

Validation Session

Budget Prep Team

Capital Outlay Budgeting Process
(FPC)

03 December 2008



LaGov

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Validation Session Agenda

- Purpose
- Work Session Recap
- TO-BE processes by Topic
 - Key Design Elements and Decisions
 - Changes and Challenges
 - Open Issues
 - Benefits/Improvements
- Supporting Master Data Design
 - Key Design Elements and Decisions
 - Changes and Challenges
 - Open Issues
 - Benefits/Improvements
- FRICE-W objects
- Conversion Strategy and Interim Solution
- Organizational Impacts
- Next Steps
- Questions



Purpose of Validation Sessions

- Validation Sessions are intended to provide feedback to the workshop participants regarding the TO-BE process design:
 - Review and discuss TO-BE business process design
 - Confirm adherence to Leading Practices inherent in SAP or reasons for differing
 - Ensure the State's business requirements have been addressed
 - Highlight decisions that define the process, approval steps and integration points
 - Review and discuss Master Data design
 - Address key integration points
 - Support organizational requirements
 - Consistent and appropriate use of data fields
 - Identify areas of changing process, roles, and responsibilities
 - Resolve open issues or identify strategy for resolution
 - Analyze and document the benefits, improvements, and challenges inherent in the TO-BE process design

Note: Validation sessions are an affirmation of work session decisions, and assume the SAP functionality knowledge covered in TO-BE session.



Validation Session Objectives

- Review and validate key decisions made
- Discuss any “parking lot” and “action items” that need to be dealt with
- Validate any FRICE-W objects required
- Discuss key changes, challenges, and improvement opportunities
- Discuss realization schedule and plans
- Questions/Concerns?



Purpose of Today's Validation Session

- Capital Budget development: FPC
- Capital Budget Data Conversion: FPC
- Capital Budget Reporting & Publishing: FPC



Workshop Session Recap

Business Process	Workshop Codes	Goals	Work Session Dates	AM/PM
Capital Budget, Central Perspective	FI-BP-005	<ul style="list-style-type: none"> Overview of SAP Capital Budget Prep system 	2 October 2008	AM
Capital Budget Details & Processing (FPC)	FI-BP-006 (s-1) FI-BP-007A	<ul style="list-style-type: none"> Initial eCorts Request submission by Agencies, including feedback from Agencies to FPC Review & Analysis of Requests by FPC Consolidation & preparation of HB2 Tracking of Legislative amendments 	14-16 October 2008	AM/PM
Capital Budget Details & Processing (DOTD)	FI-BP-006 (s-2) FI-BP-007B	<ul style="list-style-type: none"> Capital Budget prep for DOTD Highway program Process overview from Project data creation through to retraction of Highway Program Budget 	22-23 October 2008	AM/PM



Session Recap Continued...

Business Process	Workshop Codes	Goals	Work Session Date	AM/PM
Capital Budget Data Conversion (FPC & DOTD)	FI-BP-009	<ul style="list-style-type: none">▪ FPC Legacy Capital Budget data conversion to SAP Budget Prep module▪ DOTD Legacy Highway Program Capital Budget data conversion to SAP Budget Prep module	5-6 November 2008	AM/PM
Budget Reports & Publishing	FI-BP-010	<ul style="list-style-type: none">▪ Development overview for all Capital Budget Reports▪ Data transfer from budget prep for publishing	29 October 2008	AM



Capital Budget Development: FPC



Design Considerations - Capital Budget: FPC

- State's Calendar for Capital Budget activities – FPC's vision
 - eCORTS by Agencies, FPC review, Capital Budget (HB2), Leg review & Issue of Approvals
- Different Budget Stages-Versions considered for Capital Budget Prep
- Reference of Project Numbers from Sunrise to Sunset
 - Request #: Assign upon "Save" (similar to ECORTS stage)
 - Schedule #: NN-AGY-FYA-Request# format proposed or LEG session year?
 - Process: Manual assignment process, and combinations of projects
- Retraction of Capital Budget from BI-IP to ECC-FM & PS
 - Details: By Project Number or lump-sum budget at a rolled-up Fund level
 - Timing: Immediately after HB2 or in Stages after monthly Bond meetings
 - Type: Non-Consumable Budget or Consumable & Non-Consumable Budget
- Need for Long Term Capital Budget Estimates Beyond 5 Years
- Consideration for a Needs database and the carryover of information



