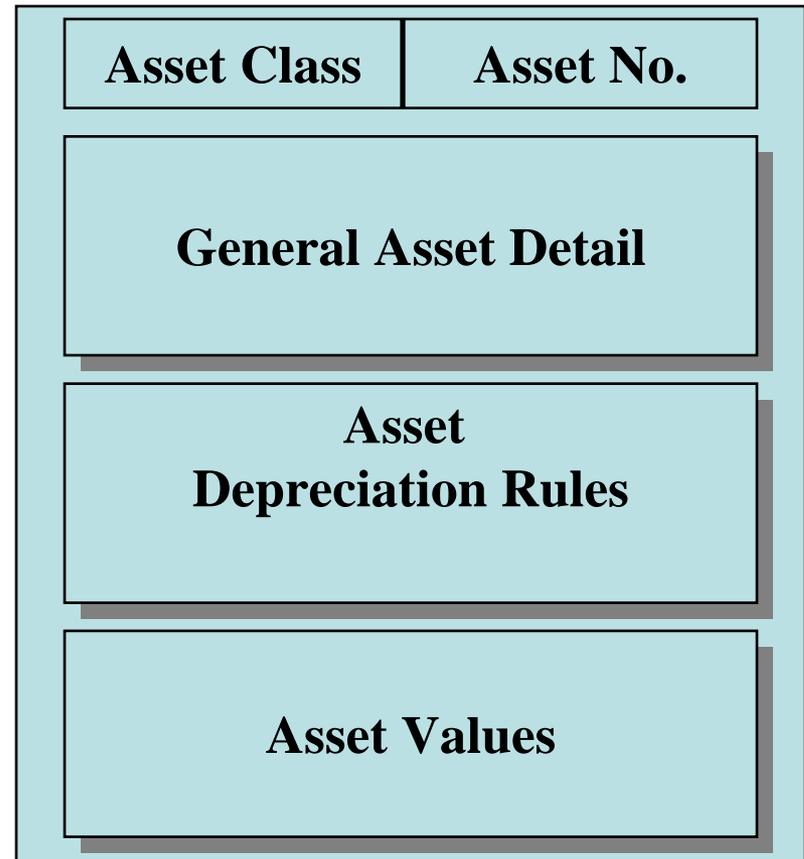
- Method by which detailed general and financial information about each asset is stored





Asset Master Record

What type of information is stored?





AMR – Initial Screen

- *Create an Asset Master Record*

Create Asset: Initial screen

Master data | Depreciation areas

Asset Class	ZTEST
Company Code	0008
Number of similar assets	1

Reference

Asset	
Sub-number	
Company code	

Post-capitalization

- *Change or Display an Asset Master Record*

Change Asset: Initial screen

Master data | Depreciation areas | Asset values

Asset	
Subnumber	0
Company Code	0008



TO-BE: Search Options

- Multiple matchcode choices
 - Wildcards available

Search criteria:

- Company Code: M101
- Asset Class: [Empty]
- Description: [Empty]
- Acct determination: [Empty]
- Capitalized on: [Empty]
- Asset: 6*1*
- Subnumber: [Empty]
- Maximum No. of Hits: 500

Results Table:

Class	Asset description	Acct....	Cap.date	Asset	SNo.
160005	CAPITAL INTEREST	160005	01.07.2003	60001	2004
160005	LAPPTOP FOR WBS 3	160005	00.00.0000	60010	0
160005	OLD COMPUTER PRINTER	160005	01.07.2003	60001	0
169999	ASSET LINE ITEM	160005	00.00.0000	60011	0

Display Asset: Initial screen

Master data | Depreciation areas | Asset values

Asset: [Search field]

Subnumber: 0

Company Code: [Checked]

Main Asset Number (1) Personal Value List: Main Asset Number (1) 1 Er

Company Code: M100

Inventory number: [Empty]

Asset Class: [Empty]

Description: [Empty]

Asset: [Empty]

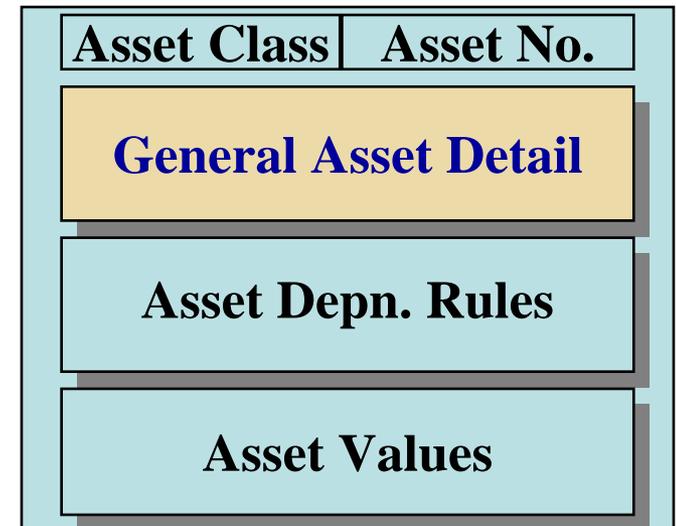
Subnumber: [Empty]

Maximum No. of Hits: 500



Asset Master Record – General Detail

- Stores concrete detail information about your asset including:
 - Informative detail
 - Financial posting
 - Financial calculation parameters
 - Integration linkages
 - Etc.
- Uses 'Tab' format to access data elements





AMR – General Information *(sample)*

Asset	INTERN-00001	0	Z_All fields open		Company Code	0008
Class	ZTEST					

General	Time-dependent	Allocations	Origin	Net Worth Tax	Insurance	Leasing	Deprec. Areas
----------------	----------------	-------------	--------	---------------	-----------	---------	---------------

General data	
Description	<input type="text"/>
Asset main no. text	<input type="text"/>
Acct determination	2000 Buildings
Serial number	<input type="text"/>
Inventory number	<input type="text"/>
Quantity	<input type="text"/>
	<input checked="" type="checkbox"/> Manage historically
Inventory	
Last inventory on	<input type="text"/> <input checked="" type="checkbox"/> Include asset in inventory list
Inventory note	<input type="text"/>
Posting information	
Capitalized on	<input type="text"/>
First acquisition on	<input type="text"/>
Acquisition year	<input type="text"/> 000
Deactivation on	<input type="text"/>
Plnd. retirement on	<input type="text"/>
Ordered on	<input type="text"/>

Receiving Asset:
Capital Asset: auto update for capital asset transactions: detail completed dependent on transfer rules used (i.e. transaction type)
LVA: manual update of Capitalized field only

Sending Asset
Capital Asset: auto update if 100% transfer
LVA: investigating use of this or new field

Capitalized on
 First acquisition on
 Acquisition year 000

Deactivation on
 Plnd. retirement on
 Ordered on



AMR – Time Dependent Data (sample)

Asset: INTERN-00001 0
 Class: ZTEST Z_All fields open Company Code: 0008

General Time-dependent Allocations Origin Net Worth Tax Insurance Leasing Deprec. Areas

Interval from 01.01.1900 to 31.12.9999

Business Area	
Cost Center	
Resp. cost center	
Activity Type	
Int. order	
Maintenance order	
Plant	
Location	
Room	
Tax Jurisdiction	
License plate number	
Personnel Number	
Shift factor	
Functional Area	
Real Estate Key	

Asset shutdown

Dotted line fields:
Capital Assets & LVA: Typically, can do an AMR Change.
Including new fields to be developed for tracking purposes.

Solid line fields:
Capital Assets: Typically, require a transfer transaction to change.
LVA: Typically, can do an AMR Change.

- PROPOSED FOR DEVELOPMENT:**
- Parish (use reporting variance to report by districts)
 - Floor
 - Location (User defined location – moveable prop)
 - ORM Building (s/b same as SLABS bldg #)
 - Unit Number (vehicle classes)
 - ORM Location (ORM RE only)?
 - Responsible Person (for non-system employees - e.g contractors and positions)
- SAP STANDARD:**
 ...Dept, Agency will be based on Financial Structure (e.g.Business Area, Cost Center)

Note: Additional fields will be available for Fund, Fund Center, Grant.



