

Assets: Physical Inventory  
and  
Bar Coding  
FI-AA-06  
October 28, 2008



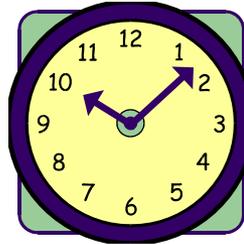
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Version 1.0

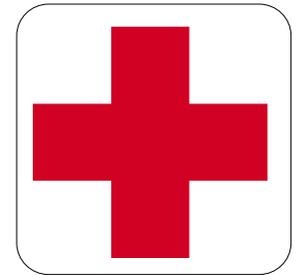
Updated: October 26/08



# 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)<br>Aug 20 (Wed)                 |
| FI-AA-03    | Asset Acquisitions and Subsequent Valuations<br><i>(note: Oct 2 is for Infrastructure assets only ... merged with Agile Assets)</i> | Sept 30 (Tue)<br>Oct 1 (Wed)<br>Oct 2 (Thur) |
| FI-AA-04    | Transfer of Assets  | Oct 21 (Tue)                                 |
| FI-AA-05    | Retirement of Assets  | Oct 23 (Thu)                                 |



# Blueprint Schedule - Tentative

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



# Blueprint Schedule – Integration Points Tentative

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

*Note: Additional working session for Capital Leases to be scheduled*



# Work Session Objectives

1. Review SAP functionality for 'physical inventory' handling for Capital Assets and LVA:
  - Financial impact
  - AMR updates
  
2. Define the 'to-be' process for physical inventory:
  - Reports
  - AMR Update:
    - AMR Change (i.e. field updates)
  
3. Security (Roles & Authorization) Requirements?



***AS-IS ....***



# Physical Inventory: Preparations

- Physical Inventory of owned property not more than 12 months since last inventory.
- Notify LPAA Director in writing 30 days prior to beginning inventory.
- Print out agency's inventory master file.
- Designate personnel to perform inventory by areas on property location index.
- Copy of property location index identifying areas and property location codes assigned is issued to each person participating in physical inventory.
- Begin Inventory as scheduled or notify LPAA of unforeseen reason why date(s) should be altered.





# Physical Inventory: Inventory Procedure I

- Identify and mark on the inventory listing the items located
- Mark clearly on the listing the items not located
- Conspicuously mark and report to property manager items found without a property tag
- Agency Property Manager submits a *Discrepancy Report* to LPAA and Legislative Auditor containing all exceptions or discrepancies found between physical inventory results and the state master file listing.
  - Agency
  - Tag number
  - Description
  - Location
  - Acquisition date
  - Acquisition cost
  - Explanation of what is believed to have happened to cause the items not to be located.
- Unlocated with no explanation remain in inventory for three years. Indication of year in which the item was first not located is noted on the system record.
- Agency Property Manager records true and actual results of physical inventory and submits the *Certification of Annual Property Inventory* to LPAA and the Legislative Auditor once the agency's physical inventory has been reconciled with the state master file listing of inventory.





# Physical Inventory: Inventory Procedure 2

- Provide each person participating in inventory the *Inventory Procedure II* form and instructions for use.
- Agency Property manager instructs on method used to enter the following information for located items
  - Agency Number
  - Tag number
  - Property location number
- Conspicuously mark and report to property manager items found without a property tag
- Agency Property Manager reconciles each *Inventory Procedure II* form with the *State Master File Listing of Inventory* for the agency.
- Agency Property Manager submits a discrepancy report (same as Procedure II?) to LPAA and Legislative Auditor containing all exceptions or discrepancies found between physical inventory results and the state master file listing.
- Unlocated with no explanation remain in inventory for three years. Indication of year in which the item was first not located is noted on the system record.
- What happens to items which are deactivated (transferred, sold, etc.) during physical inventory?
- Agency Property Manager records true and actual results of physical inventory and submits the *Certification of Annual Property Inventory* (same as Procedure II?) to LPAA and the Legislative Auditor once the agency's physical inventory has been reconciled with the state master file listing of inventory.





