



# MEETING MINUTES

## State of Louisiana LaGov Project

### *Blueprint Workshop / Customer Master (AR-001)*

09/24/2008 8:30 - 4:30 pm

Location: Claiborne Building, Montana, Room 1-142

Attendees:

| No  | Name              | Invited? | Attended ? | Comments                |
|-----|-------------------|----------|------------|-------------------------|
| 1.  | Beverly Hodges    | Y        | N          | LaGov Team              |
| 2.  | Drew Thigpen      | Y        | N          | LaGov Team              |
| 3.  | Ashley Peak       | Y        | Y          | LaGov Team              |
| 4.  | Anees Pasha       | Y        | Y          | LaGov Team              |
| 5.  | Marietta Holliday | Y        | Y          | LaGov Team              |
| 6.  | Janet Whyde       | Y        | N          | LaGov Team              |
| 7.  | Eileen Scherich   | Y        | Y          | LaGov Team              |
| 8.  | Afranie Adomako   | Y        | N          | OSRAP                   |
| 9.  | Beverly Shaw      | Y        | N          | Finance                 |
| 10. | Mary Canella      | Y        | N          | Finance                 |
| 11. | Lucy Smith        | Y        | Y          | Receivables and Billing |
| 12. | Pat Lombard       | Y        | N          | Finance                 |
| 13. | Nelson Green      | Y        | Y          | Receivables and Billing |
| 14. | Kandy Daniel      | Y        | Y          | LaGov Team              |
| 15. | Penny Parker      | Y        | N          | LaGov Team              |
| 16. | Babs Myers        | Y        | N          | Receivables and Billing |
| 17. | Brent Hunt        | Y        | N          | Receivables and Billing |
| 18. | Jeff Reynolds     | Y        | N          | Receivables and Billing |
| 19. | Wayne Knight      | Y        | N          | Receivables and Billing |
| 20. | Denise Stafford   | Y        | N          | Receivables and Billing |
| 21. | Lonnie Richardson | Y        | N          | Receivables and Billing |
| 22. | Cheryl Achord     | Y        | N          | Receivables and Billing |
| 23. | Linda Kimmel      | Y        | Y          | Receivables and Billing |
| 24. | Sal Faldetta      | Y        | N          | DOTD                    |
| 25. | Patti Kling       | Y        | Y          | LDI                     |
| 26. | Penny Rodrigue    | Y        | N          | LDI                     |
| 27. | Lance Herrin      | Y        | N          | LDI                     |
| 28. | Keri LaBauve      | Y        | Y          | DOTD                    |
| 29. | Linda Robinson    | Y        | N          | DSS                     |

|     |                  |   |   |                 |
|-----|------------------|---|---|-----------------|
| 30. | Marreo Kimbrough | Y | Y | DNR             |
| 31. | Katherine Porche | Y | Y | OSRAP           |
| 32. | Wynette Kees     | Y | N | WLF             |
| 33. | Katie O'Connor   | Y | N | DOE             |
| 34. | Erin Bielkeiwicz | Y | N | DPS             |
| 35. | Annette Chustz   | Y | N | DOE             |
| 36. | Jeff Till        | Y | N | DOTD            |
| 37. | Dom Cali         | Y | N | DOTD            |
| 38. | Ginger Eppes     | Y | Y | DOJ             |
| 39. | Laura Crook      | N | Y | DOJ             |
| 40. | Ed Campbell      | N | Y | LaGov Tech Team |
| 41. | Joey Reviere     | N | Y | DOJ             |
| 42. | Gerry Hanson     | N | Y | LaGov LaGov     |