AMR – Allocations (Sample)

Asset: INTERN-00001 0
 Class: ZTEST Z_All fields open Company Code: 0008

General | Time-dependent | **Allocations** | Origin | Ne | Leasing | Dep

Allocations

Evaluation group 1	<input checked="" type="checkbox"/>
Evaluation group 2	<input type="checkbox"/>
Evaluation group 3	<input type="checkbox"/>
Evaluation group 4	<input type="checkbox"/>
Evaluation group 5	<input type="checkbox"/>
Investment reason	<input type="checkbox"/>
Envir. investment	<input type="checkbox"/>
Asset super number	<input type="text"/>

Dotted line fields:
Capital Assets & LVA: Require an AMR Change.
Including new fields to be developed for tracking purposes.

PROPOSED FOR CONFIGURATION:

- Acquisition Method
- Disposition Method
- Status**
- LPAA Approval Status
- OSRAP Group
- Classification

Integration of assets and equipment

Create/change equip. from asset master record

WF	Sync	Equipment number	Ca	Object type	Description of technical object
<input type="checkbox"/>	<input type="checkbox"/>				
<input type="checkbox"/>	<input type="checkbox"/>				
<input type="checkbox"/>	<input type="checkbox"/>				
<input type="checkbox"/>	<input type="checkbox"/>				

No. 1 Create Entry 0 Frm 0

Changing asset from equip. master record via

Synchronization

Workflow



AMR – Origins (Sample)

Asset: INTERN-00001 0
 Class: ZTEST Z_All fields open Company Code: 0008

General Time-dependent Allocations **Origin** Net Worth Tax Insurance Leasing De

Origin

Vendor: [] [] []

Manufacturer: []

Asset purch. new
 Purchased used

Trading Partner: []

Country of origin: []

Type name: []

Original asset: [] [] []

Orig. Acquis. Year: []

Original value: [] USD

In-house prod.perc.: []

Acq. on: []

Account assignment for investment

Investment Order: []

Element: []

Receiving Asset:
 Capital Asset: AMR of sending asset auto filled on receiving asset.
 LVA: manually enter

- PROPOSED FOR DEVELOPMENT (LVA):**
- Original Acquisition Cost
 - Original Acquisition Date
 - Current Acquisition Cost
 - Current Acquisition Date
- PO number
- Vehicle Year (if needed...will be on EMR/Fleet)

Dotted line fields: Capital Assets & LVA: may use these or newly development fields, manual update via AMR Change



AMR –Net Worth Tax, Insurance, Leasing (Samples)

Asset: INTERN-00001 0
Class: ZTEST Z_All fields open Company Code: 0008

General Time-dependent Allocations Origin **Net Worth Tax** Insurance Leasing De

Net worth valuation
Classification key: [dropdown]
Property indicator:
Manual Val. Reason: [dropdown]
Man. Net W. Val.: [text] USD

Real estate and similar rights
Tax Office: [text]
Assmt Notice Tax No.: [text]
Assmt.notc: [text]
Municipality: [text]
Land Register of: [text] Entry by: [text]
Vol./page/ser.no: [text] Conveyance on: [text]
Ld.reg.map/plot: [text] Area: [text]

Asset: INTERN-00001 0
Class: ZTEST Z_All fields open Company Code: 0008

General Time-dependent Allocations Origin **Net Worth Tax** **Insurance** Leasing D

Insurance
Type: [dropdown]
Insur.Companies: [text]
Agreement number: [text]
Suppl. text: [text]
Start date: [text]
Insurance rate: [text]
Index series: [text]
Base value: 0.00
Man.insur.val.: [text]

Asset: INTERN-00001 0
Class: ZTEST Z_All fields open Company Code: 0008

General Time-dependent Allocations Origin **Net Worth Tax** **Insurance** **Leasing** D

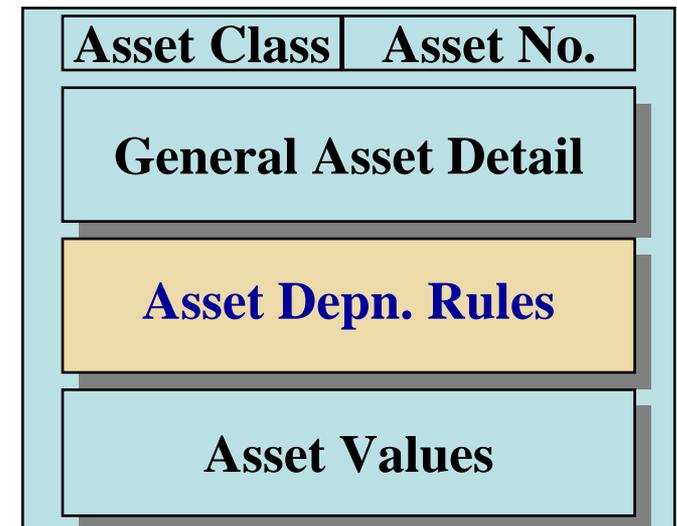
Leasing
Leasing company: [dropdown]
Agreement number: [text]
Agreement date: [text] Notice date: [text]
Lease start date: [text] Lease length: [text]
Type: [dropdown]
Base value as new: [text] USD
Purchase price: [text] USD
Supplementary text: [text]
No. lease payments: [text]
Payment cycle: [text] Advance payments
Lease payment: [text] USD
Annual interest rate: [text]
Present Value: 0.00 USD

Insurance Value,
Date,
Type=Appraisal or
Replacement and
Limited Text Info



Asset Master Record – Depreciation Rules

- Stores detail information about depreciation calculation:
 - calculation parameters
 - useful life
 - depreciation start date
 - Etc.
- Data stored for each Depreciation Area
- Relevant to Capital Assets only





AMR – Depreciation Area Detail (Sample)

Valuation								
Deact	A...	Depreciation area	DKey	UseLife	Prd	ODep Start	Index	Group
<input type="checkbox"/>	01	Book deprec.	LINA	1				

Asset: INTERN-00001 0

Class: ZTEST Z_All fields open Company Code: 0008

Area: 01 Book deprec. Book depreciation

Interval from 01.01.1900 to 31.12.9999

General Specifications

Depreciation Key: LINA Str.-line via acq.value below zero

Useful life: 1 /

Original useful life: /

Changeover year: /

Start of Calculation

Ord.dep.start date:

Spec.depreciation:

Int. Calc.:

Operating readiness:

Additional Specifications

Index series:

Age-dependent index:

Variable dep.portion:

Scrap value: USD

Scrap Value %:

Neg. Vals Allowed

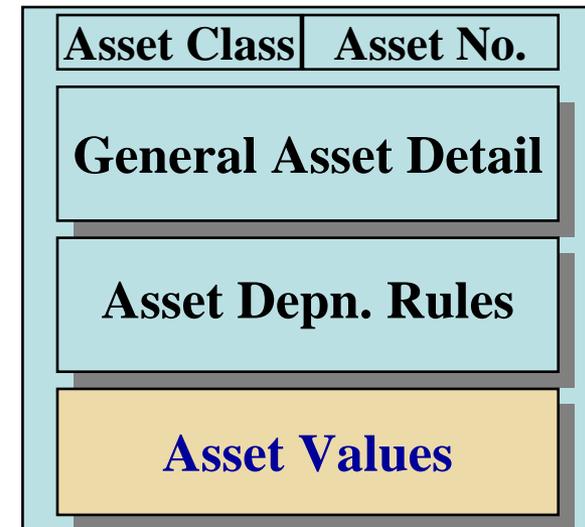
Acquis.year: /

Receiving Asset:
Capital Asset: detail completed dependent on transfer rules used (i.e. transaction type)
LVA: no depreciation applicable



Asset Master Record – Values Tabs

- Stores data for each Depreciation Area
 - Values for the AMR (planned and actual)
 - Depreciation posting status (and amount)
 - Integration objects (with drill down ability)
 - Transactions
- Values derived from transactions and asset record details
 - Cannot manually update the Values tab fields
- Cannot configure screen layout or this AMR