**.... TO BE**



# Asset Master Record: TO-BE Update

- Change in AMR approach for record maintenance:
  - Capital Assets will continue to 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.*

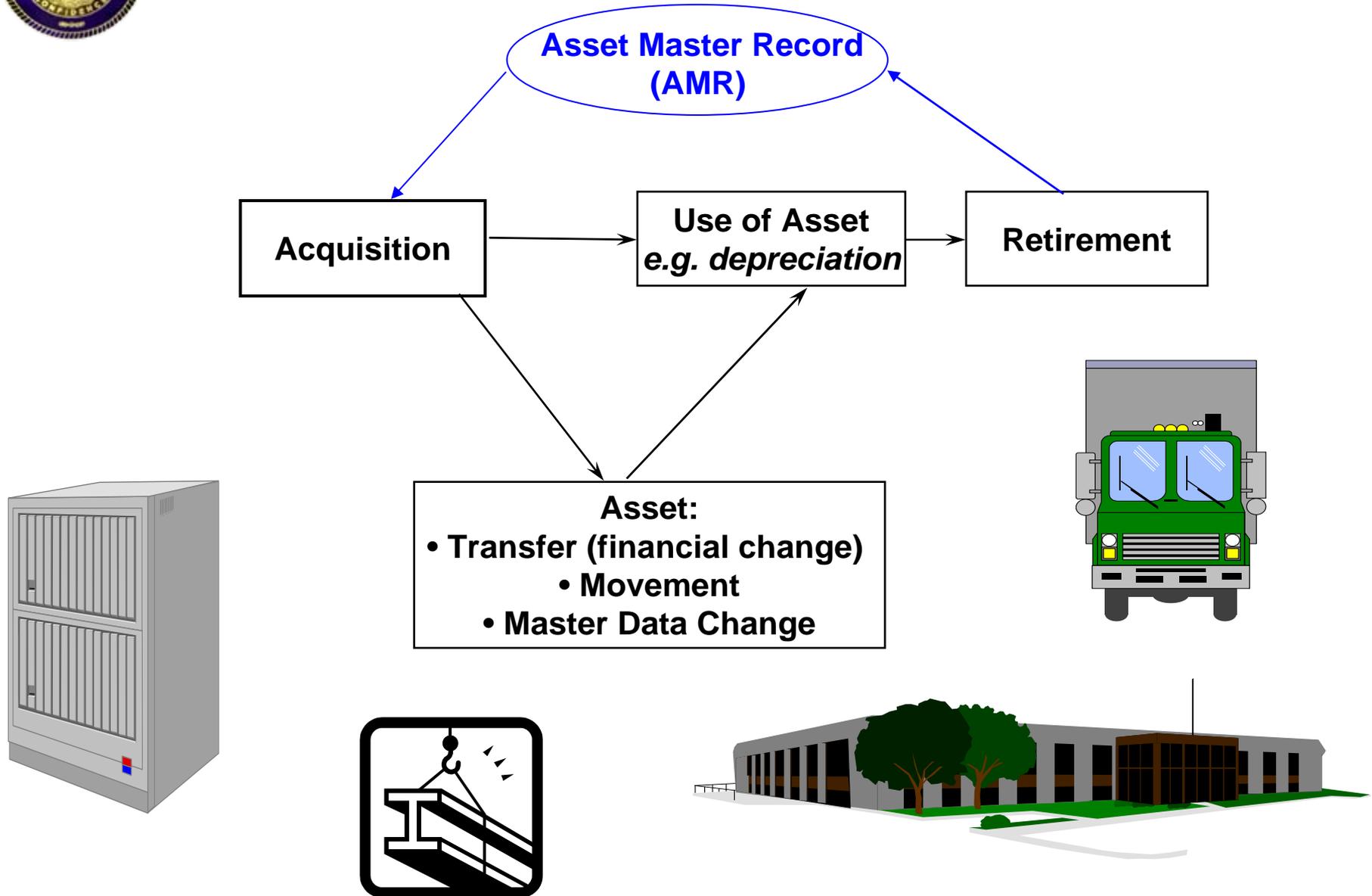


# SAP Glossary

- **Retirement:** Asset retirement is the removal of an asset or part of an asset from the asset portfolio. When an asset is 100% retired, the deactivation date for the asset should be defined.
- **Physical Inventory:** Methodical review and recording of the quantities and amounts relating to the asset portfolio