**AGENCY SINGLE POINT OF CONTACT – INVITED OPTIONAL**

|     |                   |                                    |
|-----|-------------------|------------------------------------|
| 43. | Thomas Bickham    | Dept. of Corrections               |
| 44. | Beverly Shaw      | Dept. of Culture, Rec & Tourism    |
| 45. | Beth Scioneaux    | Dept. of Education                 |
| 46. | Tom Sands         | Dept. of Environmental Quality     |
| 47. | Keith Fitzgerald  | Dept. of Health & Hospitals        |
| 48. | Lonnie Richardson | Dept. of Insurance                 |
| 49. | Wayne Knight      | Dept. of Labor / LA Workforce Comm |
| 50. | Robert Harper     | Dept. of Natural Resources         |
| 51. | Duane Fontenot    | Dept. of Social Services           |
| 52. | Dom Cali          | Dept. of Transportation & Dev      |
| 53. | Lori Humm         | Dept. of Transportation & Dev      |
| 54. | Wynette Kees      | Dept. of Wildlife & Fisheries      |
| 55. | Pat Lombard       | Public Service Commission          |
| 56. | Shanda Jones      | Secretary of State                 |

| <i>Agenda Item and Notes</i>  | <i>Owner(s)</i>            | <i>Action Items &amp; Assignments</i>  | <i>Comments / Follow-up</i>   |
|---|----------------------------|--|---|
| 1. <b>Logistics, Ground Rules, &amp; Introduction</b>   | Ashley Peak                | <ul style="list-style-type: none"> <li>None</li> </ul>   |   |
| 2. <b>Project Timeline</b>  | Ashley Peak                | <ul style="list-style-type: none"> <li>None</li> </ul>   |   |
| 3. <b>Workshop Objectives</b>   | Mary Walker                | <ul style="list-style-type: none"> <li>None</li> </ul>   |   |
| 4. <b>Business Process Review</b> <ul style="list-style-type: none"> <li>As-Is Process</li> <li>Process Improvement Opportunities</li> <li>SAP Glossary</li> <li>SAP concepts &amp; functionality</li> <li>Leading practices</li> <li>Business process flow</li> <li>Enterprise readiness challenges</li> </ul> | Ashley Peak<br>Mary Walker | <ul style="list-style-type: none"> <li>See action items &amp; assignments below</li> </ul>   | <ul style="list-style-type: none"> <li>There is not a statewide As-Is Process to review.</li> <li>All processes developed are considered improvements.</li> </ul> |
| 5. <b><u>Action Items</u></b>   | Ashley Peak<br>Mary Walker | <ul style="list-style-type: none"> <li>Determine a recommendation of agencies that should be included in the SAP AR scope for the pilot roll-out; recommendation for agencies that should be included in a subsequent roll-out(s); recommendation of agencies that should not be in SAP AR but simply 'interface' to SAP on a cash/revenue basis. <ul style="list-style-type: none"> <li><b>Recommendation of agencies/systems that will be completely replaced by SAP for the pilot roll-out:</b> <ol style="list-style-type: none"> <li>DOTD/AREC</li> <li>DNR/Excel spreadsheet used to track copy card/copy sales</li> <li>WLF/QuickBooks AR</li> <li>DOC-Dept of Youth &amp; Adult Probation/QuickBooks AR</li> <li>DOA-LPAA/Protégé system sale of Surplus Asset Items (to preferred Customers) <ul style="list-style-type: none"> <li>LPAA/Sale of Surplus Asset Items via auctions, web auctions and counter sales to external customers or state agencies</li> </ul> </li> </ol> </li> <li><b>Recommendation of agencies that will be included in subsequent roll-outs:</b> <ul style="list-style-type: none"> <li>Sales &amp; Distribution module for Prison Enterprises</li> </ul> </li> <li><b>Recommendation of agencies/systems that will NOT be included</b></li> </ul> </li> </ul> |   |

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**in SAP AR but included in general accounting updates:**

- 1) DNR/SONRISE billing system (AR only)
- 2) DOTD/PERBA, Retail Website, Bids and Letting System
- 3) WLF/Enforcement systems
- 4) DOC-Dept of Youth & Adult Probation/Inmate Banking System
- 5) LDI/ LDI Regulatory System and Tax System
- 6) CRT/Specialized Reservation System
- 7) DSS/Specialized Case Mgmt System(s)
- 8) LDR
- 9) LED
- 10) DOI/Regulating system
- 11) DOJ/Collection system
- 12) DPS/in-house billing system

Recommendation will be sent to LaGov project management team. The PM team will determine the ultimate scope for AR.