IMPORTANT:

- Valid for Capital Assets only
- Low Value Assets – limited valuation fields to be developed



Asset Master Record – Values Tabs

- Many ‘views’ for analysis purposes
- Multi year and/or depreciation area comparison
- Depreciation simulation for asset
- Drill-down to more details, such as:
 - AA, FI & other related documents
 - rules defined in IMG
 - depreciation calculation





AMR – Asset Value Display (Sample)

Asset Explorer

Asset 0008-2/0000
 Depreciation Areas
 01 Book depreciation
 50 Derived area

Company Code: 0008 IDES US INC New GL 8
 Asset: 2 0
 Fiscal year: 2008

Planned values | Posted values | Comparisons | Parameters

Planned values Book depreciation

Value	Fiscal year start	Change	Year-end	Crcy
APC transactions				USD
Investment support				USD
Revaluation				USD
Transfer reserve				USD
Acquisition value				USD
Ordinary deprec.				USD
Special depreciation				USD
Unplanned dep.				USD
Write-up				USD
Value adjustment				USD

No postings for selected fiscal year

Planned values Book depreciation

Value	Fiscal year start	Change	Year-end	Crcy
APC transactions				USD
Investment support				USD
Revaluation				USD
Transfer reserve				USD
Acquisition value				USD
Ordinary deprec.				USD
Special depreciation				USD
Unplanned dep.				USD
Write-up				USD
Value adjustment				USD
Reval. ord. depr.				USD
Net book value				USD
Interest				USD
Down payments				USD

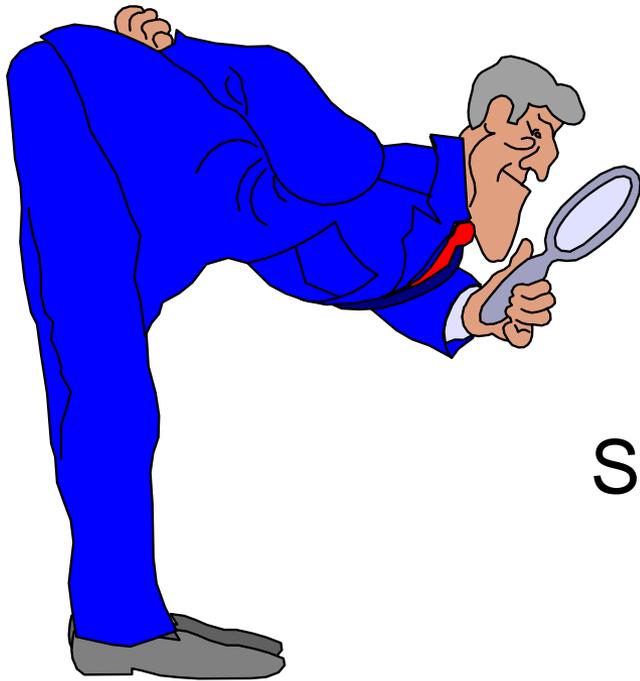
Search for related objects

Capital Asset:
 e.g. automatically links to PO, if applicable
 LVA: not applicable for PO
 Linkage (potentially, new field
 For manual entry)

Sample detail if transactions available for AMR

Transactions

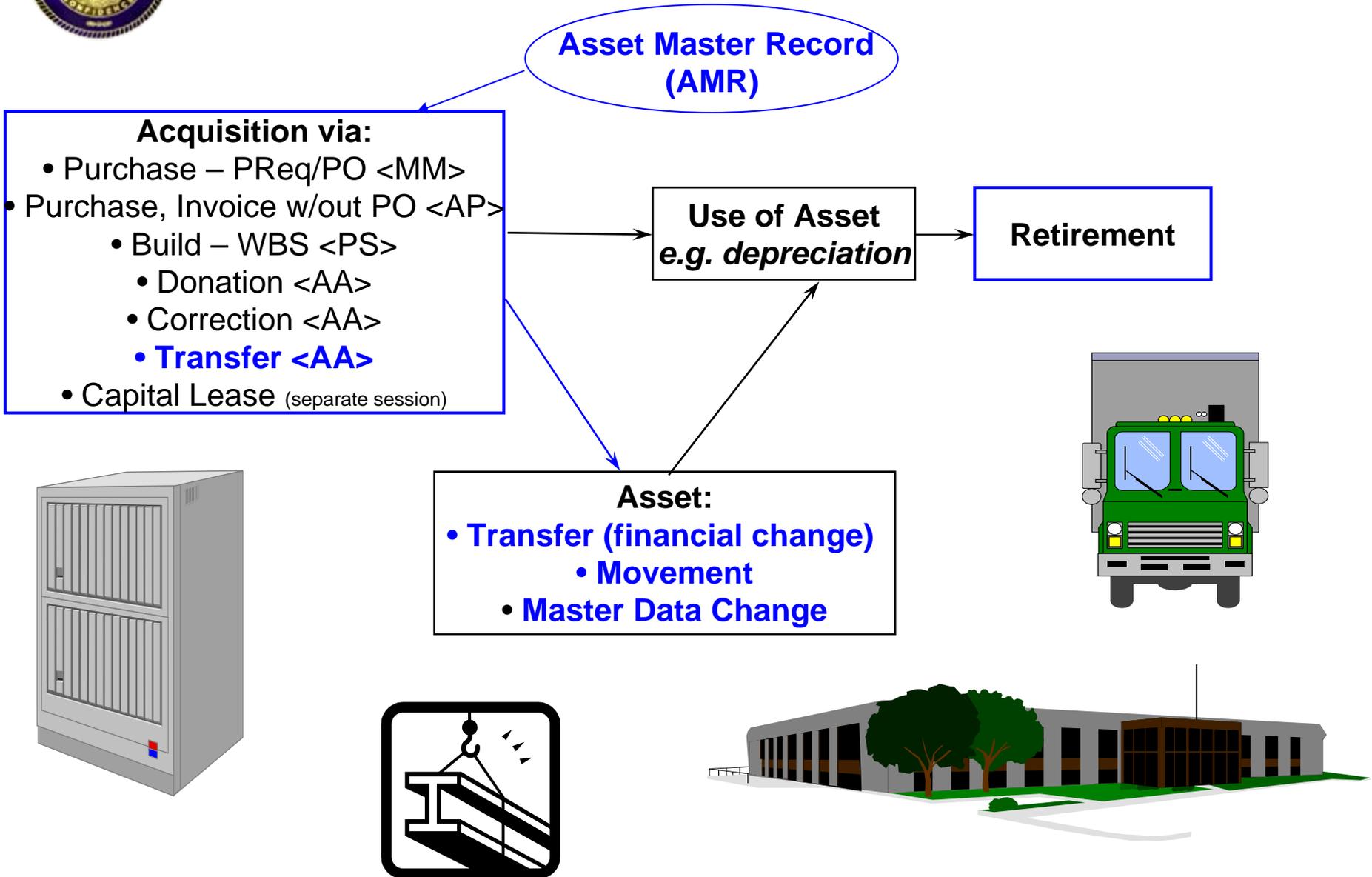
AsstVal date	Amount	TType	Transaction type name	Crcy
14.07.2008	100.00	100	External asset acquisition	USD



SAP Asset Transfers



Asset Financial Lifecycle





Asset: SAP Transfer

- What is an asset 'transfer'?
 - Movement of 'responsibility/stewardship' or physical location
 - Movement of ownership, financial or funding values
 - Splitting up an asset/moving part of an asset to another asset
 - Correction for asset coding that cannot be changed (e.g. asset class, financially relevant data such as fund, cost center, grant, etc.)

- One-step transaction which accomplishes both Asset Retirement and Asset Acquisition:
 - Can be complete or partial
 - If complete – sending asset is retired (i.e. deactivated)
 - If new receiving asset – capitalization date is defined



Asset: SAP Transfer

- How are transfers accomplished?
 - Change AMR:
 - Change non financially relevant data field, such as those for stewardship, physical location, etc.
 - NO funding or financial impact (* cost center, business area have financial impact)
 - Transfer Transaction:
 - Movement of ownership, financial or funding values
 - Splitting up an asset/moving part of an asset to another asset
 - Correction for asset coding that cannot be changed (e.g. asset class, financially relevant data such as fund, cost center, grant, etc.)