# Asset Financial Lifecycle





# Asset Master Record

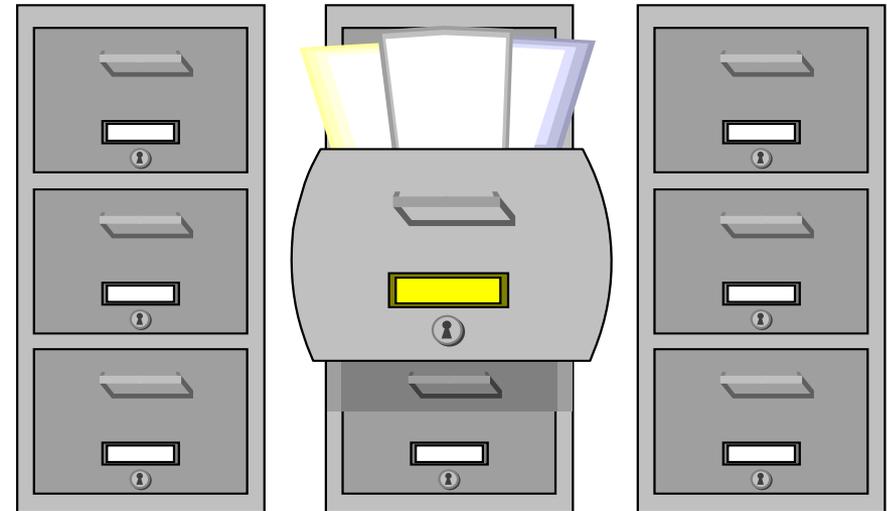
- What is it?
- What type of information is stored?





# Asset Master Record

- Method by which detailed general & financial information is stored for each asset.
- What type of information can be stored on an AMR?



| Asset Class              | Asset No. |
|--------------------------|-----------|
| General Asset Detail     |           |
| Asset Depreciation Rules |           |
| Asset Values             |           |



# 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

Main Asset Number (1) 4 Entries found

Names and classes Cost center Inventory number

Company Code M101

Asset Class

Description

Acct determination

Capitalized on

Asset 6\*1\*

Subnumber

Maximum No. of Hits 500

| 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    |

4 Entries found

### Display Asset: Initial screen

Master data Depreciation areas Asset values

Asset

Subnumber 0

Company Code

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

Cost center Inventory number Investment Orders

Company Code M100

Inventory number

Asset Class

Description

Asset

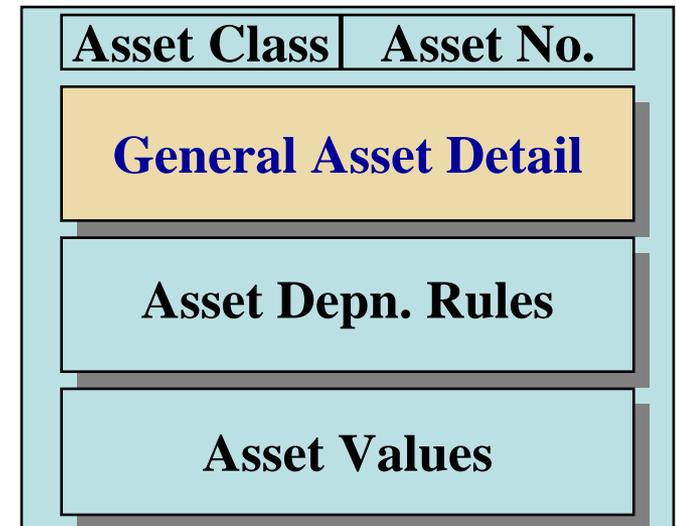
Subnumber

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   |                   |  |              |      |  |
| Class  | ZTEST   |   | Z_All fields open |  | Company Code | 0008 |  |
| <b>General</b>   Time-dependent   Allocations   Origin   Net Worth Tax   Insurance   Leasing   Deprec. Areas |   |   |                   |  |              |      |  |
| <b>General data</b>  |   |   |                   |  |              |      |  |
| Description  |   |   |                   |  |              |      |  |
| Asset main no. text  |   |   |                   |  |              |      |  |
| Acct determination   | 2000  | Buildings   |                   |  |              |      |  |
| Serial number  |   |   |                   |  |              |      |  |
| Inventory number   |   |   |                   |  |              |      |  |
| Quantity   |   |   |                   |  |              |      |  |
|  | <input checked="" type="checkbox"/> Manage historically |   |                   |  |              |      |  |
| <b>Inventory</b>   |   |   |                   |  |              |      |  |
| Last inventory on  |   | <input checked="" type="checkbox"/> Include asset in inventory list |                   |  |              |      |  |
| Inventory note   |   |   |                   |  |              |      |  |
| <b>Posting information</b>   |   |   |                   |  |              |      |  |
| Capitalized on   |   | Deactivation on   |                   |  |              |      |  |
| First acquisition on   |   | Plnd. retirement on   |                   |  |              |      |  |
| Acquisition year   |   | 000   | Ordered on        |  |              |      |  |