- Schedule follow-up meetings to clarify agency specific questions:
  - DNR: Customer master data requirements for the de-central business units
  - WLF: in-house billing system used for enforcement/fines systems **is a web-based front-end with a SQL-based back-end system utilizing SQL 2005**
  - DOTD: Retail side of the website that sells plans/specifications; clarification of customer master requirements for AREC
  - FM/GL LaGov Team: Clarification of fund accounting/revenue recognition for invoicing and AR Reconciliation account schema
  - DOC: Clarification of contractual agreements where services are continued after contract limit has been reached. Is this done in QuickBooks? If so, determine how SAP will handle this requirement.
- Confirm scope of AR with project management (schedule a meeting with PM team):
  - Sales orders for LPAA/DOTD/DOC
    - LPAA will be done in SAP using FI-AR; SD module is not in scope
  - Use of SD module for Prison Enterprises
    - SD module is not in scope
  - Is there a need to gather SD information from agencies?
    - No, SD module is not in scope
- Complete first pass of Account Group design spreadsheet; update spreadsheet with field lengths and send to SME for their input
- Research the Louisiana Register for more current information than the Policy and Procedure manual on debt collection management.

Agency SMEs

- Review attached spreadsheet that details the fields that are available on the customer master. Make modifications as you see fit to the recommended settings (required optional or suppressed fields). Email your recommendations to Ashley Peak. The AR team will compile the suggestions and use the compiled spreadsheet during Realization configuration.

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**6. Key Decisions**

- Use of one time customer functionality is not needed at this time
- Dual control for sensitive field functionality is not needed at the time
- All agencies will use one account group for customer master data management (see account group spreadsheet attached)
- Account group will use internal number range assignment for customers (8 digits)
- Maintenance of customer maintenance (is) will be decentralized for initial data entry and centralized for review/approval (similar to vendor master data management)
  - WF form/document email need for master data maintenance

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requests

- Payment terms defined on customer master will be net 30 days
- One reconciliation account used for all customer master records
- One customer tolerance group for all AR customers (TBD):
  - Grace days due date -
  - Cash Discount Terms Displayed
  - Arrears Base Date
  - Permitted payment differences:
    - Gain
    - Loss
  - Permitted payment differences for auto write-off → Functionality is not used
  - Specifications for posting residual items for payment differences:
    - Payment term from invoice (active)
    - Only grant partial cash discount
    - Fixed payment terms
    - Dunning key
  - Tolerances for Payment Advice → Functionality not used

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7. **Integration Points**

- Grants Team – Confirm the Sponsor record numbering schema
- Grants Team - Should all customer master records be made both in FI-AR and GM?
- GL Team - Confirm with GL team the reconciliation account(s) needed for AR master records

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8. **F.R.I.C.E. - W**

- Workflow for maintenance of customer master records
- Conversion of legacy customer master records from legacy systems:
  - AREC
  - QuickBooks
  - Excel spreadsheet
  - Protégé

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9. **Parking Lot**

- How will SAP handle debt collection that crosses fiscal year?
- How will DOC contractual agreements (credit limits) be done in SAP? Is this needed for the QuickBooks sales?
- How will multiple billing addresses be maintained for a single customer without use of SD module?

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**Discussion Points:**

**Workshop Objectives**

- Define customer numbering strategies and customer groups

Customer Grouping (to be used in the Industry Sector fields on the customer master record):

|          |   |
|----------|---|
| Private: | Individual<br>Companies   |
| Public:  | Local Governments<br>Parish Governments<br>City Governments<br>Federal Governments<br>Non-profit Organizations<br>Colleges and Universities |

Is there a need for different number ranges, field status/info, determined by customer groups? No, therefore there is a need for one account group.

- Establish customer account groups

- Customer number:
  - DOJ and DSS vote for internal
  - DOI are indifferent
- Decision: Internal, 8 digit customer number
- Suggestion will be made for similar numbering scheme to vendor-numbering scheme (customer master record will have eight digits)
- Need to confirm with GM team on Sponsor record number ranges
- First pass of field status for the account group done by AR team (see spreadsheet attached). SMEs should review first pass and give feedback/recommendation for changes to AR Team.
- Company code for the state has not been decided, must be comprised of 1 to 4 digits, usually 4

- Discuss the integration with Grants Management for grants sponsors

Sales area and distribution module will be used only by grants area of the state  
Suggestion will be made to integrate number with grants team sponsor number  
Should all customer master records be made both in FI-AR and GM?