Note: Moving values from WBS to AuC or from AuC to Final Asset Record is a transfer (however, this is done using separate 'settlement' processes not AA 'Transfer' transaction).



Asset Acquisition: Transfer

- Receiving Asset Dates/Valuation:
 - Defined by transaction types chosen (i.e. transfer variant)
 - Historical (i.e. based on sending asset) or transaction defined for:
 - Valuation Dates (e.g. Capitalization)
 - Depreciation Terms
 - Values (APC and Depreciation)

- Receiving Asset Data Field Copy:
 - Can define which fields get copied to receiving asset for each transfer variant
 - *Caution: auto population of fields may result in less review/update of data*
 - *Some fields, like description line 1, manufacturer, type (e.g. model), serial number are 'safe' to transfer*



Asset: SAP Transfer

- What does a transfer transaction do?
 - Check budget
 - Commit funds in the Funds Management module
 - Perform postings in the General Ledger
 - Update values on the AMR (e.g. sending asset – deactivation date, valuation; receiving asset – capitalization date, valuation)
 - **Value updates follow generally accepted accounting principles**



Asset: SAP Transfer

- What does a *'transfer transaction'* update on the AMR?
 - *Sending Asset:*
 - Deactivated on date (if 100% transfer)
 - Values (asset value tab)
 - *Receiving Asset:*
 - Capitalization on date (if new AMR)
 - Original asset (i.e. sending AMR #)
 - Values (asset value tab)

- How do other fields such as location, stewardship, status, etc. get updated?
 - Must be entered manually on AMR (i.e. AMR Change transaction)
 - NB!!! for LVA shells: acquisition value/date fields will also need to be updated manually



Asset: Transfer

- **IMPORTANT CONSIDERATIONS for Capital Assets:**
 - Posting and AMR update requirements for sending and receiving assets must be carefully evaluated so that the correct transaction type (i.e. variant) is selected, for example:
 - should the historical depreciation start date/capitalization date be adopted from the retiring asset OR from the transaction detail
 - should historical acquisition and depreciation values get transferred, should only NBV be assigned to new acquisition value, etc.



AA: Single/Multiple Transfer Transaction

Enter Asset Transaction: Transfer within Company Code

Line items Change company code Multiple assets

Company Code New GL USA Company

Asset

Transaction Data Additional Details Partial Transfer Note

Document Date

Posting Date

Asset value date

Text

Transfer to

Existing asset

New asset

Description

Asset Class

Cost Center

Enter Asset Transaction: Transfer within Company Code

Line items Change company code Multiple assets

Company Code New GL USA Company

Asset Test Machine

Transaction Data Additional Details Partial Transfer Note

Special spec. for document

Posting Period

Document Type

Special spec. for transaction

Transfer variant Transfer within a company code

Additional info on document

Reference

Allocation



AA: Single/Multiple Transfer Transaction

Enter Asset Transaction: Transfer within Company Code

Line items | Change company code | Multiple assets

Company Code: ZGL1 New GL USA Company
 Asset: 50000 0 Test Machine

Transaction Data | Additional Details | Partial Transfer | Note

Amount posted:
 Percentage rate:
 Quantity:

Related to
 Prior-year aquis.
 From curr.-yr aquis.

• Partial Transfer

• Multiple Assets Transfer

Line items | Change company code

Transaction data | Additional details | Partial transfer | Note

Document Date:
 Posting Date: 24.09.2008
 Asset value date:
 Text:
 Asset: Subnumbers

List of assets

From asset	SNo.	Asset description	To asset	SNo.	Asset description



AA: Mass Transfer Transaction

- Sending asset:
 - Select assets via report (i.e. Create a worklist)
 - Worklist can be created, displayed, changed
 - Select reason for worklist (i.e. Asset Transfer)
 - Enter Posting Date and Transfer Variant

- Target asset:
 - Can identify one target asset:
 - system transfers the values of **all** sending assets to this one asset.
 - If you **do not enter a target asset**:
 - system creates a receiving asset in the target company code for each sending asset, and transfers the values of each sending asset to a new asset.

NB:

- Can use workflow
- Only main asset numbers are created automatically during a mass transfer, therefore, sub-numbers are transferred to main numbers.



AMR – Asset Value Display (Sample) - after Transfer Transaction update

Asset Explorer

Asset 0008-2/0000

- Depreciation Areas
 - 01 Book depreciation
 - 50 Derived area

Company Code: 0008 IDES US INC New GL 8

Asset: 2 0

Fiscal year: 2008

Planned values | Posted values | Comparisons | Parameters

Planned values Book depreciation

Value	Fiscal year start	Change	Year-end	Crcy
APC transactions				USD
Investment support				USD
Revaluation				USD
Transfer reserve				USD
Acquisition value				USD
Ordinary deprec.				USD
Special depreciation				USD
Unplanned dep.				USD
Write-up				USD
Value adjustment				USD

No postings for selected fiscal year

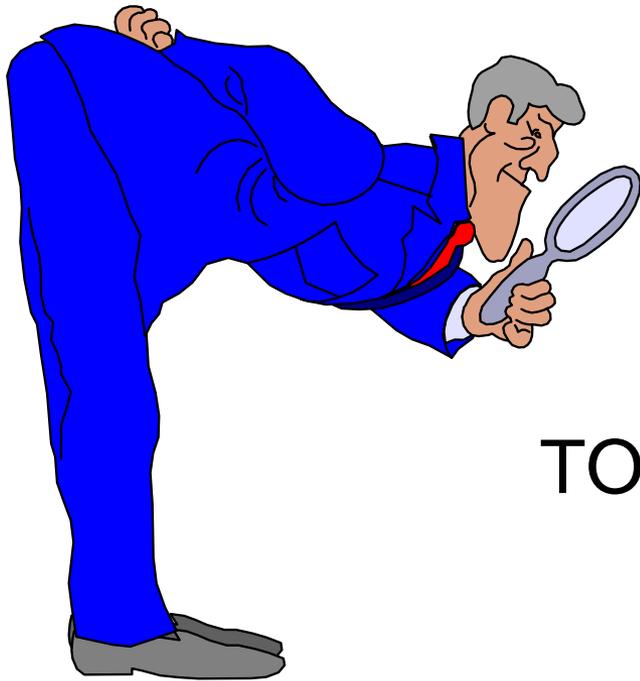
Planned values Book depreciation

Value	Fiscal year start	Change	Year-end	Crcy
APC transactions				USD
Investment support				USD
Revaluation				USD
Transfer reserve				USD
Acquisition value				USD
Ordinary deprec.				USD
Special depreciation				USD
Unplanned dep.				USD
Write-up				USD
Value adjustment				USD
Reval. ord. depr.				USD
Net book value				USD
Interest				USD
Down payments				USD

Sample detail if transactions available for AMR

Transactions

AsstVal date	Amount	TType	Transaction type name	Crcy
14.07.2008	100.00	100	External asset acquisition	USD