*Manual update of:  
'Last inventory' on  
and 'Inventory note'*



# 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

**Capital Asset/LVA:**  
 Manual update of location/stewardship/n on financially relevant fields

**Capital Asset:** if financially relevant field will need a transfer transaction

- 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 | Net.Worth.Tax... | Insurance | Leasing | Sep

**Allocations**

|                    |                          |
|--------------------|--------------------------|
| Evaluation group 1 | <input 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   
 Envir. investment   
 Asset super number

**Capital and LVA:**  
 Disposition Method - manual update if unlocated or found

- PROPOSED FOR CONFIGURATION:**
- Acquisition Method
  - Disposition Method
  - Status
  - LPAA Approval Status
  - OSRAP Group? (OSRAP to confirm if Asset Classes will replace)
  - Classification
  - Pick Up Status

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

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                                    | <input type="text"/> |         |                      |
| Manufacturer                              | <input type="text"/> |         |                      |
| <input type="checkbox"/> Asset purch. new |                      |         |                      |
| <input type="checkbox"/> Purchased used   |                      |         |                      |
| Trading Partner                           | <input type="text"/> |         |                      |
| Country of origin                         | <input type="text"/> |         |                      |
| Type name                                 | <input type="text"/> |         |                      |
| Original asset                            | <input type="text"/> | Acq. on | <input type="text"/> |
| Orig. Acquis. Year                        | <input type="text"/> |         |                      |
| Original value                            | <input type="text"/> | USD     |                      |
| In-house prod.perc.                       | <input type="text"/> |         |                      |

|                                  |                      |
|----------------------------------|----------------------|
| Amount assignment for investment |                      |
| Investment Order                 | <input type="text"/> |
| Element                          | <input type="text"/> |

## 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)



# 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    
Property indicator   
Manual Val. Reason   
Man. Net W. Val.  USD

**Real estate and similar rights**

Tax Office   
Assmt Notice Tax No.   
Assmt.notc   
Municipality   
Land Register of  Entry by   
Vol./page/ser.no  Conveyance on   
Ld.reg.map/plot  Area

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    
Insur.Companies   
Agreement number   
Suppl. text

Start date   
Insurance rate   
Index series   
Base value  0.00  
Man.insur.val.

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    
Agreement number   
Agreement date  Notice date   
Lease start date  Lease length  /   
Type   
Base value as new  USD  
Purchase price  USD  
Supplementary text

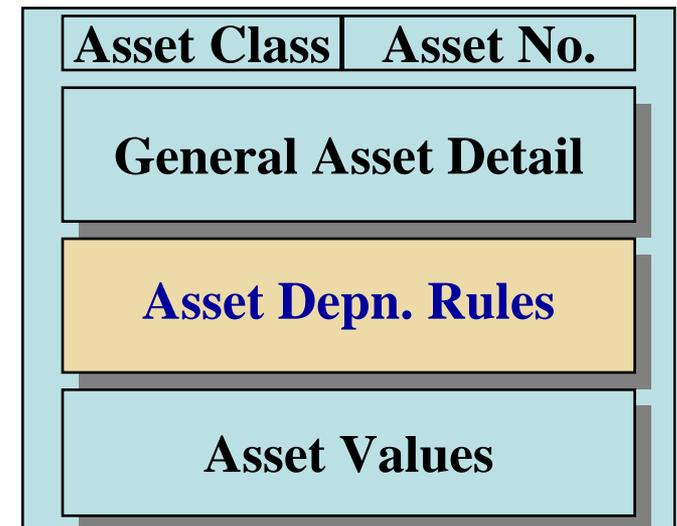
No. lease payments   
Payment cycle   Advance payments  
Lease payment  USD  
Annual interest rate   
Present Value  0.00 USD

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)

| General                  | Time-dependent | Allocations       | Origin | Insurance | Leasing | Deprec. Areas |       |       |
|--------------------------|----------------|-------------------|--------|-----------|---------|---------------|-------|-------|
| 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:

