



LaGov Project

Agency Implementation Meeting
April 21, 2009



Mission Statement

“To successfully implement an enterprise administrative solution for the State of Louisiana to demonstrably improve administrative business performance and reporting”



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Agenda

- Welcome / Purpose of Today's Meeting
- Agency Use of Program / Program Activities
- LaGov Components
- LaGov Financial System
- AFS Data Mapping Instructions
- Agency Readiness Activities
- Question / Answer Session



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Purpose of Today's Meeting

- Provide information on Program Activity
- Provide a frame of reference to the overall *LaGov Solution*
- Develop a shared understanding of the new LaGov Financial Structure
- Provide a forum for Finance leads to seek clarification / ask questions
- Provide a forum for exchange of information between Agency Implementation Leads (AILs)



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Program Activities and Consistency



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Program Activities and Consistency

“A foolish consistency is the hobgoblin of little minds,
adored by little statesmen
and philosophers and divines.”

- Ralph Waldo Emerson

Mr. Emerson never had to construct a budget!



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Program Activity Definition

What is the definition of “Activity” in Louisiana statutes?

Definitions included in Title 39 (2):

(1) Activity means a distinct subset of functions or services within a program

(37) Program means a grouping of activities directed toward the accomplishment of a clearly defined objective or set of objectives



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Inconsistent Use of Activities

Program A (example)

473	Administrative Services	2010	26	178
501	Maintenance Department	2010	26	178
506	Custodial Services	2010	26	178
518	Campus-Wide Operations	2010	26	178
549	Gustav	2010	26	178
593	Instruction Administration	2010	26	178
601	Instructional Services	2010	26	178
621	Louisiana Instructional Materials Center	2010	26	178
625	Assessment Center	2010	26	178
636	Outreach Services	2010	26	178
669	Dormitory Services	2010	26	178
673	Health Services	2010	26	178
677	Food Services	2010	26	178

Program B (example)

948	Executive and Business Services	2010	26	179
951	Operations and Plant Services	2010	26	179
952	Instructional Division	2010	26	179
953	Educational Support Services	2010	26	179
954	Student Life	2010	26	179
956	Food Services	2010	26	179
958	Student Center	2010	26	179



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Program Activities and Consistency

1. A program's activities must be lower than a program level. In particularly small programs, it is possible that there might only be one activity, but that should be *rare*.



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Program Activities and Consistency

2. All the activities of a program must aggregate to that program. For example, the total budget request for a program should be equal to the sum of all budget requests for each activity included in that program. Thus all the expenditures made by a program must be captured in an activity, and there should be no activities that are not associated with a program.



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Program Activities and Consistency

3. The activity must have a meaningful, measurable performance indicator.



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Program Activity Guidelines

- Produces a clearly-articulated outcome or outcomes for an identified group of customers
- Supports the Administration's priorities and/or complies with a legal requirement
- Accountable for performance



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Program Activity Guidelines

- Identifies costs for budgeting and management purposes
- Independent of other Activities
(i.e., *severable*)



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Program Activity Guidelines (cont.)

Activities have been framed at *too small* a level when:

- It is difficult to clearly identify a meaningful outcome for a substantial group of customers, or
- The total resources invested fall below **\$100,000**



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Program Activity Guidelines (cont.)

Activities have been framed at ***too large*** a level when:

- The program produces so many different outcomes for different customer groups that analysis and accountability is muddled,
- The program involves so many different players that there is no one in a good position to take responsibility for outcomes, or
- Policy makers and other decision makers find that the size of the program hinders understanding, analysis, and improvement.