TO-BE: Asset Transfers



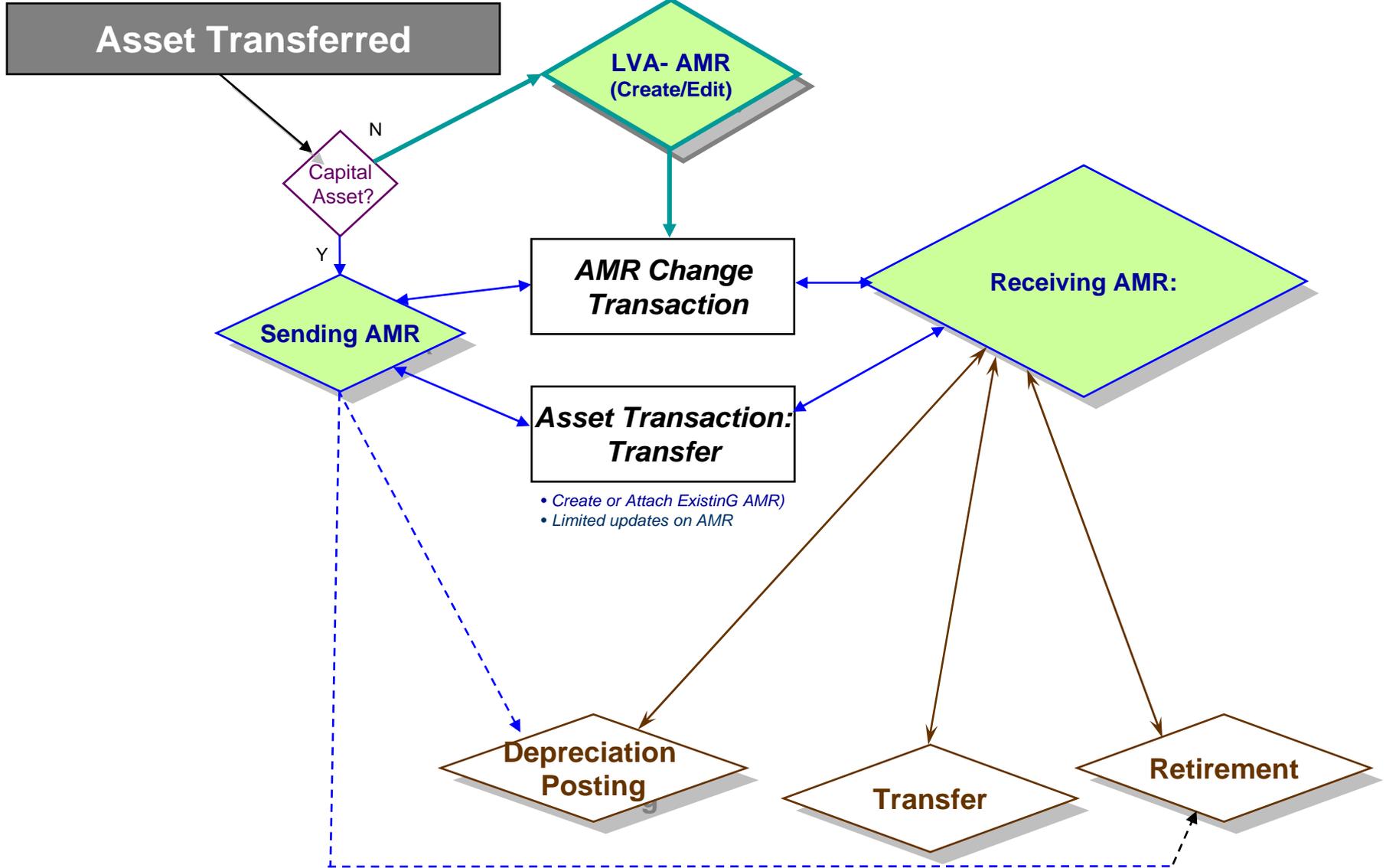
Asset: Transfer

How will transfers be handled in SAP?

- Capital Assets:
 - Asset transaction required if:
 - Change or correction to 'ownership' or financial/funding values
 - Split/movement of part of an asset to another
 - NB! Will also require AMR change to update other fields.
 - AMR change if:
 - Change to non-financial field (e.g. most tracking location fields) are generally an AMR field update
- Low Value Assets:
 - AMR change:
 - AMR field updates to existing record (valuation not maintained on AMR, therefore, does not have same financial implications for CAFR reporting)
 - NB! May require new AMR (or update to sending and receiving AMR) if split/movement of part of an asset to another



Asset Acquisition: Transfer





Acquisition Methods (on receiving asset)

Protégé:	SLABS:	Infrastructure	SAP Proposed
Agency Transfer	Agency Transfer		Acquired/Received from Inter-Department Agency Transfer
			Acquired/Received from Intra-Department Agency Transfer
Agency Manufactured	Agency Manufactured		Agency Manufactured
Birth	--		Birth
Donation	Donation		Donation
Federal Surplus	--		Federal Surplus
Loan	Loan / Insured Lease		Loan
Original Purchase	Original Purchase		Original Purchase
Seizure	Seizure		Seizure
State Surplus	--		Acquire from State Surplus
* LPFA/3rd party financing			* LPFA/3rd party financing
* Lease			* Lease
* Elective			* Elective
<ul style="list-style-type: none"> ■ Use 'Investment Reason' field on 'Allocations' tab: <ul style="list-style-type: none"> – Manual update of fields (via AMR Change) – Additional values, post go-live, via Change Control process 			<ul style="list-style-type: none"> † Pull back



Disposition Methods (on sending asset)

Protégé:	SLABS:	Infrastructure	SAP Proposed
Agency Transfer	Agency Transfer		Retire to Inter- Departmental Agency Transfer
			Retire to Intra-Departmental Agency Transfer
State Surplus	--		Retire to State Surplus
Dismantled for Parts			Dismantled for Parts
Scrap			Scrap
Stolen			Stolen
Deceased			Deceased
Trade In			Trade In
Inventory Adjustments			Impairment - Hurricane XXX
Lost			Lost
			Unlocated 20XX (with value for each yr)
			Not applicable

- Use 'Evaluation Group' field (which will be relabeled) on 'Allocations' tab:
 - Manual update of fields (via AMR Change)
 - Additional values, post go-live, via Change Control process



Approval Status

Protégé:	SLABS:	Infrastructure	SAP Proposed
LPAA Approved	???		LPAA Approved
LPAA Denied	???		LPAA Denied
			Other approved?
			Other denied?

- Use 'Evaluation Group' field (which will be relabeled) on 'Allocations' tab:
 - Manual update of fields (via AMR Change)
 - Additional values, post go-live, via Change Control process

- Consider setting as a restricted field?



Pickup Status

Protégé:	SLABS:	Infrastructure	SAP Proposed
Picked up by LPAA	NA	NA	
Delivered to LPAA	NA	NA	
As-Is / Where-Is	NA	NA	

Why is this important?

Consider:

- 'Evaluation Group' field (which will be relabeled) on 'Allocations' tab or create new field:
 - Manual update of fields (via AMR Change)
 - Additional values, post go-live, via Change Control process
- OR
- Use Description Line 2 on AMR



Asset: Transfer

- Further discussion required with LPAA and OSRAP:
 - Financial postings
 - Value updates
 - Transfer processing approval process
 - *Meeting scheduled with LPAA and OSRAP – Oct 29/08*



Acquisition Methods (on receiving asset)

Funding impact:

- *Moveable Assets: Capital*
- *Moveable Assets: LVA – no depreciation*
- *Real Property (Land, Buildings, Improvements)*
- *Infrastructure*

- What happens when Intra-Department transfer?
 - Is there a financial impact?
 - What about reimbursement information if future sale?

- What happens when Inter-Department transfer?
 - Is there a financial impact?
 - What about reimbursement information if future sale?