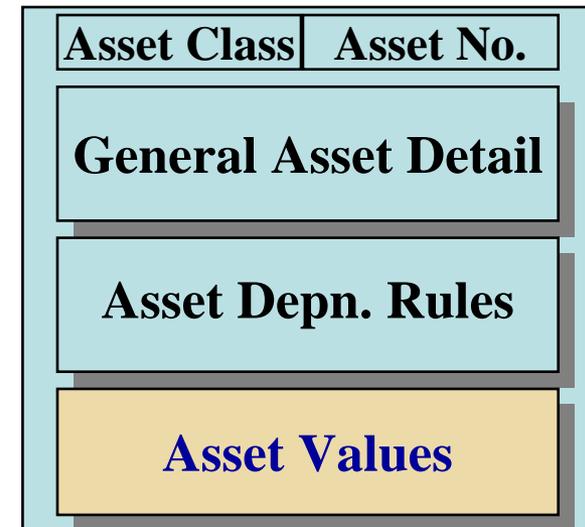
**Additional Specifications**

Index series:   
Age-dependent index:   
Variable dep portion:   
Scrap value: USD  
Scrap Value %:   
 Neg. Vals Allowed  
Acquis.year: /



# 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  |

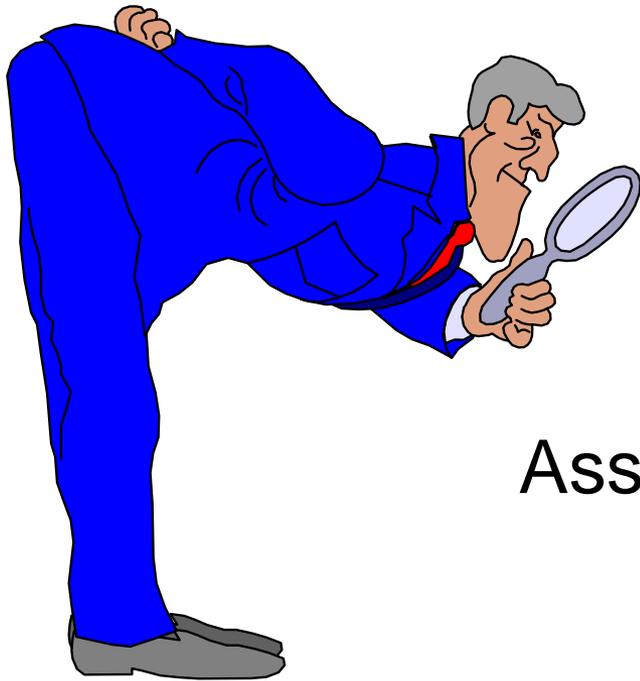
**Search for related objects**

*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**

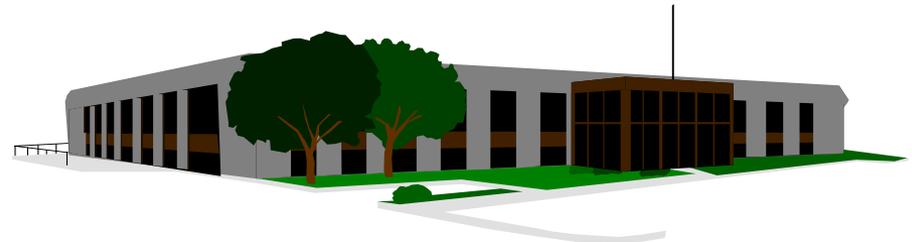
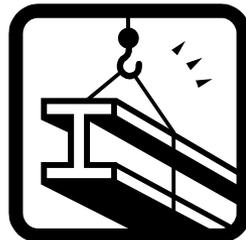
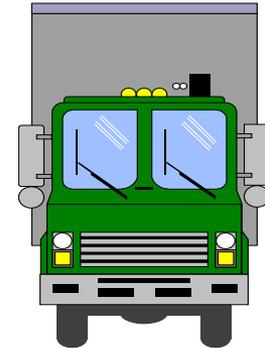
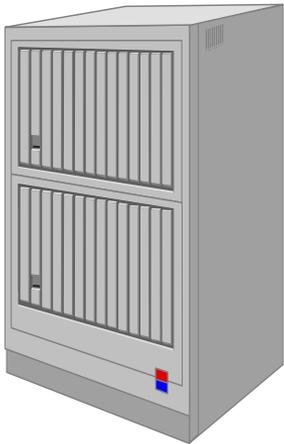
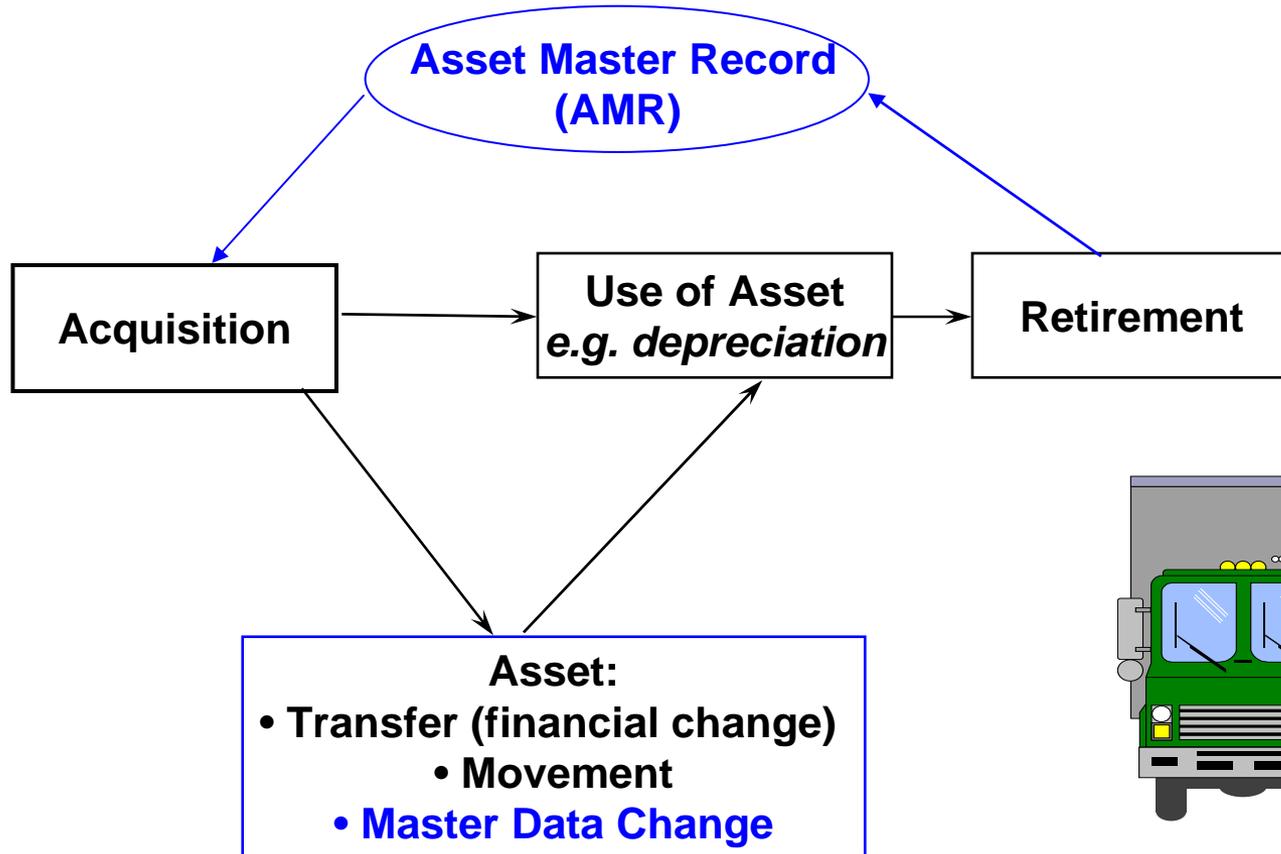
| AsstVal date | Amount | TType | Transaction type name      | Crcy |
|--------------|--------|-------|----------------------------|------|
| 14.07.2008   | 100.00 | 100   | External asset acquisition | USD  |



Asset: Physical Inventory



# Asset Financial Lifecycle





## Asset: Physical Inventory

What is asset 'physical inventory'?

- Methodical review and recording of the quantities and amounts relating to the asset portfolio.



# Asset: Physical Inventory

How is a physical inventory recorded?

## Capital Assets & LVA:

- Updates to Master Data:
  - ‘Last inventory on’ date
  - Inventory notes, if applicable. (Can use ‘long-text’ for more extensive notes.)
  - Evaluation Grp field for ‘Disposition Method’:
    - i.e. unlocated or found, if applicable

## Capital Assets:

- Transaction Updates:
  - Capital Assets – if financial relevant field needs update (e.g. cost center) may require a transfer transaction

## Capital Assets & LVA:

- If item damaged or deemed not required any longer may require:
  - Transfer to Surplus
  - Disposal
- Follow the processes for:
  - Manual update of AMR
  - *Capital Assets* - Retirement without Revenue



