

Validation Session

Budget Prep Team

Capital Outlay Budgeting Process
- DOTD Highway Program

04 December 2008



LaGov



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?



Overview of Today's Validation Session

- Capital Budget development: DOTD Highway Program
- Capital Budget Data Conversion: DOTD Highway Program
- Capital Budget Reports & Publishing: DOTD



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 moduleDOTD 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 ReportsData transfer from budget prep for publishing	29 October 2008	AM



Capital Budget Development

DOTD Highway Program



Capital Budget Development: DOTD Design Considerations

- Project Number Creation
 - Timing: Stage 1 or Stage 2?
 - Dataflow: Project Number data to TRNS.PORT and other Legacy systems
- Retraction of Capital Budget, from BI-IP to ECC-FM & PS
 - Details: By Project Number or lump-sum budget rolled-up at Fund level?
 - Timing: Immediately after HB2 or in Stages after monthly Scheduling/Bid meetings?
 - Type: Non-Consumable Budget or Consumable/Non-Consumable Budget?
- Need for long term Capital Budget estimates over 4 years (STIP), 5 years, or 7 years (Budget Partition) or any longer term plans
- Considerations for an SAP Needs database and carryover of any information
- DOTD aging system replacement considerations for LETS and other systems



Capital Budget Development: DOTD

Key Decisions

- Interfaces with Existing systems: Build BI interfaces for DOTD systems (TOPS, LETS, etc) and consider replacing some of DOTD system data within BI system in the future (Note: This was discussed in the Session)
 - In a subsequent meeting specially addressing DOTD systems held Thr-20-Nov, LETS has been identified to be replaced with functionality in the BI system
- Subject to further confirmation, Project Systems-based Project numbers to be created in Stage 2 (of Highway Program) and made available for reference to other systems
- After HB2 enactment, Highway Program Capital Budget is to be retracted as a lump sum non-consumable budget by DOTD Budget (discussed in the session)
 - In a subsequent meeting, HB2 Capital Budget Retraction to FM was consolidated at FPC Budget
- 4-year detailed Highway Program to be built in DOTD Hwy cube, based on LETS data, which in turn is based on the budget partition (Details to be determined)
- Project Finance section to initiate approval to move budget to individual projects
 - For construction projects, this will take place after each project bid review is complete and each project authorization is adjusted for over/under
 - For non-construction projects, this will be based upon signed consulting services contract, Right-of-Way approval emails (LETS group), & Authorization by Highway Program Engineering Group
 - No system-based approval routing is needed for above budget process



Capital Budget Development: DOTD

Key Decisions

- Data from existing TAND system need not be considered for inclusion in BI; this data may instead be considered for Agile Assets
- No Needs Database is needed in BI system, instead DOTD will use their existing Needs Database



Capital Budget Development: DOTD Changes & Challenges

- Potential new/changed Job role impacts: Unlike AS-IS, there will be the need to move Budget, after lump-sum retraction of DOTD Highway Program Capital Budget, from non-consumable budget to consumable Budget for individual projects/phases



Capital Budget Development: DOTD

Open Issues (p-1)

- **Action Item:** Check Projects data with Federal Fiscal Year in STIP
 - During Realization, Budget Prep Team would examine STIP data to ensure that Federal Fiscal year is built in

- **Parking Lot:** Federal Set Asides (Earmarks) within FHWA
 - During Realization, Budget Prep Team would, together with FM & PS Teams, check FMIS system to ensure that Federal set-asides are set up and budgeted for

- **Action Item:** MOF interfaces from DOTD to AFS
 - During Realization, Budget Prep Team would, together with FM & PS Teams, check the DOTD interfaces to AFS

- **Action Item:** TAND
 - Screenshots of TAND (Highway Needs Dbase) were obtained before FI-BP-007B and discussed at the session, and a decision was taken

- **Action Item:** Check Cash Mgmt tool for DOTD's current process of Advance Construction balance
 - During Realization, the Cash Mgt Team, together with GL team & PS Team, would investigate more details of the Cash Mgt tool used by DOTD.



Capital Budget Development: DOTD

Open Issues (p-2)

- **Action Item:** FHWA High priority regulations: Demo/Federal Earmark
 - During Realization, the Budget Prep Team would find options to capture Demos & Federal Earmarks that are included in Budget Partition

- **Action Item:** Timed Bond funds in Budget Partition, but not in HB2
 - During Realization, Budget Prep Team would find options to capture Timed Bond funds, which are included in Budget Partition, but excluded in HB2 presentation

- **Action Item:** Projects outside Hwy Priority program
 - a. Wish List by Legislature
 - b. Line item projects
 - c. State Earmarks
 - During Realization, Budget Prep Team will investigate re: Projects outside Hwy Program