Asset: Transfer

For each of:

- Moveable Asset – Capital Asset
- Moveable Asset – LVA
- Real Property
- Infrastructure

1. Asset Transferred Intra-Departmentally

2. Asset Transferred Inter-Departmentally

3. Asset Transferred To Surplus

4. Asset Transferred From Surplus (to Agency)

5a. Asset Transferred to Non-State

5b. Asset Transferred to Non-LAGov project entity

6a. Error Correction – Financial impact

6b. Error Correction – No Financial Impact



TO BE: Value & Depreciation Calculation:

1. Asset Transferred Intra-Departmentally

- **Moveable Property: Capital Assets**
 - *Sending agency:*
 - Agency property manager or designate initiates
 - Process transfer transaction
 - Property manager or designate?
 - Update AMR – sending
 - Property manager or designate?
 - **Asset Valuation:**
 - Asset end date: date of transfer
 - Asset value: effectively NBV of \$0
 - Asset depreciation: may have adjustment for month of transfer – depn run
 - *Receiving agency:*
 - Update AMR – receiving
 - Property manager or designate?
 - **Asset Valuation:**
 - Asset end date: date of transfer
 - Asset value: effectively NBV of transferred asset at time of transfer
 - Asset depreciation: assumes balance of useful life
- No transfer fee assessed to receiving agency.
- Process will change (e.g. report reviews and AMR updates)
 - If many updates, may want to use 'Mass AMR Change' functionality



TO BE: Value & Depreciation Calculation:

1. Asset Transferred Intra-Departmentally

- Moveable Property: LVA - no depreciation
 - *Sending agency:*
 - Agency property manager initiates
 - Process transfer transaction
 - Property manager or designate?
 - Update AMR – sending
 - Property manager or designate?
 - Asset Valuation:
 - Asset end date: date of transfer
 - Asset value: effectively NBV of \$0
 - Asset depreciation: not applicable
 - *Receiving agency:*
 - Update AMR – receiving
 - Property manager or designate?
 - Asset Valuation:
 - Asset end date: date of transfer
 - Asset value: effectively NBV of transferred asset at time of transfer
 - Asset depreciation: not applicable
- No transfer fee assessed to receiving agency.
- Process will change (e.g. report reviews and AMR updates)
 - If many updates, may want to use 'Mass AMR Change' functionality



TO BE: Value & Depreciation Calculation:

1. Asset Transferred Intra-Departmentally

- Real Property (Buildings, Land, Improvements):
 - *Sending agency:*
 - Agency facility manager or designate?
 - FPC, ORM, SLO, OSRAP must be advised
 - SLO must provide approval
 - Update ??? approval / denied status
 - ???? – title/position
 - OSRAP processes transfer
 - Process transfer transaction
 - OSRAP designate?
 - Update AMR – sending
 - OSRAP designate?
 - Asset Valuation:
 - Asset end date: date of transfer
 - Asset value: effectively NBV of \$0. Current net book value is transferred with the asset
 - Asset depreciation: may have adjustment for month of transfer – depn run
 - *Receiving agency:*
 - Update AMR – receiving
 - OSRAP designate?
 - Asset Valuation:
 - Asset end date: date of transfer
 - Asset value: effectively NBV of transferred asset at time of transfer
 - Asset depreciation: assumes balance of useful life. Depreciation for full year of transfer occurs for receiving agency at end of that Fiscal Year. Depreciation continues for remainder of the 40 years.
 - Non depreciable Land, Improvements and Buildings – no depreciation impact
- No transfer fee assessed.
- Process will change (e.g. report reviews and AMR updates)
 - If many updates, may want to use 'Mass AMR Change' functionality



TO BE: Value & Depreciation Calculation:

1. Asset Transferred Intra-Departmentally

- Infrastructure
 - *Sending agency:*
 - Agency property manager initiates?
 - OSRAP & ???? must be advised
 - ???? must provide approval
 - Update ??? approval / denied status
 - ???? – title/position
 - Process transfer transaction
 - Property manager or designate?
 - Update AMR – sending
 - Property manager or designate?
 - Asset Valuation:
 - Asset end date: date of transfer
 - Asset value: effectively NBV of \$0. Current net book value is transferred with the asset
 - Asset depreciation: may have adjustment for month of transfer – depn run
 - *Receiving agency:*
 - Update AMR – receiving
 - Property manager or designate?
 - Asset Valuation:
 - Asset end date: date of transfer
 - Asset value: effectively NBV of transferred asset at time of transfer
 - Asset depreciation: assumes balance of useful life.
- No transfer fee assessed.
- Process will change (e.g. report reviews and AMR updates)
 - If many updates, may want to use 'Mass AMR Change' functionality
 - Valuation (i.e. currently: sending takes all depn immediately, receiving gets asset @ \$0)



Asset: Transfer

For each of:

- Moveable Asset – Capital Asset
- Moveable Asset – LVA
- Real Property
- Infrastructure

1. Asset Transferred Intra-Departmentally
- 2. Asset Transferred Inter-Departmentally**
3. Asset Transferred To Surplus
4. Asset Transferred From Surplus (to Agency)
- 5a. Asset Transferred to Non-State
- 5b. Asset Transferred to Non-LAGov project entity
- 6a. Error Correction – Financial impact
- 6b. Error Correction – No Financial Impact



TO BE: Value & Depreciation Calculation:

2. Asset Transferred Inter-Departmentally

- Moveable Property: Capital Assets
 - *Sending agency:*
 - Agency property manager initiates
 - LPAA must provide approval
 - Update LPAA approval / denied status
 - LPAA – title/position
 - Process transfer transaction
 - Property manager or designate?
 - Update AMR – sending
 - Property manager or designate?
 - Asset Valuation:
 - Asset end date: date of transfer
 - Asset value: effectively NBV of \$0
 - Asset depreciation: may have adjustment for month of transfer – depn run
 - *Receiving agency:*
 - Update AMR – receiving
 - Property manager or designate?
 - Asset Valuation:
 - Asset end date: date of transfer
 - Asset value: effectively NBV of transferred asset at time of transfer
 - Asset depreciation: assumes balance of useful life
- Transfer Fee:???
- Process will change (e.g. report reviews and AMR updates)
 - If many updates, may want to use 'Mass AMR Change' functionality
 - Valuation change (i.e. currently: sending takes all depn immediately, receiving gets asset @ transfer fee and depreciates over 2 yrs if > than \$5000)



TO BE: Value & Depreciation Calculation:

2. Asset Transferred Inter-Departmentally

- Moveable Property: LVA - No depreciation
 - *Sending agency:*
 - Agency property manager initiates?
 - LPAA must provide approval
 - Update LPAA approval / denied status
 - LPAA – title/position
 - Process transfer transaction
 - Property manager or designate?
 - Update AMR – sending
 - Property manager or designate?
 - Asset Valuation:
 - Asset end date: date of transfer
 - Asset value: effectively NBV of \$0
 - Asset depreciation: not applicable
 - *Receiving agency:*
 - Update AMR – receiving
 - Property manager or designate?
 - Asset Valuation:
 - Asset end date: date of transfer
 - Asset value: effectively NBV of transferred asset at time of transfer
 - Asset depreciation: not applicable
- Transfer Fee:???
- Process will change (e.g. report reviews and AMR updates)
 - If many updates, may want to use 'Mass AMR Change' functionality
 - Valuation change (i.e. currently: sending deactivated, receiving gets asset @ transfer fee)



TO BE: Value & Depreciation Calculation:

2. Asset Transferred Inter-Departmentally

- Real Property (Buildings, Land, Improvements):
 - *Sending agency:*
 - Agency property manager initiates?
 - ???? must provide approval
 - FC&P, ORM, SOL, OSRAP & ???? must be advised
 - Process transfer transaction
 - Property manager or designate?
 - Update AMR – sending
 - Property manager or designate?
 - Update ???? approval / denied status
 - ???? – title/position
 - Asset Valuation:
 - Has an ending capitalization date at the time of transfer
 - Current net book value is transferred with the asset
 - *Receiving agency:*
 - Update AMR – receiving
 - Property manager or designate?
 - Asset Valuation:
 - Asset is received at its current net book value
 - Depreciation for the full year of transfer occurs on the receiving agency at the end of that Fiscal Year
 - Depreciation continues depreciation for the remainder of the 40 years
 - Non depreciable Improvements and Buildings – no depreciation impact
- No transfer fee assessed.
- Process will change (e.g. report reviews and AMR updates)
 - If many updates, may want to use 'Mass AMR Change' functionality



TO BE: Value & Depreciation Calculation:

2. Asset Transferred Inter-Departmentally

- Infrastructure
 - *Sending agency:*
 - Agency property manager initiates?
 - ???? must provide approval
 - FC&P, ORM, SOL, OSRAP & ???? must be advised
 - Process transfer transaction
 - Property manager or designate?
 - Update AMR – sending
 - Property manager or designate?
 - Update ???? approval / denied status
 - ???? – title/position
 - Asset Valuation:
 - Asset end date: date of transfer
 - Asset value: effectively NBV of \$0. Current net book value is transferred with the asset
 - Asset depreciation: may have adjustment for month of transfer – depn run
 - *Receiving agency:*
 - Update AMR – receiving
 - Property manager or designate?
 - Asset Valuation:
 - Asset end date: date of transfer
 - Asset value: effectively NBV of transferred asset at time of transfer
 - Asset depreciation: assumes balance of useful life.
- No transfer fee assessed.
- Process will change (e.g. report reviews and AMR updates)
 - If many updates, may want to use 'Mass AMR Change' functionality
 - Valuation (i.e. currently: sending takes all depn immediately, receiving gets asset @ \$0)