# Asset: Physical Inventory

- **Moveable Assets:**
  - Title 34, Section VII requirement
  
- **Real Property Assets:**
  - Not applicable
  
- **Infrastructure Assets:**
  - Not applicable



# Disposition Methods

| Protégé:              | SLABS: | Infrastructure | SAP Proposed   |
|-----------------------|--------|----------------|--|
|                       |        |                | Surplus – Sold to Non-State (note: one for each of CS, WB, Auction, Other)                                   |
|                       |        |                | Surplus – Sold to State (note: one for each of CS, WB, Auction, Other)                                       |
|                       |        |                | Surplus – Destroyed  |
|                       |        |                | Sold (note: one for each of CS, WB, Auction, Other)  |
| Dismantled for Parts  |        |                | Dismantled for Parts   |
| Scrap                 |        |                | Scrap  |
| Stolen                |        |                | Stolen   |
| Deceased              |        |                | Deceased (Livestock)   |
| Trade In              |        |                | Trade In   |
| Inventory Adjustments |        |                | Inventory Adjustment (use note field to give more detail, e.g. correction due to wrong asset class selected) |
| Lost                  |        |                | Lost   |
|                       |        |                | Unlocated 20XX (with value for each yr)  |
|                       |        |                | Relocated 20XX (with value for each year)  |
|                       |        |                | Buy-Back Retire  |
|                       |        |                | Demolished   |
|                       |        |                |  |

- 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



# Status

| Protégé:        | SLABS:          | Infrastructure | SAP Proposed  |
|-----------------|-----------------|----------------|---|
| Agency Transfer | Agency Transfer |                | Acquired/Received from Inter-Department Agency Transfer |
|                 |                 |                | Acquired/Received from Intra-Department Agency Transfer |
| Agency Transfer | Agency Transfer |                | Retire to Inter- Departmental Agency Transfer           |
|                 |                 |                | Retire to Intra-Departmental Agency Transfer            |
| State Surplus   | --              |                | Retire to State Surplus                                 |
|                 |                 |                | Complete? ADD ACQUIRE FROM SURPLUS                      |
|                 |                 |                | Initial (set as default)                                |