- Identify process for creating new customer records

The customer master maintenance process will be initiated de-centrally and approved/entered centrally. This will be a new policy that requires agreement with OSUP. A centralized arrangement requires service commitment.

Methods for maintaining master records in SAP:

- A workflow requested using the form in the system to initiate request de-centrally (entering most of info into workflow request) → expensive alternative
- Create a manual request form (via excel or word) and emailed request to central unit for upload into SAP → cheaper
- Create a manual request form (via excel or word) and email request to someone who prints and enters the data manually into SAP → cheapest

Suggestion will be made piggy back on Accounts Payable workflow

- Identify process for maintenance of customer records

- Ideal situation would have shared customer data; decision was made to create 1 customer that is shared across all agencies doing business in SAP AR
- Master Record data is critical and limited update access is recommended; decision was made to have a de-central process for requesting new records and updates to records then centralize the approval and posting process
  - De-central users will have limited access to SAP AR customer master records (display only); requests are made/entered via a Workflow form and emailed to a central approval agency. Approval agency will review/verify request and (upon approval) update SAP using the data from the workflow form. Central agency workers will have broader access to AR records (create/change/display/block/unblock/mark for deletion)
  - Critical or sensitive information (such as SSN) can be suppressed from individual end users via security roles
  - Maintenance area of customer data will not need an oversight group but access should be limited
- Described process is similar to the current vendor master data process in place now; OSRAP does compare the vendors before creating new accounts
- Quality of data will be preserved by:
  - Using an email request form/document to collect necessary data
  - Requiring the AR Customer master Maintenance end user to research the current SAP AR master data database to make sure a duplicate customer is not entered. The end user can use the standard AR match code (drop down list) to query the database and be proactive in promoting consistency

- **Develop strategy for current customer data clean up and gathering**

- Master data collected from legacy systems will be collected, cleansed and confirmed
- Anees explained an example of an initial load: from old system to excel to be cleansed then up loaded into SAP data:  
The initial load will begin with information from the old system being imported into Excel to be cleansed before exporting/uploading the information as SAP data
- The exact conversion strategy will be dependent on the AR scope (which agencies/systems) are to be included in the pilot roll-out. The LaGov technical and functional AR teams will work with the legacy programmers to design/build a conversion program for the master data. Legacy programmers will provide input test files to test the program prior to cut-over. Key SMEs on the legacy side will provide confirmation of converted data and help in the data cleansing process (as needed).

- **Improvements**

- Master Records will be shared in perspective (but not protected fields)
- Allows the agencies that are going to conduct AR business transactions in SAP a easily consolidated view of all business dealings (across agencies) with a single customer
- Configure subfields to check list in cases where there are several branches/departments/areas within a department for a single customer. This would be a recommendation for improvement.
  - This can be accomplished with head office/branch customer list in SAP
- Standard SAP reporting transactions such as Transaction FBL5N can be used to generate a real-time line item history report for a customer(s) by agency or across agencies
- SAP has a functionality to generate Dunning letters which are written by group and individualized. The parameters can be adjusted for each agency.
- Standardized report improvements eliminate data redundancy
- Able to see complete open debt by customer

- **Current Data Sources:**

- DOI – On manual spreadsheet before debt is forwarded to DOJ Collection
- DOI – has a regulating system
- DOJ – has internal system for Collection Section
- DOC – QuickBooks, for witness fees
- DNR – SONRISE
- DOTD – PERBA (has section to collect information), Bids and letting system
- WLF – internal web based. Begins with citation and drivers license number, invoice created and sent, data pulled from DPS.
- WLF – license application is cash management because it does not have invoice to send
- DOC – within QuickBooks, two accountants enter information but others have access.
- DNR – SONRISE has decentralized maintenance and billing.
  - Marreao Kimbrough recommends AR meeting with each of the four agencies who perform the billing.
- DPS and WLF - in-house billing connects to other section for outstanding balances