Asset: Transfer

For each of:

- Moveable Asset – Capital Asset
- Moveable Asset – LVA
- Real Property
- Infrastructure

1. Asset Transferred Intra-Departmentally
2. Asset Transferred Inter-Departmentally
- 3. Asset Transferred To Surplus**
4. Asset Transferred From Surplus (to Agency)
- 5a. Asset Transferred to Non-State
- 5b. Asset Transferred to Non-LAGov project entity
- 6a. Error Correction – Financial impact
- 6b. Error Correction – No Financial Impact



TO BE: Value & Depreciation Calculation:

3. Asset Transferred To Surplus

- Moveable Property: Capital Assets
 - *Sending agency:*
 - Agency property manager initiates?
 - Identifies 'pickup type'
 - LPAA must provide approval
 - Process transfer transaction
 - Property manager or designate?
 - Update AMR – sending
 - Property manager or designate?
 - Update LPAA approval / denied status
 - LPAA – title/position
 - Asset Valuation:
 - Asset end date: date of transfer
 - Asset value: effectively NBV of \$0
 - Asset depreciation: may have adjustment for month of transfer – depn run
 - *Proceeds if sold – does this need to be assigned to asset for gain/loss posting? How will this be done? How frequent is \$ amount significant?*
 - *Receiving agency (LPAA):*
 - Update AMR – receiving
 - Property manager or designate?
 - Asset Valuation:
 - Asset end date: date of transfer
 - Asset value: NBV of \$0
 - Asset depreciation: not applicable
- No transfer fee assessed.
- Process will change (e.g. report reviews and AMR updates)
 - If many updates, may want to use 'Mass AMR Change' functionality



TO BE: Value & Depreciation Calculation:

3. Asset Transferred To Surplus

- Moveable Property: LVA - no depreciation
 - Sending agency:
 - Agency property manager initiates?
 - Identifies 'pickup type'
 - LPAA must provide approval
 - Update LPAA approval / denied status
 - LPAA – title/position
 - Process transfer transaction
 - Property manager or designate?
 - Update AMR – sending
 - Property manager or designate?
 - Asset Valuation:
 - Asset end date: date of transfer
 - Asset value: effectively NBV of \$0
 - Asset depreciation: not applicable
 - *Proceeds if sold – does this need to be assigned to asset for gain/loss posting? How will this be done? How frequent is \$ amount significant?*
 - Receiving agency (LPAA):
 - Update AMR – receiving
 - Property manager or designate?
 - Asset Valuation:
 - Asset end date: date of transfer
 - Asset value: NBV of \$0
 - Asset depreciation: not applicable
- No transfer fee assessed.
- Process will change (e.g. report reviews and AMR updates)
 - If many updates, may want to use 'Mass AMR Change' functionality



TO BE: Value & Depreciation Calculation:

3. Asset Transferred To Surplus

- Real Property (Buildings, Land, Improvements):
 - *Sending agency:*
 - Agency property manager initiates?
 - Process transfer transaction
 - Property manager or designate?
 - ??? must provide approval
 - Update ??? approval / denied status
 - ??? – title/position
 - FC&P, ORM, SOL, OSRAP & ??? must be advised
 - Update AMR – sending
 - Property manager or designate?
 - Asset Valuation:
 - Asset end date
 - Asset value
 - Asset depreciation
 - *Receiving agency:*
 - Update AMR – receiving
 - Property manager or designate?
 - Asset Valuation:
 - Asset end date
 - Asset value
 - Asset depreciation
- No transfer fee assessed.
- Process will change (e.g. report reviews and AMR updates)
 - If many updates, may want to use 'Mass AMR Change' functionality



TO BE: Value & Depreciation Calculation:

3. Asset Transferred To Surplus

- Infrastructure
 - *Sending agency:*
 - Agency property manager initiates?
 - Identifies 'pickup type'
 - ???? must provide approval
 - Update ???? approval / denied status
 - ???? – title/position
 - FC&P, ORM, SOL, OSRAP & ???? must be advised
 - Process transfer transaction
 - Property manager or designate?
 - Update AMR – sending
 - Property manager or designate?
 - Asset Valuation:
 - Asset end date
 - Asset value
 - Asset depreciation
 - *Receiving agency:*
 - Update AMR – receiving
 - Property manager or designate?
 - Asset Valuation:
 - Asset end date
 - Asset value
 - Asset depreciation
- No transfer fee assessed.
- Process will change (e.g. report reviews and AMR updates)
 - If many updates, may want to use 'Mass AMR Change' functionality



Asset: Transfer

For each of:

- Moveable Asset – Capital Asset
- Moveable Asset – LVA
- Real Property
- Infrastructure

1. Asset Transferred Intra-Departmentally
2. Asset Transferred Inter-Departmentally
3. Asset Transferred To Surplus
- 4. Asset Transferred From Surplus (to Agency)**
- 5a. Asset Transferred to Non-State
- 5b. Asset Transferred to Non-LAGov project entity
- 6a. Error Correction – Financial impact
- 6b. Error Correction – No Financial Impact



TO BE: Value & Depreciation Calculation:

4. Asset Transferred From Surplus (to Agency)

Receiving agency:

- *'Buys' item from surplus stock in LPAA warehouse or Web auction*
- *Does not 'buy' at periodic (i.e. monthly) auction*
- *Only certain individuals are allowed to buy 'surplus'?*

■ Moveable Property: Capital Assets

– *LPAA agency:*

• *Asset Valuation:*

- *Asset end date: date of transfer*
- *Asset value: NBV of asset already \$0*
- *Asset depreciation – not applicable*

• *Sale (i.e. Transfer Fee) charged to receiving agency*

– *Receiving agency:*

• *Asset Valuation:*

- *Asset end date: date of transfer*
- *Asset value: (i.e. Transfer Fee) charged to receiving agency*
- *Asset depreciation: not applicable*

• *Very infrequent that Transfer Fee >\$5000, generally, would be LVA*

■ *Transfer fee (i.e. sale amount) assessed to receiving agency.*



TO BE: Value & Depreciation Calculation:

4. Asset Transferred From Surplus (to Agency)

Receiving agency:

- *'Buys' item from surplus stock in LPAA warehouse or Web auction*
- *Does not 'buy' at periodic (i.e. monthly) auction*
- *Only certain individuals are allowed to buy 'surplus'?*

■ *Moveable Property: LVA - no depreciation*

- *LPAA agency:*
 - *Asset Valuation:*
 - *Asset end date: date of transfer*
 - *Asset value: NBV of asset already \$0*
 - *Asset depreciation – not applicable*
 - *Sale (i.e. Transfer Fee) charged to receiving agency*
- *Receiving agency:*
 - *Asset Valuation:*
 - *Asset end date: date of transfer*
 - *Asset value: (i.e. Transfer Fee) charged to receiving agency*
 - *Asset depreciation: not applicable*
 - *Treat as new LVA*

■ *Transfer fee (i.e. sale amount) assessed to receiving agency.*



TO BE: Value & Depreciation Calculation:

4. Asset Transferred From Surplus (to Agency)

Receiving agency:

- *'Buys' Item from surplus stock in LPAA warehouse or Web auction*
- *Does not 'buy' at periodic (i.e. monthly) auction*
- *Only certain individuals are allowed to buy 'surplus'?*

■ Real Property (Buildings, Land, Improvements):

– ??? agency:

• Asset Valuation:

- Asset end date: date of transfer
- Asset value: NBV of asset already \$0
- Asset depreciation – not applicable

– Receiving agency:

• Asset Valuation:

- Asset end date: date of transfer
- Asset value: *'Sale' charged to receiving agency*
- Asset depreciation: ????