Capital Budget: Details and Processes, FP&C – Key Decisions

- Agency submission version of Capital Outlay Request (COR) to include MOF in SAP account code format for the proposed new funding
- For Agency submission of COR, prior funding (where applicable) plus proposed new funding must total to estimate of project costs (in the new Layout similar to eCORTS form)
- Each project's Schedule # shall include the CO Request # corresponding to the first year the project is funded
- Schedule # will be manually assigned by FPC (ref: Changes captured)
- Schedule # to include the Budget Fiscal Year (SAP plan year) together with the Request #, and not the year of the Legislative session
- Alpha designation (next to the year) in the Schedule #, is not needed
- Retraction to take place after approval of HB2 in lump sum by 'Capital Fund' as non-consumable budget (Note: as discussed in a subsequent session, this total retracted amount is not to exceed Enacted Cash plus LOC capacity)



Capital Budget: Details and Processes, FP&C – Key Decisions (cont'd)

- For FM posting of non-consumable budget to consumable by project (not by project phase), approvals are needed from OSRAP & STO, based on request initiated by the FPC Fiscal Group
- No requirement to capture 10 or 20 year forecasts
- Tracking of “proposed” amendments not required, instead Amendments approved by the Legislature will be tracked
- The tracking of HB2 amendments is to done similar to tracking & process as proposed for HB1 amendments
- All revisions to Capital Outlay Requests (CORs) by Agencies to be captured in a single version
- Departmental revisions/review/approvals of CORs to be captured in a single version
- Agency to include MOF in SAP account code while submitting CORs (as re-confirmed in the Agency session)



Capital Budget: Details & Processes - FPC

Changes & Challenges (p-1)

- Responsibility for manual assignment of Schedule numbers within FPC shifts from the Fiscal section to Capital Outlay section, especially for prior-funded projects requesting supplemental funding
- Responsibility for manual assignment of Schedule #s within FPC would be:
 - Fiscal section: for prior-funded projects requesting supplemental funding
 - CO section: for new projects after HB2 approval by LEG
- Budget prep process will change from Excel-based processes to the BI-based Budget Prep system, using Business Explorer and/or Web Tools. There will be the need for Training to all authorized end-users for Capital Budget process
- In addition to the above process/tool Training, all Budget End-users need training to be familiar with the new ECC-based account code structure (e.g. Fund, Grant, etc) sufficiently in advance, to be able to prepare/use the new tool



Capital Budget: Details & Processes - FPC

Changes & Challenges (p-2)

- Need for all Agencies to input 'details', especially for Revenue (M.o.F.) in Request submission process, before online submission to FPC
- Master data in all ECC modules (e.g. Projects in PS module) will need to be ready, together with multiple Cross-walks to SAP (e.g. from AFS, STARS and CORTS/BDS) prior to Budget Go-live.
- For Non-State projects, the CORs from Agencies will be routed through the Legislature for review/approval/recommendation, prior to the start of FPC process, as per the existing regulation R.S. 39:101(B.(1)(a))



Capital Budget: Details & Processes – FPC: Open Issues (p-1)

- **Action Item-1:** Check STARS data including Bond data
 - During Realization, Budget Prep Team would check STARS system to ensure whether Bond data is captured together with the Projects data

- **Action Item-2:** Explore automatic generation of Schedule # for “New projects”, after funding is finalized in the HB2 Bill
 - During Realization, Budget Prep Team would, together with the Technical Team, explore options for auto-creation of Schedule #s; this is subject to the precise definition of "finalization of funding in HB2"

- **Action Item-3 :** Bond series field in BDS file to AFS (Cash/Non Cash)
 - During Realization, Budget Prep Team would, together with FM & PS Teams, further investigate the BDS interface to AFS for Cash & Non-Cash entries

- **Action Item-4:** Military/Admin Agencies handle own funding request
 - During Realization, Budget Prep Team would set-up separate meetings with Military and other Admin Agencies to ascertain the need for any process exceptions