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LaGov Components

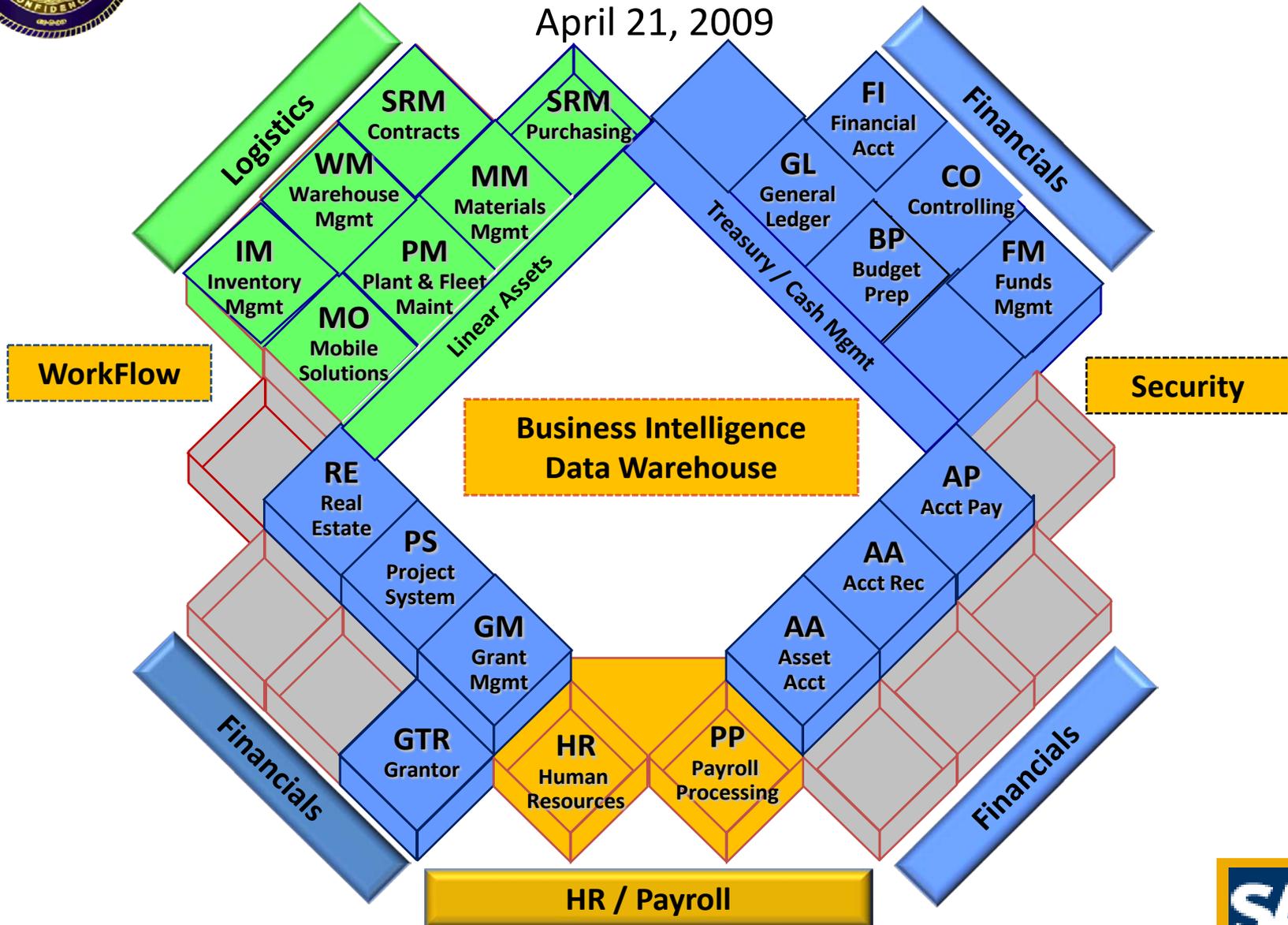
- Financials
- Procurement and Logistics
- Linear Assets
- Business Intelligence / Data Warehouse
- HR / Payroll Integration