- **Business Procedure Considerations/Requirements:**

- DOI – soft collections, wants to be able to show administrative cost of debt collection which leaves the debt unclear. Sometimes overpayment occurs and is as confusing (unexpected interest).
  - For example, an outstanding invoice for \$100 is turned over to DOJ for debt collection. DOJ collects the original outstanding balance (\$100) plus interest (\$15). But when the money is turned over to the original billing agency, it is net administrative collection fees. We need to be able to clear the open item from SAP and show the interest and admin fees assessed.
    - In SAP this is accomplished with standard clearing functionality by selecting open invoice, apply payment amount to invoice and balancing posting with manually added GL line items for interest and admin fees.
- WLF has area to differ regular payment from garnishments.
- DOTD PERBA web site shows payments on line and many other damaged properties (bridges, signs, etc.)

- LDI has protected fields (hidden) for social security numbers

- SAP

- Can suppress fields to protect data
- Assumes due date known when money due is acknowledged
- Can perform automatic purging as requested for accounts with no activity and \$0 balance in consideration of not using the one time customer feature
- Has the ability to change due dates or payment terms exists but should be limited by security
- To discuss: previous account number (reference information) will/will not be available within SAP
- Has the ability to reassign balances with write-off. OSRAP specified the State is not allowed to write off. SAP has difference between write-offs and bad debt
- All programs will not be replaced but SAP will interact with these programs on some level (summarized for revenue/cash posting).

- Revenue Business Practices (As Is)

The following make and sell goods internally and externally:

- DOTD – maps and plans
- Prison Enterprises
- State Printing
- DOA – state property
- DOA – LPAA – auctioning
- Forms Management
- Developmental services?

DOTD and PE do sales orders

In SAP sales order functionality (stored price lists, materials, scheduling deliveries etc) is provided via the SD module which is out of scope. A sales order is not the same as a sales invoice; sales orders do not establish a receivable in AR. Typically, sales orders in SAP use SAP credit management to extend/manage credit.

The types of revenue streams in SAP are:

- Point of sale (goods/services are immediately exchanged for cash payment)
- Interagency (goods/services are provided to internal business units and 'paid' via revenue/expense allocations rather than with cash)
- Accounts Receivable (goods/services are extended to an external customer and these sales are paid for by the customer at a later time using cash payment).

Discussion on unique identifiers:

- common field to cross department is not likely and will create extra duplicate records
- additional fields can be required only if it adds business value
- LDI questioned if it will be similar to OSRAP verifying accuracy before activating
- AR team did first pass at field status requirements for customer master record (optional, required, suppressed fields). See attached spreadsheet for details. SMEs were asked to give their input on the first pass. AR team will consolidate SME input, update spreadsheet and use the recommendation for Realization configuration.
- In DPS, fines do not have unique identifiers simply multiple accounts

Question was raised on if different reconciliation accounts (balance sheet accounts) are needed for different customer groups; is this requirement for financial statement reporting? ***AR team to discuss with GL team***

- Legacy to SAP Cross Walk Tables

For customer master data conversion, the legacy records numbers (account numbers) will be maintained in a custom table (Z-table) that is populated during the conversion process. The legacy number is 'linked' to a SAP customer number so that legacy open item data can be converted to SAP. Typically customer master data cross walks are not used beyond conversion activities but are available if reporting need arise.

Accounting cross walk tables (legacy account objects to SAP account objects) will be defined/discussed in GL, FM, GM and CO workshops.

- Differences in handling debt

Interest and late fees not across the board but will be covered in dunning process  
Taxes are cash until late and need to be collected

DOI – loads receivables after appeals  
WLF – delays until after rulings  
DOJ/collections – calculates interest to bill date

DOTD does extend credit but the PERBA System is remaining  
DOC – has a few new accounts a year, maintenance no problem  
DOTD & DSS – both unsure of required maintenance  
DOJ – wants a decentralized system

Katherine Porche (OSRAP) referred AR to the Louisiana Register for more current information than the Policy and Procedure manual.

Lucy Smith (DSS) provided example spreadsheets used by for tracking payments to help determine the necessary fields in the new system



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-001\_Customer\_Mast



Account Group  
Design (First pass) - /