- **Action Item:** Copy of eCorts Recap
 - SMEs may be requested to submit the information (report?) as soon as possible

- **Action Item:** Explore pieces of disconnect between Scheduling and federal aid money
 - During Realization, Budget Prep team, together with PS Team, will investigate this



Capital Budget Development: DOTD

Open Issues (p-3)

- **Action Item:** Check FAST data if relevant to HB2
 - During Realization, BP team would contact the SME to confirm this
- **Action Item:** Federal Authorization for Pre-Construction
 - During Realization, Budget Prep team, together with PS team, will investigate this
- **Action Item:** DOTD Planning to confirm Stage 2 to create PS project
 - Decision between Stage 2 (as decided in PS session) and Stage 1 to be finalized based on data of last year's Highway project data
- **Action Item:** Planning/IT to confirm during Realization that new SAP project number can be embedded in LETS
 - Note: Subsequently, at the special meeting for DOTD systems held Thr-20-Nov, LETS has been identified to be replaced with functionality in the BI system
- **Action Item:** Explore BDS/AFS entry after HB2 bill is entered for DOTD Highway Capital Budget (\$660m)
 - Brief details received from DOTD Accounting. More investigation in Realization



Capital Budget Development: DOTD

Open Issues (p-4)

- **Parking Lot :** After HB2, what happens if funding changes?
 - After HB2 approval and lump-sum retraction, specific funding changes for few projects are to be further discussed during Realization.

- **Parking Lot:** Amendments to Revenue after Rev. Est. Conference
 - During Realization, the Budget Prep Team will investigate this process

- **Parking Lot:** Subsequent projects submitted by DOTD directly to the Legislature for approval
 - During Realization, the Budget Prep Team will investigate the need for revision of Capital Budgets

- **Parking Lot:** Read only access to FHWA
 - This item may need to be escalated to Project Management Office, if there is any perceived approval issues for DOTD or the Capital Budget Project Team

- **Action Item:** To work out details of Summary WBS element that will capture Stage 0 and Stage 1 costs.
 - During Realization, Budget Prep team, together with PS team, will investigate this



Capital Budget Development: DOTD

Open Issues (p-5)

- **Action Item:** Obtain info re: Environmental projects that 'die', to take a decision re: PS master data creation in Stage 1 or 2
 - a. Also consider the number of projects to be created
 - b. Use of project template
 - c. Archiving strategy to follow
 - d. Conversion implication to follow
 - If this matter is not resolved by Validation, then during Realization, Budget Prep Team, together with PS Team, will take up this matter

- **Action Item:** Fields stored in LETS not used for BI budget prep & Project System
 - During Realization to review data fields stored in LETS, to determine the fields not used for BI budget prep & Project System module

- **Action Item:** Check if Quarterly version LETS data needs to be stored as a version – Get sample Report
 - During Realization, BI Team will review data fields stored in LETS & reports, to determine if this is a Snapshot (similar to date-enabled BI Summary Report) or if the data needs to be retained as a separate IP version



Capital Budget Development: DOTD

Open Issues (p-6)

- **Action Item:** Functional Classification data is not in LETS
 - During Realization, the Budget Prep Team, together with PS Team, will explore options if Functional Classification is not embedded in the PS Master data

- **Action Item:** List of LETS reports that must be developed in BI
 - To ensure that LETS reports are included for BI Report development List

- **Action Item:** Check on DOTD project data, not in Hwy Program, but submitted as eCORTS into House Bill 2
 - During Realization, Budget Prep Team will review data/reports to determine the reconciliation between HB2 line items (through eCORTS) & Highway Program



Capital Budget Development: DOTD

Open Issues (p-7)

- **Parking Lot:** Other/Supplemental funding of DOTD Highway Program
 - a. From parishes, but not necessarily in priority program
 - During Realization, Budget Prep Team will review legacy data, to determine the need to reconcile between HB2 line items (submitted thro eCORTS) and Highway Program

- **Parking Lot:** Future new projects created in SAP and corresponding numbers in TRNS.PORT system
 - As SAP PS data is interfaced, during Realization, Budget Prep Team will, together with PS team, discuss further with TRNS.PORT re: the process of conversion and new project creation

- **Parking Lot:** PS project numbers available for Capital Budget Go-live
 - During Realization, BP team will ensure this in the PS conversion process

- **Parking Lot:** Exception handling of State-only Line Item project
 - As SAP PS data is interfaced, during Realization, Budget Prep Team with the PS team, will further discuss these exceptions with DOTD



Capital Budget Development: DOTD

Open Issues (p-8)

- **Parking Lot:** What is the future role of the current Project Finance Committee or Project Delivery Steering Committee (PDSC) With respect to moving budgets from Lump-sum to individual projects?
 - BP Team will discuss this matter with DOTD, re: the two Committee's roles