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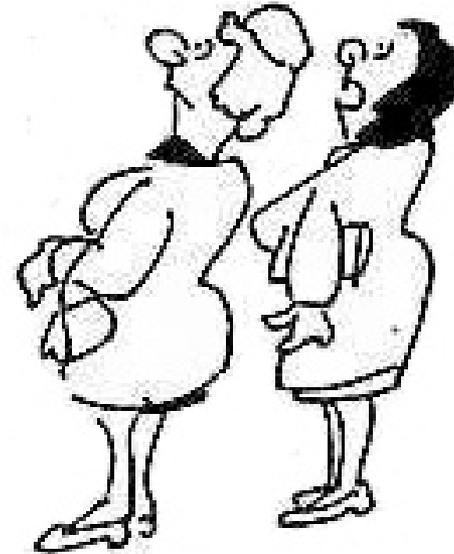
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SAPANESE

- FI, CO, FM
- GL Account
- Business Area
- Functional Area
- Cost Center
- Internal Order



"It's all Greek to me!"



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LaGov Financial System

Discussion for Today:

Specific data elements
in the following modules -

- **Financial Accounting (FI)**
- **Controlling (CO)**
- **Funds Management (FM)**

Future Topics:

- General Ledger
- Accounts Payable
- Accounts Receivable
- Asset Accounting
- Grants Management
- Grantor
- Project Systems
- Real Estate Management
- Treasury/Cash Management
- Budget Preparation



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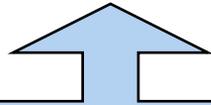
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LaGov Financial System

FI

Financial
Accounting



Original
transactions post
here

Core Finance :
general ledger,
accounts payable,
accounts receivable,
and assets

CO

Controlling

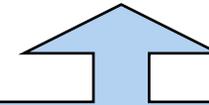


Moving costs
around internally
here

Cost Accounting:
managerial accounting,
allocations
and assessments

FM

Funds Management



Budgetary control
of costs here

Budgetary Accounting:
budget execution,
detailed commitments
and obligations



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Financial Master Data

Possible AFS data mapping	FI	CO	FM
Expense Object Revenue Object Balance Sheet Account	GL Account	Cost Element	Commitment Item
Agency Organization Appropriated Program	Business Area	Cost Center	Funds Center
Project Sub-object Reporting Category		Internal Order/WBS element	Funded Program
Activity Parish	Functional Area	Functional Area	Functional Area
Fund	Fund	Fund	Fund



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Financial Accounting

FI

**Financial
Accounting**

- **Business Area**
- **GL Account**



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Business Area Definition

Agency = Business Area

Business area represents separate areas of operations or responsibilities within an organization

Business areas are balancing entities, with the ability to create their own set of financial statements for external/internal purposes



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GL Account Definition

GL Account Defines:

- Commitment, expense, and revenue postings
- Budgetary postings and controls
- Balance sheet requirements including cash, assets, and inventory
- Classification for grants expense and billing controls
- Support cash and revenue controls



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Why are GL Accounts important to me?

GL Accounts form the backbone of all financial postings in LaGov:

- The single Chart of Account meets all Statewide and Agency requirements
- GL Accounts will drill down to the lowest level of detail required for Agency financial reporting
- GL Accounts will roll up to the highest levels of aggregation required for Statewide financial reporting and budgetary control



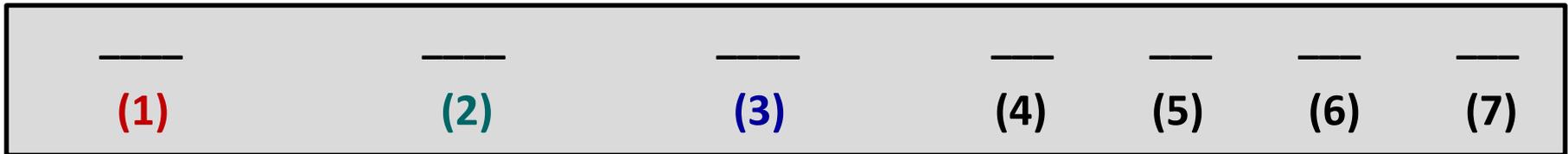
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General Ledger (GL)