Capital Budget: Details & Processes – FPC: Open Issues (p-2)

- **Action Item-5:** Check the need for Admin Agency field in PS
 - During Realization, Budget Prep Team would, together with GL & PS Teams, check for each Admin Agency - whether they are created as Business Areas or Cost Centers/Fund Centers or use other FM attributes (Func. Area), to process CORs

- **Action Item-6:** Ensure Agency representations for
 - a. LSU/Universities
 - b. FPC Agencies – finer break-down of AFS Agency
 - During Realization, Budget Prep Team would, together with GL & PS Teams, check for each Admin Agency - whether they are created as Business Areas or Cost Centers/Fund Centers or other FM attributes (Func. Area) to process CORs

- **Action Item-7:** Cash/Non Cash LOC in BDS outbound file
 - During Realization, Budget Prep Team would, together with FM & PS Teams, further investigate the BDS interface to AFS for Cash / Non-Cash entries

- **Action Item-8:** Check 25% restriction on Non-State Project dollar value
 - During Realization, Budget Prep Team would check out the restriction to be applied on Non-State project dollar values.



Capital Budget: Details & Processes – FPC: Open Issues (p-3)

- **Action Item-9:** Example of changes to Non-State project submissions by Agencies, during LEG process
 - During Realization, Budget Prep Team would further investigate the process changes needed for Non-State projects during LEG process
- **Action Item-10:** Example of text related to dollar match that needs to be tracked in the financial system, for e.g. Local matching of funds
 - The SMEs may be requested to submit the sample information as soon as possible
- **Action Item-11:** Tracking of line item activity
 - During Realization, Budget Prep Team would investigate further into the tracking of changes to Line Items in HB2
- **Action Item-12:** Prior funding – Auto update based on the correct Request #
 - During Realization, Budget Prep Team will work on the Prior funding auto update for previous Request Numbers
- **Action Item-13:** Functionality for copy forward from old request to new request
 - During Realization, Budget Prep Team will work on the copy functionality from old to new Request



Capital Budget: Details & Processes – FPC: Open Issues (p-4)

- **Action Item-14:** Re-consider the Cost Estimate Source and Type
 - a. Quite useful for new projects
 - b. Not useful for renovation projects
 - During Realization, Budget Prep Team will work with FPC in the context of the design of the SAP-based Capital Outlay Request Form/Layout



Capital Budget: Details & Processes – FPC: Open Issues (p-5)

- **Parking Lot:** How AFS Project # is converted to SAP (PS)
 - During Realization, the Project System Team, together with the GL Team, would work out details of "Active" & Non-active" project data conversion

- **Parking Lot:** Need for longer text in the name of the Non-State projects, where they appear in HB2 Bill – including \$ values
 - During Realization, the Budget Prep Team, together with the Project System Team, would work out "Long text Name" requirements for Non-State projects

- **Parking Lot:** Non-state Agency setup for submission of CORs
 - During Realization, Budget Prep Team would, together with GL & PS Teams, check for Non-State Agencies - whether they are created as Business Areas or Cost Centers/Fund Centers or use other FM attributes (Func Area)

- **Parking Lot:** FM line item or header to identify “NULL” budget lines, after retraction – to be listed on reports after retraction
 - During Realization, the Budget Prep Team, together with the Funds Mgt Team, would investigate more details of "Null" budget lines, to include them in Reports

- **Parking Lot:** Future feasibilities & Needs assessment database for FPC
 - Since FPC is still formulating the overall requirement, this matter will be taken up during Realization phase



Capital Budget: Details & Processes - FPC Benefits & Improvements

- To facilitate Agency submission, such that FPC Analysts can rely on and review project estimates, without requiring data Re-entry / Re-keying
- Full system data integration between Accounting ('actual') & Budget data
- Ability to better manage development/monitoring of Capital Budget including:
 - Collection and comparison of Budget & Actual data
 - Collation / Consolidation of capital project data for Capital Budget
 - Analysis & Presentation (Summary, Slice & dice of the same information)
- Ease of reference-ability for “budget build” data of each year, in terms of Stages-Versions, documented during the budget build/approval process