- **Parking Lot:** Detail breakdown of State Fund
 - This matter will be decided by the overall Means of Financing structure in SAP being addressed at the Finance Project Team level

- **Parking Lot:** PS Planning component
 - A separate PS Planning session was held, and the PS Validation session is scheduled to be held next week, 10-11 Dec 2008



Capital Budget Development: DOTD Benefits & Improvements

- Full system data integration between Accounting 'actual' & Budget data
- Ability to better manage the 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
- Ability to capture greater detail by Project & Account code (new codes especially for Grants, etc)
- Ad hoc Reporting tools and/or capability for Highway Program 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



Budget Data Conversion

DOTD Highway Program



Budget Data Conversion Design Considerations - DOTD

- 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: DOTD

Key Decisions

- For Highway Program budget conversion at Go-live, the lump-sum amount to be loaded in FM will be the Enacted Amounts finalized at the time of HB2 approval

- Snapshot will be available for Budget Prep Team from Mary/Susan
 - Highway Priority Program Project list + Values (essentially in budget partition)
 - Remaining gap will be line items
 - List for maintenance to be included in the CO Budget for conversion



Budget Data Conversion: DOTD 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



Budget Data Conversion: DOTD

Open Issues

- **Action Item:** Obtain the DOTD procedure of closing out projects
 - a. Invoices outstanding or not
 - b. Clearing Fund Source (State Money)
 - c. Process different for (1) TTF, (2) Fed, (3) General Fund & (4) Bond Money
 - 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 for DOTD record retention guideline
 - SME to be requested to send in the Policy guideline to be considered by the Technical Team for Archiving

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

- **Parking Lot:** 80 years of historical data from TOPS; Where to house this data, in SAP or as Legacy Archives?
 - This matter is proposed to be escalated to Technical Team & Project Management Team

- **Parking Lot:** How to list Bond money for Highway Project separately as a line item in HB2?
 - a. Federal funds in Highway Program
 - b. Check eCorts submission for HB2
 - During Realization, Budget Prep Team will review legacy data to reconcile between HB2 line items (submitted through eCORTS) and Highway Program



Budget Data Conversion: DOTD

Open Issues

- **Parking Lot:** Line items for I-49 as \$30M in the Act, but in AFS, there are two Authorizations
 - Based on mapping of Authorization into MOF, during Realization, Budget Prep Team will review legacy data/reports, to determine the need to reconcile between HB2 line items (submitted through eCORTS) and Highway Program
- **Parking Lot:** Check Non-Hwy Program line item for Secretary Emergency Fund
 - During Realization, Budget Prep Team will check to determine the need to reconcile between HB2 line items (submitted through eCORTS) and other Highway Program related budget line items
- **Action Item:** To follow up on the financial details (eg. 36-07-241) to be added to Budget Prep conversion data
 - Based on the Means of Financing, being addressed at the Finance Team level, this will be taken up for conversion mapping discussions during Data conversion



Highway Program Capital Budget Reports and Publishing needs for DOTD Capital Budget



Capital Budget Reports and Publishing: DOTD 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: DOTD

Key Decisions

- DOTD has no publishing requirements for the Highway Program
- Highway Program reports must be prepared for the Legislature:
 - By Parish
 - By Categories & Sub-Categories
 - By Functional Classifications



Budget Reports and Publishing: DOTD 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



Budget Reports and Publishing: DOTD

Open Issues

- No Open Issues in DOTD Capital Budget Reporting & Publishing



Budget Reports: DOTD Benefits & Improvements

- BI will be the primary reporting tool for the State
- Transfers the processing load from the transactional system (ECC) to the reporting system (BI)
- Provides enhanced reporting capabilities including filtering, sorting, analysis, calculations, exporting, and presentation
- Generally, BI is refreshed overnight
 - Typically, delta loads for transactional data and full loads for master data
- Real-time reporting requirements to support **daily** decision-making process may need to be supported by ECC



Technical Objects

FRICE-W Objects



FRICE-W Objects

- **Forms**: There are no special ABAP Forms to be developed for DOTD Highway Program Capital Budgeting process
- **Reports**: The legacy list of Capital Budget reports is being compiled, and would form the BI Reporting Team's scope for development
- **Interfaces**: Besides the inherent link from BI-IP to ECC-FM, the replacement of LETS system may lead to potential Interfaces; this will be assessed by the BI Team as part of the LETS replacement effort
- **Conversions**: Capital Budget data conversion topic has been covered separately
- **Enhancements**: There are no special Enhancements to be developed for DOTD Capital Budgeting process
- **Workflow**: There are no special Workflows to be developed for DOTD Highway Program Capital Budgeting process



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 (ERP) system. It is the first and only business system to the State of Louisiana. It is a 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?