- GL Accounts classify debit and credit values
- Answer the question “What?”
- There are five types of GL accounts
- LaGov will use a 7 digit logical numbering scheme



(1)

1 = Assets
2 = Liabilities
3 = Fund Balance
4 = Revenue
5 = Expense

(2)

**First major
breakdown of
class**

(3)

**Second major
breakdown of
class**

(4) (5) (6) (7)

**Sequentially assigned as required
to support reporting requirements
for further breakdown of accounts**



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Controlling (CO)

CO

Controlling

- **Cost Center**
- **Internal Order**
- **Cost Element**
- **Work Breakdown Structure (WBS)**



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Why are Cost Centers important to me?

Agency cost centers define your Agency's presence in LaGov:

- Cost centers form the structure from which all other master data is aligned
- Cost centers are the most commonly used data in LaGov



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Why are Cost Centers important to me?

Cost centers define:

- Asset, equipment, and movable property ownership
- Project, grant, and work order ownership
- Basis for cost allocations and distributions
- Commitment, expense, and revenue postings
- Budgetary postings and controls
- Integration with HR for payroll costs



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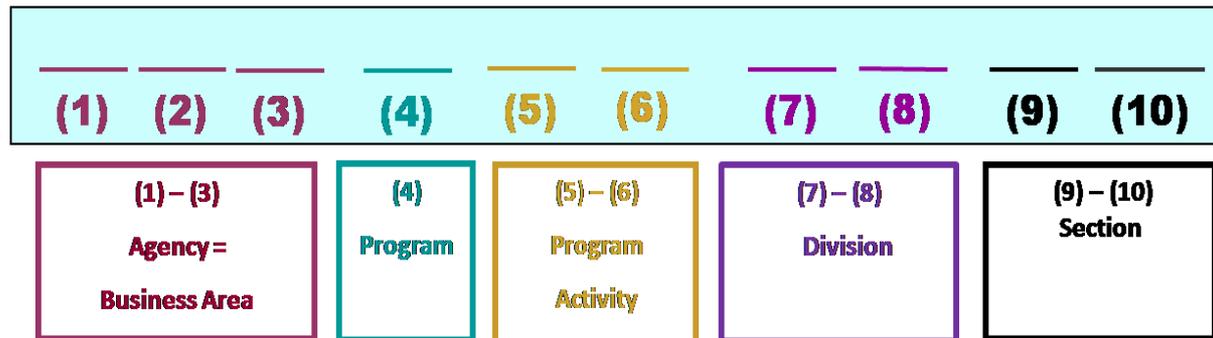
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Cost Center

- Departmental breakdown of Agency structure
- Answers the question “Where?”
- Lowest level where costs are collected and analyzed
- Revenues and Expenditures can be recorded in the same Cost Center Center

Cost Centers Non-DOTD Agencies



Type	Numeric	Alpha-Numeric	Alpha-Numeric	Numeric	Numeric
Possible Entries	001-999	1-9 A-Z	01-99 AA-ZZ	01-99	01-99



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Internal Order

- Provides further breakdown of a specific cost
- Answers the question ... “ Why ? ”
- Two (2) types of Internal Orders



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Internal Order

Two (2) types of Internal Orders:

1. Statistical

- a. Accumulate revenues/expenditures for reporting purposes
- b. Cost Center known at time of posting

2. Real

- a. Cost transferred to appropriate cost center(s) at the end of project
- b. Cost Center may not be known at time of posting



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Example: Statistical Internal Order

Example: Statistical Internal Order:

Agency 107 wants to accumulate all expenses related to a special project for the ISIS Learning Solution. The Cost Center is known at the time of posting, and the Agency will use a Statistical Internal Order to accumulate all of these expenses for reporting purposes.