Capital Budget, Details and Processes, FPC Benefits & Improvements (cont'd)

- Ability to capture greater detail by Project & Account code (new codes especially for Grants, etc)
- Ad hoc Reporting tools and/or capability for Capital Budget Analysts
- Provide quicker, easier and 24 x 7 access to Budget prep tool for all Users, especially during peak Budget closing times
- Centralized data storage feature in SAP systems would facilitate easy data retrieval, as compared to AS-IS Excel-based data storage/retrieval
- More timely data access, for e.g. manual entry/delays in funding approvals



Capital Budget Data Conversion - FPC



Budget Data Conversion Design Considerations

- Conversion effort will involve State resources, especially SMEs, for identifying the appropriate data to be converted and for the actual load into the Production system. Prior to this, the Project Team (especially consultants) would develop the Conversion Strategy and the Conversion Programs during the Realization phase
- Cleansing of data, before conversion to SAP, is considered essential



Budget Data Conversion

Key Decisions

- For conversion at the time of Go-live, the lump-sum Capital Budget amount to be loaded in Funds Mgt for FPC projects is the sum of:
 - (1) Enacted Cash amounts for various projects from House Bill 2, and
 - (2) Cash Line of Credit Capacity (CLOC) as specified in House Bill 2

- The Enrolled HB2 file is to be used for data conversion to BP

- There is a business need to retain CO Request data for 10 years



Budget Data Conversion Changes & Challenges

- Close-out procedures will need to be developed for existing projects and implemented by the State
- Clean-up of existing project data must be performed by the State



Capital Budget Data Conversion

Open Issues (p.1)

- **Action Item: FPC:** Discuss approach for the close out procedure for projects, including “open” contracts, etc.
 - Based on (a) Existing guidelines for closeout (b) Regulations to comply with
 - BP Team, together with PS Team, will discuss this matter further with SMEs from DOTD & FPC in the context of Data conversion

- **Action Item: FPC:** To identify the project funds remaining that should be closed out.
 - BP Team, together with PS Team, will discuss this matter further with SMEs from DOTD & FPC in the context of Data conversion

- **Action Item:** Check State requirements to retain CO Request data
 - SME to be requested to send in the Policy guidelines to be considered by the Technical Team for Archiving – the BP team will coordinate during Realization



Budget Data Conversion

Open Issues (p.4)

- **Parking Lot:** Check group code in AFS in relation to MOF
 - Means of Financing being addressed at the Finance Team level

- **Parking Lot:** PW category in Reporting Category & description
 - BP Team, together with PS & GL Team, will discuss this data mapping issue with FPC in the context of Data conversion

- **Parking Lot:** Check EAP2 table for data conversion of FPC projects
 - BP Team, together with FPC, will review the EAP2 table during Data conversion

- **Parking Lot:** Check BDS entry Wildlife & Fisheries Project
 - a. Stat Ded.
 - During Realization, BP Team will discuss the specific BDS entry for this project. But, Stat. Ded. will be finalized based on the overall decisions re: MOF



Budget Data Conversion

Open Issues (p.6)

- **Parking Lot:** Revenue Bond in project taking in AFS/STARS fees and Self Gen
 - a. What is the treatment in FM?
 - b. Trustee has the money, pays vendor directly
 - During Realization, BP Team will check this specific AFS/STARS Fees entry. But the treatment in FM will be as finalized based on the overall decisions re: MOF

- **Parking Lot:** Check line items for “Interest Earnings”
 - During Realization, Budget Prep Team will check to determine the need to reconcile between HB2 line items (submitted through eCORTS) and other related budget line items such as “Interest earnings”



Budget Data Conversion Benefits & Improvements

- Clean-up/closeout of old data/projects will reduce volume of data being stored
- Close-outs may free up funds for other projects



Capital Budget Reports and Publishing of Capital Budget



Capital Budget Reports and Publishing Design Considerations

- BI reporting will address the Capital Budget reports during Realization
 - Establishment of baseline capability to perform on-line analysis of key financial information using standard features of BI and its Standard Business Content