- Non depreciable Improvements and Buildings – no depreciation impact

■ Transfer fee (i.e. sale amount) assessed to receiving agency???



TO BE: Value & Depreciation Calculation:

4. Asset Transferred From Surplus (to Agency)

Receiving agency:

- *'Buys' Item from surplus stock in LPAA warehouse or Web auction*
- *Does not 'buy' at periodic (i.e. monthly) auction*
- *Only certain individuals are allowed to buy 'surplus'?*

■ Infrastructure

– *???? agency:*

• *Asset Valuation:*

- *Asset end date: date of transfer*
- *Asset value: NBV of asset already \$0*
- *Asset depreciation – not applicable*

• *Sale charged to receiving agency???*

– *Receiving agency:*

• *Asset Valuation:*

- *Asset end date: date of transfer*
- *Asset value: 'Sale' charged to receiving agency*
- *Asset depreciation: not applicable???*

■ *Transfer fee (i.e. sale amount) assessed to receiving agency???*



Asset: Transfer

For each of:

- Moveable Asset – Capital Asset
- Moveable Asset – LVA
- Real Property
- Infrastructure

1. Asset Transferred Intra-Departmentally
2. Asset Transferred Inter-Departmentally
3. Asset Transferred To Surplus
4. Asset Transferred From Surplus (to Agency)

5a. Asset Transferred to Non-State

5b. Asset Transferred to Non-LAGov project entity

- 6a. Error Correction – Financial impact
- 6b. Error Correction – No Financial Impact



TO BE: Value & Depreciation Calculation: 5a. Asset Transferred to Non-State

NON-STATE:

- ***This is a RETIREMENT: with revenue (i.e. sale) or without revenue (i.e. donation)...not a TRANSFER. Will be discussed during session on Oct 23.***
 - Moveable Property: Capital Assets & LVA - no depreciation
 - Real Property (Buildings, Land, Improvements):
 - Infrastructure



TO BE: Value & Depreciation Calculation: 5b. Asset Transferred to Non-LAGov project entity

Non-LAGov project entity:

- ***Issue logged and is with management.***
- ***Until management decision: will treat these as RETIREMENT: with without revenue. Will be discussed during session on Oct 23.***
 - Moveable Property: Capital Assets & LVA - no depreciation
 - Real Property (Buildings, Land, Improvements):
 - Infrastructure



Asset: Transfer

For each of:

- Moveable Asset – Capital Asset
- Moveable Asset – LVA
- Real Property
- Infrastructure

1. Asset Transferred Intra-Departmentally
2. Asset Transferred Inter-Departmentally
3. Asset Transferred To Surplus
4. Asset Transferred From Surplus (to Agency)
- 5a. Asset Transferred to Non-State
- 5b. Asset Transferred to Non-LAGov project entity
- 6a. Error Correction – Financial impact**
- 6b. Error Correction – No Financial Impact**



TO BE: Value & Depreciation Calculation: 6a. Error Correction

Capital Assets:

- Correct an input error (which has financial implications) – Transfer Transaction:
 - Incorrect asset classes or another AMR in same asset class
 - Financial data element change – cost center, fund, functional area, business area Real Property (Buildings, Land, Improvements)
- Dependent on timing of error observation:
 - If same fiscal year:
 - Reverse original entry
 - Create correcting entry
 - Create and/or Change AMR

OR

 - Process Asset with Offsetting Entry (offset g/l against incorrect g/l)
 - Create and/or Change AMR
 - If different fiscal year:
 - ???
 - May require multiple steps depending on type of error including:
 - Create retirement for receiving asset
 - Process Post Capitalization (offset g/l against incorrect g/l) for correcting entry(s)
 - Create and/or Change AMR
 - Recommend financial advice for this type of correction



TO BE: Value & Depreciation Calculation: 6a. Error Correction – Financial impact

- Correct an input error (which has financial implications) – Transfer Transaction (Capital Assets) & AMR Change:
 - *Sending agency:*
 - Agency property manager initiates?
 - Process correcting transactions
 - Property manager or designate?
 - ???? must provide approval
 - Update ???? approval / denied status
 - ???? – title/position
 - FC&P, ORM, SOL, OSRAP & ???? must be advised
 - Update AMR – sending
 - Property manager or designate?
 - **Asset Valuation: as if error had not occurred**
 - Asset end date
 - Asset value
 - Asset depreciation
 - *Receiving agency:*
 - Update AMR – receiving
 - Property manager or designate?
 - **Asset Valuation: as if error had not occurred**
 - Asset end date
 - Asset value
 - Asset depreciation
- No Transaction Fee assessed.
- Process will change (e.g. report reviews and AMR updates)
 - If many updates, may want to use 'Mass AMR Change' functionality



TO BE: Value & Depreciation Calculation: 6b. Error Correction – No Financial Impact

Capital Assets or LVA:

- Correct an input error (which has no financial implications) – AMR Change:
 - Update fields
 - *Sending agency:*
 - Agency property manager initiates?
 - Process transfer transaction
 - Property manager or designate?
 - ???? must provide approval
 - FC&P, ORM, SOL, OSRAP & ???? must be advised
 - Update AMR – sending
 - Property manager or designate?
 - Update ???? approval / denied status
 - ???? – title/position
 - Asset Valuation (LVA only)
 - Asset end date
 - Asset value
 - *Receiving agency:*
 - Update AMR – receiving
 - Property manager or designate?
 - Asset Valuation (LVA only):
 - Asset end date
 - Asset value
- Process will change (e.g. report reviews and AMR updates)
 - If many updates, may want to use 'Mass AMR Change' functionality



Asset: Transfers

- Moveable Assets: Capital or LVA – no depreciation:
 - What is significance of these fields?
 - *From/To Person*
 - *From/To Agency*
 - *Pickup type (including address of pickup in remarks section)*
 - *Remarks...*
 - *Receiver*
 - *Rec'd Date*
 - Other considerations?
- Real Property (Land, Buildings, Improvements):
 - Other considerations?
 - Is there a legal document for title change?
- Infrastructure:
 - Other considerations?



Asset: Transfers

Conversion Considerations:

- Not Applicable for Yr End Conversion
 - Will need to consider transactional requirements for Mid-Year Conversion.



Asset: Transfers

Reporting Requirements:

- **Protégé:**
 - Monthly Transfer Report
 - Transfer Details
 - Additions Report (by Acquisition Date or Creation Date)
 - Deletions Report
 - Change Report
 - ???

- **SLABS:**
 - No transfer report

- **INFRASTRUCTURE:**
 - ???



.... SAP Security Considerations



SAP Security Considerations

- What considerations must be made for access restriction?
 - Transfer Transaction
 - ???
 - AMR Change:
 - ???
 - Field specific: LPAA / Other ??? approval status
 - Post Capitalization
 - Agency financial personnel
 - Acquisition with Offsetting Entry
 - Agency financial personnel
 - Other?



Process Improvement Opportunities (Pain Points)

- Opportunity to have Accounting processes interact directly with Assets.
- Opportunity to build financial reporting, such as CAFR, in a more centralized and more automated manner.
- Depending on level of AMR detail - a more discrete asset record maintained (e.g. more useful for GASB 42 analysis)
- 'Homogenized' business processes
- Consolidation of tangible assets with financials



Leading Practices

- **Transfers follow GAAP rules for accounting postings**
- Asset Master Record Create/Update – business processes procedure to ensure data elements and values are updated appropriately
 - Restrict access only as required...
 - If too restrictive will become a ‘maintenance’ challenge
- Disallow direct journal postings to asset reconciliation accounts (i.e. all fixed asset financial updates must be done via the asset sub-ledger)
- Consistent handling of assets across the portfolio
- Limit access to sensitive transactions (e.g. asset valuation changes or corrections)



Next Steps

- Prepare and send out meeting minutes to invitees.
- Draft Design Document is prepared.
- Follow up on action items identified during the workshop.
- Schedule off-line meeting (s) to discuss areas of special concern
- Plan follow on workshops, as required.
- Plan validation workshop.
- Ensure all to-do's are appropriately documented



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Questions?