Statistical Internal Order → **20500000** - ISIS Learning Solution

Cost Center → **1074010301** - Office of Information Services

GL Account	→	400000	Salary Expenses	\$3,500
		410000	Supplies Expenses	\$ 450
		420000	Software Media Expense	\$ 75
			Total for Cost Center & Internal Order	----- \$4,025



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Example: Real Internal Order

Example: Real Internal Order:

Agency 276 will send multiple employees from different divisions (therefore in different cost centers) to assist a neighboring state in a 3 month employee training program. All costs will be temporarily accumulated on a Real Internal Order and settled or transferred (based upon # of workers per division) to the appropriate Cost Center at the end of the project.

Real Internal Order → **10500000** - State of Texas Employee Training

Cost Center → - No Cost Center on Original accounting entries

GL Account	→	400000 Airfare Expenses	\$ 5,000
		410000 Meals Expenses	\$ 9,500
		420000 Lodging	\$20,000

		Total for Internal Order	\$ 34,500



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Example: Real Internal Order (continued)

Upon Completion of the project, Costs should be allocated to the various Divisions as follows:

	<u>pro-rata share to cost center</u>
Division 1 – 2 employees	40%
Division 2 – 1 employee	20%
Division 3 – 2 employees	40%

Accordingly, all costs would be settled from the Internal Order to the respective Cost Centers as follows:

Internal Order: 10500000-State of Texas Employee Training

Total Expenses	\$34,500
Credit (settle to Cost Centers)	-\$34,500
Net for Internal Order	0

Debit to Cost Centers

2763010100 (Division 1)	\$13,800
2762010200 (Division 2)	\$ 6,900
2764040300 (Division 3)	\$13,800
Total Settled to Cost Centers	\$34,500



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Funds Management (FM)

FM

Funds
Management

- **Functional Area**
- **Funds Center**
- **Commitment Item**
- **Funded Program**



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Functional Area / Fund Definition

Parish = Functional Area
Disaster = Functional Area

Functional area represents the classification of financial transactions, providing information about overall purposes or objectives for each transaction

Fund

Fund represents a separate and distinct fiscal/accounting object containing a complete self-balancing set of accounts

**** Differences between “AFS Fund” and “LaGov usage of Fund”
will be discussed at a future meeting***



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Instructions for Mapping AFS Legacy Data

Orgs



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Mapping Requirements: AFS Org

1. All AFS Orgs listed should have an associated LaGov **Cost Center** created or if the AFS Org represents an object other than Cost Center (for instance, a Grant), this should be noted in the appropriate column with an "X"
2. An AFS Org cannot be mapped to more than one LaGov **Cost Center**



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Mapping Requirements: AFS Org

3. More than one AFS Org can be mapped to one LaGov **Cost Center**
4. If an Agency's organizational structure does not go below a certain level (for instance, there is no division and section), the LaGov numbers should be represented by "0"
5. In LaGov, Revenues and Expenditures can be posted to the same **Cost Center**



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Mapping Requirements: AFS Org

6. If an AFS Org should be mapped to an Internal Order, two additional data fields will need to be completed on the spreadsheet
7. Please indicate if the AFS Org is used for Revenues or Expenditures by placing an “E” or “R” in the column marked Exp/Rev



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Mapping Requirements: AFS Org

8. An optional “Notes” column has been provided for agency use
9. AFS Orgs not on the provided list should be added to the spreadsheet to ensure all current data elements are accounted for.



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Instructions for Mapping AFS Legacy Data:

Reporting Categories and Sub-Objects



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Mapping Requirements: AFS Reporting Categories and Sub-Objects

1. Are they necessary?

If not, place an "X" in the omit column of the spreadsheet



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Mapping Requirements: AFS Reporting Categories and Sub-Objects

2. Assign the LaGov field based on the following table by placing an “X” in the appropriate column of the spreadsheet

AFS Rept Cat & AFS Sub-Obj Use

Fund Source
Grant
Parish / District
Disaster
Employee Salary Detail
IAT

LaGov Field

Fund
Grant
Functional Area
Functional Area
Reported in HR
IAT (actual field TBD)



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Mapping Requirements: AFS Reporting Categories and Sub-Objects

3. If an AFS Reporting Category or Sub-Object should be mapped to an Internal Order, two additional data fields will need to be completed on the spreadsheet
4. If an AFS Reporting Category or Sub-Object should be mapped to a General Ledger Account, place an "X" in the appropriate column on the spreadsheet.