- The BI Reporting effort would concentrate on:
 - Development of a Business Intelligence (BI) Architecture
 - Comprehensive ERP Blueprint Reporting Requirements
 - Deployment of required reporting using BI Standard Business Content
 - Comprehensive Annual Financial Reporting
 - Budget Preparation Support
 - Extraction of required SAP Master & Transactional data to support Standard Content
 - Leverage of the State's existing Business Objects infrastructure and skills



Budget Reports and Publishing Key Decisions

- FPC has no publishing requirements for HB2, beyond sending it to the Legislature in Word Perfect format



Budget Reports and Publishing Changes & Challenges

- Excel based Reports would change to BI based Reports
- All existing Budget Users would be classified as:
 - a) End-users requiring Pre-canned BI Reports
 - b) Medium-users requiring access to BI Queries
 - c) Super-Users requiring development access for BI Queries
- Efforts are underway to ascertain if Pattern Stream would be able to output data to Word Perfect, to meet the requirements of submission to the Legislature



Budget Reports and Publishing Open Issues

- No Open Issues in Capital Reporting & Publishing



Budget Reports and Publishing Benefits & Improvements

- BI Reporting would bring about several improvements in Reporting across the State, including the following:
- Analysis Capabilities
 - Multi-dimensional views
 - Generic navigation and interaction (slice & dice, drill-down, drill-thru, etc...)
 - Hierarchy navigation
 - Time dependency
- Additional Features (in future)
 - Alerting to identify and handle exceptions,
 - Pro-active notification
 - Conditions
 - Data Mining
 - Information Broadcasting
 - Graphics
 - Email Push



Technical Objects

FRICE-W Objects



Summary of FRICE-W Objects

- **Forms**: There are no special ABAP Forms to be developed for FPC Capital Budgeting process
- **Reports**: The legacy list of Capital Budget reports are being compiled, and would form the BI Reporting Team's scope for development
- **Interfaces**: Besides the inherent link from BI-IP to ECC-FM, there is no other Interface data expected for the development of the Capital Budget build of FPC
- **Conversions**: Capital Budget data conversion topic has been separately covered
- **Enhancements**: There are no special Enhancements to be developed for FPC Capital Budgeting process
- **Workflow**: There is one special Workflow to be developed for FPC Capital Budgeting process for FM budget posting from non-consumable to consumable budget, by routing the approval to OSRAP & STO.



Next Steps - General

- Current Blueprinting Phase (Nov '08 – Jan '09):
 - Validation sessions are currently being held for all modules
 - Process Design Documents are being developed
 - Other related Design Definition documents are being developed

- Realization Phase (February 2009+):
 - System Configuration
 - Unit and Confirmation Testing
 - Documenting of Business Process Procedures (BPP's)
 - Define and Develop FRICE objects
 - Integration Testing
 - User Acceptance Testing



DOA web-site for the ERP project

Visit DOA website for Blueprint Presentations, Meeting Minutes and Project News!
www.doa.louisiana.gov/ERP/index.htm

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REALIZATION

Welcome
LaGov is Louisiana's Enterprise Resource Planning system. It is the first one business system to the State of Louisiana. It is the most strategic business initiative for Louisiana State.

Budget Preparation

- Blueprint Session: Budget Preparation, Integration & Overview (FI-FM-002/FI-BP-001)**
[FI-FM-002/FI-BP-001 Session Presentation](#)
[FI-FM-002/FI-BP-001 Meeting Minutes](#)
- Blueprint Session: Operating Budget Timeline (FI-BP-002)**
[FI-BP-002 Session Presentation](#)
[FI-BP-002 Meeting Minutes](#)
- Blueprint Session: Operating Budget - Details and Systems (FI-BP-003)**
[FI-BP-003 Session Presentation](#)
[FI-BP-003 Meeting Minutes](#)
- Blueprint Session: Operating Budget - Agencies Perspective (FI-BP-004)**
[FI-BP-004 Session Presentation](#)
[FI-BP-004 Meeting Minutes](#)
- Blueprint Session: Capital Budget - Central Perspective (FI-BP-005)**
[FI-BP-005 Session Presentation](#)
[FI-BP-005 Meeting Minutes](#)



Questions?