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



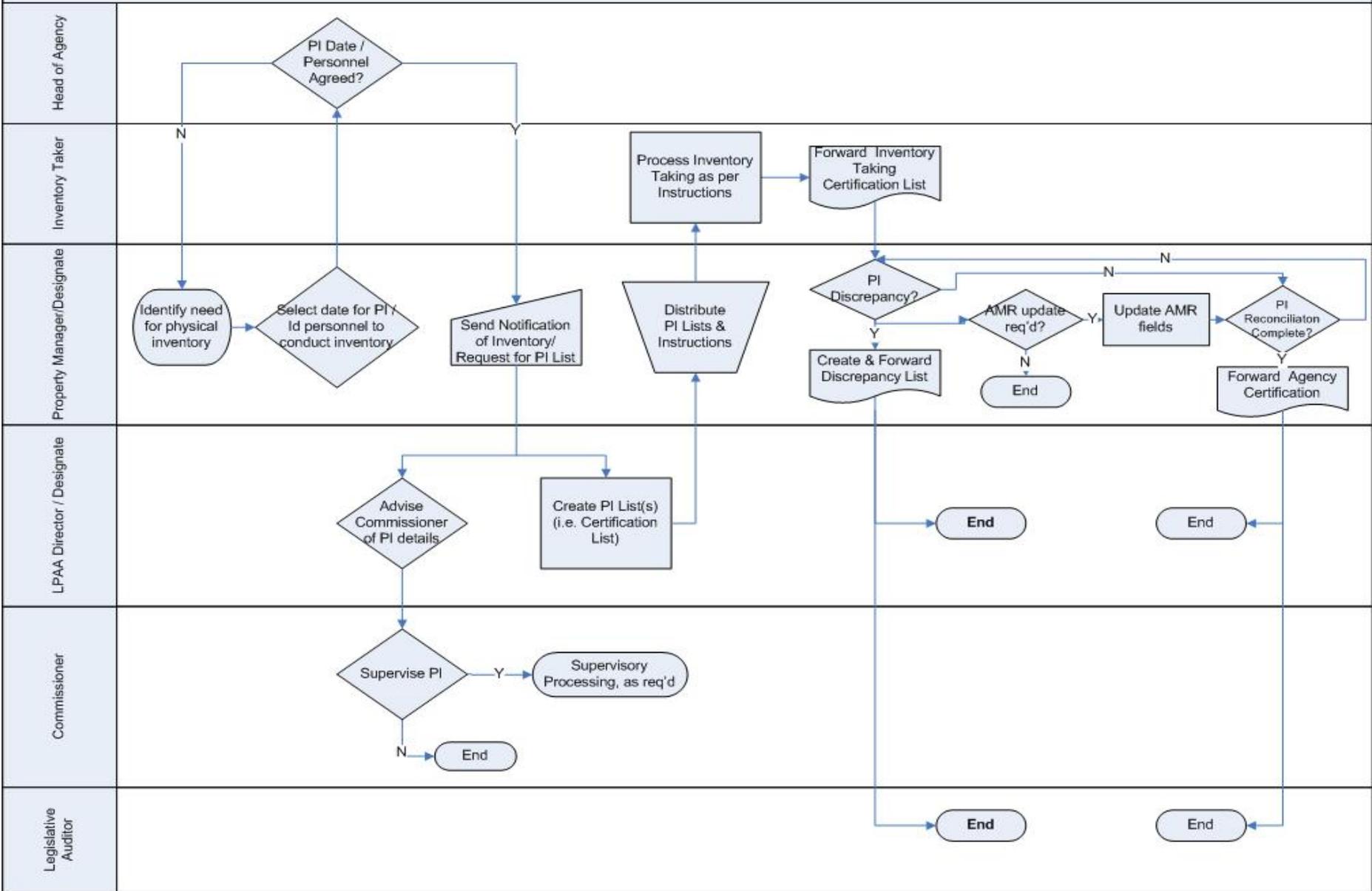


# Approval Status

| Protégé:      | SLABS:              | Infrastructure | SAP Proposed                         |
|---------------|---------------------|----------------|--------------------------------------|
| LCAA Approved |                     |                | LCAA Approved                        |
| LCAA Denied   |                     |                | LCAA Denied                          |
|               | SLO Approved (land) |                | SLO Approved (land)                  |
|               | SLO Denied (land)   |                | SLO Denied (land)                    |
|               |                     |                | FPC Approved (buildings, demolition) |
|               |                     |                | FPC Denied (buildings, demolition)   |
|               |                     |                | DOTD ? Approved (infrastructure)     |
|               |                     |                | DOTD ? Denied (infrastructure)       |
|               |                     |                | Initial (set as default)             |

- 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
- Restrict field to authorized personnel

# TO-BE HIGH LEVEL PROCESS: Asset - Physical Inventory





## Asset: Physical Inventory

### **FRICE-W:**

#### Asset Certification Report:

- Asset #, Tag #, Description, Serial #, Bldg, Fl, Rm, Person, Unloc Yr, Current Cost, Original Cost, Summary Count/Original Cost/Current Cost, Certification Statement with lines for Signature/Name/Date/Address Lines
- Sorted & Section Header by:
  - LPAA Agency Code
  - Cost Center
  - Location/Person Responsible
  - Location
    - Notes2/Location
- Would like to add make/model to column of info on report



## Asset: Physical Inventory

### Reporting Requirements:

- **Not available: Contact listing** (ie. address/property mgr.)
  - Certification Past Due Report
    - Cutoff Date
    - Agency Number, Mailing Address, Certification Date, Property Manager
  - Certification Due Report
    - Beginning / Ending Dates
    - Agency Number, Mailing Address, Certification Date, Property Manager



## Asset Acquisition: Physical Inventory

# Reporting Requirements:

- Other ?



## Asset: Physical Inventory

### Conversion Requirements:

- Not applicable



# *.... SAP Security Considerations*



# SAP Security Considerations

- What considerations must be made for access restriction?
  - AMR Change:
    - Field for LPAA (and other) approval restricted
  - Reports:
    - ??



# Process Improvement Opportunities (Pain Points)

- Opportunity to have Accounting and Project 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)



# Process Improvement Opportunities (Pain Points)

- Consolidation of tangible assets with financials
- Insurance Underwriting and Loss Prevention data availability
- Report consolidation



# Leading Practices

- 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)
- Financial postings follow accounting best practice (e.g. gain/loss on disposal, financial valuation/depreciation applicable to sending/receiving asset, etc.)



# 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



# LAGov Asset Accounting (AA) Contact Information

## **LAGov Website:**

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**Phone: 225-219-6795**

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**DOTD-ERP**

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**P.O. Box 94245**

**Baton Rouge, LA 70804-9245**



# Questions?