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Mapping Requirements: AFS Reporting Categories and Sub-Objects

5. If an AFS Reporting Category or Sub-Object should be mapped to a Cost Center, place an “X” in the appropriate column on the spreadsheet.
6. Please indicate if the AFS Reporting Category or Sub-Object is used for Revenues or Expenditures by placing an “E” or “R” in the column marked Exp/Rev.



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Mapping Requirements: AFS Reporting Categories and Sub-Objects

7. An optional “Notes” column has been provided for agency use.
8. AFS Reporting Categories or Sub-Objects not on the provided lists should be added to the spreadsheet to ensure all current data elements are accounted for.



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Agency Readiness Activities

- ***Additional SECTIONS to the GUIDE***
- ***Additional information on the LaGov website***



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Agency Implementation Guide

LaGov
 ENTERPRISE RESOURCE PLANNING
 Our mission is to successfully implement an enterprise administrative solution for the State of Louisiana to demonstrably improve administrative business performance and reporting.

Louisiana.gov > Division of Administration > Enterprise Resource Planning

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Agency Readiness

Have you appointed your Agency Implementation Lead? [Agency Implementation Guide](#)

Click here to verify your Agency's [Single Point of Contact and Implementation Lead](#) for accuracy. If changes are necessary, contact your Undersecretary to submit the updated information to LAGOV-ERP-Support@LA.GOV.

Every agency / department involved in the LaGov project is required to establish an Agency Implementation Team and identify an Agency Implementation Lead (AIL). The AIL is a representative of the agency and is responsible for directing the agency implementation team through completion of LaGov implementation tasks.

Agency Implementation Team

Agency Implementation Lead
 coordinates and manages the following functions:

- Communication throughout the agency
- Coordination of User Acceptance Testing
- Creation of Policy and Procedure Changes
- Coordination of End User Training
- Coordination of technical changes to Security, Interfaces and Workflow

Site Search GO



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Agency Implementation Guide

- **Section 4 - LaGov Enterprise Model**
 - ***General Ledger Accounts***
 - ***Cost Centers***
 - ***Internal Orders***
- **Section 5 - Agency Implementation Model**
 - ***Project Timeline***



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LaGov Electronic Notifications

The screenshot shows the Louisiana.gov website with the following elements:

- Breadcrumb:** Louisiana.gov > Division of Administration > Enterprise Resource Planning
- Text Size:** + -
- Navigation:** HOME, COMMISSIONER, OFFICES, INFORMATION, CONTACT
- Left Sidebar:** LAGOV ERP HOME, ABOUT, BLUEPRINT, REALIZATION, FINAL PREPARATION, SUPPORT, TRAINING, MAJOR MILESTONES, AGENCY READINESS, CONTACT LAGOV
- Main Content:**
 - Welcome**
 - LaGov** is Louisiana's Enterprise Resource Planning (ERP) project bringing one business system to the State of Louisiana. This new SAP system is a strategic business initiative for Louisiana State Government using technology as a tool to provide more transparency and accountability for the state. The state's many existing finance and logistics systems will be replaced by SAP and will be fully integrated with the other core systems - such as HR and Payroll. This investment to streamline business systems empowers state executives and employees to make decisions by providing instantaneous access to accurate, enterprise-wide and real-time information. [READ MORE.](#)
- Right Sidebar:**
 - What's New?**
 - See What's New!**
Meeting Dates, Project Timeline, Announcements, and more.
 - NEW - LaGov Electronic Notification**
Subscribe to receive project updates, training notifications, meeting notifications, and more.

308 Subscribers !



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Agency Readiness Activities

- ***Role Mapping***
- ***End-User Training Strategy***
 - ***Web-based vs. Instructor-Led***
- ***uPerform Tool***
 - ***Online help***



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Question & Answer Session